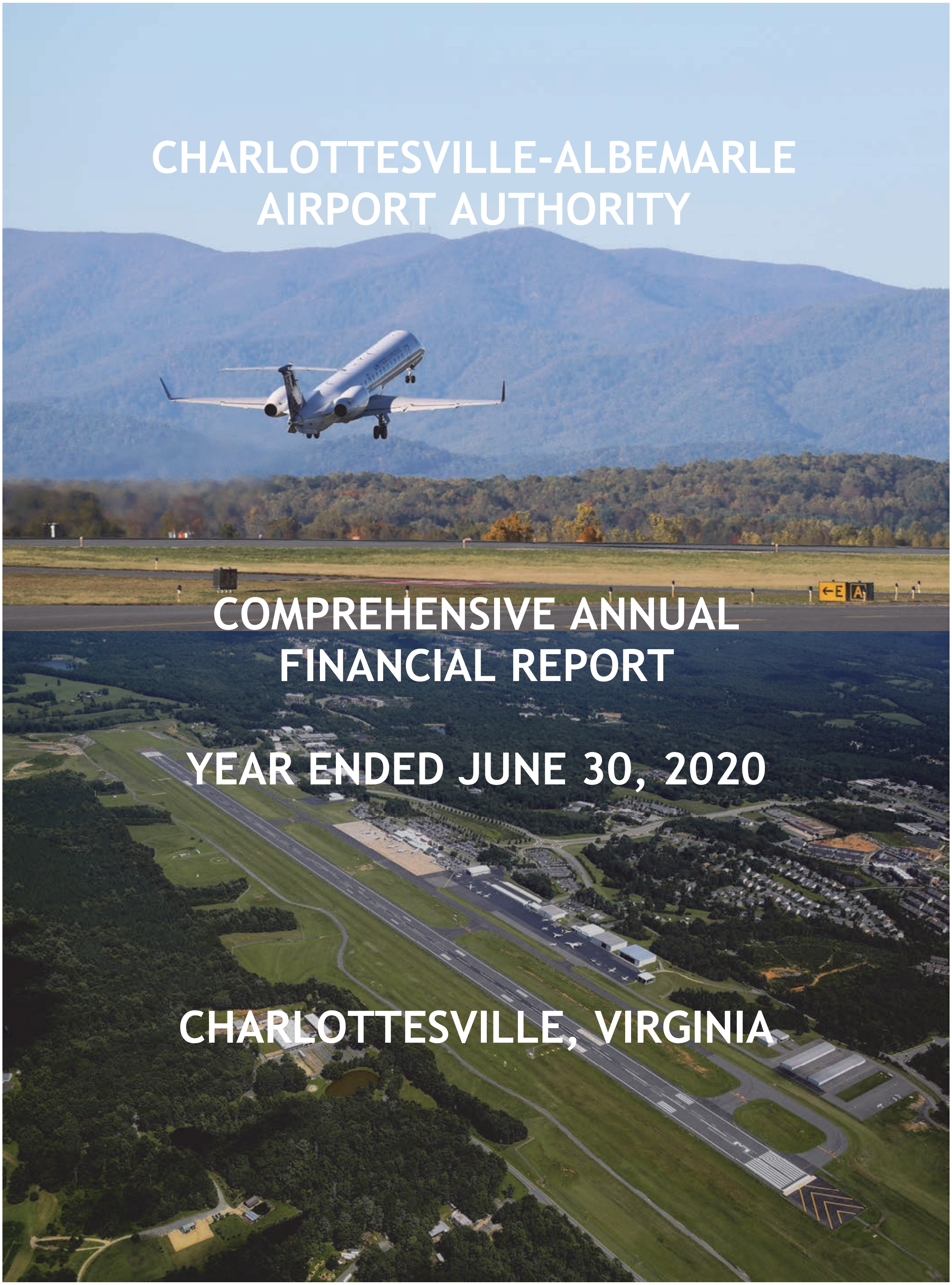

CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY

COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED JUNE 30, 2020

CHARLOTTESVILLE, VIRGINIA

Charlottesville-Albemarle Airport Authority
Charlottesville, Virginia
Comprehensive Annual Financial Report
Year Ended June 30, 2020

Prepared by the Administrative Division

Penny D. Shifflett
Director of Finance & Administration
www.gocho.com

CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY

COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2020

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CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY

COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2020

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Introductory Section

January 27, 2020

**DEAR HONORABLE MEMBERS OF
THE CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY:**

I am pleased to submit for your review and information the fiscal year 2020 Comprehensive Annual Financial Report of the Charlottesville-Albemarle Airport Authority (Authority).

This report is published in accordance with the requirements of the enabling legislation as enacted by the Commonwealth of Virginia creating the Authority as well as the master bond indenture of trust which governs the issuance of indebtedness by the Authority. Moreover, it was prepared in accordance with generally accepted accounting principles (GAAP) while the financial audit contained herein was performed in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. In addition to distribution of this report to Authority Board members, this report is also being transmitted to others interested in the financial condition of the Authority as required by Federal Aviation Administration (FAA) regulations as well as the Authority's bond indenture of trust.

Since this report consists of management's representations concerning the financial position of the Authority, herein management assumes full responsibility for the completeness and reliability of all information presented. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework that has been designed to protect the Authority's assets from loss, theft, or misuse as well as compiled sufficient reliable information for the preparation of the Authority's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Authority's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this report is complete and reliable in all material respects.

The goal of the independent audit is to provide reasonable assurance that the financial statements of the Authority for the year ended June 30, 2020 are free of material misstatement. The independent audit involves examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and any significant estimates made by management and evaluating the overall financial statement presentation. The independent auditor concluded, based upon their audit, that there was a reasonable basis for rendering an unmodified ("clean") opinion and that the Authority's financial statements for the year ended June 30, 2020 are in conformity with GAAP. The independent auditors' report is the first component of the Financial Section of this report.

The independent audit of the financial statements is part of the broader mandated provisions of the Single Audit Act of 1996 and Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), relative to financial funds received from the U.S. Government, the Specifications for Audits of Authorities, Boards, and Commissions issued by the Auditor of Public Accounts of the Commonwealth of Virginia relative to financial funds received from the Commonwealth of Virginia, and also, in conformity with the provisions of the September 2000 Passenger Facility Charge Audit Guide for Public Agencies issued by the Federal Aviation Administration for its Passenger Facility Charge Program. The standards governing these provisions require the independent auditor not only to report on the fair presentation of the financial statements, but also on the Authority's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. See the independent auditors' reports presented in the Compliance Section of this report for further information and discussion of these standards.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the financial statements in the form of a Management Discussion and Analysis (MD&A). One should read this letter of transmittal in conjunction with the MD&A that is located immediately following the report of the independent auditors in the Financial Section of this report.

The information presented in the Financial Section of this report is best understood when it is considered from the broader perspective of the specific environment within which the Airport operates. The Authority's economic condition is a composite of its financial health and its ability to meets its financial obligations and service commitments.

The Authority

The Authority was created by the 1984 Acts of Assembly, Chapter 390, Virginia General Assembly, and is currently operating under the authority of the law of the Commonwealth of Virginia, Chapter 864 of the Acts of the Virginia General Assembly (2003), and is organized and exists as an independent political subdivision of the Commonwealth of Virginia.

The Authority is organized for the purpose of acquiring, constructing, reconstructing, maintaining, repairing and operating an airport to serve the needs of the City of Charlottesville, Virginia (City), the County of Albemarle, Virginia (County), and surrounding region. The Enabling Act provides that the Authority is authorized to issue revenue bonds for any of its purposes solely from the tolls and revenues pledged for their payment; to fix and revise from time to time and charge and collect rates, fees, rentals and other charges for the use of the Airport; to make and enter into all contracts and agreements necessary or incidental to the performance of its duties and the execution of its powers under the Enabling Act; and to do all things necessary and convenient to carry out the powers under the Enabling Act; and to do all acts and things necessary and convenient to carry out the powers expressly granted in the Act. The Authority is also responsible for establishing financial policies. These policies had no significant impact on the current period's financial statements.

Prior to the creation of the Authority, the City and the County jointly operated the Airport through the Charlottesville-Albemarle Airport Board (Board). In October 1984, the Board conveyed the Airport to the Authority. By joint resolutions, the governing bodies of the City and County dissolved the Board, and the Authority commenced Airport operations. Neither the City nor the County are required to approve issuance of bonds or incurrence of indebtedness by the Authority.

The Authority consists of three members: the City Manager of Charlottesville, or his/her principal assistant, as chosen by the City Council of Charlottesville; the County Executive of Albemarle County, or his/her principal assistant, as chosen by the Board of Supervisors of Albemarle; and one member of the Charlottesville-Albemarle Joint Airport Commission (Commission). The Commission is an advisory body comprised of residents of Charlottesville and Albemarle County, as appointed by the City Council and the County Board of Supervisors.

Economic Condition and Outlook 2020
Jason Burch, Deputy Executive Director

The Charlottesville-Albemarle Airport (CHO) is located in the geographic center of the Commonwealth of Virginia, eight miles north of the City of Charlottesville. Bordered on the west by the Blue Ridge Mountains, CHO is strategically positioned midway between Boston and Atlanta. Charlottesville and Albemarle County, CHO's primary market, is business-minded with a diversity of industries including manufacturing, medical services, life sciences, and technology. It is a fundamentally sound region economically, with CHO serving as part of a well-developed air transportation network to the area. CHO is supported by 10 counties, with 2 of those counties across the mountains in the Shenandoah Valley. Its outstanding location provides easy access for major airlines to connect to major airport hubs along the east coast.

In 2020, the Charlottesville-Albemarle area faced the same economic challenges as the rest of the nation. The economic fallout from COVID-19 caused several challenges for the air transportation industry. CHO was no exception. The demand for travel was significantly reduced and the airlines responded with less service options. Almost immediately, airlines saw a decrease in passengers as flights were canceled, entrance to a number of countries was denied, and borders were shut down. By the end of March, with a COVID-19 positivity rate of 20 percent, the Commonwealth of Virginia was closed except for essential businesses. CHO is essential to the communities it serves, and, as such, continued to operate without interruption. All essential employees were placed on a rotation cycle that limited their interaction with other employees, and non-essential airport employees were required to work from home; passenger traffic declined considerably. At the beginning of the year, CHO was serving more than 2,000 passengers daily; by late April, the average daily passenger count was less than 100.

Congress passed the CARES Act in March, 2020 to help citizens, small businesses, transportation organizations, and many other industries in America. This aid allowed these groups to continue to function through the pandemic. As part of the CARES Act, funds were granted to the FAA to distribute to all commercial and general aviation airports across the country. CHO's allotment was based on the amount of debt and traffic it had in 2018. These funds have helped CHO maintain necessary operating revenue to provide service until passengers and flights return.

By the end of June, 2020 in Central Virginia, most people who were still employed could physically return to work, although working from home remained an option for those without childcare and those with a high risk of contracting the virus. Schools in Charlottesville and the surrounding counties transitioned to online instruction or a rotation format where students attended school two days a week. Many daycare facilities stayed open for the children of essential employees.

As the year continued, the state established a Rebuild Virginia Grant Fund to specifically help small businesses with gross revenue of less than $10 million or fewer than 250 employees. Businesses could collect from $10,000 to $100,000. Charlottesville City also delivered $750,000 in relief to 128 small businesses through their small business relief grant. Late in the year, CHO saw an uptick in daily passenger count, consistent with airline travel in the rest of the country. This increase was due in part to the rise in air travel business traditionally seen because of holiday travel from October through January.

Early into the pandemic, CHO began following all Centers for Disease Control (CDC) and state guidelines to keep passengers as safe as possible and will continue to do so. The airport has increased the use of disinfecting products and has implemented daily, weekly, and monthly cleaning schedules. In December 2020, Virginia experienced a spike in COVID-19 cases with a positivity rate of 16 percent. Restrictions were put in place statewide to help slow the spread of the virus. Two vaccines recently approved by the FDA are now being given to healthcare workers and high-risk individuals. The CDC estimates that the vaccine will be available to the general public by mid-year 2021.

Economic Condition and Outlook 2020: (Continued)

The Greater Charlottesville Region has a broad range of major employers, representing a variety of industries, sizes, and products or services. This broad range of employers demonstrates that the assets of Central Virginia can support a variety of businesses, lead to long-term COVID-19 recovery, and provide an opportunity for additional growth and overall success for the region.

Although tested, the region's economy remained steady thanks to the area's large employers such as the University of Virginia and Sentara Martha Jefferson Hospital. With over 20,000 employees, UVA remains a commodity in the region moderating many recessionary economic forces. The development of two research parks, the University of Virginia Research Park and Fontaine Research Park continues through the University of Virginia Foundation. The Foundation is focused on creating business and research partnerships between the private sector and the University.

Sentara Martha Jefferson Hospital, a community hospital facility is also recognized as being among the best health-care facilities in the United States by U.S. News and World Report. Because of their missions, services and propensity to generate significant employment opportunities and payroll, both the University of Virginia and Sentara Martha Jefferson health systems will continue to be catalysts for economic activity in this region.

The opportunity for jobs in the region is supported by a vast quality of life that is second to none. The area provides countless opportunities to enjoy sophisticated cultural activities, with a number of art museums and galleries, indoor and outdoor performance spaces, vineyards, quaint downtowns, and music venues from small outdoor amphitheaters to large stadiums. The most recognizable and distinguishable attractions in the region include Thomas Jefferson's Monticello, the University of Virginia, the historic Charlottesville downtown area, Michie Tavern, Ash Lawn and Montpelier. Prior to the pandemic, Monticello attracted approximately a half of a million guests each year. A host of additional cultural and entertainment venues attracted additional visitors. These venues include the Charlottesville Pavilion located on the east end of the historic Charlottesville Downtown Mall, the Paramount Theatre, and the John Paul Jones Arena located just north of the city. The arena holds 16,000 seats, and is the first facility in the country built by a public university almost entirely from private funds. It is home to the University Men's and Women's Basketball teams and holds the title of the largest arena in the Commonwealth of Virginia. All three of these venues attract internationally renowned music and entertainment artists throughout the year.

Virginia's wine industry also continues to be quite prominent in the regional economy. The Commonwealth ranks fifth in the nation for both bearing acreage and grape production. Over half of Virginia's 2,000 vineyard acres grow within the Monticello American Viticultural Area (AVA).

The economic activity generated through the health care, biotechnology, government and travel/tourism industries in this region will continue to yield opportunities for all forms of aviation to prosper and grow at CHO. Along with this established and proven strong regional economy, the promise of the vaccine and a second federal stimulus package, the airport's commitment to continuous cleaning and safety protocol, and an ongoing increase in passenger counts, the economic outlook for the Charlottesville-Albemarle Airport as we move into 2021 is cautiously optimistic.

Airport Outlook
Melinda Crawford, Executive Director

The financial outlook of the Authority is primarily dependent upon the number of passengers as well as the landed weights of aircraft utilizing CHO. As in prior years, passenger levels, in turn, are dependent upon several factors, including the economic condition of the airlines, which influences the airlines' ability to continue or add new service; the local and national economy, which affects the consumers' willingness to purchase air travel; and the cost of airline tickets. In March 2020, the world-wide Coronavirus pandemic was another major factor that began to negatively impact air traffic throughout the world and at CHO.

CHO served a record breaking 752,452 total passengers in FY19 or roughly an average of 62,704 passengers per month. CHO continued to see passenger growth during the first eight months of FY20 with passenger traffic increasing by 7.4% year-to-date over the prior year. The airlines supported this passenger growth by providing over 50 daily flight operations with an average of 1,360 daily outbound seats. However, when the pandemic began to spread throughout the world in late March, CHO's passenger traffic began to quickly decline. During the month of March 2020, CHO saw a 38,362 reduction or a -55% decline in passenger traffic, but the airlines continued to provide over 50 daily flight operations to six major hubs (Charlotte (CLT), Atlanta (ATL), Philadelphia (PHL), Chicago (ORD), New York (LGA), and Washington DC (IAD)). In April, CHO's passenger traffic plummeted by 66,376 from the month of April 2019 with CHO only serving 2,262 total passengers during the entire month of April. This was a -97% reduction in passengers from the prior year causing CHO to fall back to pre-1970 passenger levels. The airlines began to respond to declining passenger traffic by reducing their operations to 10 per day with daily outbound seat counts dropping to an average of 761.

This trend of drastic passenger reductions was being experienced at airports across the country, and it was reflected in TSA's reports of the number of passengers it had screened nation-wide, but passenger traffic began to rebound slightly in May 2020 with CHO's passenger reduction coming up to -93%. However, the trend in airlines reducing their service continued into May 2020 with total daily flight operations dropping to 8 per day and total daily outbound seats dropping to an average of 263. It was during this time period that CHO's airlines took some destinations out of the schedule and began to limit their flights to their major hubs of American Airlines to Charlotte (CLT), Delta Air Lines to Atlanta (ATL) and United Airlines to Washington DC (IAD).

Growing passenger counts continued its trend into June 2020 with CHO serving 8,830 total passengers which was an -87% reduction from June 2019, and the airlines began to slowly add back flights to provide an average of 10 daily flight operations in June with 286 daily outbound seats. This trend of increased passenger traffic and returning airline service continued through the remainder of calendar year 2020 with the airlines offering an average of 18 daily flight operations in November 2020 with an average of 547 daily outbound seats being available for CHO's passengers. Given the significant impact of the pandemic, it was understandable to find that CHO's FY20 passenger counts had dropped by over 25% from FY19 with CHO only serving 563,131 total passengers.

The legislative leaders of our country saw the devastating impact that COVID-19 was having on the entire aviation industry, and they recognized the importance of airports to our nation's economy. In order to help airports survive the pandemic, they included a generous airport relief package in the March 2020 CARES Act. As a result of the CARES Act, the Authority was awarded an FAA grant in the amount of $6,279,972 which could be used to reimburse the Authority for any eligible operating expense incurred since January 20, 2020 and any debt service incurred since March 27, 2020. This financial assistance has allowed the Authority to cover its expenses during a time when Airport revenues have dropped drastically due to the loss of passengers and passenger-dependent revenues such as the parking income. It is anticipated that additional federal funding for airports will be included in the nation's next stimulus package, and a portion of these funds should also be available to further assist CHO in its recovery from the pandemic.

Airport Outlook: (Continued)

When the pandemic began to impact CHO's operations, staff, with the Board's concurrence, instituted restrictions on spending and limited expenditures to only fund expenses needed for the completion of on-going projects and for operational purchases when deemed necessary by the Deputy Executive Director. A hiring freeze was put in place and only vacant "essential" positions would be filled. As a result of these measures, the FY21 Operating and Capital Budget which reduced annual operating expenses from the FY20 budget by $857,700 or 9.8%, was developed in June 2020. CHO has continued to decrease expenses while taking steps to improve our cleaning and sanitizing activity which is needed to restore the traveling public's confidence in their airport facilities.

During this same period, the Authority recognized the financial struggles of its terminal tenants and concessionaires. In response to their hardship, the Authority waived all minimum annual guarantees required for those tenants but they were still required to pay percentage rent in accordance with their agreements. This financial concession will continue to be reviewed throughout FY21.

As illustrated in the Economic Outlook, the region surrounding the Airport provides economic strength, as well as an exemplary quality of life which only enhances the area's ability to attract and retain high-quality employers in industries such as health services, education, and tourism. In addition, the region's historical experience in prior recessions demonstrates an economic strength that diminishes the impact during lean years, with an enhanced growth rate during recovery periods. The region's economic strength during national hardships or economic downturns has been reflected at CHO which was exemplified on at least two occasions. The first was the impact that the terrorist attack of 9/11 had on the entire country and the aviation industry. Following the attack, airlines realigned their air service and airports across the country lost scheduled flights and passengers. That did not happen at CHO, because passenger traffic declined during the month of September that year but rebounded the following month. In 2008 when the nation faced a monumental economic recession, airports across the country again lost flights and passenger traffic. CHO experienced a 1.4% decline in passenger traffic in FY08, but remained stable in FY09. By FY10, CHO was on the way to steady passenger grown. Given CHO's past ability to weather economic downturns and the region's long-term economic potential, we remain confident of CHO's ability to potentially grow and prosper as the nation and the aviation industry recover from this pandemic.

Capital Planning & Major Initiatives

Each year the Authority adopts a six-year capital improvement program to dedicate funding for anticipated aviation safety, capacity, preservation and security projects at CHO. The plan is designed to address deficiencies that have been identified with the Authority's infrastructure/facilities and to implement objectives and priorities with an overall goal of meeting the needs of CHO users while maximizing financial contributions from the Federal Aviation Administration (FAA), the Virginia Department of Aviation (VDOA), and the Authority's Passenger Facility Charge (PFC) program.

During the period from FY9 to FY19, CHO experienced a 117% growth in passenger traffic. This consistent and significant increase in passengers directly impacted the projects that have been included in the Authority's six-year capital plan so that CHO can continue to keep up with capacity and security issues. One capacity project that was undertaken in FY20 was the expansion of the economy surface parking lot which added about 100 spaces to the airport's inventory of public parking spaces. This project was completed by Sargent Construction. Shortly after this project was completed, the pandemic began to impact passenger traffic and the number of people using the Authority's parking lots drastically dropped. Due to the very limited number of passengers using the parking lots, staff was able to secure bids and move forward with repairing and repainting of the long-term and short-term lots which had not been worked on for years due to the lots always remaining at maximum capacity. A project to convert much of the landside lighting to LED was also completed during this down time in passenger activity.

Capital Planning & Major Initiatives: (Continued)

The authorization for the CARES Act grant allowed for an airport to use all or a portion of its CARES grant for the funding of capital projects. The Authority elected to use 100% of its CARES Act grant for operations and debt service and will not be using any of the funds for capital projects.

A project to design an entry pavilion to provide climate-controlled ingress/egress to the long-term parking lot was completed in FY19, and bids for the project were received on June 26, 2019. The engineer's estimate for the project was $4 million, but the lowest bid received was approximately $7 million. Due to the unanticipated increased cost of this project, the bids for the project were rejected, and the project will be value-engineered and re-designed using an FAA entitlement grant beginning September 2020.

A project to design an air carrier ramp expansion project was also completed in FY19, and bids for construction of this project were received on June 26, 2019. The Authority awarded this $7.9 million project, which allowed for the construction of four additional aircraft parking spaces, to Sargent Corporation.

The expansion of the air carrier ramp to the north of the terminal required that Taxiway Echo be relocated to the north of its existing location. An FAA grant was secured in September 2020 that will design and construct this project. The FAA also extended a grant offer in September to fund a design project to convert all airfield runway/taxiway lighting and signage to LED.

During the Runway Rehab project, the airport's Medium Intensity Approach Lighting System with Runway Alignment Indicator Lights (MALSR) was found to be out of alignment and was deactivated in July 2017. Staff has worked with the FAA to reactivate the system, and a project to design and perform the required improvements is underway. It is anticipated that the work and FAA process will be completed in early FY21.

The Authority secured the services of Parrish and Partners to complete its Terminal Area Master Plan. This study project will provide a comprehensive plan for terminal area development. The study was slated to be funded 100% by PFC revenues, but the pandemic caused a significant reduction in passenger traffic and the related PFC receipts. As a result of this lost revenue, the Authority amended its Virginia Department of Aviation Entitlement Utilization Report and Plan to allow the project to be funded with a combination of state entitlements and PFCs.

Terminal projects continue to be addressed as the original terminal systems age and require refurbishment or replacement. Some of the terminal systems that have been identified for improvement or replacement include the emergency generator system, escalators, elevators, and baggage claim devices. The purchase of additional airfield and operational equipment is also included in the capital plan.

Financial Controls

Accounting and Budgetary Controls

Although no cost-effective set of accounting controls can guarantee complete freedom from unauthorized use of assets or errors in reporting financial data, existing Authority procedures provide reasonable assurance that assets are properly recorded and protected and that financial information can be confidently used in the preparation of reports, historical summaries, and projections.

Financial Controls: (Continued)

Accounting and Budgetary Controls: (Continued)

Because the Authority is designed to be a self-supporting and self-sustaining entity, the measurement focus of its financial accounting system is on the preservation of capital. Closely related to this accounting focus, which determines what is measured, is the basis of accounting, which determines when transactions are recognized. To this end, the Authority uses the full accrual basis of accounting, where revenues are recognized in the period in which they are incurred, regardless of the actual receipt or disbursement of cash.

The Authority is responsible for establishing and maintaining an internal control structure designed to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with GAAP. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: 1) the cost of a control should not exceed the benefits likely to be derived from its use; and 2) the valuation of costs and benefits requires estimates and judgments by management.

Through its Indenture of Trust and residual airline use agreement (which is currently in a hold-over status), the Authority is required to prepare and adopt an annual operating budget. The annual budget corresponds to the fiscal year (July 1- June 30), and is prepared and adopted as follows:

1. Division heads/account holders prepare preliminary operating budgets and submit them for compilation and review.

2. Airline rates and charges are calculated based upon the anticipated level of expenses, debt service, and capital asset acquisition.

3. The preliminary budget is presented to the signatory airlines for review.

4. The preliminary budget is presented to the Authority for review and approval.

5. After adoption, increases in the budget greater than $15,000 per transaction are made only upon Authority approval. The budget lapses at the end of the fiscal year for all accounts except multi-year construction projects and specific re-appropriations for funds committed at year-end for which goods and/or services have not been received.

Airline Use Agreements

The Authority operates within the provisions of an Airline-Airport Use and Lease Agreement. The agreement is comprised of a revenue/deficit sharing arrangement whereby all year-end net income deficits are debited to signatory airlines. Other than the annual revenue covenant coverage appropriation to the Authority, the fiscal year budget is calculated to result in a break-even posture. All operational debt service is included in the airline rates. The use agreement allows a majority-in-interest vote for eligible airlines for capital improvement appropriations in excess of the annual operating budget and specifically defined costs. The current use agreement expired June 30, 2010. A replacement agreement has not been completed, but continues in negotiation. Both the airlines and the airport continue to operate within the hold-over provisions established by the agreement and the airlines continue to provide the required insurance, bonds, etc. until the new agreement is finalized.

Financial Controls: (Continued)

Independent Audit

State statutes and federal regulations require that an annual audit be conducted for the Authority by an independent certified public accountant. The accounting firm of Robinson, Farmer, Cox Associates has been retained by the Authority for this purpose. In addition to meeting the requirements set forth in statutes, this audit is also designed to meet the requirements of the federal Single Audit Act of 1984 and related Uniform Guidance. The auditors' report on the basic financial statements is included in the financial section of this report while reports relating to the single audit and the passenger facility charge program are located in the compliance section.

Management's Discussion and Analysis

The management's discussion and analysis is included in the Financial Section of this report and is intended to provide the reader with an introduction to and overview of the Authority's financial statements.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Authority for its 2019 Comprehensive Annual Financial Report (CAFR). This represents twenty-nine years that the Authority has received this Certificate. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, which conforms to established program standards. The Authority is confident that this report continues to conform to the Certificate of Achievement program requirements, and will be submitted to GFOA for consideration for award.

Acknowledgments

While preparation of the comprehensive annual financial report is completed by the Executive Director and the Director of Finance and Administration, the participation and performance of all purchasers and managers are crucial for the fiscal success of the Airport. In addition, the leadership of the Executive Director and the Authority Board in setting the highest financial standards for professionalism create the framework in which the staff is able to undertake the mission of providing an economical, safe, and pleasing airport environment conducive to allowing all forms of air travel to thrive for the benefit of Charlottesville, Albemarle and surrounding communities.

Respectfully submitted,

Penny D. Shifflett

Penny D. Shifflett
Director of Finance and Administration

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CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY
PRINCIPAL OFFICIALS AS OF JUNE 30, 2020

CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY BOARD

Chairman
Donald D. Long, Attorney, Flora Pettit

Vice-Chairman
Jeff Richardson, County Executive, County of Albemarle

Dr. Tarron Richardson, City Manager, City of Charlottesville

CHARLOTTESVILLE-ALBEMARLE JOINT AIRPORT COMMISSION

Chairman
Chris Engel

Vice-Chairman
J. Addison Barnhardt

Donald D. Long

Steven Hiss

John Mattern III

Michael Prichard

Eric Walden

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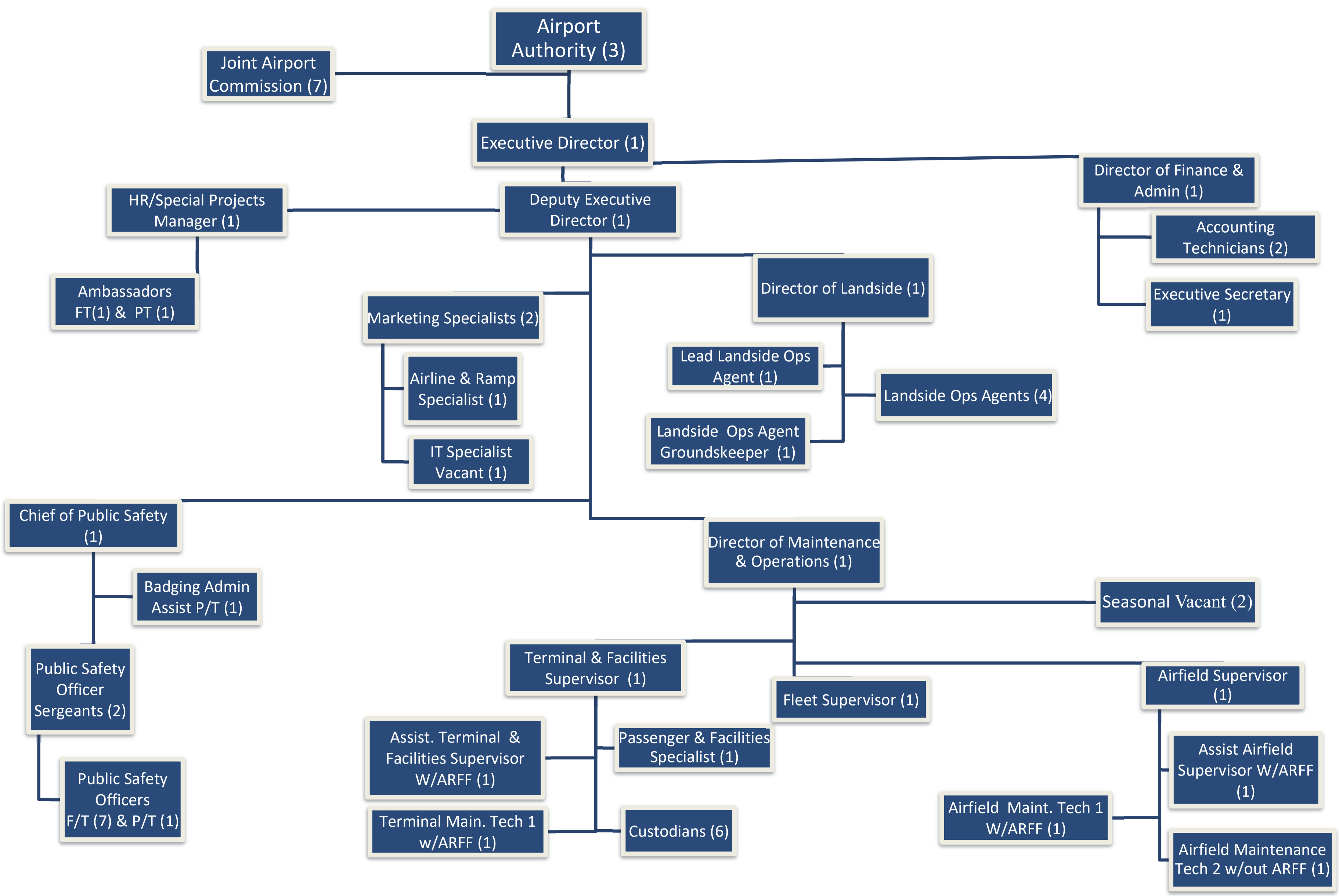
Charlottesville Albemarle Airport FY20 Organizational Chart

45 Full Time (F/T), 3 Part Time (P/T), 2 Seasonal



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Charlottesville-Albemarle Airport Authority

Vision

Charlottesville-Albemarle Airport is Central Virginia's Airport of Choice.

Mission

To provide a world class airport that enthusiastically serves its customers through extreme:

- Convenience
- Cleanliness
- Safety & Security
- Enhanced Air Service

Values

- Honesty
- Respect
- Integrity
- Loyalty
- Passion
- Environmental Conscientiousness

Organizational Goal Categories

- Cost Effectiveness
- Growth
- Safety
- Customer Focus
- Employee Focus
- Productivity
- Communication

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Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Charlottesville-Albemarle Airport Authority
Virginia

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Executive Director/CEO

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Financial Section

ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

CPAs | Consultants

Independent Auditors' Report

To The Honorable Members of The
Charlottesville-Albemarle Airport Authority
Charlottesville, Virginia

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of Charlottesville-Albemarle Airport Authority, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Authorities, Boards, and Commissions,* issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Charlottesville-Albemarle Airport Authority, as of June 30, 2020, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedules related to pension and OPEB funding on pages 23-31 and 77-82 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Charlottesville-Albemarle Airport Authority's basic financial statements. The introductory section, other supplementary information, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the schedule of passenger facility charge program receipts and expenditures as specified in the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration (Guide) are presented for purposes of additional analysis and are also not a required part of the basic financial statements.

The other supplementary information, schedule of expenditures of federal awards, and schedule of passenger facility charge program receipts and expenditures are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information, the schedule of expenditures of federal awards, and schedule of passenger facility charge program receipts and expenditures are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Report on Summarized Comparative Information

We have previously audited Charlottesville-Albemarle Airport Authority's 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 23, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 19, 2021, on our consideration of Charlottesville-Albemarle Airport Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Charlottesville-Albemarle Airport Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Charlottesville-Albemarle Airport Authority's internal control over financial reporting and compliance.

Robinson Farmer Cox Associates

Charlottesville, Virginia
January 19, 2021

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MANAGEMENTS' DISCUSSION AND ANALYSIS

This Management Discussion and Analysis (MD&A) provides an introduction and overview to the Authority's financial statements for the fiscal year ended June 30, 2020. It is unaudited and should be read in conjunction with the financial statements, and notes thereto, which follow in this section.

Basic Financial Statements

The Authority's basic financial statements include three statements: the Statement of Net Position, the Statement of Revenues, Expenses and Changes in Net Position and the Statement of Cash Flows. The financial statements are prepared in accordance with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB).

The Statement of Net Position depicts the Authority's financial position on June 30, 2020, the end of the Authority's fiscal year. The Statement shows all of the financial assets and liabilities of the Authority. Net position is the difference between a) assets and deferred outflows of resources and b) liabilities and deferred inflows of resources. Net investment in capital assets represents capital assets, less accumulated depreciation, less any outstanding debt related to the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position.

The Statement of Revenues, Expenses and Changes in Net Position reports operating revenues, operating expenses, nonoperating revenues, nonoperating expenses, contributed capital and changes in net position during the fiscal year ended June 30, 2020. The Statement of Revenues, Expenses and Changes in Net Position is prepared on the accrual basis, recognizing revenue when earned and expenses when incurred.

The Statement of Cash Flows presents information on how the Authority's cash and cash equivalents position changed during the fiscal year, as well as illustrates the reconciliation of operating income to net cash provided by operating activities. Cash receipts and payments are classified as Operating Activities, Capital and Related Financing Activities, and Investing Activities.

Airport Activities and Highlights

From an operational standpoint, the Authority had a steady increase in activity in relation to the prior fiscal year up until the effects of COVID spread worldwide. Passenger enplanements decreased 25% to 282,282. Parking revenue decreased 25% and airline revenue decreased 20%. Both of these revenue streams are directly related to the decrease in passenger traffic.

Airport Activities and Highlights: (Continued)

In FY20, the Authority experienced increases and decreases in the three categories of aircraft operations. This activity had minimal impacts on the financial aspect of the airport. However, the decrease in commercial operations resulted in a 16% decrease in airline landing revenue.

	FY 2020	FY 2019	FY 2018
Enplanements (persons)	282,282	378,441	348,922
Aircraft Landed Weights (1000's of lbs)	381,308	454,006	401,698
Operations (take-off & landings):			
Commercial	27,152	30,980	27,975
General Aviation	61,253	57,666	49,310
Military	10,717	8,935	8,495
Total Operations	**99,122**	**97,581**	**85,780**

Financial Highlights

Summary of Operations & Changes in Net Position

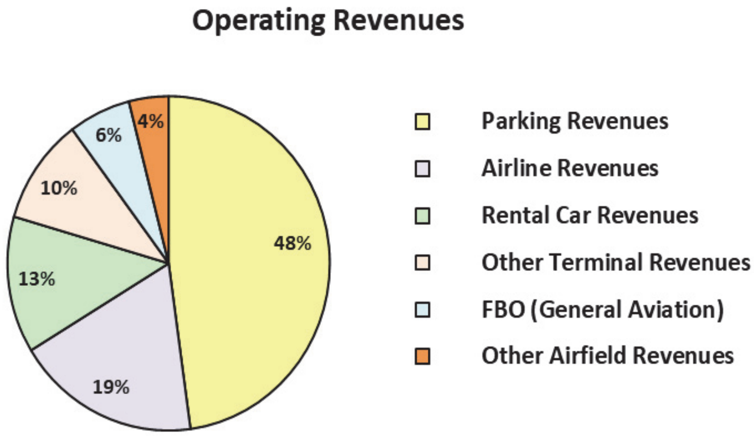
A summary of the Authority's Operations and Changes in Net Position at June 30, 2020 is set forth below:

Summary of Operations & Changes in Net Position	2020	2019	2018
Operations:			
Revenues	$ 7,084,598	$ 8,819,889	$ 8,018,130
Expenses	(7,131,021)	(6,514,736)	(5,272,630)
Income/(loss) before depreciation & nonoperating income/(expenses)	(46,423)	2,305,153	2,745,500
Nonoperating income/(expenses)	3,071,791	12,820	37,142
Income/(loss) before capital contributions & depreciation	3,025,368	2,317,973	2,782,642
Depreciation	(4,621,108)	(4,390,045)	(4,009,552)
Income/(loss) before capital contributions	(1,595,740)	(2,072,072)	(1,226,910)
Capital contributions	5,554,461	5,709,064	11,257,329
Net Position:			
Increase in net position	3,958,721	3,636,992	10,030,419
Total net position, beginning of year, as restated	117,388,288	113,751,296	103,720,877
Total net position, end of year	**$ 121,347,009**	**$ 117,388,288**	**$ 113,751,296**

Implementation of GASB 75 resulted in a restatement of FY18 beginning balances in the amount of $154,000. The 3.37% increase in net position for FY20 is primarily related to the CARES funding that allowed the airport to cover any incidents where revenues fell short of expenses.

Operating & Non-operating Revenue Highlights

The following chart shows the major sources and percentage of operating revenues for the fiscal year ended June 30, 2020:



As illustrated in the Statistical section of this document, parking revenue, airline revenue and rental car revenue have remained the primary sources of revenues; parking revenue has grown from 44% of operating revenue in FY 2011 to 48% in FY 2020. As non-airline revenue streams (i.e. parking, rental car, concessions, and FBO) have increased, airline revenue has decreased in its percentage of operating revenue from 19% in FY 2011 to 18% in FY 2020.

A summary of revenues for the year ended June 30, 2020 follows:

Summary of Revenues	**2020**	**2019**	**2018**
Operating:			
Parking Revenues	$ 3,388,989	$ 4,584,850	$ 4,344,293
Airline Revenues	1,307,622	1,652,304	1,542,524
Rental Car Revenues	936,467	1,124,349	1,070,117
Other Terminal Revenues	728,712	772,585	467,501
FBO (General Aviation)	441,374	498,130	455,932
Other Airfield Revenues	281,434	187,671	137,763
Total Operating Revenues	$ 7,084,598	$ 8,819,889	$ 8,018,130
Nonoperating:			
Interest Income	$ 28,203	$ 27,212	$ 11,757
Gain (loss) on disposal of assets	-	28,151	41,495
Insurance recovery	8,455	-	-
Agency Reimbursements	-	190,000	285,000
CARES Grant	3,210,980	-	-
Total Nonoperating Revenues	$ 3,247,638	$ 245,363	$ 338,252
Total Revenues Prior to Capital Contributions	**$ 10,332,236**	**$ 9,065,252**	**$ 8,356,382**
Capital Contributions	5,554,461	5,709,064	11,257,329
Total Revenues	**$ 15,886,697**	**$ 14,774,316**	**$ 19,613,711**

Operating & Non-operating Revenue Highlights

The decreases in all categories of revenues except for "Other Airfield Revenues" category are directly related to the pandemic and its effect on the travel industry. The increase of 50% in "Other Airfield Revenues" is a result of state entitlement funds that were approved to cover certain airfield maintenance expense items.

Operating & Non-operating Revenue Highlights (Continued)

Nonoperating revenues increased 1224%, compared to a prior year decrease of 27%. The fluctuation in this category is attributed to the receipt of CARES Act funding in the amount of $3,210,980.

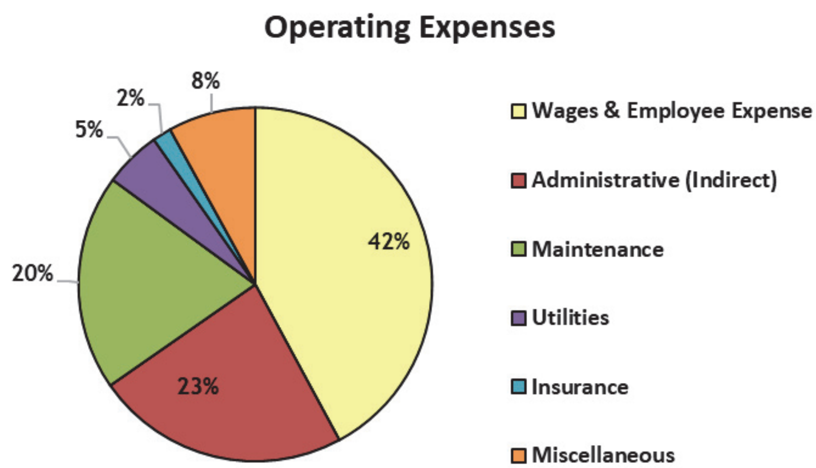
Capital Contributions

Capital contributions slightly decreased by 2% in FY20.

Operating & Nonoperating Expense Highlights

The following chart illustrates the major sources and percentage of operating expenses for the fiscal year ended June 30, 2020:

Wages includes all employee wages except administrative wages, and all Authority-paid taxes and benefits, as well as associated employee costs such as training and uniforms. Administrative costs are traditional indirect expenses and include administrative wages and employee costs, advertising and promotion expense, legal expenses, and miscellaneous professional fees. Maintenance expenses cover not only traditional building systems, but landside, roadway, and airfield pavement, lighting systems and equipment repairs as well.



A summary of the expenses for the year ended June 30, 2020 follows:

Summary of Expenses	**2020**	**2019**	**2018**
Operating:			
Wages & Employee Expense	$ 3,003,228	$ 2,656,746	$ 1,972,599
Administrative (Indirect)	1,655,187	1,679,472	1,511,545
Maintenance	1,407,754	1,142,432	943,033
Utilities	370,544	365,582	348,013
Insurance	123,316	90,492	77,902
Miscellaneous	570,992	580,012	419,538
Total Operating Expenses	$ 7,131,021	$ 6,514,736	$ 5,272,630
Nonoperating:			
Interest Expense	$ 18,829	$ 84,967	$ 123,528
Rental Car Service Facility Expense	157,018	147,576	139,384
Write-off of stopped projects	-	-	38,198
Total Nonoperating Expenses	$ 175,847	$ 232,543	$ 301,110
Total Expenses	**$ 7,306,868**	**$ 6,747,279**	**$ 5,573,740**

Operating & Nonoperating Expense Highlights: (Continued)

Overall, the Authority has been able to keep expenses relatively steady during the pandemic. The decrease in passenger traffic did allow for some maintenance projects on the parking lots which would have been a logistical challenge had the lots been at full capacity like they were pre-COVID. While staffing levels were maintained, duties were added to include enhanced cleaning efforts across departments and cleaning supplies were assessed and modified to ensure adequate safety standards. These modifications and parking lot projects resulted in the 25% increase in maintenance expenses in F20.

Financial Position Summary

The Statement of Net Position reports the Authority's financial position as of June 30, 2020. It represents the Authority's assets and deferred outflows of resources after deducting liabilities and deferred inflows of resources. Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $121,347,009 at June 30, 2020, a 3.37% or $3,958,721 increase over June 30, 2019.

A condensed summary of the Authority's total net position at June 30, 2020 is set forth below:

		2020		2019		2018
Assets:						
Current unrestricted assets	$	5,279,096	$	4,139,283	$	2,635,318
Restricted assets		13,718,498		13,631,629		12,011,541
Capital assets		107,834,790		103,917,385		104,474,746
Total assets	$	126,832,384	$	121,688,297	$	119,121,605
Deferred outflows of resources	$	555,066	$	383,847	$	388,072
Liabilities:						
Current liabilities	$	3,696,855	$	1,523,496	$	2,205,415
Noncurrent liabilities		2,231,745		3,004,965		3,320,871
Total liabilities	$	5,928,600	$	4,528,461	$	5,526,286
Deferred inflows of resources	$	111,841	$	155,395	$	232,095
Net Position:						
Net investment in capital assets	$	106,033,013	$	101,715,374	$	101,441,432
Restricted		11,635,927		12,910,019		11,061,212
Unrestricted		3,678,069		2,762,895		1,248,652
Total Net Position	**$**	**121,347,009**	**$**	**117,388,288**	**$**	**113,751,296**

Financial Position Summary: (Continued)

Net Position is comprised of three components as follows:

Investment in capital assets (e.g. land, buildings, equipment, etc.) net of depreciation and less the outstanding indebtedness used to acquire the assets, increased 4.24% which resulted from capitalizing completed projects such as a parking lot expansion and a project that upgraded the airport's flight information, baggage information and public announcement system. This category represents 87% of the Authority's net position as of June 30, 2020.

Restricted net position (10% of total net position) includes funds that are restricted in use such as the PFC funds, federal and state grant funds, and Customer Facility Charge (CFC) funds less related liabilities. The decrease of 4.01% in the restricted cash balance in these funds compared to June 30, 2019 is the result of fewer PFC and CFC funds being collected due to the reduction in passenger traffic.

Unrestricted net position is allocable for any reason by the Airport Authority. Unrestricted net position represents current assets and pension and OPEB related deferred outflows of resources less current liabilities (other than notes payable) less accrued leave less net pension liability, net OPEB liability, and pension and OPEB related deferred inflows of resources. At June 30, 2020, there was a 121.27% increase in unrestricted net position compared to June 30, 2019. This increase is attributed to the CARES grant revenue that was recognized in FY20.

Summary of Cash Flow Activities

Net cash provided by the operation of negative $305,146 is a -115%, or $2,384,999 decrease from the prior year. This was due to the decrease in cash received from the airlines, rental cars, and concessionaires as a result of the pandemic.

Airline Signatory Rates and Charges

The Authority and its commercial service airlines are negotiating a renewal of the signatory airline use agreement originally executed in fiscal year 2002, which utilized a full residual rate-making methodology. This agreement allowed the Authority to include debt service in the rates and charges and to invoice airlines for any year-end deficit to meet bond and operating requirements. Net income above the budgeted amount was returned to the signatory airlines in the form of an airline settlement at the conclusion of the fiscal year. The contract expired June 30, 2010 placing the airlines in a holdover position which does not require for the distribution of the airline settlement. A replacement agreement has not been completed but continues in negotiation. Rates and charges for the airlines over the last 36 months are as follows:

	FY 2020	FY 2019	FY 2018
Landing Fees (1,000 lbs unit)	2.07	2.10	2.08
Average Terminal Rental Rates (s.f.)	28.27	40.78	40.75
Airline Cost per Enplanement	4.63	4.37	4.42

Airline Signatory Rates and Charges: (Continued)

There was minimal change in the airline rates and charges from the FY19 rates. These rates remained steady during most of FY20. However, once the pandemic started affecting all aspects of the travel industry, the airport allowed the airlines to no longer pay a set monthly terminal rental fee and began charging the airlines a monthly rental fee based on enplaned passengers. This methodology appeared to be the most rational formula in that it allowed the cost per enplaned passenger to remain attractive to the airlines which was viewed very favorably by the airlines. The reduction in the average terminal rental rates is directly related to this change for the airlines rates and charges.

Financial Statements

The Authority's financial statements are prepared on an accrual basis in accordance with U.S. generally accepted accounting principles promulgated by the Governmental Accounting Standards Board (GASB). The Authority is structured as a single enterprise fund with revenues recognized when earned and expenses when incurred. Capital assets, excluding land, are capitalized and depreciated over their useful lives. Funds are restricted for debt service and, where applicable, for construction activities. See Notes to the Financial Statements for a summary of the Authority's significant accounting policies.

Capital Acquisitions and Construction Activities

During FY 2020, the Authority expended $6,836,911 on capital activities. These included construction projects mainly related to runway rehabilitation, air carrier apron repair, surface parking expansion and acquisition of vehicles, machinery and equipment. Additional information may be found in the Notes to Financial Statements section of this document, Note 6 – Changes in Capital Assets and Construction in Progress.

Capital acquisitions totaling $3,497,146 were comprised of the following:

Capitalized Item		***Value***
Hangar lot and surface lot	$	2,195,603
FIDS/BIDS/PA Multi Media System		509,319
Runway Rehabilitation		217,680
Landside Ops Building		153,003
Storage Structures and Containers		88,355
Friction meter		59,735
Bumber/roof turret replacement		57,094
De-icer equipment		56,044
Manlift		48,500
2020 Dodge Charger		25,633
Other		86,180
Total	**$**	**3,497,146**

Long Term Debt Administration

In 2002, the Authority issued $2,222,078 in taxable Series 2002 Special Facilities Revenue Bonds dated July 3, 2002 maturing annually from 2002 through 2020 with interest of 5.789%. In 2015, the terms were amended to lower the interest rate to 2.200% beginning August 1, 2015 through 2020. The pledge of revenue for repayment of the debt is the CFC collected and remitted by the rental car concessionaires. The balance outstanding as of June 30, 2020 was $73,268.

Long Term Debt Administration: (Continued)

In 2006, the Authority issued $710,000 in taxable Series 2006 Airport Revenue Bonds dated April 1, 2006 maturing annually from 2006 through 2020 with interest of 4.150% for the construction of a pay surface parking lot. The balance outstanding as of June 30, 2020 was $31,378.

In 2014, the Authority issued $1,612,000 in taxable Series 214 Airport Revenue Bonds dated October 30, 2014 maturing annually from 2016 through 2025 with interest of 1.570%. The balance outstanding as of June 30, 2019 was $962,249.

In fiscal year 2016, the Authority was notified of three additional bridge loans from VDOA outstanding. These were related to CS0004-22 for land acquisition in the amount of $316,149; CS0004-26 for EA/BCA in the amount of $365,785; and CS0004-25 for obstruction study in the amount of $52,948. These loans are scheduled for repayment in fiscal year 2021 utilizing FAA entitlement proceeds.

Currently, all of the Authority's debt is funded with the Virginia Resource Authority, and as such, the Authority does not have an active credit rating. Additional information on the Authority's Bonds can be found in Note 7 – Long-Term Obligations in the Notes to the Financial Statements. Additional information on the Authority's Bonds can be found in Note 7 – Long-Term Obligations in the Notes to the Financial Statements.

Passenger Facilities Charge (PFC)

In June 1992, the FAA authorized the Authority to impose a PFC in accordance with section 158.29 of the FAA Regulations (Title 14, Code of Federal Regulations, Part 158). The charge was instituted on September 1, 1992 and consisted of a $2.00 charge per passenger, less airline fees. PFC's are collected by the airline carriers and remitted to the Authority on a monthly basis. These funds are authorized to be collected until the amount of funds collected plus interest earned equals the allowable costs approved by the FAA for certain capital projects.

In January 1995, the FAA authorized the imposition of a new $3.00 PFC, which was remitted to the Authority on a monthly basis. In October 2004, the FAA authorized an increase in the collection level from $3.00 to $4.50.

The last application that was approved by the FAA was PFC Application No 19-24-C-00-CHO in June of 2019. This application authorized the collection of $3,370,539 to be used for identified eligible projects. This application expires in September 2021 but this date may be modified due to the negative impact that COVID-19 has had on PFC collections.

Pension and OPEB Programs

The Authority is a member of the Virginia Retirement System (VRS). VRS is the public employees' retirement plan for Commonwealth of Virginia employees. Municipalities, counties and local public agencies may elect to join VRS. The Authority contributes a percentage of payroll to VRS on behalf of its fulltime employees, the rate set bi-annually by VRS as actuarially determined (8.33% during FY 2020). Employees are also provided group life insurance benefits through VRS. The Authority contributes a percentage of payroll to VRS on behalf of its fulltime employees, the rate set by VRS as actuarially determined (1.31% during FY 2020 (allocated into an employee and employer component using a 60 (.79%)/40 (.52%) split)).

Request for Information

This financial report is designed to provide a general overview of the Authority's financial condition and activities. Questions concerning any of the information provided in this report or requests for additional information should be addressed in writing to the Director of Finance & Administration, Charlottesville - Albemarle Airport Authority, 100 Bowen Loop Suite 200, Charlottesville, VA 22911.

Respectfully submitted,

Penny D. Shifflett

Penny D. Shifflett
Director of Finance & Administration

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Basic Financial Statements

CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY

Statement of Net Position

At June 30, 2020

(With Comparative Totals for the Prior Year)

	2020	2019
ASSETS		
Current assets:		
Unrestricted assets:		
Cash and cash equivalents	$ 2,797,063	$ 3,638,242
Prepaid insurance	124,697	26,091
Prepaid insurance - CFC facility	5,843	3,711
Other prepaid items	12,798	2,000
Accounts receivable - net	2,338,695	469,239
Total current unrestricted assets	$ 5,279,096	$ 4,139,283
Restricted assets:		
Capital Funds:		
Cash and cash equivalents	$ 565,102	$ 289,503
Receivable	1,517,469	675,806
Passenger Facility Charge Funds:		
Cash and cash equivalents	495,280	636,996
Receivable	40,336	257,637
Customer Facility Charge Funds:		
Cash and cash equivalents	1,988,284	1,569,240
Receivable	52,496	84,291
Renewal and Replacement Funds:		
Cash and cash equivalents	157,487	155,575
State Entitlement Funds:		
Cash and cash equivalents	8,802,346	9,863,638
Total current restricted assets	$ 13,618,800	$ 13,532,686
Total current assets	$ 18,897,896	$ 17,671,969
Noncurrent assets:		
Restricted assets:		
Revenue Bond Funds:		
Cash and cash equivalents	$ 99,698	$ 98,943
Capital assets:		
Land	$ 19,230,590	$ 19,230,590
Construction in progress	7,522,918	2,481,550
Building, improvements and equipment, net of accumulated depreciation	81,030,511	82,144,312
Intangibles, net of accumulated amortization	50,771	60,933
Total capital assets (net of accumulated depreciation and amortization)	$ 107,834,790	$ 103,917,385
Total noncurrent assets	$ 107,934,488	$ 104,016,328
Total assets	$ 126,832,384	$ 121,688,297
DEFERRED OUTFLOWS OF RESOURCES		
Pension related items	$ 492,638	$ 358,428
OPEB related items	62,428	25,419
Total deferred outflows of resources	$ 555,066	$ 383,847

Exhibit A

CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY

Statement of Net Position

At June 30, 2020

(With Comparative Totals for the Prior Year)

	2020	2019
LIABILITIES		
Current liabilities:		
Accounts payable:		
Operating	$ 86,879	$ 222,807
Unearned revenue	1,700	4,512
Accrued payroll and related liabilities	118,418	114,298
Compensated absences	17,928	17,916
A/P security deposits/performance bonds	32,617	32,667
Revenue bonds payable	273,514	400,233
Due to VDOA--Bridge Loans	734,882	-
Accrued interest	7,704	9,453
Liabilities payable from restricted assets (accounts payable and retainage payable):		
Capital funds	2,423,213	721,610
Total current liabilities	$ 3,696,855	$ 1,523,496
Noncurrent Liabilities:		
Compensated absences	$ 161,350	$ 161,242
Due to VDOA--Bridge Loans	-	734,882
Net pension liability	1,094,760	894,945
Net OPEB liability	182,254	147,000
Revenue bonds payable	793,381	1,066,896
Total noncurrent liabilities	$ 2,231,745	$ 3,004,965
Total liabilities	$ 5,928,600	$ 4,528,461
DEFERRED INFLOWS OF RESOURCES		
Pension related items	$ 100,238	$ 141,395
OPEB related items	11,603	14,000
Total deferred inflows of resources	$ 111,841	$ 155,395
NET POSITION		
Net investment in capital assets	$ 106,033,013	$ 101,715,374
Restricted for:		
Capital Projects	$ -	$ 243,699
PFC fund	535,616	894,633
State Entitlement fund	8,802,346	9,863,638
Renewal & Replacement	157,487	155,575
CFC fund	2,040,780	1,653,531
Bond fund	99,698	98,943
Total restricted assets	$ 11,635,927	$ 12,910,019
Unrestricted	$ 3,678,069	$ 2,762,895
Total net position	$ 121,347,009	$ 117,388,288

The accompanying notes to financial statements are an integral part of this statement.

CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY

Statement of Revenues, Expenses and Changes in Net Position
Year Ended June 30, 2020
(With Comparative Totals for the Prior Year)

	2020	2019
Operating revenues:		
Parking	$ 3,388,989	$ 4,584,850
Terminal	2,186,106	2,602,240
Airfield	1,509,503	1,632,799
Total operating revenues	$ 7,084,598	$ 8,819,889
Operating expenses:		
Direct operating expenses:		
Parking	$ 1,163,364	$ 1,026,851
Terminal	2,772,715	2,408,741
Airfield	1,539,755	1,399,672
Total direct operating expenses	$ 5,475,834	$ 4,835,264
Indirect operating expense:		
Administrative	$ 1,655,187	$ 1,679,472
Total operating expenses	$ 7,131,021	$ 6,514,736
Operating income (loss) before depreciation and amortization	$ (46,423)	$ 2,305,153
Depreciation and amortization	(4,621,108)	(4,390,045)
Operating income (loss)	$ (4,667,531)	$ (2,084,892)
Nonoperating revenues (expenses):		
Interest income	$ 28,203	$ 27,212
CFC expenses	(157,018)	(147,576)
Interest expense	(18,829)	(84,967)
State entitlement debt service income	-	190,000
Gain (loss) on disposal of assets	-	28,151
Insurance recovery	8,455	-
CARES Grant	3,210,980	-
Total nonoperating revenue (expenses)	$ 3,071,791	$ 12,820
Net income (loss) before capital contributions	$ (1,595,740)	$ (2,072,072)
Capital contributions:		
Federal construction revenue	$ 1,892,342	$ 1,491,954
State construction revenue	1,767,498	1,748,199
PFC fund	1,181,578	1,581,738
CFC fund	713,043	887,173
Total capital contributions	$ 5,554,461	$ 5,709,064
Net position		
Increase in net position	$ 3,958,721	$ 3,636,992
Total net position, beginning of year	117,388,288	113,751,296
Total net position, end of year	$ 121,347,009	$ 117,388,288

The accompanying notes to financial statements are an integral part of this statement.

CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY
Statement of Cash Flows
Year Ended June 30, 2020
(With Comparative Totals for the Prior Year)

	2020	2019
Cash flows from operating activities:		
Cash received from providing services	$ 7,202,496	$ 8,749,246
Cash paid to suppliers	(3,392,416)	(2,810,362)
Cash paid to and for employees	(4,115,226)	(3,859,031)
Net cash provided by (used for) operating activities	$ (305,146)	$ 2,079,853
Cash flows from noncapital financing activities:		
CARES Grant	$ 1,174,725	$ -
Cash flows from capital and related financing activities:		
Interest paid on debt	$ (23,953)	$ (38,869)
Acquisition of property and equipment	(850,144)	(483,401)
Disposal of property and equipment (including insurance recoveries)	54,544	17,744
Additions to construction in progress	(5,986,767)	(3,613,684)
Debt service paid	(400,234)	(887,733)
State debt service reimbursement	-	190,000
Contributions from Virginia Department of Aviation	1,975,630	1,520,259
Contributions from Federal Aviation Administration	842,548	2,044,880
Contributions from others	-	15,549
Contributions from Passenger Facility Charge (PFC)	1,398,879	1,556,540
Contributions from Customer Facility Charge (CFC)	744,838	878,695
Net cash provided by (used for) capital and related financing activities	$ (2,244,659)	$ 1,199,980
Cash flows from investing activities:		
Investment interest earned	$ 28,203	$ 27,212
Net increase (decrease) in cash and cash equivalents	$ (1,346,877)	$ 3,307,045
Cash and cash equivalents at beginning of year (including restricted accounts)	16,252,137	12,945,092
Cash and cash equivalents at end of year (including restricted accounts)	$ 14,905,260	$ 16,252,137
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating loss	$ (4,667,531)	$ (2,084,892)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation and amortization expense	$ 4,621,108	$ 4,390,045
CFC operations	(155,775)	(140,088)
Changes in operating assets and liabilities and deferred outflows/ inflows of resources:		
Accounts receivable	120,710	(68,111)
Prepaid items	(109,404)	(9,597)
Deferred outflows related to pension	(134,210)	(36,386)
Deferred outflows related to OPEB	(37,009)	(15,819)
Accounts payable - operating	(135,928)	3,303
Accounts payable - security deposits/performance bonds	(50)	-
Accrued payroll and related liabilities	4,120	30,309
Accrued compensated absences	120	59,909
Unearned revenue	(2,812)	(2,532)
Net pension liability	199,815	23,412
Net OPEB liability	35,254	7,000
Deferred inflows related to pension	(41,157)	(74,700)
Deferred inflows related to OPEB	(2,397)	(2,000)
Total adjustments	$ 4,362,385	$ 4,164,745
Net cash provided by (used for) operating activities	$ (305,146)	$ 2,079,853
Schedule of noncash capital and related financing activities:		
Increase (decrease) in capital contribution receivables	$ 592,566	$ 306,859
Increase (decrease) in capital related payables	$ 1,701,603	$ (228,719)
Write-off of capital assets	$ -	$ (1,114)

The accompanying notes to financial statements are an integral part of this statement.

Charlottesville - Albemarle Airport Authority
Notes to Financial Statements

NOTE 1 - FINANCIAL REPORTING ENTITY:

The Charlottesville-Albemarle Airport Authority (the "Authority") was created July 1, 1984 by the Virginia General Assembly, Acts of the Assembly, Chapter 390, 1984 Session. In October 1984, the Airport Board deeded the airport to the Authority, and the Virginia Aviation Commission and Federal Aviation Administration approved the transfer of the Board's operating license to the Authority. The members of the Board became the members of the Authority, and day-to-day operations of the airport were unchanged. The Authority is organized and exists as a political subdivision of the Commonwealth of Virginia. In 2003, the Act was replaced by Chapter 864 of the Acts of the Virginia General Assembly (2003).

The Authority is organized for the purpose of acquiring, constructing, reconstructing, maintaining, repairing and operating an airport to serve the needs of the City of Charlottesville, Virginia (the "City"), the County of Albemarle, Virginia (the "County"), and the surrounding region. The Act provides that the Authority is authorized to issue revenue bonds for any of its purposes payable solely from the tolls and revenues pledged for their payment; to fix and revise from time to time and change collect tolls, rates, fees, rentals and other charges for the use of the Airport; to make and enter into all contracts and agreements necessary or incidental to the performance of its duties and the execution of its powers under the Act and to do all acts and things necessary and convenient to carry out the powers expressly granted in the Act.

The Authority is a legally separate organization whose board consists of three members: one, the City Manager of the City, or his or her principal assistant, as chosen by the City Council of the City; one, the County Executive of the County, or his or her principal assistant, as chosen by the Board of Supervisors of the County; and one from the membership of the Charlottesville-Albemarle Joint Airport Commission (the "Commission"), an advisory body created by the Act. Since neither the City nor County can impose its will on the Authority and since there is no potential financial benefit or burden relationship, the City and the County are not financially accountable for the Authority. As such, the Authority is not considered a component unit of either the City or County.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Financial Statement Presentation

Basis of Accounting - The accounts of the Authority are accounted for on the flow of economic resources measurement focus and utilize the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. All Authority accounts are financed and operated in a manner similar to private business or where the board has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

Operating revenues and expenses result from providing services in connection with air transportation. The principal operating revenues of the Authority are charges to customers for sales and services.

Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

Prior year totals on the financial statements are presented for informational purposes only. Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

Cash and Cash Equivalents – For purposes of the statement of cash flows, the Authority considers their demand deposits and all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

Investments – Investments with a maturity of less than one year when purchased, non-negotiable certificates of deposit, other nonparticipating investments, and external investment pools are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased are stated at fair value. Fair value is the price that would be received to sell an investment in an orderly transaction at year end.

Restricted Assets – Restricted assets consist of monies and other resources as described below:

> *Capital Funds* – Proceeds restricted for designated capital projects that cannot be expended for any other item.
>
> *Passenger Facility Charge Funds* – Passenger Facility Charge (PFC) collections are based on FAA approval to impose and collect such charges from the airlines serving the Airport. These funds are restricted for designated projects and/or FAA approved debt incurred to finance the construction of projects.
>
> *Revenue Bond Funds* – 2006 and 2014 airport revenue refunding bond proceeds held in Escrow Funds.
>
> *Renewal and Replacement Funds* – The Authority's Indenture of Trust required the establishment of a $150,000 Replacement Fund that may be used to make transfers to the Revenue Fund for reasonable and necessary Operation and Maintenance expenses. Any funds used from the Replacement Fund must be repaid in 48 equal monthly deposits. Once all outstanding bonds are redeemed, the funds on deposit in the Replacement Fund may be used by the Authority for any lawful purpose.
>
> *State Entitlement Fund* - The Authority receives annual entitlement fund allocations from the Virginia Department of Aviation which are required to be maintained in a separate, interest-bearing account. The use of the funds is restricted for purposes established by the Virginia Aviation Board. In addition, the Authority is allowed to apply for PFC Funds that are reimbursements of State Entitlement Funds. Once the application is approved, the funds collected are considered State Entitlement Funds and are restricted for purposes established by the Virginia Aviation Board.
>
> *CFC Fund, CFC General Fund and QTA Maintenance Fund* - Customer Facility Charge (CFC) collections from rental car concessionaires are deposited in the CFC Fund. Debt service for the rental car service facility is paid and the excess of the funds are transferred to the CFC General Fund to pay certain expenses associated with the service facility. Funds from the CFC General fund are transferred to the QTA Maintenance Fund for future long term maintenance expenses.

Allowance for Uncollectible Accounts – The Authority calculates its allowance for specific accounts using historical collection data and in certain cases, specific account analysis. Historical collection data indicates that any uncollectible amounts would be negligible. Accordingly, an allowance for uncollectible accounts has not been established.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

Prepaid items – These assets represent expenses which have been prepaid, including insurance. The cost of prepaid items is recorded as expenses when consumed rather than when purchased.

Capital Assets – Capital Assets are carried at original historical cost. However, donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition. Depreciation (including amortization of intangible assets) is computed on the straight-line method over the following estimated lives:

Parking lots and roadways	5-7 years
Intangible assets	5-20 years
Airfield	5-30 years
Hangar	5-40 years
Terminal	5-40 years
Vehicles	5-10 years
Furniture and fixtures	5-10 years
Computer acquisition	3 years

When capital assets are sold or retired, the related cost and accumulated depreciation are removed from the accounts, and any gain or loss is included in the results of operations. Depreciation expense for the year ended June 30, 2020 was $4,621,108. The Authority's current Capital Asset Classification is that any asset or any addition to an asset or improvement of an asset shall be classified as a depreciable asset if the value of the purchase is $5,000 or more, is purchased from the coverage fund, capital fund or revenue, has an estimated useful life of 3 years or more; and, is considered one of the following: a) equipment, b) vehicle, c) building or improvement, d) airfield equipment or improvement, e) hangar or improvement, or f) intangible asset.

Intangible assets lack physical substance and have a nonfinancial nature and an initial useful life extending beyond a single reporting period.

Deferred Outflows of Resources – In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The Authority has multiple items that qualify for reporting in this category:

> This is comprised of certain items related to the measurement of the net pension liability and net OPEB liability and contributions to the pension and OPEB plans made during the current year and subsequent to the net pension liability and net OPEB liability measurement date. For more detailed information on these items, reference the pension and OPEB notes.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

Deferred Inflows of Resources – In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Authority has one type of item that qualifies for reporting in this category:

Certain items related to the measurement of the net pension liability and net OPEB liability are reported as deferred inflows of resources. For more detailed information on these items, reference the pension and OPEB notes.

Pensions - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Authority's Retirement Plan and the additions to/deductions from the Authority's Retirement Plan's net fiduciary position have been determined on the same basis as they were reported by the Virginia Retirement System (VRS). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Postemployment Benefits (OPEB) - For purposes of measuring the net VRS related OPEB liability, deferred outflows of resources and deferred inflows of resources related to the OPEB, and OPEB expense, information about the fiduciary net position of the VRS GLI OPEB Plan and the additions to/deductions from the VRS OPEB Plan's net fiduciary position have been determined on the same basis as they were reported by VRS. In addition, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Indirect Expenses – Indirect expenses are charged to various cost centers utilizing the ratios as determined by annual airline rates and charges negotiations. These allocations are made to each cost center from total indirect expenses before depreciation.

Unrestricted Net Position – Unrestricted net position consists of monies and other resources as described below.

Revenue – Funds used for the daily operations of the Airport Authority.

Coverage Fund - Reserve account established by Indenture of Trust and Airline Use Agreement where the Authority deposits coverage payments from airlines. The Authority may designate use of the funds for capital projects or equipment acquisition.

Discretionary Fund – Funds that are segregated that are not related, in any way, to the airline agreement.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

Net Position – The difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called net position. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

- Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by outstanding balances of bonds, notes, and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.

- Restricted net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either by external parties or by law through constitutional provision or enabling legislation.

- Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.Net position is the difference between a) assets and deferred outflows of resources and b) liabilities and deferred inflows of resources. Net investment in capital assets represents capital assets, less accumulated depreciation, less any outstanding debt related to the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position.

Net Position Flow Assumption – Sometimes the Authority will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Authority's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

NOTE 3 – RESTRICTED ASSETS:

The income, principal cash and investments shown on the statement of net position at June 30, 2020 consist of the following:

Restricted Assets:	Cash & Cash Equivalents	Receivables	Total Restricted Assets
Capital Projects	$ 565,102	$ 1,517,469	$ 2,082,571
PFC Fund	495,280	40,336	535,616
State Entitlement Fund	8,802,346	-	8,802,346
Renewal & Replacement	157,487	-	157,487
CFC Fund	1,988,284	52,496	2,040,780
Bond Fund	99,698	-	99,698
Total Restricted Assets	$ 12,108,197	$ 1,610,301	$ 13,718,498

NOTE 4 – DEPOSITS AND INVESTMENTS:

Deposits: When an Organization has over $250,000 in any one bank, the deposits in excess of $250,000 that are not identified as public deposits, are not covered by the Federal Deposit Insurance Corporation (FDIC) and, accordingly, are exposed to custodial credit risk because they are uncollateralized.

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are (1) uncollateralized, (2) collateralized with securities held by the pledging financial institution, or (3) collateralized with securities held by the pledging financial institution's trust department or agent but not in the depositor government's name. At June 30 2020, the Authority had $924,725 in deposits that were uncollateralized and exposed to custodial credit risk, since the bank did not designate and report them as public funds.

All other deposits with banks are covered by the Federal Deposit Insurance Corporation (FDIC) and collateralized in accordance with the Virginia Security for Public Deposits Act (the "Act") Section 2.2-4400 et. seq. of the Code of Virginia. Under the Act, banks and savings institutions holding public deposits in excess of the amount insured by the FDIC must pledge collateral to the Commonwealth of Virginia Treasury Board. Financial institutions may choose between two collateralization methodologies and depending upon that choice, will pledge collateral that ranges in the amounts from 50% to 130% of excess deposits.

Investments: Statutes authorize local governments and other public bodies to invest in obligations of the United States or agencies thereof, obligations of the Commonwealth of Virginia or political subdivisions thereof, obligations of the International Bank for Reconstruction and Development (World Bank), the Asian Development Bank, the African Development Bank, "prime quality" commercial paper that has received at least two of the following ratings: P-1 by Moody's Investors Service, Inc.; A-1 by Standard and Poor's; or F1 by Fitch Ratings, Inc. (Section 2.2-4502), banker's acceptances, repurchase agreements, and the State Treasurer's Local Government Investment Pool (LGIP).

NOTE 4 – DEPOSITS AND INVESTMENTS: (CONTINUED)

Custodial Credit Risk (Investments)

The Authority has a formal investment policy. In addition to the requirements set forth by the Code of Virginia, all bond investments are governed by the Authority's Indenture of Trust. The Indenture requires that all money held in funds or accounts established under the Indenture shall be separately invested and reinvested pursuant to the Code of Virginia requirements for the investment of public funds. In addition, the Indenture sets forth the evaluation of the investments as well as securities for deposits.

As of June 30, 2020, all Authority funds were held in interest-bearing accounts and investments were invested pursuant to the Code of Virginia requirements for the investment of public funds.

The Authority's money market mutual funds investments of $99,698 on June 30, 2020 were held in the Authority's name by the Authority's custodial bank. The investments were rated AAAm by Standard & Poor's.

The following is a reconciliation of cash and investments for the fiscal year ended June 30, 2020:

Summary of Cash and Investments:		
Cash on hand and cash items	$	6,500
Carrying value of deposits		14,799,062
Investments		99,698
Total	$	14,905,260
Per Financial Statements:		
Cash and cash equivalents:		
Operating	$	2,797,063
Restricted Capital Projects		565,102
Restricted PFC Fund		495,280
Restricted CFC Fund		1,988,284
Restricted Renewal & Replacement		157,487
Restricted Entitlement		8,802,346
Restricted Bond Funds		99,698
Total per financial statements	$	14,905,260

Interest Rate Risk

The Authority does not have a formal interest rate risk policy.

NOTE 4 - DEPOSITS AND INVESTMENTS: (CONTINUED)

Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The Authority maximizes the use of observable inputs and minimizes the use of unobservable inputs. Observable inputs are inputs that market participants would use in pricing the asset or liability based on market data obtained from independent sources. Unobservable inputs reflect assumptions that market participants would use in pricing the asset or liability based on the best information available in the circumstances. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels as follows:

- Level 1. Quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at a measurement date
- Level 2. Directly or indirectly observable inputs for the asset or liability other than quoted prices
- Level 3. Unobservable inputs that are supported by little or no market activity for the asset or liability

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk.

The Authority has the following recurring fair value measurements as of June 30, 2020:

		Fair Value Measurements Using		
	6/30/2020	Quoted Prices in Active Markets or Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money Market Mutual Funds	$ 99,698	$ 99,698	$ -	$ -

NOTE 5 – ACCOUNTS RECEIVABLE:

Details of changes in Accounts Receivable for the fiscal year ended June 30, 2020 are as follows:

	Non Restricted Assets	Restricted Assets	Total Accounts Receivable
Accounts Receivable			
Operating	$ 2,338,695	$ -	$ 2,338,695
Capital	-	1,517,469	1,517,469
Passenger Facility Charge	-	40,336	40,336
Rental Car Facility Charge	-	52,496	52,496
	$ 2,338,695	$ 1,610,301	$ 3,948,996

Accounts Receivable – Operating consists of invoices to airport tenants including airlines, rental car concessionaires, fixed base operators and other firms doing business at the airport, as well as the CARES grant funds. Operating receivables increased $1,869,456 over fiscal year 2019.

Capital Receivable – Capital increased $841,663 from fiscal year 2019 due to the timing of project expenditures and the related filings of reimbursements. Capital consists of expenditures in construction in progress filed for reimbursement with the State in the amount of $192,737 and the Federal Government in the amount of $1,324,732.

Passenger Facility Charge- Passenger facility charge receivables represent the accrual for funds received in July and August 2020 for the period June 2020.

Rental Car Facility Charge – Customer facility charge receivables represent the accrual for funds received in July 2020 for the period June 2020.

NOTE 6 – CHANGES IN CAPITAL ASSETS AND CONSTRUCTION IN PROGRESS:

Net capital assets increased $3,917,405 as the result of the net project activity and other capital asset purchases exceeding depreciation. It is the Authority's practice for capital projects with land acquisitions to be recorded in the CIP accounts and closed to land upon project completion. Details of changes in capital assets and construction in progress for the fiscal year ended June 30, 2020 follows on the next page.

NOTE 6 – CHANGES IN CAPITAL ASSETS AND CONSTRUCTION IN PROGRESS: (CONTINUED)

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
Capital assets not depreciated:				
Land	$ 19,230,590	$ -	$ -	$ 19,230,590
Construction in progress:				
Runway Rehabilitation	$ -	$ 36,079	$ 36,079	$ -
MALSR Adjustment	117,864	88,462	-	206,326
Pedestrian Access Ramp and Stairs	120,674	-	-	120,674
Pedestrian Access Ramp and Canopy	445,792	5,948	-	451,740
Air Carrier Terminal Apron Repair	524,974	5,354,918	-	5,879,892
FIDS BIDS and PA System	509,320	-	509,320	-
800 MHz Radio	81,001	50,570	-	131,571
Surface Parking Expansion	585,745	1,299,000	1,884,745	-
Big Terminal Fans	33,405	-	-	33,405
Marketing Vehicle and Equipment Storage	62,775	25,580	88,355	-
Terminal and Landside Improvements	-	128,878	-	128,878
Ground Transportation and Park Improv.	-	128,503	128,503	-
Relocation of Taxiway E	-	207,167	-	207,167
Terminal Area Plan	-	351,455	-	351,455
Miscellaneous Capital	-	11,810	-	11,810
Total construction in progress	$ 2,481,550	$ 7,688,370	$ 2,647,002	$ 7,522,918
Total capital assets not depreciated	$ 21,712,140	$ 7,688,370	$ 2,647,002	$ 26,753,508
Capital and other assets depreciated:				
Buildings	$ 36,100,183	$ 262,609	$ -	$ 36,362,792
Improvements other than buildings	88,302,488	227,515	-	88,530,003
Machinery & equipment	8,687,041	769,616	-	9,456,657
Infrastructure	14,851,647	2,237,406	-	17,089,053
Intangibles	1,157,751	-	-	1,157,751
Total capital and other assets depreciated	$ 149,099,110	$ 3,497,146	$ -	$ 152,596,256
Less accumulated depreciation for:				
Buildings	$ 20,730,111	$ 1,031,388	$ -	$ 21,761,499
Improvements other than buildings	33,000,311	2,616,355	-	35,616,666
Machinery & equipment	5,947,121	394,299	-	6,341,420
Infrastructure	6,119,504	568,905	-	6,688,409
Intangibles	1,096,818	10,162	-	1,106,980
Total accumulated depreciation	$ 66,893,865	$ 4,621,109	$ -	$ 71,514,974
Total net capital assets depreciated	$ 82,205,245	$ (1,123,963)	$ -	$ 81,081,282
Net Capital Assets	$ 103,917,385	$ 6,564,407	$ 2,647,002	$ 107,834,790

NOTE 7 - LONG-TERM OBLIGATIONS:

The following is a summary of long-term obligation transactions for the year ended June 30, 2020:

	Beginning Balance	Additions	Reductions	Ending Balance
Direct Borrowings and Placements:				
Revenue Bonds	$ 1,467,129	$ -	$ (400,234)	$ 1,066,895
Bridge Loans VDOA	734,882	-	-	734,882
Compensated Absences	179,158	144,400	(144,280)	179,278
Net Pension Liability	894,945	812,022	(612,207)	1,094,760
Net OPEB Liability	147,000	72,455	(37,201)	182,254
Total	$ 3,423,114	$ 1,028,877	$ (1,193,922)	$ 3,258,069

At June 30, 2020, the Authority's long-term obligations consisted of the following:

	Total	Current
Direct Borrowings and Placements:		
$2,222,078 Airport Special Facilities Revenue Bond dated July 3, 2002, interest rate of 5.789% through 8/1/15 and 2.200% through 2020 principal payable monthly in various incremental amounts, ranging from $11,196 due on July 1, 2014 to $14,707 in 2020	$ 73,268	$ 73,268
$710,000 Airport Revenue Bond for construction of a pay surface parking lot dated April 1, 2006, interest rate of 4.150% and principal payable semi-annually in various incremental amounts, ranging from $24,026 due on June 1, 2014 to $31,378 in 2020	31,378	31,378
$1,612,000 Airport Revenue Bond dated October 30, 2014, interest rate of 1.570% principal payable semi-annually in various incremental amounts, ranging from $79,004 due on July 1, 2016 to $90,944 due in 2025	962,249	168,868
Total Revenue Bonds (Direct Borrowings and Placements)	$ 1,066,895	$ 273,514

NOTE 7 – LONG-TERM OBLIGATIONS: (CONTINUED)

At June 30, 2020, the Authority's long-term obligations consisted of the following: (Continued)

		Total		Current
Bridge Loans from Virginia Department of Aviation (VDOA)				
Various Projects:				
CS0004-22 Grant Agreement effective June 1, 2000 (land acquisition)	$	316,149	$	316,149
CS0004-26 Grant Agreement effective September 23, 2004 (EA/BCA)		365,785		365,785
CS0004-25 Grant Agreement effective March 23, 2005 (Obstruction Study)		52,948		52,948
Total Bridge Loans *	$	734,882	$	734,882
Compensated Absences	$	179,278	$	17,928
Net Pension Liability	$	1,094,760	$	-
Net OPEB Liability	$	182,254	$	-
Total long-term obligations	$	3,258,069	$	1,026,324

* Bridge loans through VDOA have a repayment period of 4 years from start date. Repayment is scheduled for fiscal year 2021.

Default Provisions and Acceleration Clauses

Each of the following events shall be an Event of Default:

a) Default by the Authority in the payment when due of any interest on any Bond;

b) Default by the Authority in the payment when due of the principal or the purchase price of or premium, if any, on any Bond (whether at maturity, by acceleration, call for redemption or otherwise);

c) Failure of the Authority to observe and perform any of its other covenants, conditions or agreements under this Indenture or in the Bonds for a period of thirty days after notice, either from the Trustee to the Authority or the Bondholders of twenty-five percent in aggregate principal amount of Bonds then Outstanding to the Trustee and the Authority (unless the Trustee shall agree in writing to an extension of such time before its expiration), specifying such failure and requesting that it be remedied, or in the case of any such default that cannot with due diligence be cured within such thirty day period, failure of the Authority to proceed promptly to cure the default and thereafter prosecute the curing of such default with due diligence;

d) Abandonment of the Airport by the Authority; and

e) Destruction or damage to or condemnation of or loss of title to any substantial part of the Airport to the extent of impairing its efficient operation or adversely affecting to a substantial degree its revenues and for any reason the Airport shall not be promptly repaired, replaced or reconstructed (whether such failure promptly to repair, replace or reconstruct the Airport be due to the impracticability of such repair, replacement or reconstruction or to lack of funds for such purpose or for any other reason).

NOTE 7 – LONG-TERM OBLIGATIONS: (CONTINUED)

Default Provisions and Acceleration Clauses: (Continued)

Except as may be otherwise provided pursuant to Supplemental Indenture, upon the occurrence and continuation of an Event of Default, the Trustee may, and if requested by the Bondholders of twenty-five percent in aggregate principal amount of Bonds then Outstanding shall, by notice to the Authority, declare the entire unpaid principal of and premium, if any, and interest on the Bonds due and payable and, thereupon, the entire unpaid principal of and premium, if any, and interest on the Bonds shall forthwith become due and payable. Upon any such declaration the Authority shall forthwith pay to the Bondholders the entire unpaid principal of and premium, if any, and accrued interest on the Bonds, but such covenant may be enforced only against the Revenues specifically pledged for such purpose.

Annual requirements to amortize long-term obligations and related interest are as follows:

	Direct Borrowings and Placements							
	Series 2002 $2,222,078 Issue		Series 2006 $710,000 Issue		Series 2014 $1,612,000 Issue		Total Debt Summary $4,544,078	
Year Ended June 30	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2021	$ 73,268	$ 403	$ 31,378	$ 651	$ 168,868	$ 14,448	$ 273,514	$ 15,502
2022	-	-	-	-	171,530	11,787	171,530	11,787
2023	-	-	-	-	174,233	9,083	174,233	9,083
2024	-	-	-	-	176,980	6,336	176,980	6,336
2025	-	-	-	-	179,769	3,547	179,769	3,547
2026	-	-	-	-	90,869	716	90,869	716
Total	$ 73,268	$ 403	$ 31,378	$ 651	$ 962,249	$ 45,917	$ 1,066,895	$ 46,971
Less current portion	73,268		31,378		168,868		273,514	
Total long-term obligations	$ -		$ -		$ 793,381		$ 793,381	

Federal Arbitrage Regulations

The Authority is in compliance with federal arbitrage regulations. Any potential liabilities arising from arbitrage are estimated to be immaterial in relation to the financial statements.

800 MHz Upgrade

The Authority shares an 800MHz radio system with Albemarle County, the City of Charlottesville, the University of Virginia, and other smaller entities. The system is currently undergoing an upgrade with costs to be shared among all parties. The Authority’s share of these costs is estimated at $345,600. Costs are being paid as incurred and have totaled approximately $131,600 to date.

NOTE 8 - LEASES:

The Authority's leasing operations consist of the leasing of office and terminal space to airlines and other tenants. All leases are subject to public procurement requirements, and each has a different mechanism for determining rates and charges. Each year, lease payments are set to sufficiently fund expenses in the adopted operating budget, including debt service expense and the revenue covenant coverage expense.

The cost of some leased space is not determinable because the leased portions of assets are not significant to the total square footage of the facility. Significant lease agreements are described below.

On August 28, 2014, the Authority purchased the leasehold agreement with Aviation Development Group (ADG) for $320,000, which will provide the Authority with much needed storage space for airfield maintenance/snow removal equipment. A temporary benefit of this purchase is increased rental revenue from the assumption of the existing sublease through its remaining term. In the original "Deed of Lease" agreement dated March 24, 1997, the Authority authorized the lease of approximately 45,870 sq. ft. of property to ADG for the installation, construction, establishment and operation of no more than four 60' x 60' buildings for airplane storage. This lease was for a term of 25 years and provided the Tenant with a single seven-year additional term option. ADG later constructed Hangar Unit D2 (a 60' x 60' box hangar) in 1997, built Hangar Unit D3 (a second 65' x 60' box hangar) in 2007, and developed additional site locations for the future construction of two similar sized box hangars (Hangar Unit D1 & Hangar Unit D4). ADG then entered into a sublease agreement with Jackson Air Charter which expires on November 1, 2017. The sublease is for hangar (Unit D3) generating monthly income of $1,700, with expected income of $20,400 in 2016 and $6,800 in 2017. Once that lease expires, it is the Authority's intent to renew that agreement or search for another tenant. The carrying value of the property at June 30, 2020 was $228,000.

On April 1, 2015, the Authority entered into a lease with Piedmont Hawthorne Aviation, LLC d/b/a Landmark Aviation for approximately 649,602 square feet of space to be used to operate a general fixed-base operation (FBO). The term of the lease is for a period of 25 years commencing April 1, 2015 and expiring at March 31, 2040 unless earlier terminated or cancelled, pursuant to the provisions of the lease. Provided the lessee is not in default under the agreement at the time of exercise and has spent at least $500,000 in facility improvements, the lessee shall have two options to extend the term for 5 years each. Annual rental payments are to be paid monthly with scheduled annual increases of 1.5% and two other scheduled increases when capital improvements are made and titles revert to the Authority. In addition, the lessee shall pay additional fees including fuel flowage fees, landing fees, and other fees as outlined in the agreement. The carrying value of the space leased is not determinable.

Amendment #1 to this lease agreement became effective August 1, 2019. The amendment modified the leased area to reflect operational changes by both parties. Overall, the square footage of space was adjusted along with the rent payment schedule to reflect those changes, but the overall term and other fees remained the same. The amendment also updated that Piedmont Hawthorne Aviation, LLC is d/b/a Signature Flight Support.

NOTE 8 – LEASES: (CONTINUED)

Future lease payments are as follows:

Year		Amount
2021	$	193,515
2022		196,418
2023		199,364
2024		202,606
2025		322,723
2026-2030		1,790,325
2031-2035		2,088,474
2036-2040		2,249,879
2041-2045		2,423,759
2046-2050		2,611,077
2051		362,155
Total	$	12,640,295

On April 29, 2015, the Authority entered into a restaurant/retail/vending concession agreement with Tailwind for a term of 10 years commencing May 1, 2015 and continuing through April 30, 2025. The concessionaire shall make monthly payments to the Authority for a percentage of gross receipts from food/beverages, alcoholic beverages, retail sales and vending sales based on a tiered system with a minimum annual guarantee (MAG) of $50,000. In year 2 and each subsequent year, the MAG is an amount equal to 85% of the previous year's actual rent paid, or $50,000, whichever is greater. As part of the agreement, the Authority will contribute a maximum of $125,000 toward the Concessionaire's initial capital investment cost in the form of a Concession Fee Credit. This credit will be applied to monthly payments due from Concessionaire beginning with the month in which Concessionaire assumes operation of the concessions, not to exceed $25,000 annually. The credit will be applied as a pro-rated monthly credit against amounts payable during the first five years following the commencement date. In addition, the Authority shall charge the market rate for any storage or office space leased to the Concessionaire by the Authority. Tailwind began operations in August 2015.

NOTE 9 – COMPENSATED ABSENCES:

The Authority has accrued the liability arising from compensated absences. The liability for future vacation and sick leave benefits is accrued when such benefits meet the following conditions:

-The employers' obligation is attributable to employee's service already rendered.
-The obligation is related to rights that vest or accumulate.
-The payment of compensation is probable.
-The amount can be reasonably estimated.

NOTE 9 – COMPENSATED ABSENCES: (CONTINUED)

Authority employees earn annual leave at rates determined by length of service. Sick leave is earned at the rate of eight hours per month. No benefits or pay are received for unused sick leave upon termination. Accumulated annual leave and earned compensation is paid upon termination. The Authority has outstanding accrued annual leave pay totaling $179,278 as of June 30, 2020. Of this amount, 10 percent or $17,928 has been estimated as a current liability.

The Authority has a policy that upon separation on good terms, full time employees with 5 or more years of service will receive $125 for each year of service, for a maximum of 30 years. As of June 30, 2020, the potential amount of payout for current employees is $25,125. This is not recorded as a liability due to the uncertainty of the payment.

NOTE 10 - PENSION PLAN:

Plan Description

All full-time, salaried permanent employees of the Authority are automatically covered by a VRS Retirement Plan upon employment. This is an agent multiple-employer plan administered by the Virginia Retirement System (the System) along with plans for other employer groups in the Commonwealth of Virginia. Members earn one month of service credit for each month they are employed and for which they and their employer pay contributions to VRS. Members are eligible to purchase prior service, based on specific criteria as defined in the Code of Virginia, as amended. Eligible prior service that may be purchased includes prior public service, active military service, certain periods of leave, and previously refunded service.

Benefit Structures

The System administers three different benefit structures for covered employees – Plan 1, Plan 2, and Hybrid. Each of these benefit structures has different eligibility criteria, as detailed below.

a. Employees hired before July 1, 2010, vested as of January 1, 2013, and have not taken a refund, are covered under Plan 1, a defined benefit plan. Non-hazardous duty employees are eligible for an unreduced retirement benefit beginning at age 65 with at least 5 years of service credit or age 50 with at least 30 years of service credit. Non-hazardous duty employees may retire with a reduced benefit as early as age 55 with at least 5 years of service credit or age 50 with at least 10 years of service credit. Hazardous duty employees (law enforcement officers, firefighters, and sheriffs) are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit or age 50 with at least 25 years of service credit. Hazardous duty employees may retire with a reduced benefit as early as age 50 with at least 5 years of service credit.

b. Employees hired on or after July 1, 2010, or their membership date is before July 1, 2010, and they were not vested as of January 1, 2013 are covered under Plan 2, a defined benefit plan. Non-hazardous duty employees are eligible for an unreduced benefit beginning at their normal social security retirement age with at least 5 years of service credit or when the sum of their age plus service credit equals 90. Non-hazardous duty employees may retire with a reduced benefit as early as age 60 with at least 5 years of service credit. Hazardous duty employees are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit or age 50 with at least 25 years of service credit. Hazardous duty employees may retire with a reduced benefit as early as age 50 with at least 5 years of service credit.

NOTE 10 - PENSION PLAN: (CONTINUED)

Benefit Structures: (Continued)

c. Non-hazardous duty employees hired on or after January 1, 2014 are covered by the Hybrid Plan combining the features of a defined benefit plan and a defined contribution plan. Plan 1 and Plan 2 members also had the option of opting into this plan during the election window held January 1 – April 30, 2014 with an effective date of July 1, 2014. Employees covered by this plan are eligible for an unreduced benefit beginning at their normal social security retirement age with at least 5 years of service credit, or when the sum of their age plus service credit equals 90. Employees may retire with a reduced benefit as early as age 60 with at least 5 years of service credit. For the defined contribution component, members are eligible to receive distributions upon leaving employment, subject to restrictions.

Average Final Compensation and Service Retirement Multiplier

The VRS defined benefit is a lifetime monthly benefit based on a retirement multiplier as a percentage of the employee's average final compensation multiplied by the employee's total service credit. Under Plan 1, average final compensation is the average of the employee's 36 consecutive months of highest compensation and the multiplier is 1.70% for non-hazardous duty employees, 1.85% for sheriffs and regional jail superintendents, and 1.70% or 1.85% for hazardous duty employees as elected by the employer. Under Plan 2, average final compensation is the average of the employee's 60 consecutive months of highest compensation and the retirement multiplier is 1.65% for non-hazardous duty employees, 1.85% for sheriffs and regional jail superintendents, and 1.70% or 1.85% for hazardous duty employees as elected by the employer. Under the Hybrid Plan, average final compensation is the average of the employee's 60 consecutive months of highest compensation and the multiplier is 1.00%. For members who opted into the Hybrid Retirement Plan from Plan 1 or Plan 2, the applicable multipliers for those plans will be used to calculate the retirement benefit for service credited in those plans.

Cost-of-Living Adjustment (COLA) in Retirement and Death and Disability Benefits

Retirees with an unreduced benefit or with a reduced benefit with at least 20 years of service credit are eligible for an annual COLA beginning July 1 after one full calendar year from the retirement date. Retirees with a reduced benefit and who have less than 20 years of service credit are eligible for an annual COLA beginning on July 1 after one calendar year following the unreduced retirement eligibility date. Under Plan 1, the COLA cannot exceed 5.00%. Under Plan 2 and the Hybrid Plan, the COLA cannot exceed 3.00%. The VRS also provides death and disability benefits. Title 51.1 of the Code of Virginia, as amended, assigns the authority to establish and amend benefit provisions to the General Assembly of Virginia.

NOTE 10 - PENSION PLAN: (CONTINUED)

Employees Covered by Benefit Terms

As of the June 30, 2018 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	Number
Inactive members or their beneficiaries currently receiving benefits	13
Inactive members:	
Vested inactive members	3
Non-vested Inactive members	7
Inactive members active elsewhere in VRS	11
Total inactive members	21
Active members	36
Total covered employees	70

Contributions

The contribution requirement for active employees is governed by §51.1-145 of the Code of Virginia, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement.

The Authority's contractually required employer contribution rate for the year ended June 30, 2020 was 8.33% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2017.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Authority were $196,823 and $172,737 for the years ended June 30, 2020 and June 30, 2019, respectively.

Net Pension Liability

The net pension liability (NPL) is calculated separately for each employer and represents that particular employer's total pension liability determined in accordance with GASB Statement No. 68, less that employer's fiduciary net position. For the Authority, the net pension liability was measured as of June 30, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2018, rolled forward to the measurement date of June 30, 2019.

NOTE 10 - PENSION PLAN: (CONTINUED)

Actuarial Assumptions – General Employees

The total pension liability for General Employees in the Authority's Retirement Plan was based on an actuarial valuation as of June 30, 2018, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2019.

Inflation	2.50%
Salary increases, including inflation	3.50% – 5.35%
Investment rate of return	6.75%, net of pension plan investment expenses, including inflation*

* Administrative expenses as a percent of the fair value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 6.75%. However, since the difference was minimal, and a more conservative 6.75% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 6.75% to simplify preparation of pension liabilities.

Mortality rates:

All Others (Non-10 Largest) – Non-Hazardous Duty: 15% of deaths are assumed to be service related

Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates at ages 81 and older projected with scale BB to 2020; males 95% of rates; females 105% of rates.

Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 3 years; females 1.0% increase compounded from ages 70 to 90.

Post-Disablement:

RP-2014 Disability Mortality Rates projected with scale BB to 2020; males set forward 2 years, 110% of rates; females 125% of rates.

NOTE 10 - PENSION PLAN: (CONTINUED)

Actuarial Assumptions - General Employees: (Continued)

Mortality rates: (Continued)

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

All Others (Non-10 Largest) – Non-Hazardous Duty:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Lowered rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14.00% to 15.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

Actuarial Assumptions - Public Safety Employees with Hazardous Duty Benefits

The total pension liability for Public Safety employees with Hazardous Duty Benefits in the Authority's Retirement Plan was based on an actuarial valuation as of June 30, 2018, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2019.

Inflation	2.50%
Salary increases, including inflation	3.50% – 4.75%
Investment rate of return	6.75%, net of pension plan investment expenses, including inflation*

* Administrative expenses as a percent of the fair value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 6.75%. However, since the difference was minimal, and a more conservative 6.75% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 6.75% to simplify preparation of pension liabilities.

NOTE 10 - PENSION PLAN: (CONTINUED)

Actuarial Assumptions - Public Safety Employees with Hazardous Duty Benefits (Continued)

Mortality rates:

All Others (Non-10 Largest) – Non-Hazardous Duty: 45% of deaths are assumed to be service related

Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates at ages 81 and older projected with scale BB to 2020; males 90% of rates; females set forward 1 year.

Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 1 year, 1.0% increase compounded from ages 70 to 90; females set forward 3 years.

Post-Disablement:

RP-2014 Disability Mortality Rates projected with scale BB to 2020; males set forward 2 years; unisex using 100% male.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

All Others (Non-10 Largest) – Hazardous Duty:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Increased age 50 rates, and lowered rates at older ages
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better fit experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 60.00% to 45.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

NOTE 10 - PENSION PLAN: (CONTINUED)

Long-term Expected Rate of Return

The long-term expected rate of return on pension System investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension System investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class (Strategy)	Target Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-term Expected Rate of Return*
Public Equity	34.00%	5.61%	1.91%
Fixed Income	15.00%	0.88%	0.13%
Credit Strategies	14.00%	5.13%	0.72%
Real Assets	14.00%	5.27%	0.74%
Private Equity	14.00%	8.77%	1.23%
MAPS - Multi-Asset Public Strategies	6.00%	3.52%	0.21%
PIP - Private Investment Partnership	3.00%	6.29%	0.19%
Total	100.00%		5.13%
		Inflation	2.50%
		*Expected arithmetic nominal return	7.63%

* The above allocation provides a one-year return of 7.63%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 7.11%, including expected inflation of 2.50%. The VRS Board elected a long-term rate of 6.75% which is roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation.

NOTE 10 - PENSION PLAN: (CONTINUED)

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions; the Authority was also provided with an opportunity to use an alternative employer contribution rate. For the year ended June 30, 2019, the alternate rate was the employer contribution rate used in FY 2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2017 actuarial valuations, whichever was greater. From July 1, 2019 on, participating employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2018	$ 5,880,524	$ 4,985,579	$ 894,945
Changes for the year:			
Service cost	$ 159,646	$ -	$ 159,646
Interest	402,288	-	402,288
Changes of assumptions	197,101	-	197,101
Differences between expected and actual experience	49,552	-	49,552
Contributions - employer	-	172,737	(172,737)
Contributions - employee	-	102,807	(102,807)
Net investment income	-	336,663	(336,663)
Benefit payments, including refunds of employees contributions	(267,113)	(267,113)	-
Administrative expenses	-	(3,222)	3,222
Other changes	-	(213)	213
Net changes	$ 541,474	$ 341,659	$ 199,815
Balances at June 30, 2019	$ 6,421,998	$ 5,327,238	$ 1,094,760

NOTE 10 - PENSION PLAN: (CONTINUED)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Authority using the discount rate of 6.75%, as well as what the Authority's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
Authority's Net Pension Liability	$ 1,971,169	$ 1,094,760	$ 398,297

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2020, the Authority recognized pension expense of $221,271. At June 30, 2020, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 147,501	$ 3,080
Change of assumptions	148,314	45,544
Net difference between projected and actual earnings on pension plan investments	-	51,614
Employer contributions subsequent to the measurement date	196,823	-
Total	$ 492,638	$ 100,238

$196,823 reported as deferred outflows of resources related to pensions resulting from the Authority's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Year ended June 30	
2021	$ 95,129
2022	35,958
2023	59,546
2024	4,944
Thereafter	-

NOTE 10 - PENSION PLAN: (CONTINUED)

Pension Plan Data

Information about the VRS Political Subdivision Retirement Plan is also available in the separately issued VRS 2019 Comprehensive Annual Financial Report (CAFR). A copy of the 2019 VRS CAFR may be downloaded from the VRS website at http://www.varetire.org/pdf/publications/2019-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS:

Group Life Insurance (GLI) Plan (OPEB Plan):

Plan Description

The Group Life Insurance (GLI) Plan was established pursuant to §51.1-500 et seq. of the Code of Virginia, as amended, and which provides the authority under which benefit terms are established or may be amended. All full-time, salaried permanent employees of the state agencies, teachers, and employees of participating political subdivisions are automatically covered by the VRS GLI Plan upon employment. This is a cost-sharing multiple-employer plan administered by the Virginia Retirement System (the System), along with pensions and other OPEB plans, for public employer groups in the Commonwealth of Virginia.

In addition to the Basic GLI benefit, members are also eligible to elect additional coverage for themselves as well as a spouse or dependent children through the Optional GLI Plan. For members who elect the optional group life insurance coverage, the insurer bills employers directly for the premiums. Employers deduct these premiums from members' paychecks and pay the premiums to the insurer. Since this is a separate and fully insured plan, it is not included as part of the GLI Plan OPEB.

The specific information for GLI Plan OPEB, including eligibility, coverage and benefits is described below:

Eligible Employees

The GLI Plan was established July 1, 1960, for state employees, teachers, and employees of political subdivisions that elect the plan. Basic GLI coverage is automatic upon employment. Coverage ends for employees who leave their position before retirement eligibility or who take a refund of their accumulated retirement member contributions and accrued interest.

NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Benefit Amounts

The GLI Plan is a defined benefit plan with several components. The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled. The accidental death benefit is double the natural death benefit. In addition to basic natural and accidental death benefits, the plan provides additional benefits provided under specific circumstances that include the following: accidental dismemberment benefit, safety belt benefit, repatriation benefit, felonious assault benefit, and accelerated death benefit option. The benefit amounts are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value. For covered members with at least 30 years of service credit, the minimum benefit payable was set at $8,000 by statute in 2015. This will be increased annually based on the VRS Plan 2 cost-of-living adjustment calculation. The minimum benefit adjusted for the COLA was $8,463 as of June 30, 2020.

Contributions

The contribution requirements for the GLI Plan are governed by §51.1-506 and §51.1-508 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the GLI Plan was 1.31% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.79% (1.31% x 60%) and the employer component was 0.52% (1.31% x 40%). Employers may elect to pay all or part of the employee contribution; however, the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2020 was 0.52% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2017. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the GLI Plan from the entity were $13,224 and $11,419 for the years ended June 30, 2020 and June 30, 2019, respectively.

GLI OPEB Liabilities, GLI OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the GLI Plan OPEB

At June 30, 2020, the entity reported a liability of $182,254 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2019 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation performed as of June 30, 2018, and rolled forward to the measurement date of June 30, 2019. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the GLI Plan for the year ended June 30, 2019 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2019, the participating employer's proportion was .01120% as compared to .00971% at June 30, 2018.

For the year ended June 30, 2020, the participating employer recognized GLI OPEB expense of $9,251. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

GLI OPEB Liabilities, GLI OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the GLI Plan OPEB (Continued)

At June 30, 2020, the employer reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 12,121	$ 2,363
Net difference between projected and actual earnings on GLI OPEB program investments	-	3,744
Change in assumptions	11,506	5,496
Changes in proportion	25,577	-
Employer contributions subsequent to the measurement date	13,224	-
Total	$ 62,428	$ 11,603

$13,224 reported as deferred outflows of resources related to the GLI OPEB resulting from the employer's contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the fiscal year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

Year Ended June 30	
2021	$ 5,684
2022	5,684
2023	7,270
2024	8,717
2025	7,975
Thereafter	2,271

NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Actuarial Assumptions

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2018, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2019. The assumptions include several employer groups. Salary increases and mortality rates included herein are for relevant employer groups. Information for other groups can be referenced in the VRS CAFR.

Inflation	2.50%
Salary increases, including inflation:	
Locality - General employees	3.50%-5.35%
Locality - Hazardous Duty employees	3.50%-4.75%
Investment rate of return	6.75%, net of investment expenses, including inflation*

*Administrative expenses as a percent of the fair value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 6.75%. However, since the difference was minimal, and a more conservative 6.75% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 6.75% to simplify preparation of OPEB liabilities.

Mortality Rates – Non-Largest Ten Locality Employers – General Employees

Pre-Retirement:
RP-2014 Employee Rates to age 80, Healthy Annuitant Rates to 81 and older projected with scale BB to 2020; males 95% of rates; females 105% of rates.

Post-Retirement:
RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 3 years; females 1.0% increase compounded from ages 70 to 90.

Post-Disablement:
RP-2014 Disability Mortality Rates projected with scale BB to 2020; males set forward 2 years, 110% of rates; females 125% of rates.

NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Actuarial Assumptions (Continued)

Mortality Rates – Non-Largest Ten Locality Employers – General Employees: (Continued)

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14.00% to 15.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

Mortality Rates – Non-Largest Ten Locality Employers – Hazardous Duty Employees

Pre-Retirement:
RP-2014 Employee Rates to age 80, Healthy Annuitant Rates to 81 and older projected with scale BB to 2020; males 90% of rates; females set forward 1 year.

Post-Retirement:
RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 1 year with 1.0% increase compounded from ages 70 to 90; females set forward 3 years.

Post-Disablement:
RP-2014 Disability Mortality Rates projected with scale BB to 2020; males set forward 2 years; unisex using 100% male.

NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Actuarial Assumptions (Continued)

Mortality Rates – Non-Largest Ten Locality Employers – Hazardous Duty Employees: (Continued)

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Increased age 50 rates and lowered rates at older ages
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 60.00% to 45.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

NET GLI OPEB Liability

The net OPEB liability (NOL) for the GLI Plan represents the plan's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of the measurement date of June 30, 2019, NOL amounts for the GLI Plan are as follows (amounts expressed in thousands):

		GLI OPEB Plan
Total GLI OPEB Liability	$	3,390,238
Plan Fiduciary Net Position		1,762,972
GLI Net OPEB Liability (Asset)	$	1,627,266
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability		52.00%

The total GLI OPEB liability is calculated by the System's actuary, and each plan's fiduciary net position is reported in the System's financial statements. The net GLI OPEB liability is disclosed in accordance with the requirements of GASB Statement No. 74 in the System's notes to the financial statements and required supplementary information.

NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on the System's investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of System's investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class (Strategy)	Target Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-term Expected Rate of Return*
Public Equity	34.00%	5.61%	1.91%
Fixed Income	15.00%	0.88%	0.13%
Credit Strategies	14.00%	5.13%	0.72%
Real Assets	14.00%	5.27%	0.74%
Private Equity	14.00%	8.77%	1.23%
MAPS - Multi-Asset Public Strategies	6.00%	3.52%	0.21%
PIP - Private Investment Partnership	3.00%	6.29%	0.19%
Total	100.00%		5.13%
		Inflation	2.50%
		*Expected arithmetic nominal return	7.63%

*The above allocation provides a one-year return of 7.63%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 7.11%, including expected inflation of 2.50%. The VRS Board elected a long-term rate of 6.75% which is roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation.

Discount Rate

The discount rate used to measure the total GLI OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made per the VRS guidance and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ended June 30, 2019, the rate contributed by the entity for the GLI OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 100% of the actuarially determined contribution rate. From July 1, 2019 on, employers

NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Discount Rate: (Continued)

are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the GLI OPEB's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total GLI OPEB liability.

Sensitivity of the Employer's Proportionate Share of the Net GLI OPEB Liability to Changes in the Discount Rate

The following presents the employer's proportionate share of the net GLI OPEB liability using the discount rate of 6.75%, as well as what the employer's proportionate share of the net GLI OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
Authority's proportionate share of the GLI Program Net OPEB Liability	$ 239,431	$ 182,254	$ 135,885

GLI Plan Fiduciary Net Position

Detailed information about the GLI Plan's Fiduciary Net Position is available in the separately issued VRS 2019 Comprehensive Annual Financial Report (CAFR). A copy of the 2019 VRS CAFR may be downloaded from the VRS website at http://www.varetire.org/pdf/publications/2019-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Line of Duty Act (LODA)

The Line of Duty Act (LODA) provides death and healthcare benefits to certain law enforcement and rescue personnel, and their beneficiaries, who were disabled or killed in the line of duty. Benefit provisions and eligibility requirements are established by title 9.1 Chapter 4 of the Code of Virginia. Funding of LODA benefits is provided by employers in one of two ways: (a) participation in the Line of Duty and Health Benefits Trust Fund (LODA Fund), administered by the Virginia Retirement System (VRS) or (b) self-funding by the employer or through an insurance company.

The Authority has elected to provide LODA benefits through an insurance company. The obligation for the payment of benefits has been effectively transferred from the Authority to VML. VML assumes all liability for the Authority's LODA claims that are approved by VRS. The pool purchases reinsurance to protect the pool from extreme claims costs.

NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

Line of Duty Act (LODA): (Continued)

The current-year OPEB expense/expenditure for the insured benefits is defined as the amount of premiums or other payments required for the insured benefits for the reporting period in accordance with the agreement with the insurance company for LODA and a change in liability to the insurer equal to the difference between amounts recognized as OPEB expense and amounts paid by the employer to the insurer. The Authority's LODA coverage is fully covered or "insured" through VML. This is built into the LODA coverage cost presented in the annual renewals. The Authority's LODA premium for the year ended June 30, 2020 was $13,612.

NOTE 12 – RISK MANAGEMENT:

The Authority is exposed to various risks of loss related to torts, damage to property, injuries to employees, destruction of assets and natural disasters. These risks are covered by commercial insurance purchased through independent third parties. There were no settlements in excess of insurance coverage for the previous three years.

NOTE 13 – COMMITMENTS AND CONTINGENCIES:

Federal programs in which the Authority participates were audited in accordance with the provisions of the Uniform Guidance. Pursuant to the provisions of the regulations major programs were tested for compliance with applicable grant requirements. In addition to matters of noncompliance disclosed by the audit, the Federal Government may subject grant programs to additional compliance tests which may result in other disallowed expenditures. In the opinion of management, any future disallowances of current grant program expenditures would be immaterial.

At June 30, 2020, the Authority had two major projects in the construction phase, which are presented in the financial statements as Construction in Progress. Presented is the project, contract amount, expenditures to date and balance of the contract remaining:

	Contract Amounts	Expenditures To Date	Balance of Contracts
Runway Rehabilitation Construction	$ 12,844,126	$ 10,605,627	$ 2,238,499
Air Carrier Ramp Expansion Construction	8,846,940	5,066,820	3,780,120
Total	$ 21,691,066	$ 15,672,447	$ 6,018,619

NOTE 14 – LITIGATION:

At June 30, 2020, there were no matters of litigation involving the Authority which would materially affect the Authority's financial position should any court decisions on pending matters not be favorable to the Authority.

NOTE 15 – COVID-19 PANDEMIC:

On March 11, 2020, the World Health Organization declared COVID-19 a pandemic, which has caused an economic downturn on a global scale, disrupted global supply chains, and created significant uncertainty, volatility, and disruption across economies and financial markets. The full impact of the COVID-19 outbreak continues to evolve as of the release date of this report. Management is monitoring the situation and impact that it may have on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and global responses to curb its spread, the Authority is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for fiscal year 2021 but has attempted to conservatively budget for the period using the CARES Act funding to subsidize any shortfalls of revenue sources and address any potential liquidity issues.

NOTE 16 – SUBSEQUENT EVENTS:

On May 22, 2020, Hertz Rental Car filed bankruptcy. As such, they were allowed to reject any existing leases. On September 14, 2020, the Authority was notified that Hertz was rejecting the Authority's lease and would cease operations at CHO on September 17, 2020. At the time of this notification, they were current with their obligations with the exception of the following pre-petition debts: $4,478 in rent due for April and May 2020 and $851 in utilities due for March, April, and May 2020.

In July 2020, the Authority awarded a MALSR repair project contract in the amount of $220,234. In September 2020, a contract for Taxiway E relocation was awarded in the amount of $1,945,325. To assist with project funding, the FAA awarded AIP grants 50, 51, and 52 in the amount of $2,665,324; $315,012; and $291,400, respectively, in September 2020.

As of January 19, 2021, of the awarded $6.3 million in federal CARES Act grant funding the Authority has received $5.5 million in reimbursements for operating and debt service expenses.

NOTE 17 – UPCOMING PRONOUNCEMENTS:

Statement No. 84, *Fiduciary Activities*, establishes criteria for identifying fiduciary activities of all state and local governments for accounting and financial reporting purposes and how those activities should be reported. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

Statement No. 87, *Leases*, requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

Management is currently evaluating the impact these standards will have on the financial statements when adopted.

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Required Supplementary Information

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Schedule of Changes in Net Pension Liability and Related Ratios
For the Measurement Dates of June 30, 2014 through June 30, 2019

	2019	2018	2017	2016	2015	2014
Total pension liability						
Service cost	$ 159,646	$ 135,013	$ 160,685	$ 145,571	$ 134,497	$ 131,276
Interest	402,288	379,448	358,917	348,038	328,487	308,435
Changes in assumptions	197,101	-	(147,508)	-	-	-
Differences between expected and actual experience	49,552	64,179	255,968	(40,416)	(13,370)	-
Benefit payments	(267,113)	(237,594)	(431,927)	(163,556)	(176,953)	(129,551)
Net change in total pension liability	$ 541,474	$ 341,046	$ 196,135	$ 289,637	$ 272,661	$ 310,160
Total pension liability - beginning	5,880,624	5,539,578	5,343,443	5,053,806	4,781,145	4,470,985
Total pension liability - ending (a)	$ 6,422,098	$ 5,880,624	$ 5,539,578	$ 5,343,443	$ 5,053,806	$ 4,781,145
Plan fiduciary net position						
Contributions - employer	$ 172,737	$ 125,053	$ 124,216	$ 149,543	$ 137,753	$ 120,121
Contributions - employee	102,807	87,651	83,490	81,830	75,656	72,514
Net investment income	336,663	345,801	531,385	78,062	184,002	544,205
Benefit payments	(267,113)	(237,594)	(431,927)	(163,556)	(176,953)	(129,551)
Administrator charges	(3,222)	(2,948)	(3,254)	(2,565)	(2,456)	(2,845)
Other	(213)	(309)	(456)	(32)	(40)	29
Net change in plan fiduciary net position	$ 341,659	$ 317,654	$ 303,454	$ 143,282	$ 217,962	$ 604,473
Plan fiduciary net position - beginning	4,985,679	4,668,025	4,364,571	4,221,289	4,003,327	3,398,854
Plan fiduciary net position - ending (b)	$ 5,327,338	$ 4,985,679	$ 4,668,025	$ 4,364,571	$ 4,221,289	$ 4,003,327
Authority's net pension liability - ending (a) - (b)	$ 1,094,760	$ 894,945	$ 871,553	$ 978,872	$ 832,517	$ 777,818
Plan fiduciary net position as a percentage of the total pension liability	82.95%	84.78%	84.27%	81.68%	83.53%	83.73%
Covered payroll	$ 2,195,854	$ 1,846,088	$ 1,709,207	$ 1,668,303	$ 1,529,547	$ 1,451,427
Authority's net pension liability as a percentage of covered payroll	49.86%	48.48%	50.99%	58.67%	54.43%	53.59%

Schedule is intended to show information for 10 years. Information prior to the 2014 valuation is not available. However, additional years will be included as they become available.

Schedule of Employer Contributions - VRS Pension Plan
Years Ended June 30, 2011 through June 30, 2020

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
2020	$ 196,823	$ 196,823	$ -	$ 2,547,850	7.73%
2019	172,737	172,737	-	2,195,854	7.87%
2018	125,053	125,053	-	1,846,088	6.77%
2017	121,699	121,699	-	1,709,207	7.12%
2016	151,148	151,148	-	1,668,303	9.06%
2015	138,577	138,577	-	1,529,547	9.06%
2014	120,178	120,178	-	1,451,427	8.28%
2013	105,623	105,623	-	1,275,645	8.28%
2012	62,448	62,448	-	1,187,227	5.26%
2011	57,074	57,074	-	1,085,050	5.26%

Changes of benefit terms – There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

Changes of assumptions – The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

All Others (Non-10 Largest) – Non-Hazardous Duty:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Lowered rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14.00% to 15.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

All Others (Non-10 Largest) – Hazardous Duty:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Increased age 50 rates, and lowered rates at older ages
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better fit experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 60.00% to 45.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

Schedule of Authority's Share of Net OPEB Liability
VRS Group Life Insurance (GLI) Plan
For the Measurement Dates of June 30, 2017 through 2019

Date (1)	Employer's Proportion of the Net GLI OPEB Liability (Asset) (2)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total GLI OPEB Liability (6)
2019	0.01120%	$ 182,254	$ 2,195,854	8.30%	52.00%
2018	0.00971%	147,000	1,846,088	7.96%	51.22%
2017	0.00927%	140,000	1,709,562	8.19%	48.86%

Schedule is intended to show information for 10 years. Information prior to the 2017 valuation is not available. However, additional years will be included as they become available.

Schedule of Employer Contributions
VRS Group Life Insurance (GLI) Plan
Years Ended June 30, 2011 through June 30, 2020

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
2020	$ 13,224	$ 13,224	$ -	$ 2,547,850	0.52%
2019	11,419	11,419	-	2,195,854	0.52%
2018	9,600	9,600	-	1,846,088	0.52%
2017	8,890	8,890	-	1,709,562	0.52%
2016	8,008	8,008	-	1,668,303	0.48%
2015	7,334	7,334	-	1,527,871	0.48%
2014	6,967	6,967	-	1,451,427	0.48%
2013	6,123	6,123	-	1,275,645	0.48%
2012	3,324	3,324	-	1,187,227	0.28%
2011	3,038	3,038	-	1,085,050	0.28%

Notes to Required Supplementary Information
VRS Group Life Insurance (GLI) Plan
Year Ended June 30, 2020

Changes of benefit terms – There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

Changes of assumptions – The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Non-Largest Ten Locality Employers - General Employees

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14.00% to 15.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

Non-Largest Ten Locality Employers - Hazardous Duty Employees

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Increased age 50 rates and lowered rates at older ages
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 60.00% to 45.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

Other Supplementary Information

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CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY

Schedule of Administrative Expenses - Allocated

Year Ended June 30, 2020

	Terminal	Parking	Total
Administrative Expenses:			
Payroll	$ 872,831	$ 154,029	$ 1,026,860
Dues and subscriptions	12,972	2,289	15,261
Education	1,095	193	1,288
Travel	10,634	1,877	12,511
Advertising promotion	252,810	44,613	297,423
Professional fees	96,029	16,946	112,975
Human Resource	19,553	3,450	23,003
Insurance	25,783	4,550	30,333
Office expense	26,410	4,661	31,071
Computer	58,133	10,259	68,392
Equipment lease	3,995	705	4,700
Utilities-phone	11,507	2,031	13,538
Coronavirus expenses	15,157	2,675	17,832
Total	$ 1,406,909	$ 248,278	$ 1,655,187

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Statistical Section

CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY
Statistical Section

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CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY
Total Annual Revenues, Expenses and Changes in Net Position
Last Ten Fiscal Years

	2020	2019	2018	2017
Operating revenues				
Airfield	$ 1,509,503	$ 1,632,799	$ 1,431,556	$ 1,328,090
Terminal	2,186,106	2,602,240	2,242,281	2,100,201
Parking	3,388,989	4,584,850	4,344,293	3,380,734
Total operating revenues	$ 7,084,598	$ 8,819,889	$ 8,018,130	$ 6,809,025
Nonoperating revenues				
Interest Income	$ 28,203	$ 27,212	$ 11,757	$ 4,618
Other income	8,455	28,151	41,495	376,767
PFC debt service income	-	-	-	-
CARES grant	3,210,980	-	-	-
State entitlement reimbursements	-	190,000	285,000	50,000
Total nonoperating revenues	$ 3,247,638	$ 245,363	$ 338,252	$ 431,385
Total Revenues	$ 10,332,236	$ 9,065,252	$ 8,356,382	$ 7,240,410
Operating expenses				
Operations	$ 5,475,834	$ 4,835,264	$ 3,761,085	$ 3,651,359
Administrative	1,655,187	1,679,472	1,511,545	1,421,002
Depreciation & amortization	4,621,108	4,390,045	4,009,552	4,093,426
Total operating expenses	$ 11,752,129	$ 10,904,781	$ 9,282,182	$ 9,165,787
Nonoperating expenses				
Rental Car QTA expenses	$ 157,018	$ 147,576	$ 139,384	$ 141,409
Interest Expense	18,829	84,967	123,528	142,697
Airline Settlement	-	-	-	-
Other expenses	-	-	38,198	-
Total nonoperating expenses	$ 175,847	$ 232,543	$ 301,110	$ 284,106
Total Expenses	$ 11,927,976	$ 11,137,324	$ 9,583,292	$ 9,449,893
Capital Contributions	5,554,461	5,709,064	11,257,329	5,523,173
Increase (Decrease) in Net Position	$ 3,958,721	$ 3,636,992	$ 10,030,419	$ 3,313,690
Net Position at Year-End				
Net investment in capital assets	$ 106,033,013	$ 101,715,374	$ 101,441,432	$ 92,837,835
Restricted	11,635,927	12,910,019	11,061,212	10,787,497
Unrestricted	3,678,069	2,762,895	1,248,652	249,545
Total Net Position	$ 121,347,009	$ 117,388,288	$ 113,751,296	$ 103,874,877

Source: Authority's audited financial statements.

Table 1

CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY

Total Annual Revenues, Expenses and Changes in Net Position

Last Ten Fiscal Years

2016	2015	2014	2013	2012	2011
$ 1,225,277	$ 1,024,898	$ 1,027,690	$ 1,002,703	$ 878,886	$ 875,078
1,736,106	1,729,166	1,718,574	2,027,072	1,492,613	1,696,058
3,124,311	2,972,382	2,692,721	2,192,110	2,205,473	2,001,761
$ 6,085,694	$ 5,726,446	$ 5,438,985	$ 5,221,885	$ 4,576,972	$ 4,572,897
$ 6,473	$ 8,493	$ 7,443	$ 14,438	$ 16,247	$ 32,048
457,549	396,716	-	19,904	19,903	19,903
-	-	31,575	75,779	75,779	75,779
-	-	-	-	-	-
50,000	150,000	180,000	150,000	200,000	150,000
$ 514,022	$ 555,209	$ 219,018	$ 260,121	$ 311,929	$ 277,730
$ 6,599,716	$ 6,281,655	$ 5,658,003	$ 5,482,006	$ 4,888,901	$ 4,850,627
$ 3,426,074	$ 3,307,204	$ 3,111,581	$ 2,782,343	$ 2,805,737	$ 2,580,515
1,340,086	1,135,760	1,174,382	1,565,542	982,347	1,063,871
3,741,700	3,508,608	3,460,065	2,959,706	3,007,771	3,100,566
$ 8,507,860	$ 7,951,572	$ 7,746,028	$ 7,307,591	$ 6,795,855	$ 6,744,952
$ 142,076	$ 155,430	$ 169,466	$ 179,462	$ 184,567	$ 197,516
157,167	202,983	232,742	256,007	280,151	303,214
370,725	417,921	335,434	241,515	40,388	186,485
-	139,539	-	-	-	-
$ 669,968	$ 915,873	$ 737,642	$ 676,984	$ 505,106	$ 687,215
$ 9,177,828	$ 8,867,445	$ 8,483,670	$ 7,984,575	$ 7,300,961	$ 7,432,167
7,677,697	4,995,034	9,437,881	11,917,822	6,536,431	8,630,865
$ 5,099,585	$ 2,409,244	$ 6,612,214	$ 9,415,253	$ 4,124,371	$ 6,049,325
$ 92,756,326	$ 90,453,841	$ 88,641,919	$ 83,988,096	$ 73,977,560	$ 72,091,435
8,396,399	4,823,976	4,185,359	3,010,454	3,328,689	1,295,013
(591,538)	183,785	1,177,090	1,128,487	1,214,317	1,009,747
$ 100,561,187	$ 95,461,602	$ 94,004,368	$ 88,127,037	$ 78,520,566	$ 74,396,195

CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY

Changes in Cash and Cash Equivalents

Last Ten Fiscal Years

	2020	2019
Cash flows from operating activities		
Cash received from providing services	$ 7,202,496	$ 8,749,246
Cash paid to suppliers	(3,392,416)	(2,810,362)
Cash paid to and for employers	(4,115,226)	(3,859,031)
Net cash provided by (used for) operating activities	$ (305,146)	$ 2,079,853
Cash flows from noncapital financing activities		
CARES Grant	$ 1,174,725	$ -
Net cash provided by (used for) noncapital financing activities	$ 1,174,725	$ -
Cash flows from investing activities		
Investment interest earned	$ 28,203	$ 27,212
Net cash provided by (used for) investing activities	$ 28,203	$ 27,212
Cash flows from capital and related financing activities		
Interest paid on debt	$ (23,953)	$ (38,869)
Acquisition of property and equipment	(850,144)	(483,401)
Disposal of property and equipment	54,544	17,744
Additions to construction in progress	(5,986,767)	(3,613,684)
Long-term debt proceeds	-	-
Bridge Loans from VDOA	-	-
Debt Service Paid	(400,234)	(887,733)
PFC debt service income	-	-
State debt service reimbursement	-	190,000
Airline Settlement	-	-
Contributions from Virginia Department of Aviation	1,975,630	1,520,259
Contributions from Virginia Department of Transporatation	-	-
Contributions from Federal Aviation Administration	842,548	2,044,880
Contributions from others	-	15,549
Contributions from Passenger Facility Charge (PFC)	1,398,879	1,556,540
Contributions from Customer Facility Charge (CFC)	744,838	878,695
Net cash provided by (used for) capital and related financing activities	$ (2,244,659)	$ 1,199,980
Increase (decrease) in cash and cash equivalents for the year	$ (1,346,877)	$ 3,307,045
Cash and cash equivalents at beginning of year (including restricted accounts)	16,252,137	12,945,092
Cash and cash equivalents at end of year (including restricted accounts)	$ 14,905,260	$ 16,252,137

Source: Authority's Audited Financial Statements.

Table 2

CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY

Changes in Cash and Cash Equivalents

Last Ten Fiscal Years

2018	2017	2016	2015	2014	2013	2012	2011
$ 7,971,550	$ 6,754,607	$ 6,065,731	$ 5,799,311	$ 5,452,654	$ 5,144,453	$ 4,648,998	$ 4,475,981
(2,365,219)	(2,379,061)	(2,238,401)	(2,459,018)	(2,050,921)	(2,461,160)	(2,005,564)	(1,822,557)
(2,935,243)	(2,780,550)	(2,696,738)	(2,411,806)	(2,242,183)	(1,897,846)	(1,932,329)	(1,704,683)
$ 2,671,088	$ 1,594,996	$ 1,130,592	$ 928,487	$ 1,159,550	$ 785,447	$ 711,105	$ 948,741
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
$ 11,757	$ 4,618	$ 6,473	$ 8,493	$ 7,443	$ 14,438	$ 16,247	$ 32,048
$ 11,757	$ 4,618	$ 6,473	$ 8,493	$ 7,443	$ 14,438	$ 16,247	$ 32,048
$ (62,040)	$ (84,959)	$ (98,031)	$ (188,223)	$ (221,745)	$ (266,267)	$ (296,471)	$ (325,241)
(2,880,955)	(290,925)	(1,160,107)	(1,005,281)	(290,144)	(140,283)	(202,414)	(139,112)
41,495	6,042	39,628	61,282	-	-	-	-
(8,434,867)	(2,387,834)	(7,270,584)	(3,381,858)	(9,722,666)	(9,380,838)	(6,678,361)	(8,047,018)
-	-	1,597,000	15,000	-	-	-	-
-	(213,986)	-	-	107,812	3,599	85,524	-
(964,678)	(941,759)	(753,798)	(696,907)	(675,827)	(643,744)	(613,541)	(584,770)
-	-	-	-	31,575	75,779	75,779	75,779
285,000	50,000	50,000	150,000	180,000	169,904	219,903	169,903
-	-	-	-	(241,515)	(40,388)	(186,485)	(50,469)
1,793,100	1,970,047	4,859,195	1,728,588	3,126,795	3,343,355	2,600,232	5,154,750
-	-	-	-	-	-	-	113,776
7,301,556	1,333,083	1,200,443	1,639,931	6,025,707	5,694,804	3,060,198	2,059,476
31,257	(25,257)	-	-	-	-	-	23,017
1,443,029	1,294,736	1,189,674	1,095,487	950,914	826,658	866,746	627,088
728,135	663,024	628,164	583,857	542,451	522,280	525,267	403,519
$ (718,968)	$ 1,372,212	$ 281,584	$ 1,876	$ (186,643)	$ 164,859	$ (629,147)	$ (519,302)
$ 1,963,877	$ 2,971,826	$ 1,418,649	$ 938,856	$ 980,350	$ 964,744	$ 98,205	$ 461,487
10,981,215	8,009,389	6,590,740	5,651,884	4,671,534	3,706,790	3,608,585	3,147,098
$ 12,945,092	$ 10,981,215	$ 8,009,389	$ 6,590,740	$ 5,651,884	$ 4,671,534	$ 3,706,790	$ 3,608,585

CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY
Principal Revenue Sources, Cost per Enplaned Passenger and
Scheduled Airline Rates and Charges
Last Ten Fiscal Years

	2020	2019	2018	2017
PRINCIPAL REVENUE SOURCES				
Airline revenues				
Landing Fees	$ 786,695	$ 946,998	$ 837,861	$ 743,007
Terminal Rents	520,927	705,306	704,663	689,730
Total airline revenues	$ 1,307,622	$ 1,652,304	$ 1,542,524	$ 1,432,737
Percentage of total revenues	13%	18%	18%	20%
Nonairline revenues				
Parking	$ 3,388,989	$ 4,584,850	$ 4,344,293	$ 3,380,734
Rental Car	936,467	1,124,349	1,070,117	1,015,613
Other	1,451,520	1,458,386	1,061,196	979,942
Total nonairline revenues	$ 5,776,976	$ 7,167,585	$ 6,475,606	$ 5,376,289
Percentage of total revenues	56%	79%	77%	74%
Nonoperating revenues				
Interest income	$ 28,203	$ 27,212	$ 11,757	$ 4,618
CARES Grant	3,210,980	-	-	-
Other income	8,455	218,151	326,495	426,767
Total nonoperating revenues	$ 3,247,638	$ 245,363	$ 338,252	$ 431,385
Percentage of total revenues	31%	3%	4%	6%
Total revenues	$ 10,332,236	$ 9,065,252	$ 8,356,382	$ 7,240,411
Enplaned passengers (excluding charters)	282,282	378,441	348,922	315,099
Total revenue per enplaned passenger	$ 36.60	$ 23.95	$ 23.95	$ 22.98
Airline cost per enplaned passenger	$ 4.63	$ 4.37	$ 4.42	$ 4.55
SIGNATORY AIRLINES RATES AND CHARGES				
Landing Fee (per 1,000 lbs MGLW)	$ 2.07	$ 2.10	$ 2.08	$ 2.04
Average Annual Terminal Rental Rate (per s. f.)	$ 28.27	$ 40.78	$ 40.75	$ 39.91

Source: Authority's audited financial statements and Authority's records.

Table 3

CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY

Principal Revenue Sources, Cost per Enplaned Passenger and
Scheduled Airline Rates and Charges
Last Ten Fiscal Years

2016	2015	2014	2013	2012	2011
$ 575,993	$ 528,725	$ 519,424	$ 487,995	$ 410,214	$ 446,621
448,984	578,461	430,834	448,784	428,943	443,901
$ 1,024,977	$ 1,107,186	$ 950,258	$ 936,779	$ 839,157	$ 890,522
16%	18%	17%	17%	18%	19%
$ 3,124,311	$ 2,972,382	$ 2,692,720	$ 2,192,110	$ 2,205,473	$ 2,001,761
939,012	875,844	789,511	760,550	761,187	1,006,860
997,394	771,034	1,006,496	1,332,446	771,155	673,754
$ 5,060,717	$ 4,619,260	$ 4,488,727	$ 4,285,106	$ 3,737,815	$ 3,682,375
77%	74%	79%	78%	76%	76%
$ 6,473	$ 8,493	$ 7,443	$ 14,438	$ 16,247	$ 32,048
-	-	-	-	-	-
507,549	546,716	211,575	245,683	295,682	245,682
$ 514,022	$ 555,209	$ 219,018	$ 260,121	$ 311,929	$ 277,730
8%	9%	4%	5%	6%	6%
$ 6,599,716	$ 6,281,655	$ 5,658,003	$ 5,482,006	$ 4,888,901	$ 4,850,627
286,030	261,631	238,398	227,874	231,907	203,404
$ 23.07	$ 24.01	$ 23.73	$ 24.06	$ 21.08	$ 23.85
$ 3.58	$ 4.23	$ 3.99	$ 4.11	$ 3.62	$ 4.38
$ 1.95	$ 1.95	$ 1.86	$ 1.84	$ 1.78	$ 1.77
$ 23.35	$ 32.55	$ 23.09	$ 21.58	$ 22.82	$ 22.78

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CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY
Parking Rates Per Lot
Last Ten Fiscal Years

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Short Term	$ 13	$ 13	$ 13	$ 10	$ 10	$ 10	$ 10	$ 8	$ 8	$ 8
Long Term	13	13	13	10	10	10	10	8	8	8
Economy	9	9	9	8	8	8	8	8	8	8
Overflow	9	9	9	8	8	-	-	-	-	-

Source: Airport Authority Records
Note: Parking rates changed August 15, 2017
Note: The old employee lot became the overflow lot in FY 2016

CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY

Revenue Bond Debt Service Coverage

Last Ten Fiscal Years

	2020	2019	2018	2017
NET REVENUES				
Operating Revenues	$ 7,084,598	$ 8,819,889	$ 8,018,130	$ 6,809,025
Interest Income	28,203	27,212	11,757	4,618
Agency Reimbursements	-	190,000	285,000	50,000
PFC Income*	-	-	-	-
Other Income***	3,219,435	28,151	41,495	6,042
Total Revenues	$ 10,332,236	$ 9,065,252	$ 8,356,382	$ 6,869,685
Less: Operating Expenses	$ (7,131,021)	$ (6,514,736)	$ (5,272,629)	$ (5,072,361)
Net Revenues	$ 3,201,215	$ 2,550,516	$ 3,083,753	$ 1,797,324
Aggregate Debt Service**	$ 247,375	$ 749,485	$ 849,907	$ 849,907
Debt Service Coverage***	12.94	3.40	3.63	2.11

Source: Authority's audited financial statements

*Portion of PFC Income allowed for debt coverage calculation

**Net of CFC Debt

*** Without the CARES Act non-operating revenue (which can be used for operating and maintenance expenses as well as certain debt service), the coverage calculation is negative .04 for FY20.

Table 5

CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY

Revenue Bond Debt Service Coverage

Last Ten Fiscal Years

2016	2015	2014	2013	2012	2011
$ 6,085,694	$ 5,726,446	$ 5,438,985	$ 5,221,885	$ 4,576,972	$ 4,572,897
6,473	8,493	7,443	14,438	16,247	32,048
50,000	150,000	180,000	169,904	219,903	169,903
-	-	31,575	75,779	75,779	75,779
39,628	61,282	-	-	-	-
$ 6,181,795	$ 5,946,221	$ 5,658,003	$ 5,482,006	$ 4,888,901	$ 4,850,627
$ (4,766,160)	$ (4,442,964)	$ (4,285,964)	$ (4,347,885)	$ (3,788,084)	$ (3,644,386)
$ 1,415,635	$ 1,503,257	$ 1,372,039	$ 1,134,121	$ 1,100,817	$ 1,206,241
$ 673,249	$ 690,776	$ 703,216	$ 713,606	$ 715,655	$ 715,655
2.10	2.18	1.95	1.59	1.54	1.69

Table 6

CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY

Ratios of Outstanding Debt Service by Type

Last Ten Fiscal Years

	Bonds	Notes Payable	VDOA Bridge Loans	Total Outstanding Debt	(1) Less Bonds Series 2002 $2,222,078	Net Operational Outstanding Debt	Debt Expense/ Operating Expense	(2) Percentage of Personal Income	(3) Debt Per Enplaned Passenger
2011	$ 7,671,952	$ 59,255	$ -	$ 7,731,207	$ 2,154,109	$ 5,577,098	20%	1.23	38.01
2012	6,786,823	37,319	109,262	6,933,404	1,959,754	4,973,650	19%	1.51	29.90
2013	4,954,811	12,239	958,276	5,925,326	1,357,955	4,567,371	16%	1.83	26.00
2014	4,100,004	-	958,276	5,058,280	1,036,503	4,021,777	16%	2.30	21.22
2015	3,418,097	-	958,276	4,376,373	898,529	3,477,844	16%	2.79	16.73
2016	4,261,299	-	948,868	5,210,167	743,528	4,466,639	14%	2.53	18.22
2017	3,319,540	-	734,882	4,054,422	581,446	3,472,976	17%	3.42	12.87
2018	2,354,862	-	734,882	3,089,744	415,762	2,673,982	16%	4.91	8.86
2019	1,467,129	-	734,882	2,202,011	246,397	1,955,614	12%	7.14	5.82
2020	1,066,895	-	734,882	1,801,777	73,268	1,728,509	3%	unavailable	6.38

Source: Authority's audited financial statements and records

[1] Ratios of Outstanding Debt includes Series 2002 Rental Car Facility which is not part of Operations

[2] Calculated from table twelve total personal income combined for the region

[3] Calculated by taking total outstanding debt and divide by enplaned passengers

Table 7

CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY

Airline Landed Weights

Last Ten Fiscal Years

(in thousands of pounds)

Scheduled Air Carriers	2020	% Total	2019	2018	2017	2016	2015	2014	2013	2012	2011
US Airways	-	-	-	-	-	133,784	129,395	128,699	129,014	165,013	164,390
Delta Airlines	117,203	*30.7%*	136,055	106,677	83,132	69,637	68,952	67,781	60,791	49,162	51,512
United Express	58,497	*15.3%*	72,884	53,694	36,353	33,114	36,225	44,160	47,729	40,576	40,480
American Airlines[1]	205,608	*53.9%*	245,067	241,327	244,981	58,609	44,517	28,047	27,565	32,003	1,111
Allegiant Airlines[2]	-	-	-	-	-	-	-	3,996	-	-	-
Total	381,308		454,006	401,698	364,466	295,144	279,089	272,683	265,099	286,754	257,493

Percentage increase/decrease FY 2020/FY 2019: -16%

Source: Airport Authority Records

[1]American commenced service June 9, 2011

[2]Allegiant Airlines commenced service in November 2013, ended in February 2014

Table 8

CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY

Enplaned Passengers

Last Ten Fiscal Years

	2020	*% of Total*	2019	2018	2017	2016	2015	2014	2013	2012	2011
USAirways[2]	-	-	-	-	-	-	121,400	114,356	109,611	126,243	126,798
Delta Airlines	83,620	*30%*	111,172	96,247	84,332	75,266	69,385	58,363	53,174	45,630	44,589
United Express	42,056	*15%*	60,370	46,608	31,761	30,533	30,925	36,499	39,403	35,780	30,418
American Airlines	156,606	*55%*	206,899	206,067	199,006	180,231	39,921	25,956	25,686	24,254	1,599
Allegiant Airlines[1]	-	-	-	-	-	-	-	3,224	-	-	-
Total	282,282		378,441	348,922	315,099	286,030	261,631	238,398	227,874	231,907	203,404
% Incr/(Dec)	-25%		8%	11%	10%	9%	10%	5%	-2%	14%	11%

Source: Airport Authority records

[1]Allegiant Airlines commenced service in November 2013, ended in February 2014

[2]American/U.S. Airways merger officially took place in October 2015. Combined U.S. Airways figures with American

Table 9

CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY
Aircraft Operations Summary
Last Ten Fiscal Years

Fiscal Year	Air Carrier	General Aviation	Military	Total
2011	18,718	56,263	5,180	80,161
2012	18,619	57,667	5,408	81,694
2013	17,382	49,833	5,491	72,706
2014	20,214	50,825	6,028	77,067
2015	20,049	48,307	5,637	73,993
2016	19,782	37,031	5,518	62,331
2017	23,143	39,371	6,344	68,858
2018	27,975	49,310	8,495	85,780
2019	30,980	57,666	8,935	97,581
2020	27,152	61,253	10,717	99,122
Average Annual Change	4.22%	0.95%	8.41%	2.39%

Source: Airport Authority records

Table 10

CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY
Top 50 Origin Destination Markets

Year Ended Quarter 2 2020				Year Ended Quarter 2 2011			
Rank	Airport Code	City	Total Passengers	Rank	Airport Code	City	Total Passengers
1	LGA	New York La Guardia	49,549	1	LGA	New York LGA	25,460
2	ORD	Chicago O'Hare	38,267	2	ATL	Atlanta	14,960
3	ATL	Atlanta	29,866	3	ORD	Chicago O'Hare	14,030
4	SFO	San Francisco	15,132	4	BOS	Boston	13,690
5	LAX	Los Angeles	13,274	5	CLT	Charlotte	13,150
6	DEN	Denver	13,039	6	SFO	San Francisco	11,800
7	DFW	Dallas/Fort Worth	13,025	7	LAX	Los Angeles	10,860
8	BOS	Boston	12,616	8	PHL	Philadelphia	9,540
9	CLT	Charlotte	10,822	9	DEN	Denver	9,470
10	MCO	Orlando	10,800	10	DFW	Dallas/Fort Worth	8,700
11	TPA	Tampa	10,317	11	MCO	Orlando	8,290
12	PHX	Phoenix	9,254	12	TPA	Tampa	7,460
13	SAN	San Diego	8,852	13	IAH	Houston Bush	6,770
14	IAH	Houston Intercontinental	8,816	14	PHX	Phoenix	6,420
15	AUS	Austin	8,597	15	LAS	Las Vegas	6,360
16	SEA	Seattle/Tacoma	7,622	16	SEA	Seattle/Tacoma	6,240
17	BNA	Nashville	7,620	17	MSY	New Orleans	6,150
18	MSP	Minneapolis	7,576	18	FLL	Fort Lauderdale	5,850
19	MSY	New Orleans	7,313	19	MSP	Minneapolis/ St. Paul	5,620
20	SLC	Salt Lake City	6,977	20	SAN	San Diego	5,450
21	LAS	Las Vegas	6,923	21	MCI	Kansas City	5,110
22	MIA	Miami	6,834	22	BNA	Nashville	5,100
23	FLL	Fort Lauderdale	6,056	23	AUS	Austin	4,860
24	PBI	West Palm Beach	5,890	24	STL	St Louis	4,620
25	STL	St. Louis	5,568	25	PBI	West Palm Beach	4,380
26	JAX	Jacksonville	5,493	26	IND	Indianapolis	4,090
27	RSW	Fort Myers	5,366	27	JAX	Jacksonville	4,010
28	SAT	San Antonio	4,794	28	MEM	Memphis	3,980
29	PHL	Philadelphia	4,763	29	DTW	Detroit	3,790
30	DTW	Detroit	4,734	30	MIA	Miami	3,670
31	IND	Indianapolis	4,693	31	RSW	Fort Myers	3,640
32	MCI	Kansas City	4,583	32	MKE	Milwaukee	3,560
33	CHS	Charleston	4,405	33	SAT	San Antonio	3,370
34	PDX	Portland	3,749	34	BDL	Hartford	3,090
35	MEM	Memphis	3,736	35	PDX	Portland	3,010
36	BDL	Hartford	3,155	36	SLC	Salt Lake City	2,890
37	BHM	Birmingham	3,094	37	PVD	Providence	2,790
38	SRQ	Sarasota/Bradenton	3,003	38	PWM	Portland, ME	2,780
39	SNA	Orange County	2,867	39	BHM	Birmingham, AL	2,540
40	MKE	Milwaukee	2,821	40	SRQ	Sarasota/Bradenton	2,340
41	PVD	Providence	2,741	41	ALB	Albany	2,230
42	ABQ	Albuquerque	2,540	42	CMH	Columbus	2,190
43	PWM	Portland	2,535	43	CHS	Charleston	2,100
44	OMA	Omaha	2,530	44	BTV	Burlington, VT	1,970
45	MSN	Madison	2,506	45	SMF	Sacramento	1,900
46	SMF	Sacramento	2,471	46	CLE	Cleveland	1,870
47	GRR	Grand Rapids	2,459	47	DAY	Dayton	1,770
48	SJC	San Jose	2,376	48	SYR	Syracuse	1,730
49	CMH	Columbus	2,159	49	SDF	Louisville	1,640
50	SDF	Louisville	2,148	50	BUF	Buffalo	1,630
	Total - Top 50 Domestic Markets		406,327		Total - Top 50 Domestic Markets		288,920
	Total - All Domestic Markets		529,985		Total - All Domestic Markets		355,370

Source: USDOT, O&D Survey, via Cirium.

Source: US DOT DB1B

Table 11

CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY

Airport Information

Last Ten Fiscal Years

Airport Code: CHO
Location: 8 Miles North of downtown Charlottesville, Virginia
Elevation: 641 feet
FBO: Signature Flight Support

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Acres[4] (+/-):	713	713	713	705	705	705	705	705	705	705
Runways:										
3/21 North/South ILS 3/GPS	6,801	6,801	6,801	6,801	6,801	6,801	6,801	6,801	6,001	6,001
	by 150 ft.	by 150 ft.	by 150 ft.	by 150 ft.	by 150 ft.	by 150 ft.	by 150 ft.	by 150 ft.	by 150 ft.	by 150 ft.
Terminal[3]:										
Airlines - sq. ft.	20,038	20,038	20,038	20,038	25,294	25,353	25,353	25,353	25,353	25,353
Rental Car - sq. ft.	660	660	660	660	270	270	270	270	270	270
Tailwind - sq. ft.	2,790	2,790	2,790	2,790	2,500	1,600	1,600	1,600	1,600	1,600
TSA - sq. ft.	725	725	496	496	496	496	700	700	700	700
Total	24,213	24,213	23,984	23,984	28,560	27,719	27,923	27,923	27,923	27,923
# of passenger gates	5	5	5	5	5	5	5	5	5	5
# of loading bridges	1	1	1	1	1	1	1	1	1	1
# of Concessionaires in Terminal[5]	3	3	3	4	4	4	4	4	4	4
# of Rental Car Agencies in Terminal	3	3	3	3	3	3	3	3	3	3
Parking:										
Spaces assigned:[7]										
Short-term	108	108	108	108	108	108	108	108	108	108
Long-term	743	743	743	743	748	748	748	748	748	748
Economy	220	132	132	132	132	132	132	132	132	132
Overflow[1]	439	196	196	196	216	-	-	-	-	-
Small GA Lot[2]	-	65	65	65	65	-	-	-	-	-
Rental Cars/Tenant	295	303	303	303	303	303	303	303	303	303
Employee Lot[1]	69	146	146	146	146	175	175	175	175	175
Total	1,874	1,693	1,693	1,693	1,718	1,466	1,466	1,466	1,466	1,466
Employees:										
Administrative	12	12	10	9	7	7	7	7	6	6
Public Safety	10	11	6	7	8	8	7	7	7	7
Maintenance	12	12	7	7	7	7	7	6	6	5
Operational Facility Assts/CSO	2	2	2	2	2	0	0	4	4	4
Parking	10	10	9	9	8	8	9	5	5	5
Equipment Technician	1	1	1	1	1	1	1	1	1	1
Total f/t employees (2080) hrs. per yr.	47	48	35	35	33	31	31	30	29	28
Hangars:										
T-Hangar Units	4	4	4	4	4	4	4	4	4	4
Conventional Units[6]	6	6	6	5	5	5	5	5	5	5

[1] When the new employee lot was completed during FY16, the old employee lot became the overflow lot.

[2] This lot was previously included in the FBO leasehold, but under the new agreement, it clarified these spaces were airport spaces.

[3] These figures were updated with final space allocation performed after Terminal Renovation and Expansion project completed in 2016.

[4] In December 2017, the Authority purchased 7.8 acres of land that became available adjoining airport property.

[5] October 31, 2017, the Authority's agreement with Interspace ended and the Authority now does advertising in-house.

[6] Signature Flight Support completed construction on a box hangar during FY18.

[7] During FY20, a temporary lot (97 spaces) was created, an employee lot was converted to passenger overflow parking (146 spaces) and an expansion of the economy lot (88 spaces) was completed. The GA lot was converted to employee parking. Eight (8) spaces were removed from rental cars; 4 of those were put to employee parking and the other 4 were taken out of inventory.

CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY
Demographic Information

Population in the Primary Trade Area [1] Fiscal Years Ended June 30

	2019	% Change 2019/2018	2018	2017	2016
City of Charlottesville	49,181	-0.2%	49,281	49,132	49,071
County of Albemarle	109,722	1.0%	108,639	107,697	105,715
County of Greene	20,097	0.7%	19,959	19,985	19,785
County of Fluvanna	27,038	1.3%	26,692	26,467	26,133
County of Madison	13,251	-0.2%	13,278	13,190	13,099
County of Nelson	14,794	-0.3%	14,836	14,858	14,835
Total	234,083	0.6%	232,685	231,329	228,638

Unemployment Rate [2] Fiscal Years Ended June 30

	2020	% Change 2020/2019	2019	2018	2017
City of Charlottesville	9.0	221.4%	2.8	2.3	3.6
County of Albemarle	7.5	167.9%	2.8	2.5	3.7
County of Greene	7.5	200.0%	2.5	2.3	3.3
County of Fluvanna	7.4	196.0%	2.5	2.3	3.2
County of Madison	5.0	108.3%	2.4	2.2	3.1
County of Nelson	7.5	134.4%	3.2	2.7	3.8

Total Personal Income [3] Fiscal Years Ended June 30

	2019	% Change 2019/2018	2018	2017	2016
Albemarle/Charlottesville[4]	12,160,701	3.9%	11,702,008	10,531,351	9,981,222
County of Greene	922,167	5.0%	877,858	844,388	798,762
County of Fluvanna	1,237,266	3.4%	1,197,011	1,141,266	1,078,644
County of Madison	644,173	-0.8%	649,082	624,316	631,172
County of Nelson	765,863	1.8%	752,436	720,555	695,591
	15,730,170	3.6%	15,178,395	13,861,876	13,185,391

Per Capita Income [3] Fiscal Years Ended June 30

	2019	% Change 2019/2018	2018	2017	2016
Albemarle/Charlottesville[4]	77,657	4.1%	74,613	67,630	64,938
County of Greene	46,529	4.8%	44,383	43,055	41,320
County of Fluvanna	45,334	1.4%	44,693	43,145	41,218
County of Madison	48,577	-0.5%	48,822	47,022	48,152
County of Nelson	51,297	1.1%	50,717	48,220	46,700
	269,394	2.3%	263,228	249,072	242,328

[1] Source: Weldon Cooper Center for Public Service (Estimate)

[2] Source: U.S. Bureau of Labor Statistics

[3] Source: Bureau of Economic Analysis/ US Department of Commerce

[4] Albemarle County standalone statistic unavailable

Table 12

CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY
Demographic Information

2015	2014	2013	2012	2011	2010
48,210	47,783	46,623	45,073	44,471	43,475
105,051	103,707	102,731	101,575	100,780	98,970
19,840	19,618	18,804	18,856	19,402	18,403
26,162	25,970	25,977	26,033	25,989	25,691
13,099	13,353	13,200	13,472	13,424	13,308
14,993	15,074	14,789	15,078	15,097	15,016
227,355	225,505	222,124	220,087	219,163	214,863

2016	2015	2014	2013	2012	2011
3.5	4.5	4.3	4.3	6.6	6.3
3.7	4.7	4.1	4.4	4.8	5.1
3.1	4.3	4.1	3.8	5.2	5.0
3.3	4.3	3.8	4.2	4.8	4.9
3.3	4.0	3.8	4.0	4.8	5.0
3.5	4.5	4.2	4.6	5.3	5.5

2015	2014	2013	2012	2011	2010
9,182,721	8,795,194	7,764,329	7,493,869	6,778,562	6,421,082
760,363	701,736	791,878	767,362	710,441	666,063
1,040,445	967,881	1,072,290	1,040,671	951,419	894,204
574,042	541,990	530,597	523,987	479,209	457,332
666,135	629,685	675,564	640,628	601,790	570,682
12,223,706	11,636,486	10,834,658	10,466,517	9,521,421	9,009,363

2015	2014	2013	2012	2011	2010
60,294	58,603	52,693	51,255	47,052	44,987
39,681	36,873	42,112	40,880	38,073	36,093
39,659	37,095	41,278	40,077	36,507	34,710
43,775	41,194	40,197	39,696	36,389	34,394
45,055	42,403	45,680	43,207	39,862	38,005
228,464	216,168	221,960	215,115	197,883	188,189

Table 13

CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY

Principal Employers in the Primary Air Trade Area [1]

As of 1st Quarter 2020	As of 4th Quarter 2010
1. University of Virginia / Blue Ridge Hospital	1. University of Virginia
2. County of Albemarle	2. University of Virginia Medical Center
3. Sentara Healthcare	3. County of Albemarle
4. Wal Mart	4. Martha Jefferson Hospital
5. UVA Health Services Foundation	5. City of Charlottesville
6. City of Charlottesville	6. UVA Health Services Foundation
7. Charlottesville City School Board	7. State Farm Mutual Automobile Insurance
8. Louisa County Public School Board	8. Charlottesville City School Board
9. Dominion Virginia Power	9. Aramark Campus LLC
10. US Department of Defense	10. Northrop Grumman Corporation
11. Servicelink Management Com Inc	11. US Department of Defense
12. State Farm Mutual Automobile Insurance	12. Walmart
13. Food Lion	13. Fluvanna County Public School Baord
14. Fluvanna County Public School Board	14. Greene County School Board
15. Region Ten Community Services	15. Region Ten Community Services
16. Wintergreen Resort	16. Food Lion
17. Atlantic Coast Athletic Club	17. Piedmont Virginia Community College
18. Aramark Campus LLC	18. Wintergreen Partners
19. Greene County School Board	19. Nelson County School Board
20. Northrop Grumman Corp	20. SNL Security LP
21. Piedmont Virginia Community College	21. Kroger
22. Crutchfield Corporation	22. State Farm Fire and Casualty Insurance
23. Assoc for Investment Management	23. Crutchfield Corporation
24. Lakeland Tours	24. Atlantic Coast Athletic Club
25. Capital IQ Inc	25. US Postal Service
26. Lowes' Home Centers, Inc.	26. Thomas Jefferson Memorial Foundation
27. Nelson County School Board	27. Association for Investment Management
28. Postal Service	28. GE Fanuc Automation Manufacturing
29. Rmc Events	29. FIC Systems
30. Klockner Pentaplast America	30. Boar's Head Inn
31. Gretna Health Care Center	31. Lakeland Tours
32. Fluvanna Correctional Center	32. Fluvanna Correctional Center
33. County of Louisa	33. Harris Teeter SuperMarket
34. Pharmaceutical Research Association	34. Design Electric
35. Kroger	35. Pharmaceutical Research Associates
36. Morrison Crothall Support	36. FIC Staff Services
37. Wegmans Store #07	37. Westminster Canturbury of the Blue Ridge
38. Boar's Head Inn	38. Farmington Country Club
39. Thomas Jefferson Memorial	39. RMC Events
40. GE Fanuc Automation North Corporation	
41. Hanover Research Council	
42. FIC Systems	
43. Westminster Canterbury of the Blue Ridge	
44. Harris Teeter Supermarket	
45. Tri Dim Filter Corporation	
46. VDOT	
47. WillowTree Apps	
48. Fresh Fields Whole Food Market	
49. Farmington Country Club	
50. Umansky Honda of Charlottesville	

[1] Primary trade area is defined as the Thomas Jefferson District: Charlottesville, Albemarle, Greene Fluvanna, Louisa and Nelson

Source: Virginia Employment Commission, Publications, Community Profiles, Planning Regions, 1st Quarter QECW (January, February, March) 2020.

COMPLIANCE SECTION

Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To The Honorable Members of The
Charlottesville-Albemarle Airport Authority
Charlottesville, Virginia

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and the *Specifications for Audits of Authorities, Boards, and Commissions,* issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the business-type activities of Charlottesville-Albemarle Airport Authority as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Charlottesville-Albemarle Airport Authority's basic financial statements and have issued our report thereon dated January 19, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Charlottesville-Albemarle Airport Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of Charlottesville-Albemarle Airport Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Charlottesville-Albemarle Airport Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2020-001.

Charlottesville-Albemarle Airport Authority's Response to Findings

Charlottesville-Albemarle Airport Authority's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Charlottesville-Albemarle Airport Authority's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Robinson Farmer Cox Associates

Charlottesville, Virginia
January 19, 2021

ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

CPAs | CONSULTANTS

Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance and the Passenger Facility Charge (PFC) Program

To the Honorable Members of the
Charlottesville-Albemarle Airport Authority
Charlottesville, Virginia

Report on Compliance for Each Major Federal Program and the Passenger Facility Charge Program

We have audited Charlottesville-Albemarle Airport Authority's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Charlottesville-Albemarle Airport Authority's major federal programs for the year ended June 30, 2020, and the requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies* (Guide), issued by the Federal Aviation Administration for its passenger facility charge program. Charlottesville-Albemarle Airport Authority's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs and those applicable to its passenger facility charge program.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Charlottesville-Albemarle Airport Authority's major federal programs and passenger facility charge program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance)*;* and the Guide**.** Those standards, the Uniform Guidance and the Guide, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or the passenger facility charge program occurred. An audit includes examining, on a test basis, evidence about Charlottesville-Albemarle Airport Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program and the passenger facility charge program. However, our audit does not provide a legal determination of Charlottesville-Albemarle Airport Authority's compliance.

Opinion on Each Major Federal Program and the Passenger Facility Charge Program

In our opinion, Charlottesville-Albemarle Airport Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs, and the passenger facility charge program, for the year ended June 30, 2020.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2020-002. Our opinion on each major federal program is not modified with respect to these matters.

Charlottesville-Albemarle Airport Authority’s response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Charlottesville-Albemarle Airport Authority’s response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Management of Charlottesville-Albemarle Airport Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Charlottesville-Albemarle Airport Authority’s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program, and internal control over compliance with the types of requirements that could have a direct and material effect on the passenger facility charge program, to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major program and the Passenger Facility Charge Program and to test and report on internal control over compliance in accordance with the Uniform Guidance and the Guide, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program or the passenger facility charge program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program or the passenger facility charge program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or the passenger facility charge program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Internal Control over Compliance: (Continued)

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and the Guide. Accordingly, this report is not suitable for any other purpose.

Robinson Farmer Cox Associates

Charlottesville, Virginia
January 19, 2021

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CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2020

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Total Federal Expenditures
Department of Transportation:			
FAA Direct Payments:			
Airport Improvement Program	20.106	N/A	$ 1,892,342
COVID-19 Airport Improvement Program	20.106	N/A	3,210,980
Total Airport Improvement Program			$ 5,103,322
Total expenditures of federal awards			$ 5,103,322

Basis of Presentation

This schedule includes the federal award activity of Charlottesville-Albemarle Airport Authority under programs of the federal government for the year ended June 30, 2020. The information in this schedule is presented in accordance with requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Authority.

Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Subrecipients

No awards were passed through to subrecipients.

Indirect Cost Recovery

No indirect costs are claimed for reimbursement; therefore, the 10% de minimis indirect cost rate is not used.

Donated PPE (Unaudited)

The Authority received donated PPE with an estimated fair market value of $12,396 during the year.

COVID-19 Expenditures

As a result of audit procedures, management created credit memos in edelphi in relation to questioned costs in January 2021. Therefore, the expenditures reported above have been adjusted to reflect the credit memos.

CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY

Schedule of Findings and Questioned Costs
Year Ended June 30, 2020

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	No
Significant deficiencies identified?	None reported
Noncompliance material to financial statements noted?	Yes

Federal Awards

Internal control over major programs:	
Material weaknesses identified?	No
Significant deficiencies identified?	None reported
Type of auditors' report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)?	Yes

Identification of major programs:

CFDA #	Name of Federal Program or Cluster
20.106	Airport Improvement Program

Dollar threshold used to distinguish between Type A and Type B programs	$750,000
Auditee qualified as low-risk auditee?	Yes

Section II - Financial Statement Findings

Finding: 2020-001

Criteria:

The Virginia Public Procurement Act (VPPA) stipulates procurement requirements for construction contracts exceeding $100,000.

Condition:

Management disclosed that the hangar lot project in the amount of $266,013 was not procured in accordance with VPPA requirements.

Section II - Financial Statement Findings: (Continued)

Finding: 2020-001: (Continued)

Cause of Condition:

Management had another project in place with a vendor under contract and used the same vendor for this project.

Effect of Condition:

The project was not in complinace with the VPPA.

Recommendation:

Management should implement formal policies for procurement and designate an individual to oversee contract activity.

Management's Response:

Management agrees with this finding and upon discovering this issue, consulted legal and informed the Board. A new form for projects was also created to be used going forward. The Director of Finance & Administration completed a course with the Virginia Institute of Procurement and received her Virginia Contracting Associate Certification to strengthen knowledge in this area.

Section III - Federal Award Findings and Questioned Costs

Finding: 2020-002

Agency: Department of Transportation FAA
Airport Improvement Program — CFDA No. 20.106; Grant No. 3-51-0004-049-2020
Grant period: Year ended June 30, 2020

Condition:

Management submitted reimbursement requests for debt service payments paid prior to March 27, 2020. In addition, some project related invoices were requested for reimbursement.

Criteria:

The FAA CARES Act Airport Grants Agreement and FAQs stipulate that CARES Act Grant funds can be used to reimburse debt service payments that are due on or after March 27, 2020, the date of enactment of the CARES Act. The grant also allowed reimbursement of operational and maintenance expenses incurred after January 20, 2020.

Section III - Federal Award Findings and Questioned Costs

Finding: 2020-002: (Continued)

Cause of Condition:

The grant allowed reimbursement of operational and maintenance expenses incurred after January 20, 2020 but specified that eligible debt service were for payments that occurred on or after March 27, 2020. Management overlooked the date specific to debt payments. Also, invoices meeting capitalization criteria were included in operating expenses prior to the audit and included on reimbursement requests.

Effect of Condition:

The Authority was reimbursed for ineligible expenses for debt service as well as project related expenses.

Context:

All debt service payments requested for reimbursement during the fiscal year were reviewed and six of the payments, totaling $70,698, were made prior to the date of eligibility. A search for unrecorded capital assets was performed and costs of $53,321 were not properly capitalized. Questioned costs total $124,019.

Recommendation:

We recommend management review grant terms and conditions in their entirety prior to submitting reimbursement requests.

Views of Responsible Officials and Planned Corrective Actions:

Management agrees with the finding as it relates to debt payments that were reimbursed with due dates prior to March 27 in the amount of $70,698. However, management does question the finding as it relates to capital assets of $53,321 being deemed as ineligible CARES grant expenses. While it is accurate that there were costs found during the audit that should have been capitalized according to the Authority's capitalization policy, those capitalized costs were still allowable costs for the CARES grant. They were expenses that fell into the "maintenance" costs category and as such, these types of expenses are eligible for reimbursement. The CARES grant states that the "funds provided under the Grant will be governed by the same principles that govern airport revenue" and the FAA defines that airport revenue can be used for capital or operating costs of the airport. However, due to the timing of the audit and the need to meet deadlines, management decided to issue the credit memos to avoid any possibility of questioned costs or the appearance of a misuse of funds. This will not impact the Authority's ability to draw down 100% of the $6,279,972 in CARES grant funding because the Authority will clearly have more than enough in eligible expenses.

Summary Schedule of Prior Audit Findings
Year Ended June 30, 2020

There were no findings reported.

CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY

Schedule of Passenger Facility Charge Program Receipts and Expenditures
For Each Quarter During the Year Ended June 30, 2020

Receipts	1st Quarter Ended Sept 2019	2nd Quarter Ended Dec 2019	3rd Quarter Ended March 2020	4th Quarter Ended June 2020	Year End Total
Passenger facility charges collected	$ 388,066	$ 432,608	$ 369,225	$ 195,930	$ 1,385,829
Interest credited	4,141	4,927	3,442	477	12,987
Total Receipts	$ 392,207	$ 437,535	$ 372,667	$ 196,407	$ 1,398,816
Expenditures					
PFC application 19 (10-19-C-01-CHO):					
Runway 21 Phase 4a	$ 23,783	$ -	$ 300	$ -	$ 24,083
Pavement Management Mill/Overlay Taxiway	-	-	6,279	-	6,279
Runway 21 Phase 3 Parallel Taxiway	-	-	72,034	-	72,034
Runway Extension Phase 2 Pave Construct Runway	-	-	-	(5,417)	(5,417)
Total Application 19	$ 23,783	$ -	$ 78,613	$ (5,417)	$ 96,979
PFC application 22 (16-22-C-01-CHO):					
Terminal Security Checkpoint Expansion	$ -	$ -	$ (29,838)	$ -	$ (29,838)
Total Application 22	$ -	$ -	$ (29,838)	$ -	$ (29,838)
PFC application 23 (18-23-C-00-CHO):					
Flight Information Display Rehab	$ -	$ -	$ 39,865	$ -	$ 39,865
Public Address System Rehab	-	-	37,185	-	37,185
Total Application 23	$ -	$ -	$ 77,050	$ -	$ 77,050
PFC application 24 (19-24-C-00-CHO):					
Air Carrier Ramp Exp & Lighting Upgrade	$ -	$ 100,000	$ 87,076	$ 412,826	$ 599,902
Approach Lighting System (MALSR) Rehab	-	25,185	-	-	25,185
Install Wayfinding Signage and Pax Shelters	-	8,586	11,908	5,282	25,776
Entry Pavilion Design	-	-	449,261	-	449,261
Terminal Area Study	-	-	171,050	113,220	284,270
Friction Tester for Airfield	-	-	11,947	-	11,947
Total Application 24	$ -	$ 133,771	$ 731,242	$ 531,328	$ 1,396,341
Total Expenditures	$ 23,783	$ 133,771	$ 857,067	$ 525,911	$ 1,540,532
Net Passenger Facility Charges Receipts and Expenditures	$ 368,424	$ 303,764	$ (484,400)	$ (329,504)	$ (141,716)
Unexpended passenger facility charges as of July 1, 2019					$ 636,996
Unexpended passenger facility charges as of June 30, 2020					$ 495,280

This schedule presents the activity of the passenger facility charge program of the Charlottesville-Albemarle Airport Authority. The schedule is presented using the accrual basis of accounting, which is described in note 2 to the financial statements. A reconciliation to the cash balance reported in the Statement of Net Position is provided.

CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY

Schedule of Findings and Questioned Costs
Passenger Facility Charge Program
Year Ended June 30, 2020

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	No
Significant deficiencies identified?	None reported
Noncompliance material to financial statements noted?	Yes

Passenger Facility Charge

Internal control over Passenger Facility Charge:	
Material weaknesses identified?	No
Significant deficiencies identified?	None reported
Type of auditors' report issued on compliance for Passenger Facility Charge:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with the Federal Aviation Administration (Guide) for its Passenger Facility Charge Program?	No
Procedures for receiving, holding, and using PFC revenue considered fair and reasonable?	Yes
Quarterly reports fairly present the net transactions within the PFC account?	Yes

Identification of Program:
Part 14 CFR 158 Passenger Facility Charge

Section II - Financial Statement Findings

Refer to pages 114-115 of this CAFR.

Section III - Passenger Facility Charge Findings and Questioned Costs

There are no Passenger Facility Charge findings and questioned costs to report.

Summary Schedule of Prior Audit Findings
Passenger Facility Charge Program
Year Ended June 30, 2020

There were no Passenger Facility Charges findings reported.