

**Charlottesville-Albemarle Airport Authority
Charlottesville, Virginia
Comprehensive Annual Financial Report
Year ended June 30, 2008**



**Charlottesville-Albemarle Airport Authority
Charlottesville, Virginia**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year Ended June 30, 2008**



Prepared by the Administrative Division

**Barbara W. Hutchinson, C.M.
Executive Director**

**Jeffrey Brill
Director of Finance & Administration**

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**CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2008**

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Introductory Section





November 5, 2008

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

I am pleased to submit for your review and information the fiscal year 2008 Comprehensive Annual Financial Report of the Charlottesville-Albemarle Airport Authority (Authority).

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

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

The goal of the independent audit is to provide reasonable assurance that the financial statements of the Authority for the year ended June 30, 2008 are free of material misstatement. The independent audit involves examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and any significant estimates made by management and evaluating the overall financial statement presentation. The independent auditor concluded, based upon their audit, that there was a reasonable basis for rendering an unqualified (“clean”) opinion and that the Authority’s financial statements for the year ended June 30, 2008 are in conformity with GAAP. The independent auditors’ report is the first component of the Financial Section of this report.

The independent audit of the financial statements is part of the broader mandated provisions of the Single Audit Act of 1996 and the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations, 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 November 1994 Passenger Facility Charge Reporting Guide for Public Agencies issued by the Federal Aviation Administration for its Passenger Facility Charge Program. The standards governing these provisions require the independent auditor not only to report on the fair presentation of the financial statements, but also on the Authority’s internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. See the independent auditors’ reports presented in the Compliance Section of this report for further information and discussion of these standards.

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

The information presented in the Financial Section of this report is best understood when it is considered from the broader perspective of the specific environment within which the Airport operates. The Authority’s economic condition is a composite of its financial health and its ability to 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 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) and the County of Albemarle, Virginia (County). The Enabling Act provides that the Authority is authorized to issue revenue bonds for the 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. Prior to the creation of the Authority, the City and the County jointly operated the Airport through the Charlottesville-Albemarle Airport Board (Board). In October 1984, the Board conveyed the Airport to the Authority. By joint resolutions, the governing bodies of the City and County dissolved the Board, and the Authority commenced Airport operations. Neither the City nor the County are required to approve issuance of bonds or incurrence of indebtedness by the Authority.

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

Economic Condition and Outlook

The Charlottesville-Albemarle Airport is located in the Piedmont region of Virginia, eight miles north of the City of Charlottesville. Situated amid the eastern flatlands and at the foothills of the majestic Blue Ridge Mountains, Charlottesville is a business-minded city with a diversity of industries including manufacturing, medical services, life sciences, and technology. High-tech businesses in the area generated an estimated 4 billion dollars in annual revenues for 2007.

This region continues its legacy of achieving the highest awards as a place to work and live, as evidenced by the fact that the City of Charlottesville was recently named in the top twenty for “Best City in the Nation for Living and Launching a Business” by Fortune and Money Magazine, and in the “Top 10 Best Places to Start a Business” by Forbes Magazine. The Washington Post recently featured Charlottesville in three separate articles as “A great getaway destination for coffee, food and relaxation.” Charlottesville was also listed as one of “the seven dream towns in the nation that have it all” by Outside Magazine.

In addition to its highly regarded quality of life, this region possesses a very diverse economy supported by strong commercial and business service sectors as well as light manufacturing, education, and health service industries anchored by the University of Virginia and a thriving heritage tourism sector. The most recognizable and distinguishable attractions in the region include Thomas Jefferson’s Monticello, the University of Virginia, the historic Charlottesville downtown area and Michie Tavern, Ash Lawn and Montpelier. While Monticello attracts approximately a half of a million guests each year and is the main tourist attraction for the region, a host of additional cultural and entertainment venues attract visitors. These include the Charlottesville Pavilion located on the east end of the historic Charlottesville Downtown Mall,

the renovated Paramount Theatre, and the newly built and very successful John Paul Jones Arena. All three of these venues attract internationally renowned music and entertainment artists throughout the year, while the arena is home to the University men's and women's basketball teams. Virginia's emerging wine industry continues to be quite prominent in the regional economy. According to the U.S. Department of Commerce, Virginia ranks in the top ten wine producing states in the United States with twenty one (21) wineries located in the area. The opening of a new visitor's center at Monticello in November, along with other major historic and entertainment venues, and a growing wine industry, argues favorably that the travel and tourism industry will remain a vibrant and important generator of economic activity for this region.

The Charlottesville-Albemarle area has not been impervious to the nation's economic woes. The rising cost of gas and food, as well as the slowing of the local real estate market are all symptoms of the nation's economic downturn. During the first half of 2008, spending in Albemarle County fell by roughly \$17.8 million when compared with the first half of 2007, marking the County's first drop in taxable sales in recent years. In Charlottesville, the total amount of taxable sales held fairly steady by the midpoint of 2008 when compared with the same period in 2007. Although the drop in consumer spending is alarming, economists, business leaders and government officials expect the local economy will rebound quicker than in other metropolitan areas.

In spite of a slowing national economy, the region continues to prove that it remains slightly insulated. The Virginia Tourism Corporation reported that the tourism expenditures increased in Charlottesville and Albemarle County reaching over \$435 million dollars. According to the Manpower Employment Outlook Survey, Charlottesville area employers are expected to hire at a vigorous pace during the fourth quarter of 2008. Among survey participants, the Charlottesville area employment outlook is expected to be the sixth best in the nation.

The University of Virginia continues to grow regardless of national economic numbers. The development of two research parks, the University of Virginia Research Park and Fontaine Research Park continues through the University of Virginia Foundation. The Foundation is focused on creating business and research partnerships between the private sector and the University while at the same time offering a means to allow academic research to prosper.

The University of Virginia Research Park, located adjacent to the Charlottesville-Albemarle Airport, is a 562-acre, 3-million-square-foot, mixed-use development zoned for office, light industry, hotel/conference center, laboratory/medical/pharmaceutical, and retail/support commercial uses. According to the University of Virginia Foundation, it included plans for a people-oriented corporate village to meet the needs of today's and tomorrow's businesses in a setting of unmatched natural beauty. The Park represents an evolution in development planning, uniting the harmony and community of Jefferson's Academical Village with a fully functioning office and research environment. Fontaine Research Park, the Foundation's 54-acre research park with approximately 500,000 square feet of space, includes the recently constructed Advanced Research and Technology (ART) building on the last site in the Park. This building provides state-of-the-art facilities to accommodate multi-disciplinary research teams working in computational biology, imaging, organogenesis, and other strategic initiatives.

In the field of health care, the Charlottesville-Albemarle County region is home to two of the nation's most prestigious and dynamic hospitals. The University of Virginia Medical Center represents an integrated network of primary and specialty care. The Center offers a 528 bed tertiary-care hospital facility augmented with numerous clinics on Grounds as well as additional facilities in the Charlottesville region; and, is adding a Long-Term Care Hospital on Ivy Road, building a tower of more rooms onto the main hospital and constructing the Emily Couric Cancer Center and a new children's hospital facility on West Main Street. It is estimated that the UVA Medical Center will likely become a \$1 billion a year health care facility with all of the new additions and the continuing demand for high quality health care facilities in the region.

Martha Jefferson Hospital, a community hospital facility is also recognized as being among the best health-care facilities in the United States. Martha Jefferson is presently embarked upon a major capital program worth over \$200 million dollars to construct a new hospital facility at Peter Jefferson Place, located just east of the City of Charlottesville adjacent to U.S. Route 250 and Interstate 64. The final site plan of the new hospital was approved by Albemarle County on Sept. 25, 2008.

Collectively, the University of Virginia Health System and Martha Jefferson Hospital support almost 7,000 jobs and rank among the top employers for this region. Because of their missions, services and propensity to generate significant employment opportunities and payroll, both entities will continue to be catalysts for economic activity in this region.

Other major employers in the area include Sperry Marine, a division of Northrup Grumman, and a leading manufacturer of maritime navigational aids; GE Fanuc, a global enterprise dedicated to assisting companies manage systems and production processes through automation; Von Holtzbrink Publishing, a major world publishing interest; the National Ground Intelligence Center, the U.S. Army's Intelligence Division; and Lexis Law Publishing. The Defense Intelligence Agency has also announced plans to relocate over 1,000 new jobs to the area. Collectively, this region supports a workforce of over 150,000 with a major portion of these employment centers based in Charlottesville and the County of Albemarle. Moreover, given the nature of the businesses located in this area and their need for a highly skilled and educated workforce, the area's unemployment rate is consistently below national and state averages. Likewise, per capita and disposable income levels for residents of this region also exceed national averages.

The economic activity generated through the health care, biotechnology, government and travel/tourism industries in this region will continue to yield opportunities for all forms of aviation to prosper and grow at the Charlottesville-Albemarle Airport.

Airport Outlook

The financial outlook of the Authority is primarily dependent upon the number of passengers as well as the landed weights of aircraft utilizing the Charlottesville-Albemarle Airport (CHO). 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

economy, which affects the consumers' willingness to purchase air travel; and the cost of airline tickets.

A 2004 Virginia Airport System Economic Impact Study prepared by the Virginia Department of Aviation reports that every \$1.00 spent at Virginia public-use airports returns an additional \$2.93 in economic activity throughout the Virginia economy. Specifically, the Study reports that CHO generates 2,605 jobs paying \$62,741,000 in wages with total economic activity valued at \$167,258,000.

Although the regional economy has been affected by the overall global downturn, the area remains somewhat insulated from the same level of impact experienced at similar size regions across the country. As a result, passenger levels at the airport tend to remain at a level somewhat higher than similar size airports across the country, even though a downturn was experienced. The outlook for the regional economy remains strong, although the impact of the loss of revenues at a state level will obviously impact county and city revenues. In addition, CHO will remain affected by expanded low-cost carrier service at competing airports. It is difficult to predict further reductions in "seat capacity" during FY 2009, although no new reductions have been announced through the winter months as at other airports. With the price of fuel significantly lower than at the start of FY 2009, and the presidential election to be complete during the second quarter, it is anticipated air carriers will have an opportunity to experience some recovery, hastened in part by the reductions in staff, equipment costs and fuel costs.

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. Therefore, despite the downturn in passenger traffic in FY 2008, the region's long-term economic potential is certain to provide an opportunity for CHO to remain stable and potentially grow and prosper as the industry stabilizes.

Capital Planning & Major Initiatives

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

During FY 2007, the four-year federal Airport Improvement Program (AIP) expired. Blamed on the presidential election year, Congress failed to adopt a new four year program, instead passing short term authorizations and appropriations. As a result, federal airport entitlement funding was not received in the normal manner, thereby affecting the flow of funds for the capital plan. FY 2008 entitlement funds were received in two appropriations-one in FY 2008 and one deferred to the beginning of FY 2009. These funds were allocated to the construction phase of the Airfield Lighting, Signage and Vault Rehabilitation Project, the commencement of which was deferred to Fall 2008 pending receipt of the final federal grant. The design of the project was accomplished during FY 2008 via State entitlement funds.

The final phase of the Extended Runway 3 Safety Area Project was completed in Fall 2007, including the opening of a relocated Route 606 and 743 intersection, highlighted by the installation of a traffic roundabout. In addition, the General Aviation Facilities Upgrade Project was completed, including the construction of an aircraft washrack, construction of a general aviation automobile parking lot, and site preparation of the third t-hangar construction area and extension of the required t-hangar taxiway. Construction of the third row of t-hangars will allow for consideration of removal of the oldest t-hangars on the general aviation ramp for construction of a 30,000 s.f. aircraft storage hangar.

The Environmental Assessment Project was completed and a Finding of No Significant Impact (FONSI) received from the FAA in January 2008. Receipt of a new state airport license recognizing the future Runway 21 extension was received in the Spring of 2008. In accordance with FAA Airport Improvement Program (AIP) guidelines, the Airport Authority was required to undertake an environmental assessment of all capital improvement projects to be undertaken at the Charlottesville-Albemarle Airport. This environmental assessment evaluated all projects included in the 2004 Airport Master Plan Phase I Development Program including the following:

- Construct Snow Removal Equipment Building
- Construct Airfield Lighting Vault
- Acquire Land for Runway 21 Runway Protection Zone & Access Road
- Extend Runway 21 & Associated Infrastructure
- Acquire Replacement Aircraft Rescue & Firefighting Vehicle
- Acquire Snow Removal Equipment
- Construct Access Road – West Side Development

Despite the issues with the federal AIP reauthorization and the beginning of the economic crisis, several other notable projects were completed in FY 2008. New stainless steel slats were installed in the baggage claim device, enhancing durability, longevity and appearance. A portion of the general aviation apron was sealcoated with bids over 75% less than anticipated. A new generator was installed to serve the north end of the terminal building, enhancing airline and Transportation Security Administration operations during power outages. In addition, the short term parking lot and booth are served by the generator. Finally, as the result of the revised funding scenario, state entitlement funds were utilized to complete the preliminary design of the future Runway 21 extension as well as the design of Phase 1A. Phase 1A includes wetlands/stream mitigation, relocation of the interior perimeter service road, installation of erosion & sediment control measures, and associated clearing and grubbing. This phase will allow for future placement of fill required for the overall project. Due to the deferred federal funding schedule, design of the west side access road and snow removal equipment storage facility were deferred to FY 2009.

The FY 2009 Capital Plan includes a number of projects; however, the FAA has issued a notice that only 35% of entitlement funds will be available until Congress takes further action regarding AIP reauthorization. Therefore, the FY 2009 CIP will require revision pending the amount of funds available throughout the year.

In order to provide aviation facilities west of Runway 3-21 as recommended in the 2004 Master Plan, an access road will be constructed to serve these areas. This roadway will be constructed from State Route 743 to the proposed general aviation/air cargo facilities. In addition, in order to complete the Runway 21 extension, the existing snow removal equipment storage facility will require relocation. The fleet of equipment has also outgrown the facility, necessitating consideration of a new expanded building. The FY 2009 CIP dedicates funds for the design of the expanded and relocated snow removal equipment storage facility. The runway extension will also require relocation of the existing localizer. Rather than risk a period of no localizer service, it is anticipated that a new localizer will be purchased and installed, with decommissioning of the existing localizer not taking place until the new one is in service. At the completion of the extension project, the localizers will be placed on each end of the runway so that the airport will end up with an additional navigational aid for pilots. Finally, state funds and Passenger Facility Charge funds will be utilized to complete Phase 1A of the runway extension project.

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, the Authority is required to prepare and adopt an annual operating budget. The annual budget corresponds to the fiscal year (July 1- June 30), and is prepared and adopted as follows:

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

2. Airline rates and charges are calculated based upon the anticipated level of expenses, debt service, and capital asset acquisition.
3. The preliminary budget is presented to the signatory airlines for review and approval.
4. The preliminary budget is presented to the Authority for review.
5. After adoption, increases in the budget greater than \$5,000 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 has executed an Airline-Airport Use and Lease Agreement with each of its commercial service airlines. The agreement is comprised of a revenue/deficit sharing arrangement whereby all year-end net income deficits are debited to 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 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 expires June 30, 2009. A replacement agreement will be negotiated during the winter and spring 2009.

Independent Audit

State statutes and federal regulations require that an annual audit be prepared 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 OMB Circular A-133. The auditors' report on the basic financial statements is included in the financial section of this report while reports relating to the single audit are located in the single audit 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.

Cash Management

Cash, temporarily idle other than bond funds, is held in an interest bearing account. These funds yielded approximately (3.05) percent interest for the year ended June 30, 2008.

The Authority's investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. Accordingly, investments and deposits are either insured by federal depository insurance or collateralized. All collateral on investments is held either by the Authority, its agent, or a financial institution's trust department in the Authority's name. Investments and deposits held by the Authority during the fiscal year ended June 30, 2008 are classified in the category of lowest credit risk as defined by the Governmental Accounting Standards Board.

Pension Program

The Authority is a member of the Virginia Retirement System (VRS). VRS is the public employees' retirement system for the State and participating local employees in the Commonwealth of Virginia. The Authority contributes a percentage of covered payroll (currently 15.37 percent). This percentage is actuarially determined by VRS based upon funding needs (to be 12.66 percent for the FY 09/10 biennial).

Risk Management

The Authority currently maintains \$50 million of airport liability insurance coverage and other specific liability coverage for claims arising at CHO. The Authority also maintains property damage insurance coverage on all Authority-owned buildings at CHO, with the exception of facilities leased by the fixed base operator. These general aviation facilities are insured by the fixed base operator.

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 2007 Comprehensive Annual Financial Report (CAFR). This represents eighteen 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 government unit must publish an easily readable and efficiently organized comprehensive annual financial report, which conforms to established program standards. The Authority is confident that this report continues to conform to the Certificate of Achievement program requirements, and will be submitted to GFOA for consideration for award.

Acknowledgments

While preparation of the comprehensive annual financial report is completed by the Executive Director and the Director of Finance & 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,

Barbara W. Hutchinson, C.M.
Executive Director

Jeffrey Brill
Director of Finance & Administration

**CHARLOTTESVILLE-ALBEMARLE AIRPORT
AUTHORITY
PRINCIPAL OFFICIALS AS OF JUNE 30, 2008**

CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY BOARD

Chairman

Kurt B. Goodwin, The Crutchfield Corporation

Vice-Chairman

Gary B. O'Connell, Manager, City of Charlottesville

Robert W. Tucker, Jr., Executive, County of Albemarle

CHARLOTTESVILLE-ALBEMARLE JOINT AIRPORT COMMISSION

Chairman

Gregory W. Edwards

Vice-Chairman

Frank Robinson

William Dirickson

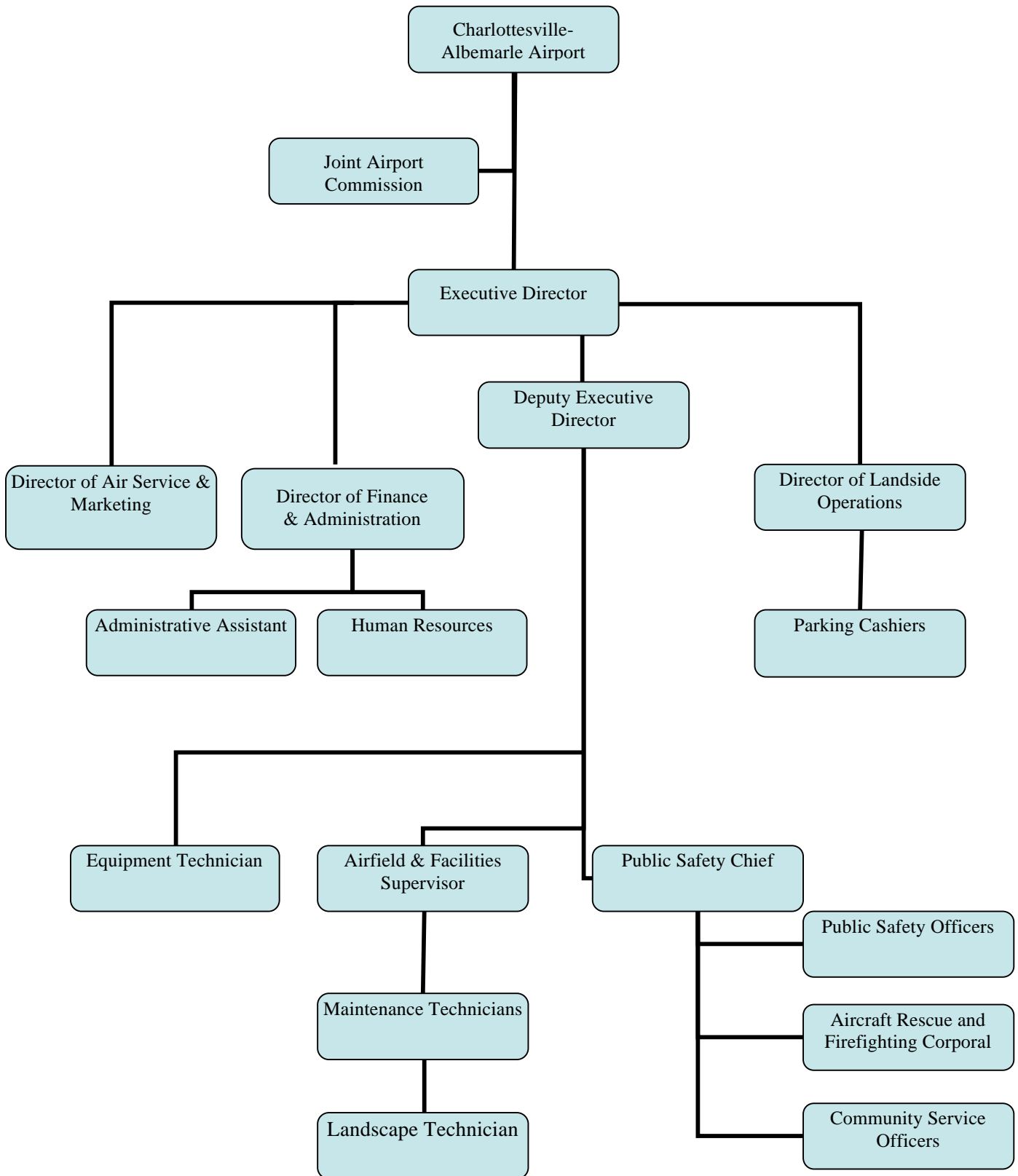
Kurt B. Goodwin

Salvatore Innaimi

Bill Schrader

Jeff Uphoff

Charlottesville Albemarle Airport Authority
 Organizational Chart
 As of June 30, 2008



CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY MISSION AND VALUES

Our mission is to provide 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 counties.

We value all existing and potential users of the Charlottesville-Albemarle Airport and see ways to sense, serve and satisfy their needs. In doing so, we will be committed to:

CONSCIENTIOUSNESS:

We will be motivated toward the complete fulfillment of our individual job tasks striving to achieve the highest degree of excellence possible in order to serve all to the best of our abilities.

INTEGRITY:

We strive to be open and honest in order to be caretakers of the airport and responsive ambassadors to the community and each other.

ENTHUSIASM:

We stress intense and eager interest in everything we do to make a better workplace for all and provide the best customer service and airport facilities possible.

INNOVATION:

We encourage the development and implementation of new ideas from all to improve the delivery of our services, reduce costs, maximize income, and maintain fiscal responsibility.

PERSONAL RESPONSIBILITY:

We will maintain in good order the airport property we are privileged to use and entrusted to our care, continuing to protect our environment and natural resources.

COMMUNICATION:

We have an obligation to promote communication with our co-workers, the public, and airport tenants in order to enhance knowledge of airport matters and thereby create a more team-oriented workplace.

SAFETY:

We will provide a safe workplace and facilities keeping abreast of and implementing all necessary safety regulations and procedures in order to ensure the ultimate safety of the traveling public.

INDIVIDUAL DEVELOPMENT:

We are committed to on-the-job training, encouraging career development, promoting personal growth, and creating opportunities for upward mobility whenever possible.

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Charlottesville-Albemarle
Airport Authority, Virginia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2007

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Charles S. Cox

President

Jeffrey R. Emery

Executive Director