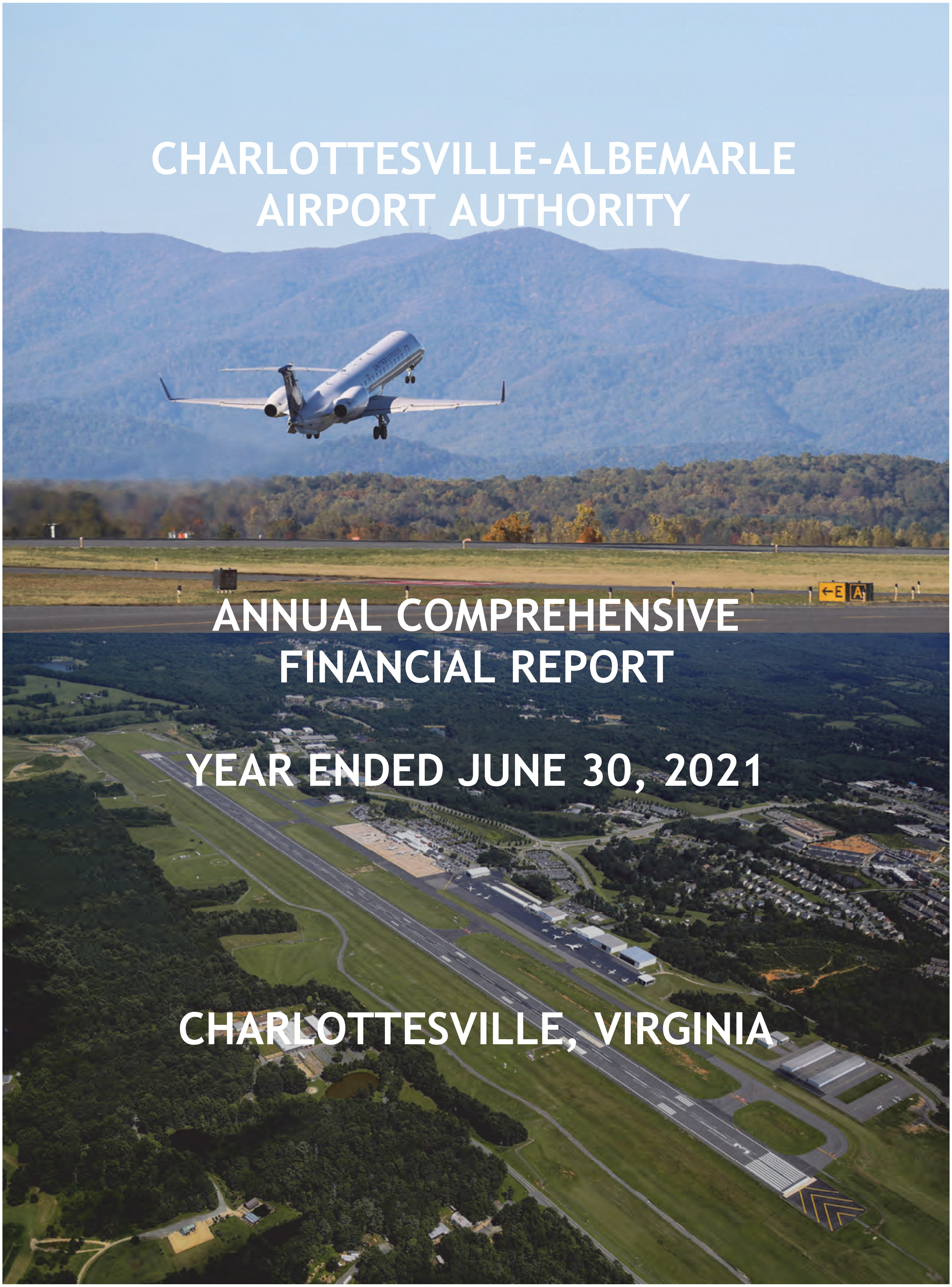
CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY

ANNUAL COMPREHENSIVE FINANCIAL REPORT

YEAR ENDED JUNE 30, 2021

CHARLOTTESVILLE, VIRGINIA



Charlottesville-Albemarle Airport Authority
Charlottesville, Virginia
Annual Comprehensive Financial Report
Year Ended June 30, 2021

Prepared by the Administrative Division

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

CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY

ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED JUNE 30, 2021

TABLE OF CONTENTS

CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY

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YEAR ENDED JUNE 30, 2021

TABLE OF CONTENTS

Introductory Section

February 4, 2022

DEAR HONORABLE MEMBERS OF
THE CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY:

I am pleased to submit the fiscal year 2021 Annual Comprehensive Financial Report of the Charlottesville-Albemarle Airport Authority (Authority) for your review and information.

This report is published in accordance with the requirements of the enabling legislation enacted by the Commonwealth of Virginia, creating the Authority and the master bond indenture of trust that 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 the 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 Authority's financial position, management assumes full responsibility for the completeness and reliability of all information presented. In order 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 an absolute assurance that the financial statements will be free from material misstatement. As management, we assert that this report is complete and reliable in all material respects to the best of our knowledge and belief.

The goal of the independent audit is to provide reasonable assurance that the financial statements of the Authority for the year ended June 30, 2021, 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. Based on their audit, the independent auditor concluded 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, 2021, conform to 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 to report on the fair presentation of the financial statements and 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 independent auditors' report 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 ability to meet 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 the 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. There were no policy changes that had a 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 is required to approve the issuance of bonds or incurrence of indebtedness by the Authority.

The Authority consists of three members: the City Manager of Charlottesville, or their principal assistant, as chosen by the City Council of Charlottesville; the County Executive of Albemarle County, or their 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 Charlottesville and Albemarle County residents, as appointed by the City Council and the County Board of Supervisors.

Economic Condition and Outlook 2021
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 west by the Blue Ridge Mountains, CHO is strategically positioned midway between Boston and Atlanta. Charlottesville and Albemarle County, CHO's primary markets, are business-minded with various 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.

Located in beautiful Central Virginia, CHO is supported by a market consisting of ten counties, with 2 of those counties located in the Shenandoah Valley. Its outstanding location provides major airlines easy access to major east coast airport hubs. The region continues its legacy of achieving the highest awards as a place to work, live and retire. In addition to its highly regarded quality of life, this region possesses a very diverse economy supported by vital commercial and business service sectors and education and health service industries anchored by the University of Virginia (UVA).

Two of the top 10 hospitals in Virginia are located in Charlottesville. The UVA Hospital is ranked number five nationally for its Children's Specialties. Sentara Martha Jefferson Hospital is ranked number 10 in Virginia for high performance and patient experience.

One of the most significant contributors to CHO's success is UVA. This public institution is located in Charlottesville. It is the second-ranked public university for best value by Money Magazine. UVA serves over 17,000 undergraduates with tuition and fees under $20,000 for in-state students.

The City of Charlottesville and the surrounding counties are also a thriving heritage tourism sector. The region's most recognizable and distinguishable attractions include Thomas Jefferson's Monticello, the University of Virginia, the historic Charlottesville downtown area, Michie Tavern, James Monroe’s Ash Lawn, and James Madison's Montpelier. Pre-pandemic, Monticello attracted approximately half of a million guests each year and remains the main tourist attraction for the region. The travel and tourism industry remains a vibrant and important generator of economic activity for this region.

A host of additional cultural and entertainment venues attract other visitors to the area. 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 has a seating capacity of approximately 15,000 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 of Virginia 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 continues to be a prominent part of the regional economy. Today, the Commonwealth of Virginia is one of the largest producers of wine in the United States, with over forty wineries located in the area, producing fine wines of national and international acclaim. Over half of Virginia's 2,000 vineyard acres grow within the Monticello American Viticultural Area that is located in the central Piedmont region of the Commonwealth and within close proximity to CHO.

Since the pandemic's beginning, CHO has worked diligently to provide a sanitized and clean facility for the traveling public. As a result of the hardworking efforts of CHO's staff, the Charlottesville-Albemarle Airport was certified as a Global Biorisk Advisory Council (GBAC) STAR Facility in November of 2021. This GBAC STAR Service Accreditation validated CHO's cleaning, disinfection, and infection prevention program that helps its passengers prepare, respond to and recover from biohazards and infectious agents, such as SARS-CoV-2, the virus responsible for COVID-19.

Throughout 2021, CHO saw a positive change in the COVID-19 recovery process. Air service destinations were returned to the flight schedule, and larger aircraft returned to the airline fleets serving CHO. These changes have generated an expectation of a full recovery of available seats in 2022.

The 2022 outlook for CHO and its surrounding counties is positive. The strong economic activity generated through the region's health care, biotechnology, government, and travel/tourism industries will continue to yield opportunities for all forms of aviation to recover and grow at the Charlottesville-Albemarle Airport.

Airport Outlook
Melinda Crawford, Executive Director

The financial outlook of the Authority is primarily dependent upon the number of commercial 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 worldwide Coronavirus pandemic was another major factor impacting air traffic at CHO.

This pandemic has proven to create the most significant negative impact on CHO and the entire world's aviation industry since the invention of the airplane and the inception of commercial air service.

To fully understand the pandemic's impact on this Airport, one must compare the passenger traffic and daily flight data for FY19, FY20, and FY21. 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 2020, CHO's passenger traffic began to rapidly decline. During March 2020, CHO saw a 38,362 reduction or a 55% decline in passenger traffic when compared to March 2019, 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 2020, CHO's passenger traffic plummeted by 66,376 from April 2019, with CHO only serving 2,262 total passengers during the entire month of April. This decline 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 nationwide, but CHO's passenger traffic began to rebound slightly in May 2020 with passenger reduction at -93%. However, the trend of 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 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. Given the significant impact of the pandemic on the last four months of FY20 operations, 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.

This trend of returning passenger traffic and rebounding airline service continued in FY21, but with 12 full months of reduced airline activity, CHO only served 271,950 total enplaning and deplaning passengers in FY21. This total activity was a 64% reduction from the total passengers served in FY19, and a 52% reduction from the total passengers served in FY20. The following comparison is provided to show the impact that the pandemic has had on CHO's operations:

- In June 2019, CHO had six destinations, 25 daily departures, 1,365 available daily seats, and an 82% load factor, with CHO serving 753,452 total passengers in FY19.

- In June 2020, CHO had three destinations, five daily departures, 291 available daily seats, and a 51% load factor, with CHO serving 563,131 total passengers in FY20.

- In June 2021, CHO had five destinations, 14 daily departures, 791 available daily seats, and an 88% load factor, with CHO serving 271,950 total passengers in FY21.

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. To help airports survive the pandemic, they included a generous airport relief package in the March 2020 Coronavirus Aid, Relief, and Economic Security (CARES) Act. As a result of the CARES Act, the Authority was awarded an FAA grant for $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 when Airport revenues have dropped drastically due to the loss of passengers and passenger-dependent revenues such as the parking income. 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.

On December 27, 2020, the Coronavirus Response and Relief Supplemental Appropriation Act (CRRSAA) was signed into law. As a result of the CRRSA Act, the Authority was awarded a grant for $2,929,538 to reimburse eligible operating expenses. The CRRSA Act also authorized $83,083 to assist in the financial recovery of the Authority's eligible concessionaires. On March 11, 2021, the American Rescue Plan Act (ARPA) was signed into law, and as a result of this law, the Authority was awarded a grant for $4,709,132 for the reimbursement of eligible expenses. ARPA also authorized $332,331 to further assist in the financial recovery of the Authority's eligible concessionaires. As of June 30, 2021, the Authority had drawn down $6,013,275 from the CARES Act Grant. Funds from the CRRSA Act grant and the ARPA Grant will be drawn down as eligible expenses are incurred.

When the pandemic began to impact CHO's operations in March 2020, 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 operational purchases when deemed necessary. A hiring freeze was put in place, and only vacant "essential" positions were 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 improving all 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 guarantee requirements for those tenants, although they were still required to pay percentage rent per their agreements. This financial concession continued throughout FY21.

As illustrated in the Economic Outlook, the region surrounding the Airport provides economic strength and 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. During past national hardships or economic downturns, the strength of the region's economy has been exemplified on at least two occasions at CHO. 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 only declined during September 2001 but rebounded the following month. In 2008 when most U.S. airports faced a monumental economic recession, many airports 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 growth. 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 commit 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's 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.

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 was $4 million, but the lowest bid received was approximately $7 million. Due to the unanticipated increased cost of this project, the bids were rejected, and the project was value-engineered and re-designed using an FAA grant for $315,012 in September 2020. The design for two covered walkways and two redundant elevator operating systems was completed, and an invitation for bids was released. In April 2021, two bids were received for this construction project, with Kenbridge Construction Company being deemed the most responsive bidder. An FAA grant for $4,136,760 was secured in August 2021 to fund 100% of this project's engineering and construction expenses. The Authority will fund $133,240 for landscaping expenses related to the project that were deemed ineligible for FAA funding.

On November 30, 2020, RFP #2021-01-"Terminal Backup Power and Generator Upgrade" was issued. As a result of this competitive negotiation process, a contract for $428,510 was awarded to GenHub, Inc. dba The Power Connection in March 2021. Work on this project began shortly after that, and the project was completed in the fall of 2021. The VDOA will fund 80% of this project, with the Authority providing the remaining 20%.

In March 2021, the Authority issued RFP #2021-02-"Removal and Installation of Two, Single Pair Escalators." As a result of this competitive negotiation process, a contract for $1,986,000 was awarded to Schindler Elevator Corporation. Due to supply chain shortages, this project will have an extended lead time for ordering the replacement escalators, and, as such, the project will not be completed until FY23. The VDOA will fund 80% of this project, with the Authority providing the remaining 20%.

A project to design an air carrier ramp expansion was completed in FY19, and bids for construction of this project were received on June 26, 2019. The Authority awarded a contract to Sargent Corporation, which allowed for the construction of four additional aircraft parking spaces. The work on this construction project was completed in May 2021, and the total cost of the project was $8.7 million. This project was funded by a combination of an FAA grant, PFCs, VDOA entitlements, and Authority funds.

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 for $2,665,324 was secured in September 2020 to fund 100% of the design and construction of this project. Delta Airport Consultants was contracted to perform the engineering services for this project, and Rifenburg Construction, Inc. was awarded a contract for $1,945,325 for the project's construction.

The FAA also awarded a grant for $291,400 in September 2020 to fund 100% of a design project to convert all airfield runway/taxiway lighting and signage to LED. Delta Airport Consultants was contracted to perform this design project, and it will be completed in the spring of 2022.

During the 2016 Runway Rehab project, the Airport's Medium Intensity Approach Lighting System with Runway Alignment Indicator Lights (MALSR) was determined to be out of alignment and was deactivated in July 2017. The staff worked with the FAA to reactivate the system, and a project to design and perform the required improvements was developed. A contract was issued to DEG Enterprises, Inc. to perform the work, and this work was substantially completed in December 2020. The FAA recommissioned the MALSR shortly after that.

The Authority secured the services of Parrish and Partners to complete its Terminal Area Master Plan. This $750,000 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 VDOA Entitlement Utilization Report and Plan to allow the project to be funded with a combination of state entitlements and PFCs. This project is expected to be completed in the spring of 2022.

In May 2021, the Authority submitted an FAA grant application for $1,701,427. This grant will fund 100% of a project to purchase the following replacement equipment: 1) the Runway De-icer Truck at the cost of $343,100, 2) The Ramp/Runway/Taxiway Loader at the cost of $264,425, 3) an Aircraft Rescue Firefighting vehicle at the cost of $696,718, and 4) an Airfield Snow Plow at the cost of $397,184. This grant was awarded in the fall of 2021, with the project’s anticipated completion date in 2023.

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 baggage claim devices and four sets of automatic doors.

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.

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 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 on 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.

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 2020 Annual Comprehensive Financial Report (ACFR). This represents thirty 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 annual comprehensive 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
Director of Finance and Administration

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CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY
PRINCIPAL OFFICIALS AS OF JUNE 30, 2021

CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY BOARD

Chairman
Donald D. Long, Attorney, Flora Pettit

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

Charles P. “Chip” Boyles, II, City Manager, City of Charlottesville

CHARLOTTESVILLE-ALBEMARLE JOINT AIRPORT COMMISSION

Chairman
Steven Hiss

Vice-Chairman
John Mattern III

Donald D. Long

Michael Prichard

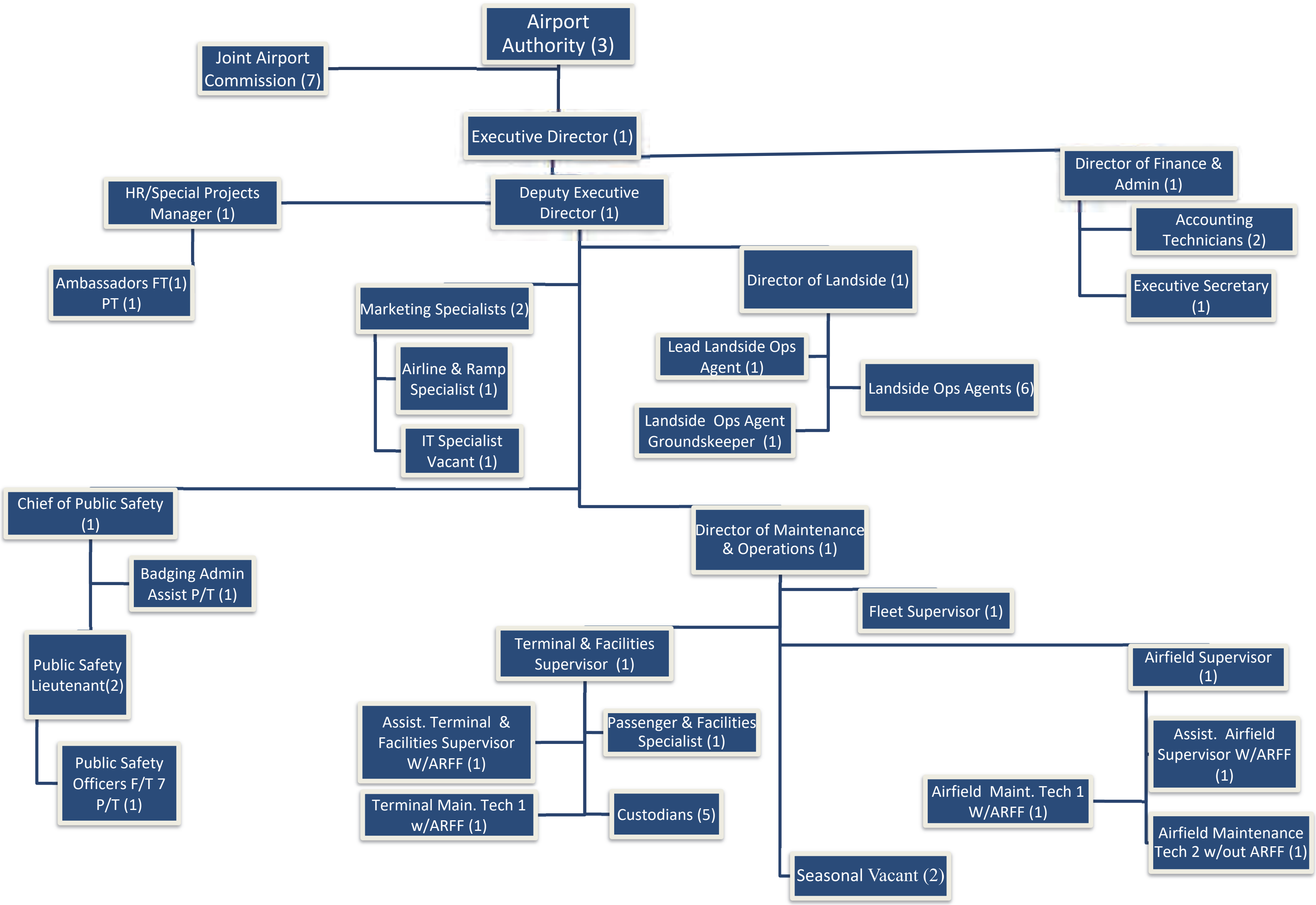
Adam Seid

Roy Van Doorn

Eric Walden

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

Charlottesville Albemarle Airport FY21 Organizational Chart



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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 Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morrill

Executive Director/CEO

Financial Section

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, 2021, 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, 2021, 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 77-83 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 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 19, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, 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 February 4, 2022, 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
February 4, 2022

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, 2021. 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, 2021, 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, 2021. 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 decrease in activity in relation to the prior fiscal due to the effects of COVID spread worldwide. Passenger enplanements decreased 52% to 135,632. Parking revenue decreased 58% and airline revenue decreased 48%. Both of these revenue streams are directly related to the decrease in passenger traffic.

Airport Activities and Highlights: (Continued)

In FY21, 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 48% decrease in airline landing revenue.

	FY 2021	FY 2020	FY 2019
Enplanements (persons)	135,632	282,282	378,441
Aircraft Landed Weights (1000's of lbs)	203,130	381,308	454,006
Operations (take-off & landings):			
Commercial	24,526	27,152	30,980
General Aviation	75,459	61,253	57,666
Military	12,545	10,717	8,935
Total Operations	**112,530**	**99,122**	**97,581**

Financial Highlights

Summary of Operations & Changes in Net Position

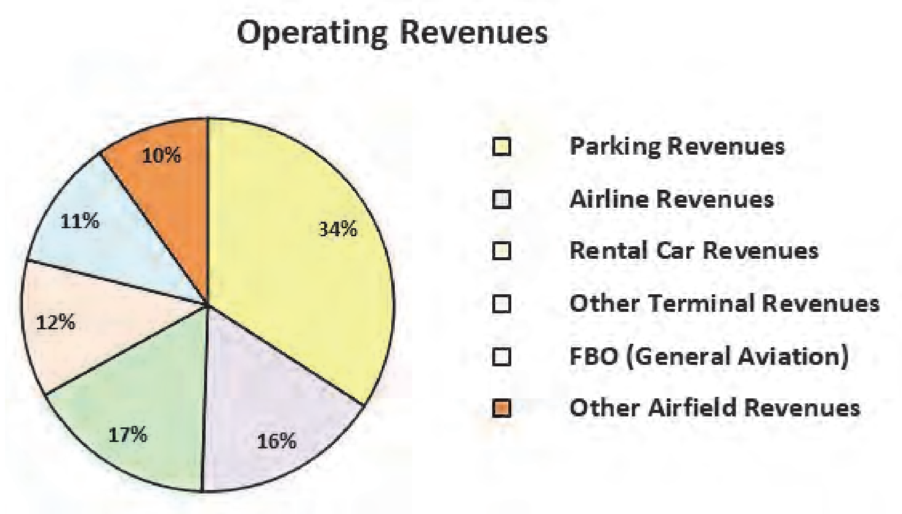
A summary of the Authority's Operations and Changes in Net Position at June 30, 2021 is set forth below:

Summary of Operations & Changes in Net Position	2021	2020	2019
Operations:			
Revenues	$ 4,147,547	$ 7,084,598	$ 8,819,889
Expenses	(6,301,373)	(7,131,021)	(6,514,736)
Income/(loss) before depreciation & nonoperating income/(expenses)	(2,153,826)	(46,423)	2,305,153
Nonoperating income/(expenses)	5,688,391	3,071,791	12,820
Income/(loss) before capital contributions & depreciation	3,534,565	3,025,368	2,317,973
Depreciation	(4,547,117)	(4,621,108)	(4,390,045)
Income/(loss) before capital contributions	(1,012,552)	(1,595,740)	(2,072,072)
Capital contributions	6,146,249	5,554,461	5,709,064
Net Position:			
Increase in net position	5,133,697	3,958,721	3,636,992
Total net position, beginning of year	121,347,009	117,388,288	113,751,296
Total net position, end of year	**$ 126,480,706**	**$ 121,347,009**	**$ 117,388,288**

The 4.23% increase in net position for FY21 is primarily related to the CARES and CRRSA 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, 2021:



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 dropped from 48% of operating revenue in FY 2012 to 34% in FY 2021. As non-airline revenue streams (i.e. car, other terminal revenue, FBO and other airfield revenue) have increased, airline revenue has decreased in its percentage of operating revenue from 18% in FY 2012 to 16% in FY 2021.

A summary of revenues for the year ended June 30, 2021 follows:

Summary of Revenues	**2021**	**2020**	**2019**
Operating:			
Parking Revenues	$ 1,414,966	$ 3,388,989	$ 4,584,850
Airline Revenues	680,708	1,307,622	1,652,304
Rental Car Revenues	682,027	936,467	1,124,349
Other Terminal Revenues	494,482	728,712	772,585
FBO (General Aviation)	467,263	441,374	498,130
Other Airfield Revenues	408,101	281,434	187,671
Total Operating Revenues	$ 4,147,547	$ 7,084,598	$ 8,819,889
Nonoperating:			
Interest Income	$ 11,460	$ 28,203	$ 27,212
Gain (loss) on disposal of assets	-	-	28,151
Insurance recovery	45,281	8,455	-
Agency Reimbursements	-	-	190,000
COVID and State grants	5,804,271	3,210,980	-
Total Nonoperating Revenues	$ 5,861,012	$ 3,247,638	$ 245,363
Total Revenues Prior to Capital Contributions	**$ 10,008,559**	**$ 10,332,236**	**$ 9,065,252**
Capital Contributions	6,146,249	5,554,461	5,709,064
Total Revenues	**$ 16,154,808**	**$ 15,886,697**	**$ 14,774,316**

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. The increase in FBO revenue is directly related to a significant boost in popularity of general aviation and private charter operations that resulted from the pandemic.

Operating & Non-operating Revenue Highlights (Continued)

Nonoperating revenues increased 80%. The continued growth in this category is attributed to the receipt of federal COVID funding in the amount of $5,628,390.

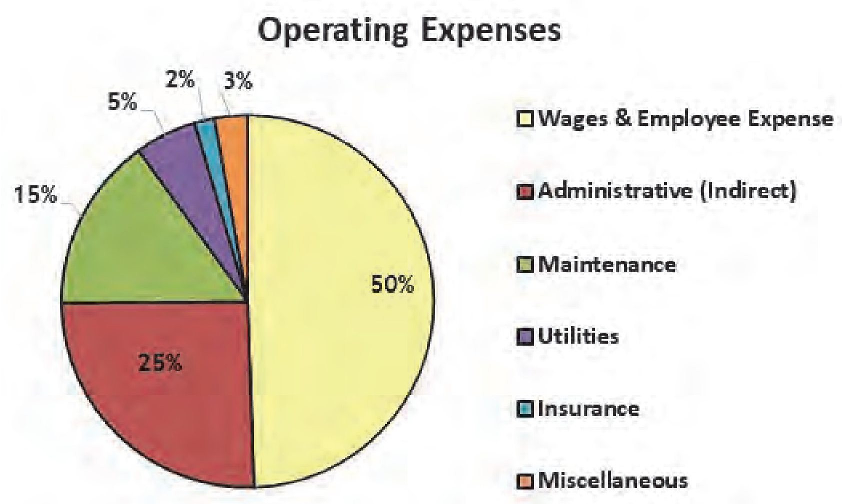
Capital Contributions

Capital contributions increased by 11% in FY21.

Operating & Nonoperating Expense Highlights

The following chart illustrates the major sources and percentage of operating expenses for the fiscal year ended June 30, 2021:

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, 2021 follows:

Summary of Expenses	**2021**	**2020**	**2019**
Operating:			
Wages & Employee Expense	$ 3,117,555	$ 3,003,228	$ 2,656,746
Administrative (Indirect)	1,600,153	1,655,187	1,679,472
Maintenance	956,502	1,407,754	1,142,432
Utilities	336,447	370,544	365,582
Insurance	110,274	123,316	90,492
Miscellaneous	180,442	570,992	580,012
Total Operating Expenses	$ 6,301,373	$ 7,131,021	$ 6,514,736
Nonoperating:			
Interest Expense	$ 14,445	$ 18,829	$ 84,967
Rental Car Service Facility Expense	132,842	157,018	147,576
Bond issuance costs	25,334	-	-
Total Nonoperating Expenses	$ 172,621	$ 175,847	$ 232,543
Total Expenses	**$ 6,473,994**	**$ 7,306,868**	**$ 6,747,279**

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 in FY20 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 FY20 with a corresponding decrease of 32% in FY21. The 68% decrease in miscellaneous expenses is mainly due to the purchase of upgraded radios for the 800MHz system that occurred in FY20 as well as the decreased merchant fees in FY21 assessed for credit card receipts which are directly related to the reduced parking revenue.

Financial Position Summary

The Statement of Net Position reports the Authority's financial position as of June 30, 2021. 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 $126,480,706 at June 30, 2021, a 4.23% or $5,133,697 increase over June 30, 2020.

A condensed summary of the Authority's total net position at June 30, 2021 is set forth below:

	2021	2020	2019
Assets:			
Current unrestricted assets	$ 10,482,854	$ 5,279,096	$ 4,139,283
Restricted assets	12,287,351	13,718,498	13,631,629
Capital assets	108,925,109	107,834,790	103,917,385
Total assets	$ 131,695,314	$ 126,832,384	$ 121,688,297
Deferred outflows of resources	$ 801,473	$ 555,066	$ 383,847
Liabilities:			
Current liabilities	$ 1,635,857	$ 3,696,855	$ 1,523,496
Noncurrent liabilities	4,362,499	2,231,745	3,004,965
Total liabilities	$ 5,998,356	$ 5,928,600	$ 4,528,461
Deferred inflows of resources	$ 17,725	$ 111,841	$ 155,395
Net Position:			
Net investment in capital assets	$ 105,334,494	$ 106,033,013	$ 101,715,374
Restricted	12,287,335	11,635,927	12,910,019
Unrestricted	8,858,877	3,678,069	2,762,895
Total Net Position	**$ 126,480,706**	**$ 121,347,009**	**$ 117,388,288**

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, decreased 0.66% which resulted from depreciation exceeding capitalized projects and other assets. This category represents 83% of the Authority's net position as of June 30, 2021.

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 increase of 5.60% in the restricted cash balance in these funds compared to June 30, 2020 is the result of the accumulation of PFC and CFC funds.

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, 2021, there was a 140.86% increase in unrestricted net position compared to June 30, 2020. This increase is attributed to the CARES and CRRSA grant revenue that was recognized in FY21.

Summary of Cash Flow Activities

Net cash provided by the operation of negative $1,820,895 is a negative 497%, or $1,515,749 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 2021	FY 2020	FY 2019
Landing Fees (1,000 lbs unit)	2.07	2.07	2.10
Average Terminal Rental Rates (s.f.)	14.13	28.27	40.78
Airline Cost per Enplanement	5.02	4.63	4.37

Airline Signatory Rates and Charges: (Continued)

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. This methodology started during FY20 and remained in effect throughout FY21.

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 2021, the Authority expended $7,947,330 on capital activities. These included construction projects mainly related to air carrier apron repair, MALSR adjustment, 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 $10,886,724 were comprised of the following:

Capitalized Item		***Value***
Apron expansion	$	9,198,077
MALSR		495,390
Runway rehabilitation		390,219
Pax shelters		128,878
Mowers		123,851
Bucket truck		103,563
CHO shuttle bus		88,712
Tractors with mower attachments		54,277
Forklift		48,038
Security camera system		43,912
Other		211,807
Total	**$**	**10,886,724**

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 debt was paid off during fiscal year 2021.

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 debt was paid off during fiscal year 2021.

In 2014, the Authority issued $1,612,000 in taxable Series 2014 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, 2021 was $793,382.

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 2022 utilizing FAA entitlement funds.

In 2021, the Authority issued $1,949,031 in Series 2021 Airport Revenue Bonds dated June 3, 2021 maturing annually from 2021 through 2031 with interest of 0.560% for parking lot expansion refinancing. The balance outstanding as of June 30, 2021 was $1,949,031.

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.

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 originally expired in September 2021 but this date has been modified due to the negative impact that COVID-19 has had on PFC collections. The new current expiration date is now May 1, 2023.

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 (8.91% during FY 2021). 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 (1.34% during FY 2021 (allocated into an employee and employer component using a 60 (.80%)/40 (.54%) 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
Director of Finance & Administration

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BASIC FINANCIAL STATEMENTS

CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY
Statement of Net Position
At June 30, 2021
(With Comparative Totals for the Prior Year)

	2021	2020
ASSETS		
Current assets:		
Unrestricted assets:		
Cash and cash equivalents	$ 7,284,901	$ 2,797,063
Prepaid insurance	-	124,697
Prepaid insurance - CFC facility	-	5,843
Other prepaid items	3,360	12,798
Accounts receivable - net	3,194,593	2,338,695
Total current unrestricted assets	$ 10,482,854	$ 5,279,096
Restricted assets:		
Capital Funds:		
Cash and cash equivalents	$ 280,151	$ 565,102
Receivable	485,195	1,517,469
Passenger Facility Charge Funds:		
Cash and cash equivalents	504,387	495,280
Receivable	164,177	40,336
Customer Facility Charge Funds:		
Cash and cash equivalents	2,228,939	1,988,284
Receivable	61,658	52,496
Renewal and Replacement Funds:		
Cash and cash equivalents	157,902	157,487
State Entitlement Funds:		
Cash and cash equivalents	8,110,593	8,802,346
Total current restricted assets	$ 11,993,002	$ 13,618,800
Total current assets	$ 22,475,856	$ 18,897,896
Noncurrent assets:		
Restricted assets:		
Cash and cash equivalents:		
Revenue bond funds	$ 93,649	$ 99,698
Debt reserve funds	200,700	-
Total noncurrent restricted assets	$ 294,349	$ 99,698
Capital assets:		
Land	$ 19,230,590	$ 19,230,590
Construction in progress	2,273,629	7,522,918
Building, improvements and equipment, net of accumulated depreciation	87,380,280	81,030,511
Intangibles, net of accumulated amortization	40,610	50,771
Total capital assets (net of accumulated depreciation and amortization)	$ 108,925,109	$ 107,834,790
Total noncurrent assets	$ 109,219,458	$ 107,934,488
Total assets	$ 131,695,314	$ 126,832,384
DEFERRED OUTFLOWS OF RESOURCES		
Pension related items	$ 722,772	$ 492,638
OPEB related items	78,701	62,428
Total deferred outflows of resources	$ 801,473	$ 555,066

Exhibit A

CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY

Statement of Net Position

At June 30, 2021

(With Comparative Totals for the Prior Year)

	2021	2020
LIABILITIES		
Current liabilities:		
Accounts payable:		
Operating	$ 218,821	$ 86,879
Unearned revenue	8,421	1,700
Accrued payroll and related liabilities	140,105	118,418
Compensated absences	19,146	17,928
A/P security deposits/performance bonds	32,617	32,617
Revenue bonds payable	361,626	273,514
Due to VDOA--Bridge Loans	734,882	734,882
Accrued interest	6,919	7,704
Liabilities payable from restricted assets (accounts payable and retainage payable):		
Capital funds	113,320	2,423,213
Total current liabilities	$ 1,635,857	$ 3,696,855
Noncurrent Liabilities:		
Compensated absences	$ 172,318	$ 161,350
Net pension liability	1,602,792	1,094,760
Net OPEB liability	206,602	182,254
Revenue bonds payable	2,380,787	793,381
Total noncurrent liabilities	$ 4,362,499	$ 2,231,745
Total liabilities	$ 5,998,356	$ 5,928,600
DEFERRED INFLOWS OF RESOURCES		
Pension related items	$ 11,556	$ 100,238
OPEB related items	6,169	11,603
Total deferred inflows of resources	$ 17,725	$ 111,841
NET POSITION		
Net investment in capital assets	$ 105,334,494	$ 106,033,013
Restricted for:		
Capital Projects	$ 765,346	$ -
PFC fund	668,564	535,616
State Entitlement fund	8,110,593	8,802,346
Renewal & Replacement	157,902	157,487
CFC fund	2,290,597	2,040,780
Bond fund	93,649	99,698
Debt Reserve	200,684	-
Total restricted assets	$ 12,287,335	$ 11,635,927
Unrestricted	$ 8,858,877	$ 3,678,069
Total net position	$ 126,480,706	$ 121,347,009

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

Exhibit B

CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY

Statement of Revenues, Expenses and Changes in Net Position
Year Ended June 30, 2021
(With Comparative Totals for the Prior Year)

	2021	2020
Operating revenues:		
Parking	$ 1,414,966	$ 3,388,989
Terminal	1,436,837	2,186,106
Airfield	1,295,744	1,509,503
Total operating revenues	$ 4,147,547	$ 7,084,598
Operating expenses:		
Direct operating expenses:		
Parking	$ 841,786	$ 1,163,364
Terminal	2,241,806	2,772,715
Airfield	1,617,628	1,539,755
Total direct operating expenses	$ 4,701,220	$ 5,475,834
Indirect operating expense:		
Administrative	$ 1,600,153	$ 1,655,187
Total operating expenses	$ 6,301,373	$ 7,131,021
Operating income (loss) before depreciation and amortization	$ (2,153,826)	$ (46,423)
Depreciation and amortization	(4,547,117)	(4,621,108)
Operating income (loss)	$ (6,700,943)	$ (4,667,531)
Nonoperating revenues (expenses):		
Interest income	$ 11,460	$ 28,203
CFC expenses	(132,842)	(157,018)
Interest expense	(14,445)	(18,829)
Bond issuance costs	(25,334)	-
Insurance recovery	45,281	8,455
Federal COVID Grants	5,690,391	3,210,980
State Grants	113,880	-
Total nonoperating revenue (expenses)	$ 5,688,391	$ 3,071,791
Net income (loss) before capital contributions	$ (1,012,552)	$ (1,595,740)
Capital contributions:		
Federal construction revenue	$ 3,520,803	$ 1,892,342
State construction revenue	1,584,256	1,767,498
PFC fund	597,421	1,181,578
CFC fund	443,769	713,043
Total capital contributions	$ 6,146,249	$ 5,554,461
Net position		
Increase in net position	$ 5,133,697	$ 3,958,721
Total net position, beginning of year	121,347,009	117,388,288
Total net position, end of year	$ 126,480,706	$ 121,347,009

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

Exhibit C

CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY
Statement of Cash Flows
Year Ended June 30, 2021
(With Comparative Totals for the Prior Year)

	2021	2020
Cash flows from operating activities:		
Cash received from providing services	$ 4,115,396	$ 7,202,496
Cash paid to suppliers	(2,065,872)	(3,392,416)
Cash paid to and for employees	(3,870,419)	(4,115,226)
Net cash provided by (used for) operating activities	$ (1,820,895)	$ (305,146)
Cash flows from noncapital financing activities:		
CARES and State Grants	$ 4,987,245	$ 1,174,725
Cash flows from capital and related financing activities:		
Acquisition of property and equipment	$ (1,064,379)	$ (850,144)
Disposal of property and equipment (including insurance recoveries)	45,281	54,544
Additions to construction in progress	(6,882,951)	(5,986,767)
Long-term debt proceeds	1,949,031	-
Debt service paid	(273,513)	(400,234)
Interest paid on debt	(15,503)	(23,953)
Bond issuance costs	(25,334)	-
Contributions from Virginia Department of Aviation	1,729,111	1,975,630
Contributions from Federal Aviation Administration	4,408,222	842,548
Contributions from Passenger Facility Charge (PFC)	473,580	1,398,879
Contributions from Customer Facility Charge (CFC)	434,607	744,838
Net cash provided by (used for) capital and related financing activities	$ 778,152	$ (2,244,659)
Cash flows from investing activities:		
Investment interest earned	$ 11,460	$ 28,203
Net increase (decrease) in cash and cash equivalents	$ 3,955,962	$ (1,346,877)
Cash and cash equivalents at beginning of year (including restricted accounts)	14,905,260	16,252,137
Cash and cash equivalents at end of year (including restricted accounts)	$ 18,861,222	$ 14,905,260
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating loss	$ (6,700,943)	$ (4,667,531)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation and amortization expense	$ 4,547,117	$ 4,621,108
CFC operations	(126,725)	(155,775)
Changes in operating assets and liabilities and deferred outflows/ inflows of resources:		
Accounts receivable	(38,872)	120,710
Prepaid items	134,135	(109,404)
Deferred outflows related to pension	(230,134)	(134,210)
Deferred outflows related to OPEB	(16,273)	(37,009)
Accounts payable - operating	131,942	(135,928)
Accounts payable - security deposits/performance bonds	-	(50)
Accrued payroll and related liabilities	21,687	4,120
Accrued compensated absences	12,186	120
Unearned revenue	6,721	(2,812)
Net pension liability	508,032	199,815
Net OPEB liability	24,348	35,254
Deferred inflows related to pension	(88,682)	(41,157)
Deferred inflows related to OPEB	(5,434)	(2,397)
Total adjustments	$ 4,880,048	$ 4,362,385
Net cash provided by (used for) operating activities	$ (1,820,895)	$ (305,146)
Schedule of noncash capital and related financing activities:		
Increase (decrease) in capital contribution receivables	$ (899,271)	$ 592,566
Increase (decrease) in capital related payables	$ (2,309,893)	$ 1,701,603

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 – 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.

Debt Reserve Funds - funds held in reserve for 2021 Virginia Resources Authority bonds.

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, 2021 was $4,547,117. 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 fiduciary net 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 fiduciary net 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.

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, 2021 consist of the following:

Restricted Assets:	Cash & Cash Equivalents	Receivables	Total Restricted Assets
Capital Projects	$ 280,151	$ 485,195	$ 765,346
PFC Fund	504,387	164,177	668,564
State Entitlement Fund	8,110,593	-	8,110,593
Renewal & Replacement	157,902	-	157,902
CFC Fund	2,228,939	61,658	2,290,597
Bond Fund	93,649	-	93,649
Debt Reserve Fund	200,700	-	200,700
Total Restricted Assets	$ 11,576,321	$ 711,030	$ 12,287,351

NOTE 4 - DEPOSITS AND INVESTMENTS:

Deposits: 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. Accordingly, all deposits are considered fully collateralized.

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).

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, 2021, 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 $93,649 on June 30, 2021 were held in the Authority's name by the Authority's custodial bank. The investments were rated AAAm by Standard & Poor's.

NOTE 4 - DEPOSITS AND INVESTMENTS: (CONTINUED)

Custodial Credit Risk (Investments): (Continued)

The following is a reconciliation of cash and investments for the fiscal year ended June 30, 2021:

Summary of Cash and Investments:	
Cash on hand and cash items	$ 6,500
Carrying value of deposits	18,761,073
Investments	93,649
Total	$ 18,861,222
Per Financial Statements:	
Cash and cash equivalents:	
Operating	$ 7,284,901
Restricted Capital Projects	280,151
Restricted PFC Fund	504,387
Restricted CFC Fund	2,228,939
Restricted Renewal & Replacement	157,902
Restricted Entitlement	8,110,593
Restricted Bond Funds	93,649
Restricted Debt Reserve Funds	200,700
Total per financial statements	$ 18,861,222

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, 2021:

		Fair Value Measurements Using		
	6/30/2021	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	$ 93,649	$ 93,649	$ -	$ -

NOTE 5 – ACCOUNTS RECEIVABLE:

Details of changes in Accounts Receivable for the fiscal year ended June 30, 2021 are as follows:

	Non Restricted Assets	Restricted Assets	Total Accounts Receivable
Accounts Receivable			
Operating	$ 3,194,593	$ -	$ 3,194,593
Capital	-	485,195	485,195
Passenger Facility Charge	-	164,177	164,177
Rental Car Facility Charge	-	61,658	61,658
	$ 3,194,593	$ 711,030	$ 3,905,623

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 and CRRSA grant funds. Operating receivables increased $855,898 over fiscal year 2020.

Capital Receivable – Capital decreased $1,032,274 over fiscal year 2020 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 $47,882 and the Federal Government in the amount of $437,313.

Passenger Facility Charge- Passenger facility charge receivables represent the accrual for funds received in July and August 2021 for the period June 2021.

Rental Car Facility Charge – Customer facility charge receivables represent the accrual for funds received in July 2021 for the period June 2021.

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

Net capital assets increased $1,090,319 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, 2021 follows on the next page.

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

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021
Capital assets not depreciated:				
Land	$ 19,230,590	$ -	$ -	$ 19,230,590
Construction in progress:				
MALSR Adjustment	$ 206,326	$ 289,064	$ 495,390	$ -
Terminal and Landside Improvements	128,878	-	128,878	-
Relocation of Taxiway E	207,167	111,841	-	319,008
Terminal Area Plan	351,455	176,625	-	528,080
AF Lighting and Signage Design	2,680	224,869	-	227,549
Terminal Generator Project	-	64,147	-	64,147
Pedestrian Access Ramp and Stairs	120,674	-	-	120,674
Pedestrian Access Ramp and Canopy	451,740	-	-	451,740
Parking Stairs and Elevator	4,000	322,066	-	326,066
Air Carrier Terminal Apron Repair	5,879,892	3,318,185	9,198,077	-
800 MHz Radio	131,571	66,259	-	197,830
Big Terminal Fans	33,405	-	-	33,405
Miscellaneous Capital	5,130	-	-	5,130
Total construction in progress	$ 7,522,918	$ 4,573,056	$ 9,822,345	$ 2,273,629
Total capital assets not depreciated	$ 26,753,508	$ 4,573,056	$ 9,822,345	$ 21,504,219
Capital and other assets depreciated:				
Buildings	$ 36,362,792	$ 245,271	$ -	$ 36,608,063
Improvements other than buildings	88,530,003	10,099,204	-	98,629,207
Machinery & equipment	9,456,657	523,795	-	9,980,452
Infrastructure	17,089,053	18,454	-	17,107,507
Intangibles	1,157,751	-	-	1,157,751
Total capital and other assets depreciated	$ 152,596,256	$ 10,886,724	$ -	$ 163,482,980
Less accumulated depreciation for:				
Buildings	$ 21,761,499	$ 1,040,116	$ -	$ 22,801,615
Improvements other than buildings	35,616,666	2,455,025	-	38,071,691
Machinery & equipment	6,341,420	442,246	-	6,783,666
Infrastructure	6,688,409	599,568	-	7,287,977
Intangibles	1,106,980	10,161	-	1,117,141
Total accumulated depreciation	$ 71,514,974	$ 4,547,116	$ -	$ 76,062,090
Total net capital assets depreciated	$ 81,081,282	$ 6,339,608	$ -	$ 87,420,890
Net Capital Assets	$ 107,834,790	$ 10,912,664	$ 9,822,345	$ 108,925,109

NOTE 7 - LONG-TERM OBLIGATIONS:

The following is a summary of long-term obligation transactions for the year ended June 30, 2021:

		Beginning Balance		Additions		Reductions		Ending Balance
Direct Borrowings and Placements:								
Revenue Bonds	$	1,066,895	$	1,949,031	$	(273,513)	$	2,742,413
Bridge Loans VDOA		734,882		-		-		734,882
Compensated Absences		179,278		152,145		(139,959)		191,464
Net Pension Liability		1,094,760		1,120,919		(612,887)		1,602,792
Net OPEB Liability		182,254		93,000		(68,652)		206,602
Total	$	3,258,069	$	3,315,095	$	(1,095,011)	$	5,478,153

At June 30, 2021, the Authority's long-term obligations consisted of the following:

		Total		Current
Direct Borrowings and Placements:				
$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	$	793,382	$	171,530
$1,949,031 Airport Revenue Bond for construction of a parking lot expansion dated June 3, 2021, interest rate of 0.56% and principal payable semi-annually in various incremental amounts, ranging from $94,945 due on December 1, 2021 to $99,998 in 2031		1,949,031		190,096
Total Revenue Bonds (Direct Borrowings and Placements)	$	2,742,413	$	361,626

NOTE 7 – LONG-TERM OBLIGATIONS: (CONTINUED)

At June 30, 2021, 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	$ 191,464	$ 19,146
Net Pension Liability	$ 1,602,792	$ -
Net OPEB Liability	$ 206,602	$ -
Total long-term obligations	$ 5,478,153	$ 1,115,654

* Bridge loans through VDOA have a repayment period of 4 years from start date. Repayment is scheduled for fiscal year 2022.

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 2014 $1,612,000 Issue		Series 2021 $1,949,031 Issue		Total Debt Summary $3,561,031	
Year Ended June 30	Principal	Interest	Principal	Interest	Principal	Interest
2022	$ 171,530	$ 11,787	$ 190,096	$ 10,588	$ 361,626	$ 22,375
2023	174,233	9,083	191,101	9,583	365,334	18,666
2024	176,980	6,336	192,173	8,511	369,153	14,847
2025	179,769	3,547	193,250	7,434	373,019	10,981
2026	90,870	716	194,334	6,350	285,204	7,066
2027-2031	-	-	988,077	15,279	988,077	15,279
Total	$ 793,382	$ 31,469	$ 1,949,031	$ 57,745	$ 2,742,413	$ 89,214
Less current portion	171,530		190,096		361,626	
Total long-term obligations	$ 621,852		$ 1,758,935		$ 2,380,787	

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 $188,300 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 expired on November 1, 2017. The sublease is for hangar (Unit D3) generating monthly income of $1,700. Once that lease expired, the Authority renewed that agreement for $1,700 per month. The carrying value of the property at June 30, 2021 was $212,000.

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
2022	$	196,418
2023		199,364
2024		202,606
2025		322,723
2026		327,564
2027-2031		1,868,111
2032-2036		2,119,801
2037-2041		2,283,628
2042-2046		2,460,116
2047-2051		2,466,450
Total	$	12,446,781

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 contributed $125,000 toward the Concessionaire's initial capital investment cost in the form of a Concession Fee Credit. This credit was applied to monthly payments due from Concessionaire beginning with the month in which Concessionaire assumed operation of the concessions, not to exceed $25,000 annually. The credit was 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 $191,464 as of June 30, 2021. Of this amount, 10 percent or $19,464 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, 2021, the potential amount of payout for current employees is $28,625. 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 with a membership date 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 with a membership date from July 1, 2010 to December 31, 2013, that have not taken a refund or employees with a membership date prior to July 1, 2010 and not vested before 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 with a membership date 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, 2019 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	Number
Inactive members or their beneficiaries currently receiving benefits	14
Inactive members:	
Vested inactive members	3
Non-vested Inactive members	12
Inactive members active elsewhere in VRS	12
Total inactive members	27
Active members	46
Total covered employees	87

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, 2021 was 8.91% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019.

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 $200,443 and $196,823 for the years ended June 30, 2021 and June 30, 2020, 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, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2019, rolled forward to the measurement date of June 30, 2020.

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, 2019, 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, 2020.

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, 2019 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, 2019, 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, 2020.

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, 2019 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)	Long-term Target Asset Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-term Expected Rate of Return*
Public Equity	34.00%	4.65%	1.58%
Fixed Income	15.00%	0.46%	0.07%
Credit Strategies	14.00%	5.38%	0.75%
Real Assets	14.00%	5.01%	0.70%
Private Equity	14.00%	8.34%	1.17%
MAPS - Multi-Asset Public Strategies	6.00%	3.04%	0.18%
PIP - Private Investment Partnership	3.00%	6.49%	0.19%
Total	100.00%		4.64%
		Inflation	2.50%
		*Expected arithmetic nominal return	7.14%

* The above allocation provides a one-year return of 7.14%. 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%. On October 10, 2019, 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. More recent capital market assumptions compiled for the FY2020 actuarial valuations provide a median return of 6.81%.

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, 2020, 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, 2020 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, 2019	$ 6,421,998	$ 5,327,238	$ 1,094,760
Changes for the year:			
Service cost	$ 232,076	$ -	$ 232,076
Interest	421,647	-	421,647
Differences between expected and actual experience	268,944	-	268,944
Contributions - employer	-	196,788	(196,788)
Contributions - employee	-	118,429	(118,429)
Net investment income	-	102,996	(102,996)
Benefit payments, including refunds of employees contributions	(350,762)	(350,762)	-
Administrative expenses	-	(3,456)	3,456
Other changes	-	(122)	122
Net changes	$ 571,905	$ 63,873	$ 508,032
Balances at June 30, 2020	$ 6,993,903	$ 5,391,111	$ 1,602,792

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	$ 2,522,423	$ 1,602,792	$ 840,917

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

For the year ended June 30, 2021, the Authority recognized pension expense of $389,624. At June 30, 2021, 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	$ 265,866	$ -
Change of assumptions	99,527	11,556
Net difference between projected and actual earnings on pension plan investments	156,936	-
Employer contributions subsequent to the measurement date	200,443	-
Total	$ 722,772	$ 11,556

$200,443 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, 2022. 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	
2022	$ 149,850
2023	173,438
2024	118,836
2025	68,649
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 2020 Comprehensive Annual Financial Report (Annual Report). A copy of the 2020 VRS Annual Report may be downloaded from the VRS website at http://www.varetire.org/pdf/publications/2020-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 $8,616 as of June 30, 2021.

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 1.34% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.80% (1.34% x 60%) and the employer component was 0.54% (1.34% 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, 2021 was 0.54% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. 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 $13,308 and $13,224 for the years ended June 30, 2021 and June 30, 2020, 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, 2021, the entity reported a liability of $206,602 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2020 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, 2019, and rolled forward to the measurement date of June 30, 2020. 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, 2020 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2020, the participating employer's proportion was .01240% as compared to .01120% at June 30, 2019.

For the year ended June 30, 2021, the participating employer recognized GLI OPEB expense of $16,004. 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, 2021, 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	$ 13,252	$ 1,855
Net difference between projected and actual earnings on GLI OPEB program investments	6,206	-
Change in assumptions	10,332	4,314
Changes in proportion	35,603	-
Employer contributions subsequent to the measurement date	13,308	-
Total	$ 78,701	$ 6,169

$13,308 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, 2022. 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	
2022	$ 11,238
2023	12,990
2024	14,590
2025	13,855
2026	5,772
Thereafter	779

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, 2019, 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, 2020. 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 Annual Report.

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, 2019 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, 2019 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, 2020, NOL amounts for the GLI Plan are as follows (amounts expressed in thousands):

		GLI OPEB Plan
Total GLI OPEB Liability	$	3,523,937
Plan Fiduciary Net Position		1,855,102
GLI Net OPEB Liability (Asset)	$	1,668,835
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability		52.64%

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)	Long-term Target Asset Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-term Expected Rate of Return*
Public Equity	34.00%	4.65%	1.58%
Fixed Income	15.00%	0.46%	0.07%
Credit Strategies	14.00%	5.38%	0.75%
Real Assets	14.00%	5.01%	0.70%
Private Equity	14.00%	8.34%	1.17%
MAPS - Multi-Asset Public Strategies	6.00%	3.04%	0.18%
PIP - Private Investment Partnership	3.00%	6.49%	0.19%
Total	100.00%		4.64%
		Inflation	2.50%
		*Expected arithmetic nominal return	7.14%

*The above allocation provides a one-year return of 7.14%. 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%. On October 10, 2019, 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. More recent capital market assumptions compiled for the FY2020 actuarial valuations provide a median return of 6.81%.

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

NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

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

Discount Rate: (Continued)

member rate. Through the fiscal year ended June 30, 2020, 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, 2020 on, employers 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	$ 271,594	$ 206,602	$ 153,822

GLI Plan Fiduciary Net Position

Detailed information about the GLI Plan’s Fiduciary Net Position is available in the separately issued VRS 2020 Comprehensive Annual Financial Report (Annual Report). A copy of the 2020 VRS Annual Report may be downloaded from the VRS website at http://www.varetire.org/pdf/publications/2020-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.

NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

Line of Duty Act (LODA): (Continued)

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 Virginia Risk Sharing Association (VRSA). VRSA 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.

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 VRSA. This is built into the LODA coverage cost presented in the annual renewals. The Authority's LODA premium for the year ended June 30, 2021 was $15,213.

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, 2021, 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
Relocation of Taxiway E	$ 2,406,475	$ 109,564	$ 2,296,911
Emergency Generator Project	428,510	64,146	364,364
Skyline Roofing	190,583	-	190,583
Total	$ 3,025,568	$ 173,710	$ 2,851,858

NOTE 14 – LITIGATION:

At June 30, 2021, 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:

The COVID-19 pandemic and its impact on operations continues to evolve. Specific to the Authority, COVID-19 impacted various parts of its 2021 operations and financial results including, but not limited to, costs for emergency preparedness and shortages of personnel. Federal relief has been received through various programs. Management believes the Authority is taking appropriate actions to mitigate the negative impact. The extent to which COVID-19 may impact operations in subsequent years remains uncertain, and management is unable to estimate the effects on future results of operations, financial condition, or liquidity for fiscal year 2022. The Authority continues to conservatively budget for the period using CRRSA and ARPA funding to subsidize any shortfalls of revenue sources and address any potential liquidity issues.

NOTE 16 – SUBSEQUENT EVENTS:

Letter of Credit

Chemung Contracting Corporation secured a Water Protection Performance Bond for the Runway Rehabilitation Project. This bond required the repair of stormwater retention Basin C. The Project is complete but there are issues that remain unresolved with the County with regard to Basin C. Staff elected to have a third party complete any outstanding repairs and withheld funds from Chemung's contract to pay for those repairs. The bond is still held by Chemung. The County has yet to release the bond. In order to have the bond transferred to the Authority and to release Chemung from that obligation, a resolution was passed to allow staff to execute a Letter of Credit for the Authority to assume this obligation.

The Letter of Credit is for $275,488. If for some reason the repairs to Basin C do not meet the expectations of the County, the County can deem the Authority in default and present the Letter of Credit to the bank. At that point it would become a loan on the behalf of the Authority.

Grants and Contracts

The following grants have been awarded:

- FAA Grant 3-51-0004-055-2021 executed on 9/3/21 for $4,136,760 for the Construction of the Parking lot elevator and stairs
- FAA Grant 3-51-0004-056-2021 executed on 9/7/21 for $1,701,427 for the ARFF Vehicle and several pieces of SRE
- FAA Grant 3-51-0004-057-2021 executed on 12/13/21 for $4,709,132 for the ARPA Grant
- FAA Grant 3-51-0004-058-2021 executed on 12/22/21 for $332,331 for the ARPA Concessions Grant

NOTE 16 – SUBSEQUENT EVENTS: (CONTINUED)

Grants and Contracts

The following contracts have been executed:

- Parking Lot Elevator & Stair Replacement contract in the amount of $3,999,000 was executed on 9/14/21.
- Escalator project contract in the amount of $1,986,000 was executed on 9/17/21.

The status of ongoing projects is as follows:

- The Generator Project continued into FY22, with expected completion in FY22.
- Construction of the Ramp Expansion was substantially complete on 10/8/20, with final inspection completed on 11/12/20. The record drawings and final report were dated 7/28/21 and the grant will be closed out with the FAA in FY22.
- Relocation of Taxiway E continued into FY22, with expected completion in FY22.

NOTE 17 – UPCOMING PRONOUNCEMENTS:

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.

Statement No. 92, *Omnibus 2020*, addresses practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics such as leases, assets related to pension and postemployment benefits, and reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature. The effective dates differ by topic, ranging from January 2020 to periods beginning after June 15, 2021.

Statement No. 93, *Replacement of Interbank Offered Rates*, establishes accounting and financial reporting requirements related to the replacement of Interbank Offered Rates (IBORs) in hedging derivative instruments and leases. It also identifies appropriate benchmark interest rates for hedging derivative instruments. The requirements of this Statement, except for removal of London Interbank Offered Rate (LIBOR) as an appropriate benchmark interest rate and the requirements related to lease modifications, are effective for reporting periods beginning after June 15, 2020. The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021. All requirements related to lease modifications in this Statement are effective for reporting periods beginning after June 15, 2021.

NOTE 17 – UPCOMING PRONOUNCEMENTS: (CONTINUED)

Statement No. 94, *Public-Private and Public-Public Partnerships and Availability of Payment Arrangements*, addresses issues related to public-private and public-public partnership arrangements. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022.

Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022.

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

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Changes in Net Pension Liability and Related Ratios
For the Measurement Dates of June 30, 2014 through June 30, 2020

	2020	2019	2018	2017
Total pension liability				
Service cost	$ 232,076	$ 159,646	$ 135,013	$ 160,685
Interest	421,647	402,288	379,448	358,917
Changes in assumptions	-	197,101	-	(147,508)
Differences between expected and actual experience	268,944	49,552	64,179	255,968
Benefit payments	(350,762)	(267,113)	(237,594)	(431,927)
Net change in total pension liability	$ 571,905	$ 541,474	$ 341,046	$ 196,135
Total pension liability - beginning	6,421,998	5,880,524	5,539,478	5,343,343
Total pension liability - ending (a)	$ 6,993,903	$ 6,421,998	$ 5,880,524	$ 5,539,478
Plan fiduciary net position				
Contributions - employer	$ 196,788	$ 172,737	$ 125,053	$ 124,216
Contributions - employee	118,429	102,807	87,651	83,490
Net investment income	102,996	336,663	345,801	531,385
Benefit payments	(350,762)	(267,113)	(237,594)	(431,927)
Administrator charges	(3,456)	(3,222)	(2,948)	(3,254)
Other	(122)	(213)	(309)	(456)
Net change in plan fiduciary net position	$ 63,873	$ 341,659	$ 317,654	$ 303,454
Plan fiduciary net position - beginning	5,327,238	4,985,579	4,667,925	4,364,471
Plan fiduciary net position - ending (b)	$ 5,391,111	$ 5,327,238	$ 4,985,579	$ 4,667,925
Authority's net pension liability - ending (a) - (b)	$ 1,602,792	$ 1,094,760	$ 894,945	$ 871,553
Plan fiduciary net position as a percentage of the total pension liability	77.08%	82.95%	84.78%	84.27%
Covered payroll	$ 2,547,850	$ 2,195,854	$ 1,846,088	$ 1,709,207
Authority's net pension liability as a percentage of covered payroll	62.91%	49.86%	48.48%	50.99%

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 Changes in Net Pension Liability and Related Ratios
For the Measurement Dates of June 30, 2014 through June 30, 2020

	2016	2015	2014
Total pension liability			
Service cost	$ 145,571	$ 134,497	$ 131,276
Interest	348,038	328,487	308,435
Changes in assumptions	-	-	-
Differences between expected and actual experience	(40,416)	(13,370)	-
Benefit payments	(163,556)	(176,953)	(129,551)
Net change in total pension liability	$ 289,637	$ 272,661	$ 310,160
Total pension liability - beginning	5,053,706	4,781,045	4,470,885
Total pension liability - ending (a)	$ 5,343,343	$ 5,053,706	$ 4,781,045
Plan fiduciary net position			
Contributions - employer	$ 149,543	$ 137,753	$ 120,121
Contributions - employee	81,830	75,656	72,514
Net investment income	78,062	184,002	544,205
Benefit payments	(163,556)	(176,953)	(129,551)
Administrator charges	(2,565)	(2,456)	(2,845)
Other	(32)	(40)	29
Net change in plan fiduciary net position	$ 143,282	$ 217,962	$ 604,473
Plan fiduciary net position - beginning	4,221,189	4,003,227	3,398,754
Plan fiduciary net position - ending (b)	$ 4,364,471	$ 4,221,189	$ 4,003,227
Authority's net pension liability - ending (a) - (b)	$ 978,872	$ 832,517	$ 777,818
Plan fiduciary net position as a percentage of the total pension liability	81.68%	83.53%	83.73%
Covered payroll	$ 1,668,303	$ 1,529,547	$ 1,451,427
Authority's net pension liability as a percentage of covered payroll	58.67%	54.43%	53.59%

Schedule of Employer Contributions - VRS Pension Plan
Years Ended June 30, 2012 through June 30, 2021

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)
2021	$ 200,443	$ 200,443	$ -	$ 2,461,878	8.14%
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%

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, 2019 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 2020

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)
2020	0.01240%	$ 206,602	$ 2,547,850	8.11%	52.64%
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, 2012 through June 30, 2021

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)
2021	$ 13,308	$ 13,308	$ -	$ 2,461,878	0.54%
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%

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, 2019 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%

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Other Supplementary Information

CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY

Schedule of Administrative Expenses - Allocated

Year Ended June 30, 2021

	Terminal	Parking	Total
Administrative Expenses:			
Payroll	$ 795,187	$ 140,327	$ 935,514
Dues and subscriptions	9,383	1,656	11,039
Education	2,375	419	2,794
Travel	3,310	584	3,894
Advertising promotion	246,258	43,457	289,715
Professional fees	93,979	16,584	110,563
Human Resource	14,985	2,644	17,629
Insurance	27,695	4,887	32,582
Office expense	31,582	5,573	37,155
Computer	55,103	9,724	64,827
Equipment lease	4,831	853	5,684
Utilities-phone	11,895	2,099	13,994
Coronavirus expenses	59,521	10,504	70,025
Storage facilities	4,027	711	4,738
Total	$ 1,360,131	$ 240,022	$ 1,600,153

Statistical Section

CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY
Statistical Section

<u>Contents</u> <u>Pages</u>

Financial Trends

These tables contain trend information to help the reader understand how the Airport Authority's financial performance and well-being have changed over time.

Revenue Capacity

These tables contain information to help the reader understand the role passengers and airlines play in generating the Airport Authority's revenue.

Debt Capacity

These tables present information to help the reader assess the Airport Authority's revenue and expense ratios to better evaluate the affordability of present and future debt.

Operating Information

These tables contain information about the Airport Authority's operations to help the reader understand how the Airport's financial information relates to the services the Airport provides and the activities it performs.

Demographic and Economic Information

These tables offer demographic and economic indicators to help the reader understand the environment within which the Airport Authority's financial activities take place and to help make comparisons over time and with other governments.

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

	2021	2020	2019	2018
Operating revenues				
Airfield	$ 1,295,744	$ 1,509,503	$ 1,632,799	$ 1,431,556
Terminal	1,436,837	2,186,106	2,602,240	2,242,281
Parking	1,414,966	3,388,989	4,584,850	4,344,293
Total operating revenues	$ 4,147,547	$ 7,084,598	$ 8,819,889	$ 8,018,130
Nonoperating revenues				
Interest Income	$ 11,460	$ 28,203	$ 27,212	$ 11,757
Other income	45,281	8,455	28,151	41,495
PFC debt service income	-	-	-	-
COVID and state grants	5,804,271	3,210,980	-	-
State entitlement reimbursements	-	-	190,000	285,000
Total nonoperating revenues	$ 5,861,012	$ 3,247,638	$ 245,363	$ 338,252
Total Revenues	$ 10,008,559	$ 10,332,236	$ 9,065,252	$ 8,356,382
Operating expenses				
Operations	$ 4,701,220	$ 5,475,834	$ 4,835,264	$ 3,761,085
Administrative	1,600,153	1,655,187	1,679,472	1,511,545
Depreciation & amortization	4,547,117	4,621,108	4,390,045	4,009,552
Total operating expenses	$ 10,848,490	$ 11,752,129	$ 10,904,781	$ 9,282,182
Nonoperating expenses				
Rental Car QTA expenses	$ 132,842	$ 157,018	$ 147,576	$ 139,384
Interest Expense	14,445	18,829	84,967	123,528
Airline Settlement	-	-	-	-
Other expenses	25,334	-	-	38,198
Total nonoperating expenses	$ 172,621	$ 175,847	$ 232,543	$ 301,110
Total Expenses	$ 11,021,111	$ 11,927,976	$ 11,137,324	$ 9,583,292
Capital Contributions	6,146,249	5,554,461	5,709,064	11,257,329
Increase (Decrease) in Net Position	$ 5,133,697	$ 3,958,721	$ 3,636,992	$ 10,030,419
Net Position at Year-End				
Net investment in capital assets	$ 105,334,494	$ 106,033,013	$ 101,715,374	$ 101,441,432
Restricted	12,287,335	11,635,927	12,910,019	11,061,212
Unrestricted	8,858,877	3,678,069	2,762,895	1,248,652
Total Net Position	$ 126,480,706	$ 121,347,009	$ 117,388,288	$ 113,751,296

Source: Authority's audited financial statements.

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

2017	2016	2015	2014	2013	2012
$ 1,328,090	$ 1,225,277	$ 1,024,898	$ 1,027,690	$ 1,002,703	$ 878,886
2,100,201	1,736,106	1,729,166	1,718,574	2,027,072	1,492,613
3,380,734	3,124,311	2,972,382	2,692,721	2,192,110	2,205,473
$ 6,809,025	$ 6,085,694	$ 5,726,446	$ 5,438,985	$ 5,221,885	$ 4,576,972
$ 4,618	$ 6,473	$ 8,493	$ 7,443	$ 14,438	$ 16,247
376,767	457,549	396,716	-	19,904	19,903
-	-	-	31,575	75,779	75,779
-	-	-	-	-	-
50,000	50,000	150,000	180,000	150,000	200,000
$ 431,385	$ 514,022	$ 555,209	$ 219,018	$ 260,121	$ 311,929
$ 7,240,410	$ 6,599,716	$ 6,281,655	$ 5,658,003	$ 5,482,006	$ 4,888,901
$ 3,651,359	$ 3,426,074	$ 3,307,204	$ 3,111,581	$ 2,782,343	$ 2,805,737
1,421,002	1,340,086	1,135,760	1,174,382	1,565,542	982,347
4,093,426	3,741,700	3,508,608	3,460,065	2,959,706	3,007,771
$ 9,165,787	$ 8,507,860	$ 7,951,572	$ 7,746,028	$ 7,307,591	$ 6,795,855
$ 141,409	$ 142,076	$ 155,430	$ 169,466	$ 179,462	$ 184,567
142,697	157,167	202,983	232,742	256,007	280,151
-	370,725	417,921	335,434	241,515	40,388
-	-	139,539	-	-	-
$ 284,106	$ 669,968	$ 915,873	$ 737,642	$ 676,984	$ 505,106
$ 9,449,893	$ 9,177,828	$ 8,867,445	$ 8,483,670	$ 7,984,575	$ 7,300,961
5,523,173	7,677,697	4,995,034	9,437,881	11,917,822	6,536,431
$ 3,313,690	$ 5,099,585	$ 2,409,244	$ 6,612,214	$ 9,415,253	$ 4,124,371
$ 92,837,835	$ 92,756,326	$ 90,453,841	$ 88,641,919	$ 83,988,096	$ 73,977,560
10,787,497	8,396,399	4,823,976	4,185,359	3,010,454	3,328,689
249,545	(591,538)	183,785	1,177,090	1,128,487	1,214,317
$ 103,874,877	$ 100,561,187	$ 95,461,602	$ 94,004,368	$ 88,127,037	$ 78,520,566

CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY

Changes in Cash and Cash Equivalents

Last Ten Fiscal Years

	2021	2020	2019
Cash flows from operating activities			
Cash received from providing services	$ 4,115,396	$ 7,202,496	$ 8,749,246
Cash paid to suppliers	(2,065,872)	(3,392,416)	(2,810,362)
Cash paid to and for employers	(3,870,419)	(4,115,226)	(3,859,031)
Net cash provided by (used for) operating activities	$ (1,820,895)	$ (305,146)	$ 2,079,853
Cash flows from noncapital financing activities			
COVID and state grants	$ 4,987,245	$ 1,174,725	$ -
Net cash provided by (used for) noncapital financing activities	$ 4,987,245	$ 1,174,725	$ -
Cash flows from investing activities			
Investment interest earned	$ 11,460	$ 28,203	$ 27,212
Net cash provided by (used for) investing activities	$ 11,460	$ 28,203	$ 27,212
Cash flows from capital and related financing activities			
Interest paid on debt	$ (15,503)	$ (23,953)	$ (38,869)
Acquisition of property and equipment	(1,064,379)	(850,144)	(483,401)
Disposal of property and equipment	45,281	54,544	17,744
Additions to construction in progress	(6,882,951)	(5,986,767)	(3,613,684)
Long-term debt proceeds	1,949,031	-	-
Bridge Loans from VDOA	-	-	-
Debt service paid	(273,513)	(400,234)	(887,733)
Debt issuance costs	(25,334)	-	-
PFC debt service income	-	-	-
State debt service reimbursement	-	-	190,000
Airline Settlement	-	-	-
Contributions from Virginia Department of Aviation	1,729,111	1,975,630	1,520,259
Contributions from Federal Aviation Administration	4,408,222	842,548	2,044,880
Contributions from others	-	-	15,549
Contributions from Passenger Facility Charge (PFC)	473,580	1,398,879	1,556,540
Contributions from Customer Facility Charge (CFC)	434,607	744,838	878,695
Net cash provided by (used for) capital and related financing activities	$ 778,152	$ (2,244,659)	$ 1,199,980
Increase (decrease) in cash and cash equivalents for the year	$ 3,955,962	$ (1,346,877)	$ 3,307,045
Cash and cash equivalents at beginning of year (including restricted accounts)	14,905,260	16,252,137	12,945,092
Cash and cash equivalents at end of year (including restricted accounts)	$ 18,861,222	$ 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
$ 7,971,550	$ 6,754,607	$ 6,065,731	$ 5,799,311	$ 5,452,654	$ 5,144,453	$ 4,648,998
(2,365,219)	(2,379,061)	(2,238,401)	(2,459,018)	(2,050,921)	(2,461,160)	(2,005,564)
(2,935,243)	(2,780,550)	(2,696,738)	(2,411,806)	(2,242,183)	(1,897,846)	(1,932,329)
$ 2,671,088	$ 1,594,996	$ 1,130,592	$ 928,487	$ 1,159,550	$ 785,447	$ 711,105
$ -	$ -	$ -	$ -	$ -	$ -	$ -
$ -	$ -	$ -	$ -	$ -	$ -	$ -
$ 11,757	$ 4,618	$ 6,473	$ 8,493	$ 7,443	$ 14,438	$ 16,247
$ 11,757	$ 4,618	$ 6,473	$ 8,493	$ 7,443	$ 14,438	$ 16,247
$ (62,040)	$ (84,959)	$ (98,031)	$ (188,223)	$ (221,745)	$ (266,267)	$ (296,471)
(2,880,955)	(290,925)	(1,160,107)	(1,005,281)	(290,144)	(140,283)	(202,414)
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)
-	-	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)
-	-	-	-	-	-	-
-	-	-	-	31,575	75,779	75,779
285,000	50,000	50,000	150,000	180,000	169,904	219,903
-	-	-	-	(241,515)	(40,388)	(186,485)
1,793,100	1,970,047	4,859,195	1,728,588	3,126,795	3,343,355	2,600,232
7,301,556	1,333,083	1,200,443	1,639,931	6,025,707	5,694,804	3,060,198
31,257	(25,257)	-	-	-	-	-
1,443,029	1,294,736	1,189,674	1,095,487	950,914	826,658	866,746
728,135	663,024	628,164	583,857	542,451	522,280	525,267
$ (718,968)	$ 1,372,212	$ 281,584	$ 1,876	$ (186,643)	$ 164,859	$ (629,147)
$ 1,963,877	$ 2,971,826	$ 1,418,649	$ 938,856	$ 980,350	$ 964,744	$ 98,205
10,981,215	8,009,389	6,590,740	5,651,884	4,671,534	3,706,790	3,608,585
$ 12,945,092	$ 10,981,215	$ 8,009,389	$ 6,590,740	$ 5,651,884	$ 4,671,534	$ 3,706,790

CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY

Principal Revenue Sources, Cost per Enplaned Passenger and

Scheduled Airline Rates and Charges

Last Ten Fiscal Years

		2021		2020		2019		2018
PRINCIPAL REVENUE SOURCES								
Airline revenues								
Landing Fees	$	420,380	$	786,695	$	946,998	$	837,861
Terminal Rents		260,328		520,927		705,306		704,663
Total airline revenues	$	680,708	$	1,307,622	$	1,652,304	$	1,542,524
Percentage of total revenues		7%		13%		18%		18%
Nonairline revenues								
Parking	$	1,414,966	$	3,388,989	$	4,584,850	$	4,344,293
Rental Car		682,027		936,467		1,124,349		1,070,117
Other		1,369,846		1,451,520		1,458,386		1,061,196
Total nonairline revenues	$	3,466,839	$	5,776,976	$	7,167,585	$	6,475,606
Percentage of total revenues		35%		56%		79%		77%
Nonoperating revenues								
Interest income	$	11,460	$	28,203	$	27,212	$	11,757
COVID and state grants		5,804,271		3,210,980		-		-
Other income		45,281		8,455		218,151		326,495
Total nonoperating revenues	$	5,861,012	$	3,247,638	$	245,363	$	338,252
Percentage of total revenues		59%		31%		3%		4%
Total revenues	$	10,008,559	$	10,332,236	$	9,065,252	$	8,356,382
Enplaned passengers (excluding charters)		135,632		282,282		378,441		348,922
Total revenue per enplaned passenger	$	73.79	$	36.60	$	23.95	$	23.95
Airline cost per enplaned passenger	$	5.02	$	4.63	$	4.37	$	4.42
SIGNATORY AIRLINES RATES AND CHARGES								
Landing Fee (per 1,000 lbs MGLW)	$	2.07	$	2.07	$	2.10	$	2.08
Average Annual Terminal Rental Rate (per s. f.)	$	14.13	$	28.27	$	40.78	$	40.75

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

2017	2016	2015	2014	2013	2012
$ 743,007	$ 575,993	$ 528,725	$ 519,424	$ 487,995	$ 410,214
689,730	448,984	578,461	430,834	448,784	428,943
$ 1,432,737	$ 1,024,977	$ 1,107,186	$ 950,258	$ 936,779	$ 839,157
20%	16%	18%	17%	17%	18%
$ 3,380,734	$ 3,124,311	$ 2,972,382	$ 2,692,720	$ 2,192,110	$ 2,205,473
1,015,613	939,012	875,844	789,511	760,550	761,187
979,942	997,394	771,034	1,006,496	1,332,446	771,155
$ 5,376,289	$ 5,060,717	$ 4,619,260	$ 4,488,727	$ 4,285,106	$ 3,737,815
74%	77%	74%	79%	78%	76%
$ 4,618	$ 6,473	$ 8,493	$ 7,443	$ 14,438	$ 16,247
-	-	-	-	-	-
426,767	507,549	546,716	211,575	245,683	295,682
$ 431,385	$ 514,022	$ 555,209	$ 219,018	$ 260,121	$ 311,929
6%	8%	9%	4%	5%	6%
$ 7,240,411	$ 6,599,716	$ 6,281,655	$ 5,658,003	$ 5,482,006	$ 4,888,901
315,099	286,030	261,631	238,398	227,874	231,907
$ 22.98	$ 23.07	$ 24.01	$ 23.73	$ 24.06	$ 21.08
$ 4.55	$ 3.58	$ 4.23	$ 3.99	$ 4.11	$ 3.62
$ 2.04	$ 1.95	$ 1.95	$ 1.86	$ 1.84	$ 1.78
$ 39.91	$ 23.35	$ 32.55	$ 23.09	$ 21.58	$ 22.82

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CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY

Parking Rates Per Lot

Last Ten Fiscal Years

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Short Term	$ 13	$ 13	$ 13	$ 13	$ 10	$ 10	$ 10	$ 10	$ 8	$ 8
Long Term	13	13	13	13	10	10	10	10	8	8
Economy	9	9	9	9	8	8	8	8	8	8
Overflow	9	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

	2021	2020	2019	2018
NET REVENUES				
Operating Revenues	$ 4,147,547	$ 7,084,598	$ 8,819,889	$ 8,018,130
Interest Income	11,460	28,203	27,212	11,757
Agency Reimbursements	-	-	190,000	285,000
PFC Income*	-	-	-	-
Other Income***	5,849,552	3,219,435	28,151	41,495
Total Revenues	$ 10,008,559	$ 10,332,236	$ 9,065,252	$ 8,356,382
Less: Operating Expenses	$ (6,301,373)	$ (7,131,021)	$ (6,514,736)	$ (5,272,629)
Net Revenues	$ 3,707,186	$ 3,201,215	$ 2,550,516	$ 3,083,753
Aggregate Debt Service**	$ 215,346	$ 247,375	$ 749,485	$ 849,907
Debt Service Coverage***	17.22	12.94	3.40	3.63

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 and negative 9.21 for FY21.

Table 5

CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY

Revenue Bond Debt Service Coverage

Last Ten Fiscal Years

2017	2016	2015	2014	2013	2012
$ 6,809,025	$ 6,085,694	$ 5,726,446	$ 5,438,985	$ 5,221,885	$ 4,576,972
4,618	6,473	8,493	7,443	14,438	16,247
50,000	50,000	150,000	180,000	169,904	219,903
-	-	-	31,575	75,779	75,779
6,042	39,628	61,282	-	-	-
$ 6,869,685	$ 6,181,795	$ 5,946,221	$ 5,658,003	$ 5,482,006	$ 4,888,901
$ (5,072,361)	$ (4,766,160)	$ (4,442,964)	$ (4,285,964)	$ (4,347,885)	$ (3,788,084)
$ 1,797,324	$ 1,415,635	$ 1,503,257	$ 1,372,039	$ 1,134,121	$ 1,100,817
$ 849,907	$ 673,249	$ 690,776	$ 703,216	$ 713,606	$ 715,655
2.11	2.10	2.18	1.95	1.59	1.54

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
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%	8.91	6.38
2021	2,742,413	-	734,882	3,477,295	-	3,477,295	3%	unavailable	25.64

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

CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY

Airline Landed Weights

Last Ten Fiscal Years

(in thousands of pounds)

Scheduled Air Carriers	2021	% Total	2020	2019	2018	2017	2016	2015	2014	2013	2012
US Airways	-	-	-	-	-	-	133,784	129,395	128,699	129,014	165,013
Delta Airlines	56,761	*27.9%*	117,203	136,055	106,677	83,132	69,637	68,952	67,781	60,791	49,162
United Express	41,270	*20.3%*	58,497	72,884	53,694	36,353	33,114	36,225	44,160	47,729	40,576
American Airlines	105,099	*51.7%*	205,608	245,067	241,327	244,981	58,609	44,517	28,047	27,565	32,003
Allegiant Airlines[1]	-	-	-	-	-	-	-	-	3,996	-	-
Total	203,130		381,308	454,006	401,698	364,466	295,144	279,089	272,683	265,099	286,754

Percentage increase/decrease FY 2021/FY 2020: -47%

Source: Airport Authority Records

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

Table 8

CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY

Enplaned Passengers

Last Ten Fiscal Years

	2021	*% of Total*	2020	2019	2018	2017	2016	2015	2014	2013	2012
USAirways[2]	-	-	-	-	-	-	-	121,400	114,356	109,611	126,243
Delta Airlines	33,826	*25%*	83,620	111,172	96,247	84,332	75,266	69,385	58,363	53,174	45,630
United Express	25,097	*19%*	42,056	60,370	46,608	31,761	30,533	30,925	36,499	39,403	35,780
American Airlines	76,709	*57%*	156,606	206,899	206,067	199,006	180,231	39,921	25,956	25,686	24,254
Allegiant Airlines[1]	-	-	-	-	-	-	-	-	3,224	-	-
Total	135,632		282,282	378,441	348,922	315,099	286,030	261,631	238,398	227,874	231,907
% Incr/(Dec)	-52%		-25%	8%	11%	10%	9%	10%	5%	-2%	14%

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

CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY

Aircraft Operations Summary

Last Ten Fiscal Years

Fiscal Year	Air Carrier	General Aviation	Military	Total
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
2021	24,526	75,459	12,545	112,530
Average Annual Change	3.11%	3.03%	9.80%	3.62%

Source: Airport Authority records

Table 10

CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY
Top 50 Origin Destination Markets

Year Ended Quarter 2 2021

Rank	Airport Code	City	Total Passengers
1	ATL	Atlanta, GA	7,886
2	CLT	Charlotte, NC	4,828
3	ORD	Chicago, IL	4,280
4	DEN	Denver, CO	4,220
5	DFW	Dallas/Ft. Worth, TX	4,006
6	LAX	Los Angeles, CA	3,984
7	TPA	Tampa, FL	3,613
8	MCO	Orlando, FL	3,295
9	IAH	Houston, TX	3,172
10	SLC	Salt Lake City, UT	3,032
11	PHX	Phoenix, AZ	2,997
12	AUS	Austin, TX	2,966
13	SFO	San Francisco, CA	2,754
14	PBI	West Palm Beach, FL	2,693
15	BOS	Boston, MA	2,596
16	MSP	Minneapolis/St. Paul, MN	2,328
17	RSW	Fort Myers, FL	2,163
18	SAN	San Diego, CA	2,106
19	MIA	Miami, FL	2,067
20	BNA	Nashville, TN	2,013
21	SEA	Seattle, WA	1,915
22	FLL	Fort Lauderdale, FL	1,908
23	MSY	New Orleans, LA	1,905
24	LAS	Las Vegas, NV	1,807
25	JAX	Jacksonville, FL	1,715
26	SRQ	Sarasota/Bradenton, FL	1,545
27	STL	St. Louis, MO	1,491
28	MCI	Kansas City, MO	1,471
29	SAT	San Antonio, TX	1,367
30	CHS	Charleston, SC	1,331
31	PDX	Portland, OR	1,271
32	IND	Indianapolis, IN	1,147
33	BHM	Birmingham, AL	1,108
34	MEM	Memphis, TN	1,029
35	SMF	Sacramento, CA	962
36	DTW	Detroit, MI	916
37	MKE	Milwaukee, WI	839
38	PNS	Pensacola, FL	838
39	OKC	Oklahoma City, OK	800
40	VPS	Valparaiso, FL	790
41	LGA	New York, NY	754
42	OMA	Omaha, NE	710
43	GRR	Grand Rapids, MI	704
44	LIT	Little Rock, AR	692
45	MSN	Madison, WI	671
46	ECP	Panama City, FL	623
47	IAD	Washington, DC	620
48	PWM	Portland, ME	617
49	GNV	Gainesville, FL	600
50	DAB	Daytona Beach, FL	589
	Total - Top 50 Domestic Markets		99,734
	Total - All Domestic Markets		131,912

Source: Airline Data Inc.

Year Ended Quarter 2 2012

Rank	Airport Code	City	Total Passengers
1	ORD	Chicago, IL	14,154
2	LGA	New York, NY	13,428
3	ATL	Atlanta, GA	9,355
4	CLT	Charlotte, NC	8,997
5	SFO	San Francisco, CA	7,231
6	BOS	Boston, MA	6,965
7	DFW	Dallas/Ft. Worth, TX	6,182
8	LAX	Los Angeles, CA	5,877
9	DEN	Denver, CO	5,757
10	PHL	Philadelphia, PA	4,721
11	MCO	Orlando, FL	4,677
12	IAH	Houston, TX	4,273
13	TPA	Tampa, FL	3,960
14	SEA	Seattle, WA	3,784
15	MSY	New Orleans, LA	3,643
16	LAS	Las Vegas, NV	3,518
17	MSP	Minneapolis/St. Paul, MN	3,347
18	AUS	Austin, TX	3,263
19	SAN	San Diego, CA	3,189
20	PHX	Phoenix, AZ	3,118
21	FLL	Fort Lauderdale, FL	2,935
22	STL	St. Louis, MO	2,813
23	BNA	Nashville, TN	2,731
24	SAT	San Antonio, TX	2,718
25	PBI	West Palm Beach, FL	2,449
26	JAX	Jacksonville, FL	2,322
27	MCI	Kansas City, MO	2,317
28	IND	Indianapolis, IN	2,240
29	MIA	Miami, FL	2,037
30	SLC	Salt Lake City, UT	2,009
31	DTW	Detroit, MI	1,892
32	RSW	Fort Myers, FL	1,839
33	MEM	Memphis, TN	1,759
34	MKE	Milwaukee, WI	1,717
35	PDX	Portland, OR	1,671
36	PVD	Providence, RI	1,365
37	BDL	Hartford, CT	1,281
38	SRQ	Sarasota/Bradenton, FL	1,255
39	PWM	Portland, ME	1,217
40	BHM	Birmingham, AL	1,189
41	MHT	Manchester, NH	1,171
42	CHS	Charleston, SC	1,105
43	LHR	London, UK	1,066
44	CMH	Columbus, OH	1,027
45	PNS	Pensacola, FL	1,016
46	SMF	Sacramento, CA	962
47	BTV	Burlington, VT	958
48	DAY	Dayton, OH	928
49	ALB	Albany, NY	860
50	YYZ	Toronto, ON	835
	Total - Top 50 Domestic Markets		169,123
	Total - All Domestic Markets		218,432

Source: Airline Data Inc.

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Acres[4] (+/-):	713	713	713	713	705	705	705	705	705	705
Runways:										
3/21 North/South ILS 3/GPS	6,801 by 150 ft.	6,801 by 150 ft.	6,801 by 150 ft.	6,801 by 150 ft.	6,801 by 150 ft.	6,801 by 150 ft.	6,801 by 150 ft.	6,801 by 150 ft.	6,801 by 150 ft.	6,001 by 150 ft.
Terminal[3]:										
Airlines - sq. ft.	20,038	20,038	20,038	20,038	20,038	25,294	25,353	25,353	25,353	25,353
Rental Car - sq. ft.	660	660	660	660	660	270	270	270	270	270
Tailwind - sq. ft.	2,790	2,790	2,790	2,790	2,790	2,500	1,600	1,600	1,600	1,600
TSA - sq. ft.	725	725	725	496	496	496	496	700	700	700
Total	24,213	24,213	24,213	23,984	23,984	28,560	27,719	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	3	4	4	4	4	4	4
# of Rental Car Agencies in Terminal	2	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	743	748	748	748	748	748
Economy	220	220	132	132	132	132	132	132	132	132
Overflow[1]	439	439	196	196	196	216	-	-	-	-
Small GA Lot[2]	-	-	65	65	65	65	-	-	-	-
Rental Cars/Tenant	295	295	303	303	303	303	303	303	303	303
Employee Lot[1]	69	69	146	146	146	146	175	175	175	175
Total	1,874	1,874	1,693	1,693	1,693	1,718	1,466	1,466	1,466	1,466
Employees:										
Administrative	11	12	12	10	9	7	7	7	7	6
Public Safety	9	10	11	6	7	8	8	7	7	7
Maintenance	13	12	12	7	7	7	7	7	6	6
Operational Facility Assts/CSO	2	2	2	2	2	2	0	0	4	4
Parking	9	10	10	9	9	8	8	9	5	5
Equipment Technician	1	1	1	1	1	1	1	1	1	1
Total f/t employees (2080) hrs. per yr.	45	47	48	35	35	33	31	31	30	29
Hangars:										
T-Hangar Units	4	4	4	4	4	4	4	4	4	4
Conventional Units[6]	6	6	6	6	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

	2021	% Change 2021/2020	2020	2019	2018
City of Charlottesville	51,079	*3.3%*	49,447	49,181	49,281
County of Albemarle	114,424	*3.5%*	110,545	109,722	108,639
County of Greene	21,030	*3.5%*	20,323	20,097	19,959
County of Fluvanna	27,556	*1.3%*	27,202	27,038	26,692
County of Madison	13,871	*4.0%*	13,342	13,251	13,278
County of Nelson	14,820	*-0.6%*	14,904	14,794	14,836
Total	242,780	*3.0%*	235,763	234,083	232,685

Unemployment Rate [2] Fiscal Years Ended June 30

	2021	% Change 2021/2020	2020	2019	2018
City of Charlottesville	2.8	*-68.9%*	9.0	2.8	2.3
County of Albemarle	2.1	*-72.0%*	7.5	2.8	2.5
County of Greene	1.9	*-74.7%*	7.5	2.5	2.3
County of Fluvanna	2.2	*-70.3%*	7.4	2.5	2.3
County of Madison	1.6	*-68.0%*	5.0	2.4	2.2
County of Nelson	2.2	*-70.7%*	7.5	3.2	2.7

Total Personal Income [3] Fiscal Years Ended June 30

	2020	% Change 2020/2019	2019	2018	2017
Albemarle/Charlottesville[4]	12,230,910	*0.6%*	12,160,701	11,702,008	10,531,351
County of Greene	977,817	*6.0%*	922,167	877,858	844,388
County of Fluvanna	1,328,328	*7.4%*	1,237,266	1,197,011	1,141,266
County of Madison	687,012	*6.7%*	644,173	649,082	624,316
County of Nelson	824,342	*7.6%*	765,863	752,436	720,555
	16,048,409	*2.0%*	15,730,170	15,178,395	13,861,876

Per Capita Income [3] Fiscal Years Ended June 30

	2020	% Change 2020/2019	2019	2018	2017
Albemarle/Charlottesville[4]	77,606	*-0.1%*	77,657	74,613	67,630
County of Greene	48,573	*4.4%*	46,529	44,383	43,055
County of Fluvanna	48,440	*6.9%*	45,334	44,693	43,145
County of Madison	51,608	*6.2%*	48,577	48,822	47,022
County of Nelson	55,869	*8.9%*	51,297	50,717	48,220
	282,096	*4.7%*	269,394	263,228	249,072

[1] Source: Weldon Cooper Center for Public Service (July 1, 2021 published on January 28, 2022)

[2] Source: U.S. Bureau of Labor Statistics, December 2021

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

[4] Albemarle County standalone statistic unavailable

Table 12

CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY
Demographic Information

2017	2016	2015	2014	2013	2012
49,132	49,071	48,210	47,783	46,623	45,073
107,697	105,715	105,051	103,707	102,731	101,575
19,985	19,785	19,840	19,618	18,804	18,856
26,467	26,133	26,162	25,970	25,977	26,033
13,190	13,099	13,099	13,353	13,200	13,472
14,858	14,835	14,993	15,074	14,789	15,078
231,329	228,638	227,355	225,505	222,124	220,087

2017	2016	2015	2014	2013	2012
3.6	3.5	4.5	4.3	4.3	6.6
3.7	3.7	4.7	4.1	4.4	4.8
3.3	3.1	4.3	4.1	3.8	5.2
3.2	3.3	4.3	3.8	4.2	4.8
3.1	3.3	4.0	3.8	4.0	4.8
3.8	3.5	4.5	4.2	4.6	5.3

2016	2015	2014	2013	2012	2011
9,981,222	9,182,721	8,795,194	7,764,329	7,493,869	6,778,562
798,762	760,363	701,736	791,878	767,362	710,441
1,078,644	1,040,445	967,881	1,072,290	1,040,671	951,419
631,172	574,042	541,990	530,597	523,987	479,209
695,591	666,135	629,685	675,564	640,628	601,790
13,185,391	12,223,706	11,636,486	10,834,658	10,466,517	9,521,421

2016	2015	2014	2013	2012	2011
64,938	60,294	58,603	52,693	51,255	47,052
41,320	39,681	36,873	42,112	40,880	38,073
41,218	39,659	37,095	41,278	40,077	36,507
48,152	43,775	41,194	40,197	39,696	36,389
46,700	45,055	42,403	45,680	43,207	39,862
242,328	228,464	216,168	221,960	215,115	197,883

CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY

Principal Employers in the Primary Air Trade Area (1)

	As of 1st Quarter 2021		As of 4th Quarter 2012
1.	University of Virginia / Blue Ridge Hospital	1.	University of Virginia/Blue Ridge Hospital
2.	County of Albemarle	2.	University of Virginia Medical Center
3.	Wal Mart	3.	County of Albemarle
4.	Sentara Healthcare	4.	Walmart
5.	UVA Health Services Foundation	5.	Martha Jefferson Hospital
6.	City of Charlottesville	6.	City of Charlottesville
7.	Louisa County Public School Board	7.	UVA Health Services Foundation
8.	Dominion Virginia Power	8.	State Farm Mutual Automobile Insurance
9.	Charlottesville City School Board	9.	Dominion Virginia Power
10.	US Department of Defense	10.	Charlottesville City School Board
11.	Food Lion	11.	Louisa County School Board
12.	Servicelink Management Com Inc	12.	US Department of Defense
13.	State Farm Mutual Automobile Insurance	13.	Fluvanna County Public School Baord
14.	Fluvanna County Public School Board	14.	Northrop Grumman Corporation
15.	Crutchfield Corporation	15.	Lakeland Tours
16.	Piedmont Virginia Community College	16.	Food Lion
17.	Northrop Grumman Corp	17.	Greene County School Board
18.	Lowes' Home Centers, Inc.	18.	Region Ten Community Services
19.	Region Ten Community Services	19.	Klockner Pentaplast America
20.	Greene County School Board	20.	Piedmont Virginia Community College
21.	Assoc for Investment Management	21.	Nelson County School Board
22.	Aramark Campus LLC	22.	Lowes' Home Centers, Inc.
23.	Postal Service	23.	Atlantic Coast Athletic Club
24.	Capital IQ Inc	24.	Aramark Campus LLC
25.	Morrison Crothall Support	25.	Athena Innovative Solutions, Inc.
26.	Kroger	26.	SNL Security LP
27.	County of Louisa	27.	Association for Investment Management
28.	Fluvanna Correctional Center	28.	US Postal Service
29.	Pharmaceutical Research Association	29.	Wintergreen Partners
30.	Klockner Pentaplast America	30.	State Farm Fire and Casualty Insurance
31.	Fresh Fields Whole Food Market	31.	Crutchfield Corporation
32.	Gretna Health Care Center	32.	Kroger
33.	Wegmans Store #07	33.	Thomas Jefferson Memorial Foundation
34.	Nelson County School Board	34.	GE Fanuc Automation Manufacturing
35.	Harris Teeter Supermarket	35.	County of Louisa
36.	U.P.S.		
37.	Tri Dim Filter Corporation		
38.	Crown Orchard Company		
39.	Rmc Events		
40.	Westminster Canterbury of the Blue Ridge		
41.	Thomas Jefferson Memorial		
42.	The Atlantic Group		
43.	Atlantic Coast Athletic Club		
44.	GE Fanuc Automation North Corporation		
45.	Labormax Staffing		
46.	VDOT		
47.	WillowTree Apps		
48.	Lakeland Tours		
49.	Faulconer Construction Company		
50.	Hanover Research Council		

(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, 4/17/21 (January, February, March) 2021

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, 2021, 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 February 4, 2022.

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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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
February 4, 2022

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, 2021, 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, 2021.

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.

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
February 4, 2022

CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2021

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number		Total Federal Expenditures
Department of Justice:				
Pass Through Payments:				
Virginia Department of Criminal Justice Services:				
Coronavirus Emergency Supplemental Funding Program	16.034	20-A5056CE20	$	34,815
Department of Transportation:				
FAA Direct Payments:				
Airport Improvement Program	20.106	N/A	$	3,520,803
COVID-19 Airport Improvement Program (CARES)	20.106	N/A		3,068,992
COVID-19 Airport Improvement Program (ACRGP)	20.106	N/A		2,547,335
COVID-19 Airport Improvement Program (ACRGP Concessions)	20.106	N/A		39,249
Total Airport Improvement Program			$	9,176,379
Total expenditures of federal awards			$	9,211,194

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, 2021. 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.

Schedule of Findings and Questioned Costs
Year Ended June 30, 2021

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?	No

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)?	No

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

There are no financial statement findings to report.

Section III - Federal Award Findings and Questioned Costs

There are no federal award findings and questioned costs to report.

Summary Schedule of Prior Audit Findings
Year Ended June 30, 2021

Finding: 2020-001

Condition:

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

Recommendation:

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

Current Status:

Management created a new form for projects 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. No similar findings were noted in the 2021 audit.

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.

Recommendation:

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

Current Status:

In FY21, management issued credit memos for the items noted during the prior audit to avoid any possibility of questioned costs or the appearance of a misuse of funds. No similar findings were noted in the 2021 audit.

CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY

Schedule of Passenger Facility Charge Program Receipts and Expenditures
For Each Quarter During the Year Ended June 30, 2021

	1st Quarter Ended Sept 2020	2nd Quarter Ended Dec 2020	3rd Quarter Ended March 2021	4th Quarter Ended June 2021	Year End Total
Receipts					
Passenger facility charges collected	$ 65,849	$ 114,358	$ 88,935	$ 203,535	$ 472,677
Interest credited	277	156	187	284	904
Total Receipts	$ 66,126	$ 114,514	$ 89,122	$ 203,819	$ 473,581
Expenditures					
PFC application 24 (19-24-C-00-CHO):					
Air Carrier Ramp Exp & Lighting Upgrade	$ 246,600	$ 39,066	$ -	$ 39,186	$ 324,852
Approach Lighting System (MALSR) Rehab	18,390	39,738	11,839	3,925	73,892
Terminal Area Study	80,729	-	(14,999)	-	65,730
Total Application 24	$ 345,719	$ 78,804	$ (3,160)	$ 43,111	$ 464,474
Total Expenditures	$ 345,719	$ 78,804	$ (3,160)	$ 43,111	$ 464,474
Net Passenger Facility Charges Receipts and Expenditures	$ (279,593)	$ 35,710	$ 92,282	$ 160,708	$ 9,107
Unexpended passenger facility charges as of June 30, 2020					$ 495,280
Unexpended passenger facility charges as of June 30, 2021					$ 504,387

This schedule presents the activity of the passenger facility charge program of the Charlottesville-Albemarle Airport Authority. The schedule is presented using the cash basis of accounting.

CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY

Schedule of Findings and Questioned Costs
Passenger Facility Charge Program
Year Ended June 30, 2021

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?	No

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

There are no financial statement findings to report.

Section III - Passenger Facility Charge Findings and Questioned Costs

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

CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY

Summary Schedule of Prior Audit Findings
Passenger Facility Charge Program
Year Ended June 30, 2021

There were no Passenger Facility Charges findings reported.