

CHARLOTTE COUNTY
VIRGINIA

**FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2024**

COUNTY OF CHARLOTTE, VIRGINIA

FINANCIAL REPORT

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Financial Report For the Year Ended June 30, 2024

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COUNTY OF CHARLOTTE, VIRGINIA

Board of Supervisors

Gary D. Walker, Chairman
Walter Bailey, Vice-Chairman

Noah Davis
Hazel Bowman Smith

Derek Toombs

Robert L. Shook, Jr.
Henry Carwile

School Board

Scotty Hamlett, Chairman
R.B. "Jay" George, Vice-Chairman

Teresa Dunnaway
Dr. Elise Green

Gloria Talbott
Rick Brown

Lauren Willis

Board of Public Welfare

Carolyn Baker, Chairman
Sue Francis, Vice-Chairman

Catherine B. Hamlett
Toni Arrington
Margaret Ann Elder

Alex Haskins
Denise Pridgen
Robert Shook

Library Board

Eleanor B. Williams, Chairman
Aurelia Cathey, Secretary

Teresa Osborne
Barbara B. Hamlett

Martha Brogdon

Winnie Morris
Jean Elliot

Other Officials

Judge of the Circuit Court
Clerk of the Circuit Court
Judge of the General District Court
Judge of the Juvenile & Domestic Relations Court
Commonwealth's Attorney
Commissioner of the Revenue
Treasurer
Sheriff
Superintendent of Schools
Director of Social Services
Librarian
County Administrator

Robert H. Morrison
Annette F. Clowdis
Calvin S. Spencer, Jr.
Nora Miller
William E. Green, Jr.
Naisha N. Carter
Patricia P. Berkeley
James R. Grissom
Robbie W. Mason
Sari C. Goff
Margaret M. Allbee
Daniel N. Witt



Independent Auditors' Report

**To the Honorable Members of
the Board of Supervisors
County of Charlotte, Virginia**

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Charlotte, Virginia, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Charlotte, Virginia, as of and for the year ended June 30, 2024, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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 Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of County of Charlotte, Virginia, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about County of Charlotte, Virginia's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the *Specifications for Audits of Counties, Cities, and Towns* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the *Specifications for Audits of Counties, Cities, and Towns*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 County of Charlotte, Virginia's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about County of Charlotte, Virginia's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and schedules related to pension and OPEB funding as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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. The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise County of Charlotte, Virginia's basic financial statements. The accompanying other supplementary information and 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*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the statistical information but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2024, on our consideration of County of Charlotte, Virginia'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 County of Charlotte, Virginia'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 County of Charlotte, Virginia's internal control over financial reporting and compliance.

Robinson, Farmer, Cox, Associates

Charlottesville, Virginia

December 13, 2024

To the Citizens of Charlotte County County of Charlotte, Virginia

As management of the County of Charlotte, Virginia we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2024.

Financial Highlights

Government-wide Financial Statements

The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$29,967,078 (net position).

Fund Financial Statements

The Governmental Funds, on a current financial resource basis, reported revenues in excess of expenditures and other financing sources of \$1,782,522 (Exhibit 5) after making contributions totaling \$3,846,048 to the School Board.

- As of the close of the current fiscal year; the County's funds reported ending fund balances of \$22,702,502, an increase of \$1,782,522 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$19,144,976, or 79% of total general fund expenditures.
- Our combined long-term obligations decreased \$1,319,240 during the current fiscal year.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise three components:

1. Government-wide financial statements
2. Fund financial statements
3. Notes to the financial statements

This report also contains required and other supplementary information in addition to the basic financial statements themselves.

Overview of the Financial Statements (Continued)

Government-wide financial statements - The Government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the County's a) assets and deferred outflows of resources, and b) liabilities and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The statement of activities presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the County include general government, courts, police protection, sanitation, social services, education, cultural events, and recreation.

The Government-wide financial statements include not only the County of Charlotte, Virginia itself (known as the primary government), but also a legally separate school district for which the County of Charlotte, Virginia is financially accountable. Financial information for this component unit is reported separately from the financial information present for the primary government itself.

Fund financial statements - A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County of Charlotte, Virginia, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into two categories: governmental funds and fiduciary funds.

Governmental funds - Governmental funds are used to account for essentially the same functions or services reported as governmental activities in the government-wide financial statements. Whereas the government-wide financial statements are prepared on the accrual basis of accounting, the governmental fund financial statements are prepared on the modified accrual basis of accounting. The focus of modified accrual reporting is on near-term inflows and outflows of financial resources and the balance of financial resources available at the end of the fiscal year. Since the governmental funds focus is narrower than that of the government-wide financial statements, reconciliation between the two methods is provided on Exhibit 4. The County has three major governmental funds - the General Fund, the Capital Projects Fund, the CARES Act Fund, and the ARPA Fund.

Fiduciary funds - The County is the trustee, or fiduciary, for the County's custodial funds. It is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the County's fiduciary activities are reported in a separate statement of fiduciary net position. The County excludes these activities from the County's government-wide financial statements because the County cannot use these assets to finance its operations. Custodial funds are County custodial funds used to provide accountability of client monies for which the County is custodian.

Overview of the Financial Statements (Continued)

Notes to the financial statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information for budgetary comparison schedules and schedules of pension and OPEB funding progress. The School Board does not issue separate financial statements. Other supplementary information consists of combining statements and schedules for nonmajor funds, fiduciary funds, the discretely presented component unit School Board, budgetary schedules, and statistical information.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a County's financial position. In the case of the County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$29,967,078 at the close of the most recent fiscal year.

County of Charlotte, Virginia's Net Position			
	Governmental Activities		
	2024	2023	
Current and other assets	\$ 26,799,315	\$ 24,516,346	
Capital assets	30,787,309	30,306,920	
Total assets	\$ 57,586,624	\$ 54,823,266	
Deferred outflows of resources	\$ 1,017,686	\$ 1,455,398	
Current liabilities	\$ 1,124,023	\$ 1,562,631	
Long-term liabilities outstanding	26,421,169	27,740,409	
Total liabilities	\$ 27,545,192	\$ 29,303,040	
Deferred inflows of resources	\$ 1,092,040	\$ 1,591,850	
Net position:			
Net investment in capital assets	\$ 9,996,458	\$ 7,982,732	
Restricted for opioid settlement	212,298	121,680	
Restricted for Library	404,261	367,513	
Unrestricted	19,354,061	16,911,849	
Total net position	\$ 29,967,078	\$ 25,383,774	

At the end of the current fiscal year, the County's net investment in capital assets is \$9,996,458. The County's net position restricted for opioid settlements of \$212,298 and for Library use of \$404,261. The remaining \$19,354,061 of net position is unrestricted and available for use at the County's discretion.

Government-wide Financial Analysis (Continued)

Governmental Activities - Governmental activities increased the County's net position by \$4,583,304.

County of Charlotte, Virginia's Change in Net Position		
	Governmental Activities	
	2024	2023
Revenues:		
Program revenues:		
Charges for services	\$ 638,603	\$ 567,178
Operating grants and contributions	8,527,931	6,894,691
General revenues:		
Property taxes	12,788,909	12,828,733
Other local taxes	1,636,310	1,559,302
Grants and other contributions unrestricted	1,267,072	1,922,969
Other	3,505,861	1,822,275
Total revenues	<u>\$ 28,364,686</u>	<u>\$ 25,595,148</u>
Expenses:		
General government administration	\$ 1,974,670	\$ 3,105,123
Judicial administration	1,265,235	1,280,168
Public safety	7,040,811	5,215,687
Public works	1,703,772	1,928,447
Health and welfare	4,978,658	4,800,548
Education	5,062,993	4,015,870
Parks, recreation and culture	456,112	445,431
Community development	553,666	279,403
Interest	745,465	783,168
Total expenses	<u>\$ 23,781,382</u>	<u>\$ 21,853,845</u>
Increases (decrease) in net position	\$ 4,583,304	\$ 3,741,303
Net position-beginning	<u>25,383,774</u>	<u>21,642,471</u>
Net position-ending	<u>\$ 29,967,078</u>	<u>\$ 25,383,774</u>

For the most part, increases in expenditures closely paralleled inflation and growth in the demand for services.

As noted earlier, the County used fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Government-wide Financial Analysis (Continued)

Governmental Funds - The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a County's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the County's governmental funds reported fund balances of \$22,702,502, an increase of \$1,782,522 in comparison with the prior year. Approximately 79% of this total amount constitutes unassigned fund balance, which is available for spending at the County's discretion.

Capital Asset and Debt Administration

Capital assets - The County's investment in capital assets for its governmental operations as of June 30, 2024 amounts to \$30,787,309 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, and machinery and equipment.

County of Charlotte, Virginia's Capital Assets			
	Governmental Activities		
	2024	2023	
Land	\$ 250,555	\$ 250,555	
Buildings and improvements	22,219,695	22,189,870	
Equipment	4,184,573	3,322,214	
Leased buildings and improvements	196,275	196,275	
Leased equipment	15,650	15,650	
Tenancy in common	13,222,489	13,857,489	
Construction in progress	1,470,606	12,000	
Total	\$ 41,559,843	\$ 39,844,053	
Less accumulated depreciation	(10,772,534)	(9,537,133)	
Net capital assets	\$ 30,787,309	\$ 30,306,920	

Additional information on the County's capital assets can be found in Note 4 of this report.

Capital Asset and Debt Administration (Continued)

Long-term debt - At the end of the current fiscal year, the County had total bonded debt outstanding of \$18,585,000 comprised of debt backed by the full faith and credit of the County. The following table depicts all debt reported by the County:

County of Charlotte, Virginia's Outstanding Obligations			
	Governmental Activities		
	2024	2023	
General obligation bond	\$ 18,025,000	\$ 18,690,000	
Revenue bond	560,000	640,000	
Premium on bonds	2,094,735	2,279,107	
Equipment loans	2,610,112	2,816,221	
Lease liabilities	160,758	177,967	
Compensated absences	525,877	451,447	
Net OPEB liabilities	550,963	544,527	
Net pension liability	410,338	626,417	
Landfill closure liability	1,483,386	1,514,723	
Total	\$ <u>26,421,169</u>	\$ <u>27,740,409</u>	

Legislation enacted in fiscal year ended June 30, 2002 requires that debt historically reported by the School Board be assumed by the primary government. The legislation affects the reporting of local school capital assets as well.

The County's total long-term obligations decreased by \$1,319,240 during the current fiscal year.

Additional information on the County of Charlotte, Virginia's long-term debt can be found in Note 6 of this report.

Economic Factors and Next Year's Budgets and Rates

The unemployment rate for the County is currently 3.7 percent, which is .2 percent more than reported in the previous year. This compares similarly to the state's average unemployment rate of 2.7 percent, and slightly favorably to the national average rate of 4.1 percent.

Inflationary trends in the region compare favorably to national indices.

These factors were considered in preparing the County's budget for the 2025 fiscal year.

Requests for Information

This financial report is designed to provide a general overview of the County of Charlotte, Virginia's finances for all those with an interest in the County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the County Administrator, 250 Le Grande Avenue, Charlotte Court House, Virginia 23923.

BASIC FINANCIAL STATEMENTS

- *Government-wide Financial Statements* -

Statement of Net Position
June 30, 2023

	Primary Government	Component Unit
	Governmental Activities	School Board
ASSETS		
Cash and cash equivalents	\$ 19,078,237	\$ 1,503,751
Receivables (net of allowance for uncollectibles):		
Taxes receivable	3,068,888	-
Accounts receivable	370,940	-
Interest receivable	124	-
Leases receivable	148,488	-
Inventory	-	20,686
Due from component unit	2,327,316	-
Due from other governmental units	1,338,896	2,268,562
Prepaid items	62,165	379,458
Restricted assets:		
Investments	404,261	-
Net pension asset	-	723,248
Capital assets (net of accumulated depreciation):		
Land	250,555	59,050
Buildings and improvements	27,451,833	10,925,869
Machinery and equipment	1,464,914	2,824,173
Lease buildings and improvements	148,230	-
Lease equipment	1,171	1,003
Construction in progress	1,470,606	3,204,819
Total assets	\$ 57,586,624	\$ 21,910,619
DEFERRED OUTFLOWS OF RESOURCES		
Pension related items	\$ 867,700	\$ 20,098,842
OPEB related items	149,986	3,395,577
Total deferred outflows of resources	\$ 1,017,686	\$ 23,494,419
LIABILITIES		
Accounts payable	\$ 792,999	\$ 1,403,794
Unearned revenue	29,750	-
Accrued interest payable	301,274	282
Due to primary government	-	2,327,316
Long-term liabilities:		
Due within one year	1,255,156	921
Due in more than one year	25,166,013	25,520,176
Total liabilities	\$ 27,545,192	\$ 29,252,489
DEFERRED INFLOWS OF RESOURCES		
Pension related items	\$ 633,555	\$ 12,973,264
OPEB related items	204,839	2,813,780
Lease related items	147,610	-
Deferred revenue-property taxes	106,036	-
Total deferred inflows of resources	\$ 1,092,040	\$ 15,787,044
NET POSITION		
Net investment in capital assets	\$ 9,996,458	\$ 17,013,993
Restricted:		
Solar decommission	117,900	-
Net pension asset	-	723,248
Opioid settlement	98,774	-
Library		
Expendable	304,261	-
Nonexpendable	100,000	-
Unrestricted	19,349,685	(17,371,736)
Total net position	\$ 29,967,078	\$ 365,505

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

Statement of Activities
For the Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary	Component
					Governmental Activities	Unit School Board
Primary Government:						
Governmental activities:						
General government						
administration	\$ 1,974,670	\$ 184,260	\$ 1,603,072	\$ -	\$ (187,338)	\$ -
Judicial administration	1,265,235	88,320	551,042	-	(625,873)	-
Public safety	7,040,811	475,773	2,249,984	-	(4,315,054)	-
Public works	1,703,772	6,657	20,853	-	(1,676,262)	-
Health and welfare	4,978,658	138,066	4,028,896	-	(811,696)	-
Education	5,062,993	-	-	-	(5,062,993)	-
Parks, recreation, and cultural	456,112	855	80,661	-	(374,596)	-
Community development	553,666	-	335,090	-	(218,576)	-
Interest on long-term debt	745,465	-	-	-	(745,465)	-
Total governmental activities	<u>\$ 23,781,382</u>	<u>\$ 893,931</u>	<u>\$ 8,869,598</u>	<u>\$ -</u>	<u>\$ (14,017,853)</u>	<u>\$ -</u>
Total primary government	<u>\$ 23,781,382</u>	<u>\$ 893,931</u>	<u>\$ 8,869,598</u>	<u>\$ -</u>	<u>\$ (14,017,853)</u>	<u>\$ -</u>
Component Unit:						
School Board	<u>\$ 27,080,948</u>	<u>\$ 59,861</u>	<u>\$ 24,035,444</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,985,643)</u>
Total component unit	<u>\$ 27,080,948</u>	<u>\$ 59,861</u>	<u>\$ 24,035,444</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,985,643)</u>
General revenues:						
General property taxes				\$	12,788,909	\$ -
Other local taxes:						
Local sales and use taxes					1,005,034	-
Consumer utility taxes					220,657	-
Motor vehicle licenses					313,861	-
Other local taxes					96,758	-
Unrestricted revenues from use of money					1,225,892	128
Miscellaneous					2,024,641	1,602,736
Grants and contributions not restricted to specific programs					925,405	-
Contributions from Charlotte County					-	4,407,715
Total general revenues				\$	<u>18,601,157</u>	<u>\$ 6,010,579</u>
Change in net position				\$	4,583,304	\$ 3,024,936
Net position - beginning, as restated					25,383,774	(2,659,431)
Net position - ending				\$	<u>29,967,078</u>	<u>\$ 365,505</u>

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

BASIC FINANCIAL STATEMENTS

- Fund Financial Statements -

Balance Sheet
Governmental Funds
June 30, 2024

	General	CARES Act Fund	ARPA Fund	Other Governmental Funds	Total
ASSETS					
Cash and cash equivalents	\$ 16,278,958	\$ 29,750	\$ 794,149	\$ 1,975,380	\$ 19,078,237
Receivables (net of allowance for uncollectibles):					
Taxes receivable	3,068,888	-	-	-	3,068,888
Accounts receivable	370,930	-	-	10	370,940
Interest receivable	124	-	-	-	124
Leases receivable	148,488	-	-	-	148,488
Prepaid items	62,165	-	-	-	62,165
Due from component unit	2,327,316	-	-	-	2,327,316
Due from other funds	-	-	-	20,742	20,742
Due from other governmental units	1,156,215	-	14,484	168,197	1,338,896
Restricted assets:					
Investments	-	-	-	404,261	404,261
Total assets	<u>\$ 23,413,084</u>	<u>\$ 29,750</u>	<u>\$ 808,633</u>	<u>\$ 2,568,590</u>	<u>\$ 26,820,057</u>
LIABILITIES					
Accounts payable	\$ 694,463	\$ -	\$ -	\$ 98,536	\$ 792,999
Unearned revenue	-	29,750	-	-	29,750
Due to other funds	20,742	-	-	-	20,742
Total liabilities	<u>\$ 715,205</u>	<u>\$ 29,750</u>	<u>\$ -</u>	<u>\$ 98,536</u>	<u>\$ 843,491</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue-property taxes	\$ 2,914,156	\$ -	\$ -	\$ -	\$ 2,914,156
Opioid settlement	212,298	-	-	-	212,298
Lease related items	147,610	-	-	-	147,610
Total deferred inflows of resources	<u>\$ 3,274,064</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 3,274,064</u>
FUND BALANCE					
Nonspendable:					
Permanent fund corpus	\$ -	\$ -	\$ -	\$ 100,000	\$ 100,000
Prepaid items	62,165	-	-	-	62,165
Restricted:					
Solar decommission	117,900	-	-	-	117,900
Opioid settlement	98,774	-	-	-	98,774
Library operations	-	-	-	304,261	304,261
Grant funds	-	-	808,633	-	808,633
Assigned:					
Sales tax - education projects	-	-	-	2,060,063	2,060,063
Library operations	-	-	-	5,730	5,730
Unassigned	19,144,976	-	-	-	19,144,976
Total fund balances	<u>\$ 19,423,815</u>	<u>\$ -</u>	<u>\$ 808,633</u>	<u>\$ 2,470,054</u>	<u>\$ 22,702,502</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 23,413,084</u>	<u>\$ 29,750</u>	<u>\$ 808,633</u>	<u>\$ 2,568,590</u>	<u>\$ 26,820,057</u>

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

Reconciliation of the Balance Sheet of Governmental Funds
To the Statement of Net Position
June 30, 2024

Amounts reported for governmental activities in the Statement of Net Position
are different because:

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds	\$	22,702,502
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Capital assets, cost	\$	41,559,843
Accumulated depreciation		<u>(10,772,534)</u>
		30,787,309
Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.		
Opioid settlement	\$	212,298
Unavailable revenue - property taxes		<u>2,808,120</u>
		3,020,418
Deferred outflows of resources are not available to pay for current period expenditures and, and therefore, are not reported in the funds.		
Deferred outflows - pension related items	\$	867,700
Deferred outflows - OPEB related items		<u>149,986</u>
		1,017,686
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.		
Bonds payable	\$	(18,585,000)
Premium on bond payable		(2,094,735)
Equipment loans		(2,610,112)
Accrued interest payable		(301,274)
Lease liabilities		(160,758)
Net OPEB liabilities		(550,963)
Net pension liability		(410,338)
Compensated absences		(525,877)
Landfill postclosure and corrective action liability		<u>(1,483,386)</u>
		(26,722,443)
Deferred inflows of resources are not due and payable in the current period and, and therefore, are not reported in the funds.		
Deferred inflows - pension related items	\$	(633,555)
Deferred inflows - OPEB related items		<u>(204,839)</u>
		(838,394)
Net position of governmental activities	\$	<u><u>29,967,078</u></u>

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

Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2024

	General	CARES Act Fund	ARPA Fund	Other Governmental Funds	Total
REVENUES					
General property taxes	\$ 11,950,797	\$ -	\$ -	\$ -	\$ 11,950,797
Other local taxes	1,636,310	-	-	-	1,636,310
Permits, privilege fees, and regulatory licenses	71,896	-	-	-	71,896
Fines and forfeitures	221,935	-	-	-	221,935
Revenue from the use of money and property	1,429,752	-	-	51,468	1,481,220
Charges for services	343,917	-	-	855	344,772
Miscellaneous	1,932,780	-	-	1,243	1,934,023
Intergovernmental:					
Commonwealth	5,881,375	-	-	960,301	6,841,676
Federal	2,853,593	70,250	29,484	-	2,953,327
Total revenues	\$ 26,322,355	\$ 70,250	\$ 29,484	\$ 1,013,867	\$ 27,435,956
EXPENDITURES					
Current:					
General government administration	\$ 1,947,118	\$ -	\$ 794,638	\$ -	\$ 2,741,756
Judicial administration	867,198	-	-	-	867,198
Public safety	7,340,557	70,250	-	-	7,410,807
Public works	1,803,445	-	-	-	1,803,445
Health and welfare	5,016,672	-	-	-	5,016,672
Education	3,851,501	-	-	322,159	4,173,660
Parks, recreation, and cultural	110,722	-	-	354,866	465,588
Community development	559,966	-	-	-	559,966
Nondepartmental	716,740	-	-	-	716,740
Debt service:					
Principal retirement	951,109	-	-	-	951,109
Interest and other fiscal charges	946,493	-	-	-	946,493
Total expenditures	\$ 24,111,521	\$ 70,250	\$ 794,638	\$ 677,025	\$ 25,653,434
Excess (deficiency) of revenues over (under) expenditures	\$ 2,210,834	\$ -	\$ (765,154)	\$ 336,842	\$ 1,782,522
OTHER FINANCING SOURCES (USES)					
Transfers in	\$ 628,241	\$ -	\$ -	\$ 263,062	\$ 891,303
Transfers (out)	(891,303)	-	-	-	(891,303)
Total other financing sources (uses)	\$ (263,062)	\$ -	\$ -	\$ 263,062	\$ -
Net change in fund balances	\$ 1,947,772	\$ -	\$ (765,154)	\$ 599,904	\$ 1,782,522
Fund balances - beginning	17,476,043	-	1,573,787	1,870,150	20,919,980
Fund balances - ending	\$ 19,423,815	\$ -	\$ 808,633	\$ 2,470,054	\$ 22,702,502

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

Reconciliation of Statement of Revenues, Expenditures, and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2024

Amounts reported for governmental activities in the Statement of Activities are different because:

Net change in fund balances - total governmental funds	\$	1,782,522
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which the depreciation expense exceeded capital outlays in the current period.

Capital outlay	\$	2,315,088	
Transfer of joint assets		(561,667)	
Depreciation expense		<u>(1,273,032)</u>	480,389

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

Opioid settlement	\$	90,618	
Property taxes		<u>838,112</u>	928,730

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Change in landfill closure and post-closure liability	\$	31,337	
Amortization of premium on bond		184,372	
Equipment loans		206,109	
Change in lease liabilities		17,209	
Principal payments on bonds		<u>745,000</u>	1,184,027

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds.

Change in interest payable	\$	16,656	
Pension expense		250,645	
OPEB expense		14,765	
Change in compensated absences		<u>(74,430)</u>	207,636

Change in net position of governmental activities	\$	<u><u>4,583,304</u></u>
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The notes to the financial statements are an integral part of this statement.

Statement of Fiduciary Net Position
 Fiduciary Funds
 June 30, 2024

		<u>Custodial Funds</u>
ASSETS		
Cash and cash equivalents	\$	8,825,782
Due from other governments		1,023,520
Prepaid expenses		<u>16,329</u>
Total assets	\$	<u><u>9,865,631</u></u>
LIABILITIES		
Accounts payable	\$	1,892
Accrued expenses		<u>588,812</u>
Total liabilities	\$	<u><u>590,704</u></u>
NET POSITION		
Restricted:		
Amounts held for Virtual Virginia	\$	9,210,328
Amounts held for special welfare		20,828
Amounts held for sheriff accounts		<u>43,771</u>
Total net position		<u><u>9,274,927</u></u>

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

Statement of Changes in Fiduciary Net Position
 Fiduciary Funds
 June 30, 2024

	<u>Custodial Funds</u>
ADDITIONS:	
Charges for services	\$ 2,396
Miscellaneous	395,987
Intergovernmental:	
Commonwealth	13,737,345
Federal	<u>5,472,500</u>
Total additions	<u>\$ 19,608,228</u>
DEDUCTIONS:	
Inmate personal items	\$ 346,389
Special welfare	48,971
Education - administrative	7,781,170
Education - instruction	10,485,132
Education - other	<u>9,045</u>
Total deductions	<u>\$ 18,670,707</u>
 Change in net position	 \$ 937,521
NET POSITION:	
Net position, beginning of the year	8,337,406
Net position, ending of the year	<u>\$ 9,274,927</u>

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

COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements As of June 30, 2024

Note 1 – Summary of Significant Accounting Policies:

The County of Charlotte, Virginia was formed in 1764 and it is governed by an elected seven member Board of Supervisors. The Board of Supervisors is responsible for appointing the County Administrator. The County provides a full range of services for its citizens. These services include police and volunteer fire protection, sanitation services, recreational activities, cultural events, education and social services.

The financial statements of the County of Charlotte, Virginia have been prepared in conformity with the specifications promulgated by the accounting principles generally accepted in the United States as specified by the Governmental Accounting Standards Board and the Auditor of Public Accounts (APA) of the Commonwealth of Virginia. The more significant of the government's accounting policies are described below.

Financial Statement Presentation

Government-wide and Fund Financial Statements

Government-wide financial statements - The reporting model includes financial statements prepared using full accrual accounting for all of the government's activities. This approach includes not just current assets and liabilities but also capital assets and long-term liabilities (such as buildings and general obligation debt).

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component unit. For the most part, effects of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

Statement of Net Position - The Statement of Net Position is designed to display financial position of the primary government and its discretely presented component unit. Governments will report all capital assets in the government-wide Statement of Net Position and will report depreciation expense - the cost of "using up" capital assets - in the Statement of Activities. The net position of a government will be broken down into three categories - 1) net investment in capital assets; 2) restricted; and 3) unrestricted.

Statement of Activities - The government-wide Statement of Activities reports expenses and revenues in a format that focuses on the cost of each of the government's functions. The expense of individual functions is compared to the revenues generated directly by the function (for instance, through user charges or intergovernmental grants).

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Note 1 – Summary of Significant Accounting Policies: (Continued)

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Budgetary comparison schedules - Demonstrating compliance with the adopted budget is an important component of a government's accountability to the public. Many citizens participate in one way or another in the process of establishing the annual operating budgets of state and local governments, and have a keen interest in following the actual financial progress of their governments over the course of the year. Many governments revise their original budgets over the course of the year for a variety of reasons. The budgetary schedules present the original budget, the final budget and the actual activity of the major governmental funds.

A. Financial Reporting Entity

The basic criterion for determining whether a governmental department, agency, institution, commission, public authority, or other governmental organization should be included in a primary governmental unit's reporting entity for general purpose financial statements is financial accountability. Financial accountability includes the appointment of a voting majority of the organization's governing body and the ability of the primary government to impose its will on the organization or if there is a financial benefit/burden relationship. In addition, an organization which is fiscally dependent on the primary government should be included in its reporting entity. These financial statements present the County of Charlotte, Virginia (the primary government) and its component unit. Blended component units, although legally separate entities, are, in substance, part of the government's operations and so data from these units are combined with data of the primary government. Each discretely presented component unit, on the other hand, is reported in a separate column in the combined financial statements to emphasize it is legally separate from the government.

B. Individual Component Unit Disclosures

Blended Component Unit: The County has no blended component units to be included for the fiscal year ended June 30, 2024.

Discretely Presented Component Unit: The Component unit columns in the combined financial statements include the financial data of the County's component unit. It is reported in a separate column to emphasize that it is legally separate from the County.

The Charlotte County School Board operates the elementary and secondary public schools in the County. School Board Members are elected by the voters. The School Board is fiscally dependent upon the County because the County approves all debt issuances of the School Board and provides significant funding to operate the public schools, since the School Board does not have separate taxing powers. The School Fund does not issue a separate report. The financial statements of the School Board are presented as a discrete presentation of the County financial statements for the fiscal year ended June 30, 2024.

C. Other Related Organizations

Included in the County's Financial Report

None

COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (Continued)

Note 1 – Summary of Significant Accounting Policies: (Continued)

C. Other Related Organizations (Continued)

Excluded from the County's Financial Report

Crossroads Community Services Board

The Board was created by resolution pursuant to state statute and is considered a jointly governed organization and therefore its operations are not included in the County's financial statements. The County appoints two of the board members; however, the County cannot impose its will on the Board since it does not have the ability to modify or approve the budget or overrule or modify the decisions of the Board. The Board is fiscally independent and there is no financial benefit or burden relationship with the County. Therefore, it is not included in the County's financial statements. For the year ended June 30, 2024, the County contributed \$51,634 to the Board.

Charlotte County Industrial Development Authority

The County's officials are also responsible for appointing the members of the boards of other organizations, but the County's accountability for these organizations does not extend beyond making the appointment. The Board of Supervisors appoints the board members of the Charlotte County Industrial Development Authority.

Virginia's Heartland Regional Industrial Facility Authority

The Authority was created pursuant to the provision of Title 15.2, Chapter 64 of the Code of Virginia, 1950 as amended. The Authority's purpose is to create a regional industrial park to enhance the economic base by developing, owning or operating one or more facilities on a cooperative basis. The County appoints two of the Authority's board members. The County has no further financial responsibilities to the Authority. Therefore, it is not included in the County's financial statements.

Southside Regional Public Service Authority

The County, in conjunction with the Counties of Mecklenburg and Halifax are members of the Southside Regional Public Service Authority. The Authority operates as a regional solid waste landfill facility. The County paid the Authority tipping fees of \$185,577 for solid waste transferred to the Authority in fiscal year 2024.

D. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The accompanying financial statements are prepared in accordance with pronouncements issued by the Governmental Accounting Standards Board. The principles prescribed by GASB represent generally accepted accounting principles applicable to governmental units.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Note 1 – Summary of Significant Accounting Policies: (Continued)

D. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

The government-wide Statement of Activities reflects both the gross and net cost per functional category (public safety, public works, health and welfare, etc.) which are otherwise being supported by general government revenues, (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.) The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants, and contributions. The program revenues must be directly associated with the function (public safety, public works, health and welfare, etc.) or a business-type activity.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The County's fiduciary funds are presented in the fund financial statements by type. Since by definition these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide financial statements.

In the fund financial statements, financial transactions and accounts of the County are organized on the basis of funds. The operation of each fund is considered to be an independent fiscal and separate accounting entity, with a self-balancing set of accounts recording cash and/or other financial resources together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

1. Governmental Funds

Governmental Funds are those through which most governmental functions typically are financed. The government reports the following governmental funds.

a. General Fund

The General Fund is the primary operating fund of the County. This fund is used to account for and report all financial resources except those required to be accounted for and reported in another fund. Revenues are derived primarily from property and other local taxes, state and federal distributions, licenses, permits, charges for service, and interest income. A significant part of the General Fund's revenues are used principally to finance the operations of the Component Unit School Board. The General Fund is considered a major fund for reporting purposes.

Note 1 – Summary of Significant Accounting Policies: (Continued)

D. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

1. Governmental Funds (Continued)

b. Special Revenue Funds

Special revenue funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. There are three special revenue funds: the Library Fund, the CARES Act Fund, and the ARPA Fund. The CARES Act Fund and ARPA Fund are considered to be major funds, while the Library Fund and Local Sales Tax Fund are considered to be a nonmajor fund.

c. Permanent Fund

The Permanent Fund accounts for and reports resources that are restricted such that only earnings may be used for purposes that support the reporting government's programs (i.e., for the benefit of the government or its citizens). The Permanent Fund accounts for operations of the Library Trust Fund, which is considered a nonmajor fund.

2. Fiduciary Funds (Trust and Custodial Funds)

Fiduciary Funds (Trust and Custodial Funds) account for assets held by the County in a trustee capacity or as an agent or custodian for individuals, private organizations, other governmental units, or other funds. These funds include Custodial Funds. These funds utilize the accrual basis of accounting described in the Governmental Fund Presentation. Fiduciary funds are not included in the government-wide financial statements.

3. Component Unit

The Charlotte County School Board has the following funds:

Governmental Funds:

School Operating Fund – This fund is the primary operating fund of the School Board and accounts for and reports all revenues and expenditures applicable to the general operations of the public school system. Revenues are derived primarily from charges for services, appropriations from the County of Charlotte and state and federal grants. The School Operating Fund is considered a major fund of the School Board for financial reporting purposes.

Note 1 – Summary of Significant Accounting Policies: (Continued)

D. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

3. Component Unit: (Continued)

School Cafeteria Fund – This fund accounts for the operations of the School Board’s food service program. Financing is provided primarily by food and beverage sales and state and federal grants. This fund is considered a major fund.

School Activity Funds – This fund accounts for the operation of the School Activity Fund for the Charlotte County Public Schools. This fund is considered a major fund.

E. Budgets and Budgetary Accounting

The following procedures are used by the County in establishing the budgetary data reflected in the financial statements:

1. Prior to March 30, the County Administrator submits to the Board of Supervisors a proposed operating and capital budget for the fiscal year commencing the following July 1. The operating and capital budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain citizen comments.
3. Prior to June 30, the budget is legally enacted through passage of an Appropriations Resolution.
4. The Appropriations Resolution places legal restrictions on expenditures at the department level or category level. The appropriation for each department or category can be revised only by the Board of Supervisors. The County Administrator is authorized to transfer budgeted amounts within general government departments; however, the School Board is authorized to transfer budgeted amounts within the school system's categories.
5. Formal budgetary integration is employed as a management control device during the year and budgets are legally adopted for the General Fund and Library Fund of the primary government and the School Operating Fund and School Cafeteria Fund of the School Board.
6. All budgets, except School Operating and Cafeteria Funds, are adopted on a basis consistent with generally accepted accounting principles (GAAP). The School Operating and Cafeteria Funds are adopted using the cash basis of accounting.
7. Appropriations lapse on June 30 for all county units.
8. All budgetary data presented in the accompanying financial statements is the original to the current comparison of the final budget and actual results.

F. Cash and Investments

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the government.

COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (Continued)

Note 1 – Summary of Significant Accounting Policies: (Continued)

F. Cash and Investments: (Continued)

State statutes authorize the government to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds and repurchase agreements.

At June 30, 2024 the County had restricted cash in the following amounts:

- \$100,000 held in perpetuity, earnings from which are used to fund library operations
- \$304,261 of earnings on library investments restricted for library operations

G. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e. the current portion of interfund loans). All other outstanding balances between funds are reported as “advances to/from other funds” (i.e. the noncurrent portion of interfund loans).

All trade and property tax receivables are shown net of an allowance for uncollectibles. The County calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance amounted to \$75,697 at June 30, 2024 and is comprised solely of property taxes.

Property is assessed at its value on July 1. Property taxes attach as an enforceable lien on property as of July 1. Taxes are payable June 5th and December 5th. The County bills and collects its own property taxes.

H. Prepaid Items

Certain payments to vendors represent costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

I. Inventory

Inventory is valued at the lower of cost (first-in, first-out) or market. Inventory in the School Cafeteria Fund consists of school food.

J. Capital Assets

Capital assets are tangible and intangible assets, which include property, plant, equipment, lease, subscription and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), and are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets, except for infrastructure assets, are defined by the County and Component Unit School Board as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. For infrastructure asset the same estimated minimum useful life is used (in excess of two years), but only those infrastructure projects that cost more than \$50,000 are reported as capital assets.

Note 1 – Summary of Significant Accounting Policies: (Continued)

J. Capital Assets: (Continued)

As the County and Component Unit School Board constructs or acquires capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost (except for intangible right-to-use lease and subscription assets, the measurement of which is discussed in more detail below). The reported value excludes normal maintenance and repairs, which are amounts spent in relation to capital assets that do not increase the asset’s capacity or efficiency or increases its estimated useful life. Donated capital assets are recorded at acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of the donation. Intangible assets follow the same capitalization policies as tangible capital assets and are reported with tangible assets in the appropriate capital asset class

Land and construction in progress are not depreciated. The other tangible and intangible property, plant equipment, lease assets, subscription assets, and infrastructure of the primary government, as well as the component unit, are depreciated/amortized using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	40
Building Improvements	20-40
Vehicles	5
Lease buildings and improvements	2-10
Lease equipment	2-5
Office and Computer Equipment	5
Buses	8
Police Vehicles	3

K. Compensated Absences

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources are reported as expenditures and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported as an expense in the Statement of Activities and a long-term obligation in the Statement of Net Position. No liability is recorded for nonvesting accumulating rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulating sick leave benefits that it is estimated will be taken as "terminal leave" prior to retirement.

L. Long-term Obligations

In the government-wide financial statements, long-term obligations are reported as liabilities in the applicable governmental activities. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Note 1 – Summary of Significant Accounting Policies: (Continued)

M. Fund Equity

In governmental fund types, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called “fund balance.” City/County/Town’s governmental funds report the following categories of fund balance, based on the nature of any limitations requiring the use of resources for specific purposes:

- Nonspendable fund balance – amounts that are not in spendable form (such as inventory and prepaids) or are required to be maintained intact (corpus of a permanent fund);
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- Committed fund balance – amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- Unassigned fund balance – amounts that are available for any purpose; positive amounts are only reported in the general fund.

When fund balance resources are available for a specific purpose in more than one classification, it is the County’s policy to use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed.

The Board of Supervisors establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment, which does not lapse at year end, is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by Board of Supervisors through adoption or amendment of the budget as intended for specific purpose (such as the purchase of capital assets, construction, debt service, or for other purposes).

In the general fund, the County strives to maintain an unassigned fund balance to be used for unanticipated emergencies of approximately 20% of the actual GAAP basis expenditures and other financing sources and uses.

Note 1 – Summary of Significant Accounting Policies: (Continued)

N. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

O. 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.

P. Net Position

For government-wide reporting as well as in proprietary funds, 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 County 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 County's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Q. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has one item that qualifies for reporting in this category. It is comprised of certain items related to pension OPEB liabilities and contributions to the pension and OPEB. For more detailed information on these items, reference the related notes.

Note 1 – Summary of Significant Accounting Policies: (Continued)

Q. Deferred Outflows/Inflows of Resources: (Continued)

In addition to liabilities, the statement of financial position includes a separate section for deferred inflows of resources. Deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has multiple items that qualify for reporting in this category. Under a modified accrual basis of accounting, unavailable revenue representing property taxes receivable is reported in the governmental funds balance sheet. This amount is comprised of uncollected property taxes due prior to June 30, 2nd half installments levied during the fiscal year but due after June 30th and amounts prepaid on the 2nd half installments and is deferred and recognized as an inflow of resources in the period that the amount becomes available. Under the accrual basis, 2nd half installments levied during the fiscal year but due after June 30th and amounts prepaid on the 2nd half installments are reported as deferred inflows of resources. In addition, certain items related to pension, OPEB leases and opioid settlement are reported as deferred inflows of resources. For more detailed information on these items, reference the related notes.

R. 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 County's and School Board's Retirement Plan and the additions to/deductions from the County's and School Board's Retirement Plan's net fiduciary position have been determined on the same basis as they were reported by the Virginia Retirement System (VRS). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

S. Other Postemployment Benefits (OPEB)

For purposes of measuring the net VRS related OPEB liabilities, 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, HIC and Teacher HIC OPEB Plans and the additions to/deductions from the VRS OPEB Plans' net fiduciary position have been determined on the same basis as they were reported by VRS. In addition, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

T. Leases

The County leases various assets requiring recognition. A lease is a contract that conveys control of the right to use another entity's nonfinancial asset. Lease recognition does not apply to short-term leases, contracts that transfer ownership, leases of assets that are investments, or certain regulated leases.

Note 1 – Summary of Significant Accounting Policies: (Continued)

T. Leases: (Continued)

Lessee

The County recognizes lease liabilities and intangible right-to-use lease assets (lease assets) with an initial value of \$5,000, individually or in the aggregate in the government-wide financial statements. At the commencement of the lease, the lease liability is measured at the present value of payments expected to be made during the lease term (less any lease incentives). The lease liability is reduced by the principal portion of payments made. The lease asset is measured at the initial amount of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. The lease asset is amortized over the shorter of the lease term or the useful life of the underlying asset.

Lessor

The County recognizes leases receivable and deferred inflows of resources in the government-wide and governmental fund financial statements. At commencement of the lease, the lease receivable is measured at the present value of lease payments expected to be received during the lease term, reduced by any provision for estimated uncollectible amounts. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is measured at the initial amount of the lease receivable, less lease payments received from the lessee at or before the commencement of the lease term (less any lease incentives).

Key Estimates and Judgments

Lease accounting includes estimates and judgments for determining the (1) rate used to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The County uses the interest rate stated in lease contracts. When the interest rate is not provided or the implicit rate cannot be readily determined, the County uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease and certain periods covered by options to extend to reflect how long the lease is expected to be in effect, with terms and conditions varying by the type of underlying asset.
- Fixed and certain variable payments as well as lease incentives and certain other payments are included in the measurement of the lease liability (lessee) or lease receivable (lessor).

The County monitors changes in circumstances that would require a remeasurement or modification of its leases. The County will remeasure the lease asset and liability (lessee) or the lease receivable and deferred inflows of resources (lessor) if certain changes occur that are expected to significantly affect the amount of the lease liability or lease receivable.

COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (Continued)

Note 2 – 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 & 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).

The County has no formal investment policy addressing the various risks related to investments.

Credit Risk of Debt Securities

The County’s rated debt investments as of June 30, 2024 were rated by Standard & Poor’s and the ratings are presented below using Standard & Poor’s rating scale.

County's Rated Debt Investments' Values			
Rated Debt Investments	Fair Quality Ratings		
	AAAm	AAf	Unrated
Local Government Investment Pool	\$ 4,381,520	\$ -	\$ -
Virginia Investment Pool - Liquidity Pool	10,719,260	-	-
Virginia State Non-Arbitrage Program	404,260	-	-
Total	\$ 15,505,040	\$ -	\$ -

Redemption Restrictions: Virginia Investment Pool allows the County to have the option to have access to withdrawal funds twice a month, with a five day period notice. Additionally, funds are available to meet unexpected needs such as fluctuations in revenue sources, one-time outlays (disasters, immediate capital needs, state budget cuts, and etc.).

COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (Continued)

Note 2 – Deposits and Investments: (Continued)

Interest Rate Risk

The County does not have a policy related to interest rate risk.

County's Debt Investments' Values		
Debt Investments	Fair Value	Less than 1 year
Local Government Investment Pool	\$ 4,381,520	\$ 4,381,520
Virginia Investment Pool - Liquid General	10,719,260	10,719,260
Virginia State Non-Arbitrage Program	404,260	404,260
Total	\$ 15,505,040	\$ 15,505,040

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 County 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 County 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 County has the following recurring fair value measurements as of June 30, 2024:

Investment	6/30/2024
Investments measured at net asset value (NAV)	
Virginia Investment Pool - Liquid General	\$ 10,719,260
Total Investments measured at NAV	\$ 10,719,260

COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (Continued)

Note 2 – Deposits and Investments: (Continued)

External Investment Pools

The value of the positions in the external investment pools (Local Government Investment Pool and State Non-Arbitrage Pool) is the same as the value of the pool shares. As LGIP is not SEC registered, regulatory oversight of the pool rests with the Virginia State Treasury. LGIP and SNAP are amortized cost basis portfolios. There are no withdrawal limitations or restrictions imposed on participants.

Note 3 – Due From Other Governmental Units:

At June 30, 2024 the County has receivables from other governments as follows:

	<u>Primary Government</u>	<u>Component Unit</u>
Commonwealth of Virginia:		
Local and state sales tax	\$ 373,287	\$ 372,336
Communication tax	13,176	-
Rolling stock	84,807	-
Public assistance	67,323	-
Comprehensive services	181,971	-
Mobile home titling tax	11,600	-
Recordation tax	3,869	-
E-911 wireless	8,821	-
Jail	40,265	-
Commonwealth's Attorney	20,537	-
Sheriff	136,577	-
Clerk of the Circuit Court	23,590	-
Commissioner of Revenue	9,815	-
Treasurer	11,689	-
Workforce Investment Board	5,000	-
Law enforcement grants	116,869	-
State forestry	42,699	-
Other state funds	8,065	-
Federal Government:		
School funds	-	1,896,226
Public assistance	153,433	-
Other federal funds	25,503	-
Total	<u>\$ 1,338,896</u>	<u>\$ 2,268,562</u>

COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (Continued)

Note 4 – Capital Assets:

The following is a summary of capital assets activity for the year ended June 30, 2024:

Primary Government:

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024
Capital assets not being depreciated:				
Land	\$ 250,555	\$ -	\$ -	\$ 250,555
Construction in progress	12,000	1,481,018	22,412	1,470,606
Total capital assets not being depreciated	\$ 262,555	\$ 1,481,018	\$ 22,412	\$ 1,721,161
Capital assets being depreciated:				
Buildings and improvements	\$ 22,189,870	\$ 29,825	\$ -	\$ 22,219,695
Equipment	3,322,214	899,990	37,631	4,184,573
Lease buildings and improvements	196,275	-	-	196,275
Lease equipment	15,650	-	-	15,650
Jointly owned assets	13,857,489	-	635,000	13,222,489
Total capital assets being depreciated	\$ 39,581,498	\$ 929,815	\$ 672,631	\$ 39,838,682
Accumulated depreciation:				
Buildings and improvements	\$ 6,258,313	\$ 659,621	\$ -	\$ 6,917,934
Equipment	2,422,776	334,514	37,631	2,719,659
Lease buildings and improvements	32,116	15,929	-	48,045
Lease equipment	5,844	8,635	-	14,479
Jointly owned assets	818,084	254,333	-	1,072,417
Total accumulated depreciation	\$ 9,537,133	\$ 1,273,032	\$ 37,631	\$ 10,772,534
Total capital assets being depreciated, net	\$ 30,044,365	\$ (343,217)	\$ 635,000	\$ 29,066,148
Governmental activities capital assets, net	\$ 30,306,920	\$ 1,137,801	\$ 657,412	\$ 30,787,309

Construction in progress for the primary government and component unit school board are budgeted and expended using funds from the Capital Projects Fund. Once completed, capital projects related to the component unit school board are recorded on entity wide statements for the component unit school board.

COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (Continued)

Note 4 – Capital Assets: (Continued)

Discretely Presented Component Unit-School Board:

	Balance				Balance
	July 1, 2023		Additions	Deletions	June 30, 2024
Capital assets not being depreciated:					
Land	\$ 59,050	\$ -	\$ -	\$ -	\$ 59,050
Construction in progress	783,988	2,521,170	100,339		3,204,819
Total capital assets not being depreciated	\$ 843,038	\$ 2,521,170	\$ 100,339		\$ 3,263,869
Capital assets being depreciated:					
Buildings and improvements	\$ 19,198,857	\$ 705,141	\$ -	\$ -	\$ 19,903,998
Equipment	7,241,054	2,101,616	162,330		9,180,340
Lease equipment	273,746	-	-		273,746
Jointly owned assets	1,800,000	635,000	-		2,435,000
Total capital assets being depreciated	\$ 28,513,657	\$ 3,441,757	\$ 162,330		\$ 31,793,084
Accumulated depreciation:					
Buildings and improvements	\$ 10,318,641	\$ 846,405	\$ -	\$ -	\$ 11,165,046
Equipment	5,623,665	894,832	162,330		6,356,167
Lease equipment	198,208	74,535	-		272,743
Jointly owned assets	174,750	73,333	-		248,083
Total accumulated depreciation	\$ 16,315,264	\$ 1,889,105	\$ 162,330		\$ 18,042,039
Total capital assets being depreciated, net	\$ 12,198,393	\$ 1,552,652	\$ -		\$ 13,751,045
Governmental activities capital assets, net	\$ 13,041,431	\$ 4,073,822	\$ 100,339		\$ 17,014,914

Depreciation expense was charged to functions/programs of the primary government and component unit as follows:

Governmental activities:

General government administration	\$ 104,824
Judicial administration	562,811
Public safety	205,532
Public works	118,022
Health and welfare	20,579
Education	254,333
Parks, recreation and cultural	5,353
Community development	1,578
Total	\$ 1,273,032
Component Unit-School Board	\$ 1,889,105

COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (Continued)

Note 5 – Compensated Absences:

The County has accrued the liability arising from compensated absences.

Certain County employees (Department of Social Services employees) earn vacation and sick leave at various rates. The County had outstanding compensated absences pay as follows:

Primary Government \$ 525,877

Note 6 – Long-Term Obligations:

Primary Government

The following is summary of long-term obligation transactions of the County for the year ended June 30, 2024:

	<u>Balance at July 1, 2023</u>	<u>Issuances/ Additions</u>	<u>Retirements/ Deletions</u>	<u>Balance at June 30, 2024</u>	<u>Due Within One Year</u>
Primary Government:					
Direct Borrowings or Placements:					
General obligation bonds	\$ 18,690,000	\$ -	\$ 665,000	\$ 18,025,000	\$ 710,000
Revenue bond	640,000	-	80,000	560,000	80,000
Premium on bonds	2,279,107	-	184,372	2,094,735	184,372
Equipment loans	2,816,221	-	206,109	2,610,112	210,911
Lease liabilities	177,967	-	17,209	160,758	17,285
Compensated absences	451,447	74,430	-	525,877	52,588
Net OPEB liabilities	544,527	144,624	138,188	550,963	-
Net pension liability	626,417	2,782,724	2,998,803	410,338	-
Landfill postclosure and corrective action liability	<u>1,514,723</u>	<u>47,388</u>	<u>78,725</u>	<u>1,483,386</u>	<u>-</u>
Total Primary Government	<u>\$ 27,740,409</u>	<u>\$ 3,049,166</u>	<u>\$ 4,368,406</u>	<u>\$ 26,421,169</u>	<u>\$ 1,255,156</u>

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

Year Ending June 30,	Primary Government							
	Direct Borrowings or Placements							
	Lease Liabilities		Revenue Bond		General Obligation Bond		Equipment Loans	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 17,285	\$ 3,761	\$ 80,000	\$ -	\$ 710,000	\$ 782,743	\$ 210,911	\$ 60,815
2026	13,506	3,535	80,000	-	810,000	744,668	215,826	55,901
2027	7,430	3,360	80,000	-	900,000	701,674	220,854	50,873
2028	7,430	3,360	80,000	-	940,000	655,748	226,000	45,727
2029	7,430	3,360	80,000	-	980,000	610,144	231,266	40,461
2030-2034	107,677	43,084	160,000	-	5,160,000	2,315,921	1,239,714	118,921
2035-2039	-	-	-	-	3,570,000	1,431,535	265,541	6,187
2040-2044	-	-	-	-	3,370,000	781,991	-	-
2045-2046	-	-	-	-	1,585,000	76,159	-	-
Total	<u>\$ 160,758</u>	<u>\$ 60,460</u>	<u>\$ 560,000</u>	<u>\$ -</u>	<u>\$ 18,025,000</u>	<u>\$ 8,100,583</u>	<u>\$ 2,610,112</u>	<u>\$ 378,885</u>

COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (Continued)

Note 6 – Long-Term Obligations: (Continued)

Primary Government: (Continued)

Details of Long-Term Obligations (Payable from the General Fund):

Direct Borrowings or Placements:

General Obligations Bonds:

\$4,640,000 Virginia Public School Authority Bonds 2020A, issued November 10, 2020, maturing annually through 2036, interest at 5.05%	\$ 4,005,000
\$4,065,000 Virginia Public School Authority Bonds 2020B, issued November 10, 2020, maturing annually through 2036, interest at 5.05%	3,205,000
\$11,570,000 Virginia Resources Authority Revenue Bonds 2015, issued June 25, 2015, maturing annually through April 1, 2046, interest at 4.01%	10,815,000
Premium on bonds	<u>2,094,735</u>
Total General Obligation Bonds	<u>\$ 20,119,735</u>

Revenue Bonds:

\$1,500,000 Virginia Public School Authority Bonds 2011, issued December 15, 2011, maturing annually through June 1, 2031, interest at 4.25%	\$ <u>560,000</u>
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Equipment Loans:

\$3,413,724 issued January 9, 2020 for the purchase of communication system due in annual installments of principal and interest through January 9, 2035, open to prepayment, interest at 2.33%	\$ <u>2,610,112</u>
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Lease liabilities

Leased land and land improvements entered into at July 1, 2021 for the cell tower site at 744 Sugar Hill Road, for lease term of 366 months, with discount rate of 2.70%.	\$ 122,847
Leased land and land improvements entered into at July 1, 2021 for the Old Store Building at the library, for lease term of 60 months, with discount rate of 1.18%.	7,705
Leased land and land improvements entered into at July 1, 2021 for the land adjacent to the landfill, for lease term of 138 months, with discount rate of 1.90%.	6,636
Leased land and land improvements entered into at July 1, 2021 for the cell tower site at 8770 Sugar Hill Road, for lease term of 68 months, with discount rate of 1.34%.	19,480
Leased equipment for the Sheriff's office entered into at various dates, for lease terms ranging from 3 to 5 years, with discount rates ranging from 1.00% to 3.00%.	<u>4,090</u>
Total lease liabilities	<u>\$ 160,758</u>
Compensated Absences	<u>\$ 525,877</u>
Net OPEB liabilities	<u>\$ 550,963</u>
Net pension liability	<u>\$ 410,338</u>
Landfill postclosure and corrective action liability	<u>\$ 1,483,386</u>
Total Primary Government	<u><u>\$ 26,421,169</u></u>

COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (Continued)

Note 6 – Long-Term Obligations: (Continued)

Component Unit-School Board:

The following is a summary of long-term obligation transactions of the Component Unit-School Board for the year ended June 30, 2024:

	Balance at July 1, 2023	Issuances/ Additions	Retirements/ Deletions	Balance at June 30, 2024	Amounts Due Within One Year
Lease liabilities	\$ 76,127	\$ -	\$ 75,206	\$ 921	\$ 921
Net OPEB liabilities	6,940,746	4,011,159	6,394,072	4,557,833	-
Net pension liability	31,848,307	27,884,118	38,770,082	20,962,343	-
	<u>\$ 38,865,180</u>	<u>\$ 31,895,277</u>	<u>\$ 45,239,360</u>	<u>\$ 25,521,097</u>	<u>\$ 921</u>

Present value of future minimum lease payments:

Year Ending June 30,	Lease Liabilities	
	Principal	Interest
2025	\$ 921	\$ 5
Total	<u>\$ 921</u>	<u>\$ 5</u>

Details of long-term obligations (payable from the Component Unit-School Board):

Lease liabilities	
Postage meter with Pitney Bowes, lease end date of March 2025, discount rate of 1.011%	\$ 921
Net OPEB liabilities	\$ 4,557,833
Net pension liability	\$ 20,962,343
Total Component Unit - School Board	<u>\$ 25,521,097</u>

COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (Continued)

Note 7 - Commitments and Contingencies:

Federal programs in which the County and discretely presented component unit participate were audited in accordance with the provisions of U.S. Office of Management and the Uniform Guidance, *Audits of States, Local Governments and Non-Profit Organizations*. Pursuant to the provisions of this guidance all major programs and certain other programs were tested for compliance with applicable grant requirements. While no matters of noncompliance were disclosed by audit, the federal government may subject grant programs to additional compliance tests which may result in disallowed expenditures. In the opinion of management, any future disallowance of current grant program expenditures, if any, would be immaterial.

Note 8 - Litigation:

At June 30, 2024, there were no matters of litigation involving the County or which would materially affect the County's financial position should any court decisions on pending matters not be favorable to such entities.

Note 9 - Interfund Obligations:

Interfund obligations for the year ended June 30, 2024 consisted of the following:

<u>Fund</u>	<u>Due from Component Unit School Board</u>	<u>Due to Primary Government</u>
General	\$ 2,327,316	\$ -
School	<u>-</u>	<u>2,327,316</u>
Total	<u>\$ 2,327,316</u>	<u>\$ 2,327,316</u>

<u>Fund</u>	<u>Due from General Fund</u>	<u>General Fund Due to Other Funds</u>
Library	\$ 20,742	\$ -
General	<u>-</u>	<u>20,742</u>
Total	<u>\$ 20,742</u>	<u>\$ 20,742</u>

Note 10 - Pension Plans:

Plan Description

All full-time, salaried permanent employees of the County and (nonprofessional) employees of public school divisions 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 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.
- 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 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.

COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (Continued)

Note 10 - Pension Plans: (Continued)

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.

Employees Covered by Benefit Terms

As of the June 30, 2022 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	Primary Government	Component Unit School Board Nonprofessional
Inactive members or their beneficiaries currently receiving benefits	81	37
Inactive members:		
Vested inactive members	13	1
Non-vested inactive members	20	14
Inactive members active elsewhere in VRS	50	6
Total inactive members	83	21
Active members	99	23
Total covered employees	263	81

Note 10 - Pension Plans: (Continued)

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 County's contractually required employer contribution rate for the year ended June 30, 2024 was 11.92% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021.

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 County were \$671,945 and \$615,702 for the years ended June 30, 2024 and June 30, 2023, respectively.

The Component Unit School Board's contractually required employer contribution rate for nonprofessional employees for the year ended June 30, 2024 was 0.00% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021.

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 Component Unit School Board's nonprofessional employees were \$0 and \$0 for the years ended June 30, 2024 and June 30, 2023, respectively.

Net Pension Liability (Asset)

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. The County's and Component Unit School Board's (nonprofessional) net pension liabilities were measured as of June 30, 2023. The total pension liabilities used to calculate the net pension liabilities were determined by an actuarial valuation performed as of June 30, 2022, and rolled forward to the measurement date of June 30, 2023.

Note 10 - Pension Plans: (Continued)

Actuarial Assumptions – General Employees

The total pension liability for General Employees in the County’s and Component Unit School Board’s (nonprofessional) Retirement Plan was based on an actuarial valuation as of June 30, 2022, 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, 2023.

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

Mortality rates:

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

Pre-Retirement:
Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years

Post-Retirement:
Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years

Post-Disablement:
Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3

Beneficiaries and Survivors:
Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years

Mortality Improvement:
Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

Note 10 - Pension Plans: (Continued)

Actuarial Assumptions – General Employees (Continued)

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. 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)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Actuarial Assumptions – Public Safety Employees with Hazardous Duty Benefits

The total pension liability for Public Safety employees with Hazardous Duty Benefits in the County’s Retirement Plan was based on an actuarial valuation as of June 30, 2022, 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, 2023.

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

Mortality rates:

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

Pre-Retirement:
Pub-2010 Amount Weighted Safety Employee Rates projected generationally with a Modified MP-2020 Improvement Scale; 95% of rates for males; 105% of rates for females set forward 2 years

COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (Continued)

Note 10 - Pension Plans: (Continued)

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

Post-Retirement:

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally with a Modified MP-2020 Improvement Scale; 110% of rates for males; 105% of rates for females set forward 3

Post-Disablement:

Pub-2010 Amount Weighted General Disabled Rates projected generationally with a Modified MP-2020 Improvement Scale; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally with a Modified MP-2020 Improvement Scale; 110% of rates for males and females set forward 2 years

Mortality Improvement:

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. 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)	Update to Pub-2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Largest 10 Hazardous Duty
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (Continued)

Note 10 - Pension Plans: (Continued)

Long-Term Expected Rate of Return

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

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return*
Public Equity	34.00%	6.14%	2.09%
Fixed Income	15.00%	2.56%	0.38%
Credit Strategies	14.00%	5.60%	0.78%
Real Assets	14.00%	5.02%	0.70%
Private Equity	16.00%	9.17%	1.47%
MAPS - Multi-Asset Public Strategies	4.00%	4.50%	0.18%
PIP - Private Investment Partnership	2.00%	7.18%	0.14%
Cash	1.00%	1.20%	0.01%
Total	100.00%		5.75%
		Inflation	2.50%
		**Expected arithmetic nominal return	8.25%

* The above allocation provides a one-year expected return of 8.25%. 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 7.14%, including expected inflation of 2.50%.

**On June 15, 2023, the VRS Board elected a long-term rate of return of 6.75% which was roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.5%.

COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (Continued)

Note 10 - Pension Plans: (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 County and Component Unit School Board (nonprofessional) was also provided with an opportunity to use an alternative employer contribution rate. For the year ended June 30, 2023, 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, 2022 actuarial valuations, whichever was greater. Through the fiscal year ended June 30, 2023, the rate contributed by the school division for the VRS Teacher Retirement Plan was subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 112% of the actuarially determined contribution rate. From July 1, 2023 on, participating employers and school divisions 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

	Primary Government		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2022	\$ 30,630,696	\$ 30,004,279	\$ 626,417
Changes for the year:			
Service cost	\$ 707,840	\$ -	\$ 707,840
Interest	2,055,294	-	2,055,294
Differences between expected and actual experience	(205,572)	-	(205,572)
Contributions - employer	-	615,663	(615,663)
Contributions - employee	-	259,058	(259,058)
Net investment income	-	1,917,742	(1,917,742)
Benefit payments, including refunds of employee contributions	(1,779,476)	(1,779,476)	-
Administrative expenses	-	(19,590)	19,590
Other changes	-	768	(768)
Net changes	\$ 778,086	\$ 994,165	\$ (216,079)
Balances at June 30, 2023	\$ 31,408,782	\$ 30,998,444	\$ 410,338

COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (Continued)

Note 10 - Pension Plans: (Continued)

Changes in Net Pension Liability: (Continued)

	Component School Board (nonprofessional)		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at June 30, 2022	\$ 3,262,189	\$ 4,002,669	\$ (740,480)
Changes for the year:			
Service cost	\$ 44,384	\$ -	\$ 44,384
Interest	213,942	-	213,942
Differences between expected and actual experience	30,284	-	30,284
Contributions - employee	-	26,372	(26,372)
Net investment income	-	249,059	(249,059)
Benefit payments, including refunds of employee contributions	(274,114)	(274,114)	-
Administrative expenses	-	(2,637)	2,637
Other changes	-	(1,416)	1,416
Net changes	\$ 14,496	\$ (2,736)	\$ 17,232
Balances at June 30, 2023	\$ 3,276,685	\$ 3,999,933	\$ (723,248)

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

The following presents the net pension liability (asset) of the County and Component Unit School Board (nonprofessional) using the discount rate of 6.75%, as well as what the County's and Component Unit School Board's (nonprofessional) net pension liability (asset) 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%)
County			
Net Pension Liability (Asset)	\$ 4,406,734	\$ 410,338	\$ (2,878,956)
Component Unit School Board (nonprofessional)			
Net Pension Liability (Asset)	\$ (380,909)	\$ (723,248)	\$ (975,220)

COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (Continued)

Note 10 - Pension Plans: (Continued)

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

For the year ended June 30, 2024, the County and Component Unit School Board (nonprofessional) recognized pension expense of \$421,261 and (\$96,339), respectively. At June 30, 2024, the County and Component Unit School Board (nonprofessional) reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Primary Government		Component Unit School Board (nonprofessional)	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 178,404	\$ 150,561	\$ 14,002	\$ -
Change of assumptions	17,351	-	-	-
Net difference between projected and actual earnings on pension plan investments	-	482,994	-	75,941
Employer contributions subsequent to the measurement date	671,945	-	-	-
Total	<u>\$ 867,700</u>	<u>\$ 633,555</u>	<u>\$ 14,002</u>	<u>\$ 75,941</u>

\$671,945 and \$0 reported as deferred outflows of resources related to pensions resulting from the County's and Component Unit School Board's (nonprofessional) contributions, respectively, subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2025. 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	Primary Government	Component Unit School Board (nonprofessional)
2025	\$ (231,588)	\$ (37,155)
2026	(649,896)	(86,021)
2027	428,408	58,714
2028	15,276	2,523
2029	-	-
Thereafter	-	-

Note 10 - Pension Plans: (Continued)

Pension Plan Data

Information about the VRS Political Subdivision Retirement Plan is also available in the separately issued VRS 2023 Annual Comprehensive Financial Report (Annual Report). A copy of the 2023 VRS Annual Report may be downloaded from the VRS website at <https://www.varetire.org/pdf/publications/2023-annual-report.pdf> or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

Component Unit School Board (professional)

Plan Description

All full-time, salaried permanent (professional) employees of public school divisions are automatically covered by the VRS Teacher Retirement Plan upon employment. This is a cost-sharing multiple employer plan administered by the Virginia Retirement System (the system). Additional information related to the plan description is included in the first section of this note.

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 provided to school divisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement. Each school division's contractually required employer contribution rate for the year ended June 30, 2024 was 16.62% of covered employee compensation. This was the General Assembly rate, which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined 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 school division were \$3,015,615 and \$3,273,958 for the years ended June 30, 2024 and June 30, 2023, respectively.

In June 2023, the Commonwealth made a special contribution of approximately \$147.4 million to the VRS Teacher Retirement Plan. This special payment was authorized by Chapter 2 of the Acts of Assembly of 2022, Special Session I, as amended by Chapter 769, 2023 Acts of Assembly Reconvened Session, and is classified as a non-employer contribution. The school division's proportionate share is reflected in the State revenues of the financial statements..

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

At June 30, 2024, the school division reported a liability of \$20,962,343 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2023 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation performed as of June 30, 2022, and rolled forward to the measurement date of June 30, 2023. The school division's proportion of the Net Pension Liability was based on the school division's actuarially determined employer contributions to the pension plan for the year ended June 30, 2023 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2023, the school division's proportion was .20740% as compared to .33452% at June 30, 2022.

For the year ended June 30, 2024, the school division recognized pension expense of \$4,047,684. Since there was a change in proportionate share between measurement dates, a portion of the pension expense was related to deferred amounts from changes in proportion and from differences between employer contributions and the proportionate share of employer contributions.

COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (Continued)

Note 10 - Pension Plans: (Continued)**Component Unit School Board (professional): (Continued)*****Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: (Continued)***

Beginning with the June 30, 2022 measurement date, the difference between expected and actual contributions is included with the pension expense calculation.

At June 30, 2024, the school division 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	\$ 1,800,683	\$ 818,040
Change of assumptions	950,296	-
Net difference between projected and actual earnings on pension plan investments	-	1,362,975
Changes in proportion and differences between employer contributions and proportionate share of contributions	14,318,246	10,716,308
Employer contributions subsequent to the measurement date	<u>3,015,615</u>	<u>-</u>
Total	<u>\$ 20,084,840</u>	<u>\$ 12,897,323</u>

\$3,015,615 was reported as deferred outflows of resources related to pensions resulting from the school division'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, 2025. 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	
2025	\$ 1,651,112
2026	966,367
2027	3,257,443
2028	(1,703,020)
2029	-

Note 10 - Pension Plans: (Continued)

Component Unit School Board (professional): (Continued)

Actuarial Assumptions

The total pension liability for the VRS Teacher Retirement Plan was based on an actuarial valuation as of June 30, 2022, 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, 2023.

Inflation	2.50%
Salary increases, including inflation	3.50% – 5.95%
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

Mortality rates:

Pre-Retirement:

Pub-2010 Amount Weighted Teachers Employee Rates projected generationally; 110% of rates for males

Post-Retirement:

Pub-2010 Amount Weighted Teachers Healthy Retiree Rates projected generationally; males set forward 1 year; 105% of rates for females

Post-Disablement:

Pub-2010 Amount Weighted Teachers Disabled Rates projected generationally; 110% of rates for males and females

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

Mortality Improvement:

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (Continued)

Note 10 - Pension Plans: (Continued)

Component Unit School Board (professional): (Continued)

Actuarial Assumptions: (Continued)

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board effective as of July 1, 2021. 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)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

Net Pension Liability

The net pension liability (NPL) is calculated separately for each system and represents that particular system’s total pension liability determined in accordance with GASB Statement No. 67, less that system’s fiduciary net position. As of June 30, 2023, NPL amounts for the VRS Teacher Employee Retirement Plan is as follows (amounts expressed in thousands):

		Teacher Employee Retirement Plan
Total Pension Liability	\$	57,574,609
Plan Fiduciary Net Position		47,467,405
Employers' Net Pension Liability (Asset)	\$	10,107,204
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		82.45%

The total pension 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 pension liability is disclosed in accordance with the requirements of GASB Statement No. 67 in the System’s notes to the financial statements and required supplementary information.

The long-term expected rate of return and discount rate information previously described also apply to this plan.

COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (Continued)

Note 10 - Pension Plans: (Continued)

Component Unit School Board (professional): (Continued)

Sensitivity of the School Division's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the school division's proportionate share of the net pension liability using the discount rate of 6.75%, as well as what the school division's proportionate share of the 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	Current Discount	1% Increase
		(5.75%)	(6.75%)	(7.75%)
School division's proportionate share of the VRS Teacher Employee Retirement Plan Net Pension Liability		\$ 37,158,757	\$ 20,962,343	\$ 7,647,558

Pension Plan Fiduciary Net Position

Detailed information about the VRS Teacher Retirement Plan's Fiduciary Net Position is available in the separately issued VRS 2023 Annual Comprehensive Financial Report (Annual Report). A copy of the 2023 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2023-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Primary Government and Component Unit School Board

Aggregate Pension Information

VRS Pension Plans:	Deferred Outflows	Deferred Inflows	Net Pension Liability (Asset)	Pension Expense
Primary Government				
Primary Government	\$ 867,700	\$ 633,555	\$ 410,338	\$ 421,261
Totals	\$ 867,700	\$ 633,555	\$ 410,338	\$ 421,261
Component Unit School Board				
School Board Nonprofessional	\$ 14,002	\$ 75,941	\$ (723,248)	\$ (96,339)
School Board Professional	20,084,840	12,897,323	20,962,343	4,047,684
Totals	\$ 20,098,842	\$ 12,973,264	\$ 20,239,095	\$ 3,951,345

COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (Continued)

Note 11 – Deferred/Unavailable Revenue:

Unavailable revenue represents amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Under the modified accrual basis of accounting, such amounts are measurable, but not available. Under the accrual basis, assessments for future periods are deferred. Unavailable revenue totaling \$2,914,156 is comprised of the following:

- A. Unavailable Property Tax Revenue – Unavailable revenue representing uncollected tax billings not available for funding of current expenditures totaled \$2,808,120.
- B. Prepaid Property Taxes – Property taxes due subsequent to June 30, 2024, but paid in advance by the taxpayers totaled \$106,036 at June 30, 2024.

Note 12 – Surety Bonds:

Fidelity and Deposit Company of Maryland -Surety	
Annette F. Clowdis, Clerk of Circuit Court	\$ 100,000
Patricia P. Berkeley, Treasurer	400,000
Naisha P. Carter, Commissioner of the Revenue	3,000
James R. "Randy" Grissom, Sheriff	30,000
The above constitutional officer's employees- blanket bond	50,000
Nationwide Insurance Agency- Surety	
Robbie Mason, Superintendent of Schools	10,000
Dana Ramsey, Clerk of the School Board	10,000
All social services employees - employee dishonesty coverage- blanket bond	100,000
Gary D. Walker, Chairman	1,000
Walter Bailey, Vice-Chairman	1,000
Derek Toombs, Supervisor	1,000
Robert L. Shook, Jr., Supervisor	1,000
Hazel Bowman Smith, Supervisor	1,000
Noah Davis, Supervisor	1,000
Henry Carwile, Supervisor	1,000
Daniel N. Witt, County Administrator	1,000

COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (Continued)

Note 13 – Risk Management:

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the government carries insurance.

The County is a member of the Virginia Municipal Group Self Insurance Association for workers' compensation. This program is administered by a servicing contractor, which furnishes claims review and processing.

Each Association member jointly and severally agrees to assume, pay and discharge any liability. The County pays Virginia Municipal Group contributions and assessments based upon classifications and rates into a designated cash reserve fund out of which expenses of the Association and claims and awards are to be paid. In the event of a loss deficit and depletion of all available excess insurance, the Association may assess all members in the proportion which the premium of each bears to the total premiums of all members in the year in which such deficit occurs.

The County continues to carry commercial insurance for all other risks of loss. Settled claims from these risks have not exceeded commercial coverage in any of the past three fiscal years.

Note 14 – Solid Waste Landfill Postclosure Care and Corrective Action Costs:

The County has closed a previously operated solid waste landfill in such a manner as to comply with laws and regulations administered by the United States Environmental Protection Agency and Virginia Department of Environmental Quality. The total \$1,483,386 reported as landfill postclosure care and corrective action liability at June 30, 2024, represents \$975,165 for postclosure care liability and \$508,221 for ground water corrective action and remediation. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. The County intends to fund these costs from accumulated funds held in the general fund.

The County has demonstrated financial assurance requirements for postclosure care and corrective action costs through the submission of a Local Government Financial Test to the Virginia Department of Environmental Quality in accordance with Section 9VAC20-70 of the Virginia Administrative Code.

Note 15 – Other Postemployment Benefits Program:

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.

Note 15 – Other Postemployment Benefits Program: (Continued)

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

Plan Description: (Continued)

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 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.

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, seatbelt 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 \$9,254 as of June 30, 2024.

Note 15 – Other Postemployment Benefits Program: (Continued)

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

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, 2024 was 0.54% of covered employee compensation. This rate was the final approved General Assembly rate, which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. 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 \$31,551 and \$28,783 for the years ended June 30, 2024 and June 30, 2023, respectively, for the County; \$3,495 and \$3,338 for the years ended June 30, 2024 and June 30, 2023, respectively, for the School Board (nonprofessional); and \$100,591 and \$109,691 for the years ended June 30, 2024 and June 30, 2023, respectively, for the School Board (professional).

In June 2023, the Commonwealth made a special contribution of approximately \$10.1 million to the Group Life Insurance Plan. This special payment was authorized by Chapter 2 of the Acts of Assembly of 2022, Special Session I, as amended by Chapter 769, 2023 Acts of Assembly Reconvened Session, and is classified as a special employer contribution. The entity's proportionate share is reflected in the State revenues of the financial statements.

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, 2024, the entity reported a liability of \$271,405, \$31,542 and \$1,034,288 for the County, School Board (Nonprofessional), and School Board (Professional), respectively, for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2023 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, 2022, and rolled forward to the measurement date of June 30, 2023. 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, 2023 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2023, the participating employer's proportion was .02263%, .08624%, and .00263% for the County, School Board (Professional), and School Board (Nonprofessional), respectively, as compared to .02190%, .00280%, and .14170% for the County, School Board (Nonprofessional), and School Board (Professional), respectively, at June 30, 2022.

For the year ended June 30, 2024, the participating employer recognized GLI OPEB expense of \$11,056, (\$473), and \$116,355 for the County, School Board Nonprofessional, and School Board Professional, respectively. 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.

COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (Continued)

Note 15 – Other Postemployment Benefits Program: (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, 2024, 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
Primary Government		
Differences between expected and actual experience	\$ 27,107	\$ 8,239
Net difference between projected and actual earnings on GLI OPEB program investments	-	10,907
Change in assumptions	5,801	18,804
Changes in proportion	11,129	9,704
Employer contributions subsequent to the measurement date	31,551	-
Total Primary Government	\$ 75,588	\$ 47,654
Component Unit School Board (nonprofessional)		
Differences between expected and actual experience	\$ 3,150	\$ 957
Net difference between projected and actual earnings on GLI OPEB program investments	-	1,268
Change in assumptions	674	2,185
Changes in proportion	225	5,124
Employer contributions subsequent to the measurement date	3,495	-
Total Component Unit School Board (nonprofessional)	\$ 7,544	\$ 9,534
Component Unit School Board (professional)		
Differences between expected and actual experience	\$ 103,300	\$ 31,396
Net difference between projected and actual earnings on GLI OPEB program investments	-	41,564
Change in assumptions	22,108	71,660
Changes in proportion	811,500	622,507
Employer contributions subsequent to the measurement date	100,591	-
Total Component Unit School Board (professional)	\$ 1,037,499	\$ 767,127

Note 15 – Other Postemployment Benefits Program: (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)

\$31,551, \$3,495, and \$100,591 for the County, School Board (Nonprofessional), and School Board (Professional), respectively, are 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, 2025. 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	Primary Government	Component Unit School Board (nonprofessional)	Component Unit School Board (professional)
2025	\$ (3,435)	\$ (2,420)	\$ 64,073
2026	(12,490)	(2,693)	34,424
2027	5,218	13	99,945
2028	2,914	(385)	76,745
2029	4,176	-	(105,406)
Thereafter	-	-	-

Actuarial Assumptions

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2022, 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, 2023. 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:	
Teachers	3.50%-5.95%
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

COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (Continued)

Note 15 – Other Postemployment Benefits Program: (Continued)

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

Actuarial Assumptions: (Continued)

Mortality Rates – Teachers

Pre-Retirement:

Pub-2010 Amount Weighted Teachers Employee Rates projected generationally; 110% of rates for males

Post-Retirement:

Pub-2010 Amount Weighted Teachers Healthy Retiree Rates projected generationally; males set forward 1 year; 105% of rates for females

Post-Disablement:

Pub-2010 Amount Weighted Teachers Disabled Rates projected generationally; 110% of rates for males and females

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. 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)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (Continued)

Note 15 – Other Postemployment Benefits Program: (Continued)

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

Actuarial Assumptions: (Continued)

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

Pre-Retirement:

Pub-2010 Amount Weighted Safety Employee Rates projected generationally; males set forward 2 years; 105% of rates for females set forward 3 years

Post-Retirement:

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 95% of rates for males set forward 2 years; 95% of rates for females set forward 1 year

Post-Disablement:

Pub-2010 Amount Weighted General Disabled Rates projected generationally; 110% of rates for males set forward 3 years; 110% of rates for females set forward 2 years

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. 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)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (Continued)

Note 15 – Other Postemployment Benefits Program: (Continued)

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

Actuarial Assumptions: (Continued)

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

Pre-Retirement:

Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years

Post-Retirement:

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years

Post-Disablement:

Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years

Mortality Improvement Scale:

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

Post-Disablement:

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

Note 15 – Other Postemployment Benefits Program: (Continued)

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

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. 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)	Update to Pub-2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Top 10 Hazardous Duty
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

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, 2023, NOL amounts for the GLI Plan are as follows (amounts expressed in thousands):

		GLI OPEB Plan
Total GLI OPEB Liability	\$	3,907,052
Plan Fiduciary Net Position		2,707,739
GLI Net OPEB Liability (Asset)	\$	<u>1,199,313</u>
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability		69.30%

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.

COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (Continued)

Note 15 – Other Postemployment Benefits Program: (Continued)

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

Long-Term Expected Rate of Return

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

Asset Class (Strategy)	Target Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-term Expected Rate of Return*
Public Equity	34.00%	6.14%	2.09%
Fixed Income	15.00%	2.56%	0.38%
Credit Strategies	14.00%	5.60%	0.78%
Real Assets	14.00%	5.02%	0.70%
Private Equity	16.00%	9.17%	1.47%
MAPS - Multi-Asset Public Strategies	4.00%	4.50%	0.18%
PIP - Private Investment Partnership	2.00%	7.18%	0.14%
Cash	1.00%	1.20%	0.01%
Total	100.00%		5.75%
		Inflation	2.50%
	**Expected arithmetic nominal return		8.25%

*The above allocation provides a one-year return of 8.25%. 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. These results provide a range of returns over various time periods that ultimately provide a median return of 7.14%, including expected inflation of 2.50%.

**On June 15, 2023, the VRS Board elected a long-term rate of return of 6.75% which was roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.50%.

COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (Continued)

Note 15 – Other Postemployment Benefits Program: (Continued)

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

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 employer contributions will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ended June 30, 2023, 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 113% of the actuarially determined contribution rate. From July 1, 2023 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%)
County's proportionate share of the GLI Plan Net OPEB Liability	\$ 402,306	\$ 271,405	\$ 165,570
School Board(nonprofessional)'s proportionate share of the GLI Plan Net OPEB Liability	\$ 46,755	\$ 31,542	\$ 19,242
School Board(professional)'s proportionate share of the GLI Plan Net OPEB Liability	\$ 1,533,138	\$ 1,034,288	\$ 630,964

GLI Plan Fiduciary Net Position

Detailed information about the GLI Plan's Fiduciary Net Position is available in the separately issued VRS 2023 Annual Comprehensive Financial Report (Annual Report). A copy of the 2023 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2023-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Note 15 – Other Postemployment Benefits Program: (Continued)

Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan):

Plan Description

The Virginia Retirement System (VRS) Teacher Employee Health Insurance Credit (HIC) Plan was established pursuant to §51.1-1400 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 (professional) employees of public school divisions are automatically covered by the VRS Teacher Employee HIC Plan. This is a cost-sharing multiple-employer plan administered by the Virginia Retirement System (the System), along with pension and other OPEB plans, for public employer groups in the Commonwealth of Virginia. Members earn one month of service credit toward the benefit for each month they are employed and for which their employer pays contributions to VRS. The HIC is a tax-free reimbursement in an amount set by the General Assembly for each year of service credit against qualified health insurance premiums retirees pay for single coverage, excluding any portion covering the spouse or dependents. The credit cannot exceed the amount of the premiums and ends upon the retiree's death.

The specific information for the Teacher HIC Program OPEB, including eligibility, coverage, and benefits is described below:

Eligible Employees

The Teacher Employee Retiree HIC Plan was established July 1, 1993 for retired Teacher Employees covered under VRS who retire with at least 15 years of service credit. Eligible employees include full-time permanent (professional) salaried employees of public school divisions covered under VRS. These employees are enrolled automatically upon employment.

Benefit Amounts

The Teacher Employee HIC Plan is a defined benefit plan that provides a credit toward the cost of health insurance coverage for retired teachers. For Teacher and other professional school employees who retire, the monthly benefit is \$4.00 per year of service per month with no cap on the benefit amount. For Teacher and other professional school employees who retire on disability or go on long-term disability under the Virginia Local Disability Program (VLDP), the monthly benefit is either: \$4.00 per month, multiplied by twice the amount of service credit, or \$4.00 per month, multiplied by the amount of service earned had the employee been active until age 60, whichever is lower.

HIC Plan Notes

The monthly HIC benefit cannot exceed the individual premium amount. Employees who retire after being on long-term disability under VLDP must have at least 15 years of service credit to qualify for the HIC as a retiree.

Note 15 – Other Postemployment Benefits Program: (Continued)

Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Contributions

The contribution requirements for active employees is governed by §51.1-1401(E) of the Code of Virginia, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Each school division's contractually required employer contribution rate for the year ended June 30, 2024 was 1.21% of covered employee compensation for employees in the VRS Teacher Employee HIC Plan. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate 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 from the school division to the VRS Teacher Employee HIC Plan were \$225,281 and \$245,431 for the years ended June 30, 2024 and June 30, 2023, respectively.

In June 2023, the Commonwealth made a special contribution of approximately \$4 million to the VRS Teacher HIC Plan. This special payment was authorized by Chapter 2 of the Acts of Assembly of 2022, Special Session I, as amended by Chapter 769, 2023 Acts of Assembly Reconvened Session, and is classified as a special employer contribution. The school division's proportionate share is reflected in the State revenues of the financial statements.

Teacher Employee HIC Plan OPEB Liabilities, Teacher Employee HIC Program OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Teacher Employee HIC Plan OPEB

At June 30, 2024, the school division reported a liability of \$2,464,265 for its proportionate share of the VRS Teacher Employee HIC Program Net OPEB Liability. The Net VRS Teacher Employee HIC Plan OPEB Liability was measured as of June 30, 2023 and the total VRS Teacher Employee HIC Plan OPEB liability used to calculate the Net VRS Teacher Employee HIC Plan OPEB Liability was determined by an actuarial valuation performed as of June 30, 2022 and rolled forward to the measurement date of June 30, 2023. The school division's proportion of the Net VRS Teacher Employee HIC Program OPEB Liability was based on the school division's actuarially determined employer contributions to the VRS Teacher Employee HIC Plan OPEB plan for the year ended June 30, 2023 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2023, the school division's proportion of the VRS Teacher Employee HIC Program was .20340% as compared to .33037% at June 30, 2022.

For the year ended June 30, 2024, the school division recognized VRS Teacher Employee HIC Plan OPEB expense of \$292,125. Since there was a change in proportionate share between measurement dates a portion of the VRS Teacher Employee HIC Plan Net OPEB expense was related to deferred amounts from changes in proportionate share and differences between actual and expected contributions.

COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (Continued)

Note 15 – Other Postemployment Benefits Program: (Continued)

Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Teacher Employee HIC Plan OPEB Liabilities, Teacher Employee HIC Plan OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Teacher Employee HIC Plan OPEB: (Continued)

At June 30, 2024, the school division reported deferred outflows of resources and deferred inflows of resources related to the VRS Teacher Employee HIC Plan OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 108,465
Net difference between projected and actual earnings on Teacher HIC OPEB plan investments	1,237	-
Change in assumptions	57,364	2,483
Change in proportionate share and differences between actual and expected contributions	1,869,160	1,432,981
Employer contributions subsequent to the measurement date	225,281	-
Total	\$ 2,153,042	\$ 1,543,929

\$225,281 was reported as deferred outflows of resources related to the Teacher Employee HIC OPEB resulting from the school division’s contributions subsequent to the measurement date will be recognized as a reduction of the Net Teacher Employee HIC OPEB Liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Teacher Employee HIC OPEB will be recognized in the Teacher Employee HIC OPEB expense in future reporting periods as follows:

Year Ended June 30	
2025	\$ 92,804
2026	97,774
2027	112,649
2028	114,917
2029	111,019
Thereafter	(145,331)

Note 15 – Other Postemployment Benefits Program: (Continued)

Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Actuarial Assumptions

The total Teacher Employee HIC OPEB liability for the VRS Teacher Employee HIC Plan was based on an actuarial valuation as of June 30, 2022, 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, 2023.

Inflation	2.50%
Salary increases, including inflation	3.50%-5.95%
Investment rate of return	6.75%, net of investment expenses, including inflation

Mortality Rates – Teachers

- Pre-Retirement:
 - Pub-2010 Amount Weighted Teacher Employee Rates projected generationally; 110% of rates for males
- Post-Retirement:
 - Pub-2010 Amount Weighted Teachers Healthy Retiree Rates projected generationally; males set forward 1 year; 105% of rates for females
- Post-Disablement:
 - Pub-2010 Amount Weighted Teachers Disabled Rates projected generationally; 110% of rates for males and females
- Beneficiaries and Survivors:
 - Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally
- Mortality Improvement Scale:
 - Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

Note 15 – Other Postemployment Benefits Program: (Continued)

Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Actuarial Assumptions: (Continued)

Mortality Rates – Teachers: (Continued)

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. 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)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

Net Teacher Employee HIC OPEB Liability

The net OPEB liability (NOL) for the Teacher Employee HIC Plan represents the plan’s total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of June 30, 2023, NOL amounts for the VRS Teacher Employee HIC Plan is as follows (amounts expressed in thousands):

		Teacher Employee HIC OPEB Plan
Total Teacher Employee HIC OPEB Liability	\$	1,475,471
Plan Fiduciary Net Position		264,054
Teacher Employee net HIC OPEB Liability (Asset)	\$	<u>1,211,417</u>
Plan Fiduciary Net Position as a Percentage of the Total Teacher Employee HIC OPEB Liability		17.90%

The total Teacher Employee HIC OPEB liability is calculated by the System’s actuary, and the plan’s fiduciary net position is reported in the System’s financial statements. The net Teacher Employee HIC 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.

COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (Continued)

Note 15 – Other Postemployment Benefits Program: (Continued)

Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on the VRS 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 VRS 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%	6.14%	2.09%
Fixed Income	15.00%	2.56%	0.38%
Credit Strategies	14.00%	5.60%	0.78%
Real Assets	14.00%	5.02%	0.70%
Private Equity	16.00%	9.17%	1.47%
MAPS - Multi-Asset Public Strategies	4.00%	4.50%	0.18%
PIP - Private Investment Partnership	2.00%	7.18%	0.14%
Cash	1.00%	1.20%	0.01%
Total	100.00%		5.75%
		Inflation	2.50%
	**Expected arithmetic nominal return		8.25%

*The above allocation provides a one-year return of 8.25%. 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. These results provide a range of returns over various time periods that ultimately provide a median return of 7.14%, including expected inflation of 2.50%.

**On June 15, 2023, the VRS Board elected a long-term rate of 6.75% which was roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.50%.

Note 15 – Other Postemployment Benefits Program: (Continued)

Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Discount Rate

The discount rate used to measure the total Teacher Employee HIC OPEB was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ended June 30, 2023, the rate contributed by each school division for the VRS Teacher Employee HIC Plan 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, 2023 on, all agencies are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the Teacher Employee HIC OPEB 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 Teacher Employee HIC OPEB liability.

Sensitivity of the School Division’s Proportionate Share of the Teacher Employee HIC Net OPEB Liability to Changes in the Discount Rate

The following presents the school division’s proportionate share of the VRS Teacher Employee HIC Plan net HIC OPEB liability using the discount rate of 6.75%, as well as what the school division’s proportionate share of the net HIC 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	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
School division's proportionate share of the VRS Teacher Employee HIC OPEB Plan Net HIC OPEB Liability	\$ 2,787,359	\$ 2,464,265	\$ 2,190,471

Teacher Employee HIC OPEB Fiduciary Net Position

Detailed information about the VRS Teacher Employee HIC Plan’s Fiduciary Net Position is available in the separately issued VRS 2023 Annual Comprehensive Financial Report (Annual Report). A copy of the 2023 VRS Annual Report may be downloaded from the VRS website at [http://www.varetire.org/Pdf/Publications/ 2023-annual-report.pdf](http://www.varetire.org/Pdf/Publications/2023-annual-report.pdf), or by writing to the System’s Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Note 15 – Other Postemployment Benefits Program: (Continued)

Health Insurance Credit (HIC) Plan (OPEB Plan):

Plan Description

The Political Subdivision Health Insurance Credit (HIC) Plan was established pursuant to §51.1-1400 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 participating political subdivisions are automatically covered by the VRS Political Subdivision HIC Plan upon employment. This is an agent multiple-employer plan administered by the Virginia Retirement System (the System), along with pension and other OPEB plans, for public employer groups in the Commonwealth of Virginia. Members earn one month of service credit toward the benefit for each month they are employed and for which their employer pays contributions to VRS. The HIC is a tax-free reimbursement in an amount set by the General Assembly for each year of service credit against qualified health insurance premiums retirees pay for single coverage, excluding any portion covering the spouse or dependents. The credit cannot exceed the amount of the premiums and ends upon the retiree's death.

The specific information about the Political Subdivision HIC Plan OPEB, including eligibility, coverage and benefits is described below:

Eligible Employees

The Political Subdivision Retiree HIC Plan was established July 1, 1993 for retired political subdivision employees of employers who elect the benefit and retire with at least 15 years of service credit. Eligible employees include full-time permanent salaried employees of the participating political subdivision who are covered under the VRS pension plan. These employees are enrolled automatically upon employment.

Benefit Amounts

The Political Subdivision Retiree HIC Plan is a defined benefit plan that provides a credit toward the cost of health insurance coverage for retired political subdivision employees of participating employers. For employees who retire, the monthly benefit is \$1.50 per year of service per month with a maximum benefit of \$45.00 per month. For employees who retire on disability or go on long-term disability under the Virginia Local Disability Program (VLDP), the monthly benefit is \$45.00 per month.

HIC Plan Notes

The monthly HIC benefit cannot exceed the individual premium amount. There is no HIC for premiums paid and qualified under LODA; however, the employee may receive the credit for premiums paid for other qualified health plans. Employees who retire after being on long-term disability under VLDP must have at least 15 years of service credit to qualify for the HIC as a retiree.

Note 15 – Other Postemployment Benefits Program: (Continued)

Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Employees Covered by Benefit Terms

As of the June 30, 2022 actuarial valuation, the following employees were covered by the benefit terms of the HIC OPEB plan:

	Number
Inactive members or their beneficiaries currently receiving benefits	<u>17</u>
Inactive members:	
Vested inactive members	<u>1</u>
Total inactive members	<u>18</u>
Active members	<u>24</u>
Total covered employees	<u><u>42</u></u>

Contributions

The contribution requirements for active employees is governed by §51.1-1402(E) 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. The School Board’s contractually required employer contribution rate for the year ended June 30, 2024 was 1.14% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate 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 from the School Board to the HIC Plan were \$7,378 and \$7,002 for the years ended June 30, 2024 and June 30, 2023, respectively.

Net HIC OPEB Liability

The School Board’s net HIC OPEB liability was measured as of June 30, 2023. The total HIC OPEB liability was determined by an actuarial valuation performed as of June 30, 2022, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2023.

Actuarial Assumptions

The total HIC OPEB liability was based on an actuarial valuation as of June 30, 2022, 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, 2023.

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

COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (Continued)

Note 15 – Other Postemployment Benefits Program: (Continued)

Actuarial Assumptions: (Continued)

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

Pre-Retirement:

Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years

Post-Retirement:

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years

Post-Disablement:

Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years

Mortality Improvement Scale:

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. 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)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (Continued)

Note 15 – Other Postemployment Benefits Program: (Continued)

Health Insurance Credit (HIC) 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%	6.14%	2.09%
Fixed Income	15.00%	2.56%	0.38%
Credit Strategies	14.00%	5.60%	0.78%
Real Assets	14.00%	5.02%	0.70%
Private Equity	16.00%	9.17%	1.47%
MAPS - Multi-Asset Public Strategies	4.00%	4.50%	0.18%
PIP - Private Investment Partnership	2.00%	7.18%	0.14%
Cash	1.00%	1.20%	0.01%
Total	100.00%		5.75%
		Inflation	2.50%
		Expected arithmetic nominal return**	8.25%

*The above allocation provides a one-year expected return of 8.25%. 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 7.14%, including expected inflation of 2.50%.

**On June 15, 2023, the VRS Board elected a long-term rate of return of 6.75% which was roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.50%.

COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (Continued)

Note 15 – Other Postemployment Benefits Program: (Continued)

Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Discount Rate

The discount rate used to measure the total HIC OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ended June 30, 2023, the rate contributed by the entity for the HIC OPEB was 100% of the actuarially determined contribution rate. From July 1, 2023 on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the HIC 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 HIC OPEB liability.

Changes in Net HIC OPEB Liability

	Increase (Decrease)		
	Total HIC OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net HIC OPEB Liability (Asset) (a) - (b)
Balances at June 30, 2022	\$ 89,373	\$ 10,988	\$ 78,385
Changes for the year:			
Service cost	\$ 560	\$ -	\$ 560
Interest	5,971	-	5,971
Differences between expected and actual experience	(45,857)	-	(45,857)
Contributions - employer	-	7,002	(7,002)
Net investment income	-	898	(898)
Benefit payments	(2,952)	(2,952)	-
Administrative expenses	-	(23)	23
Other changes	-	(1)	1
Net changes	\$ (42,278)	\$ 4,924	\$ (47,202)
Balances at June 30, 2023	\$ 47,095	\$ 15,912	\$ 31,183

COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (Continued)

Note 15 – Other Postemployment Benefits Program: (Continued)

Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Sensitivity of the School Board's HIC Net OPEB Liability to Changes in the Discount Rate

The following presents the School Board's HIC Plan net HIC OPEB liability using the discount rate of 6.75%, as well as what the School Board's net HIC 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	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
School Board's			
Net HIC OPEB Liability	\$ 36,021	\$ 31,183	\$ 27,067

HIC Plan OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to HIC Plan OPEB

For the year ended June 30, 2024, the School Board recognized HIC Plan OPEB expense of (\$4,302). At June 30, 2024, the School Board reported deferred outflows of resources and deferred inflows of resources related to the School Board's HIC Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1	\$ 36,010
Net difference between projected and actual earnings on HIC OPEB plan investments	181	-
Change in assumptions	3,050	-
Employer contributions subsequent to the measurement date	\$ 7,378	-
Total	\$ 10,610	\$ 36,010

Note 15 – Other Postemployment Benefits Program: (Continued)

Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

HIC Plan OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to HIC Plan OPEB (Continued)

\$7,378 was reported as deferred outflows of resources related to the HIC OPEB resulting from the School Board contributions subsequent to the measurement date will be recognized as a reduction of the Net HIC OPEB Liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIC OPEB will be recognized in the HIC OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>		
2025	\$	(10,111)
2026		(10,751)
2027		(11,123)
2028		(793)
2029		-
Thereafter		-

HIC Plan Data

Information about the VRS Political Subdivision HIC Plan is available in the separately issued VRS 2023 Annual Comprehensive Financial Report (Annual Report). A copy of the 2023 VRS Annual Report may be downloaded from the VRS website at <https://www.varetire.org/pdf/publications/2023-annual-report.pdf>, or by writing to the System’s Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Medical Insurance – Pay-as-you-Go (OPEB Plan):

County

Plan Description

In addition to the pension benefits described in Note 10, the County of Charlotte, Virginia administers a single-employer defined benefit healthcare plan, the Charlotte County OPEB Plan. The plan provides postemployment health care benefits to all eligible permanent employees who meet the requirements under the County’s pension plans. The plan does not issue a publicly available financial report.

Benefits Provided

Postemployment benefits are provided to eligible retirees include Medical insurance. The benefits that are provided for active employees are the same for eligible retirees, spouses and dependents of eligible retirees. All permanent employees of the County who meet eligibility requirements of the pension plan are eligible to receive postemployment health care benefits.

COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (Continued)

Note 15 – Other Postemployment Benefits Program: (Continued)

Medical Insurance – Pay-as-you-Go (OPEB Plan): (Continued)

County: (Continued)

Plan Membership

At June 30, 2023 (measurement date), the following employees were covered by the benefit terms:

Total active employees with coverage	\$	99
Total retirees with coverage		<u>4</u>
Total	\$	<u><u>103</u></u>

Contributions

The board does not pre-fund benefits; therefore, no assets are accumulated in a trust fund. The current funding policy is to pay benefits directly from general assets on a pay-as-you-go basis. The funding requirements are established and may be amended by the County Board. The amount paid by the County for OPEB as the benefits came due during the year ended June 30, 2024 was \$19,860.

Total OPEB Liability

The County’s total OPEB liability was measured as of June 30, 2023. The total OPEB liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50% per year as of June 30, 2023
Salary Increases	4.00% per year for general salary inflations as of June 30, 2023
Discount Rate	3.86% for accounting and funding disclosures as of June 30, 2023
Investment Rate of Return	6.75% as of June 30, 2023

Mortality rates are based on the Pub-2010 Healthy Lives (separate tables for pre and post retirement for males and females), projected to change from 2010 by the MP-2021 Scale.

The date of the most recent actuarial experience study for which significant assumptions were based is not available.

Discount Rate

The final equivalent single discount rate used for this year’s valuation is 3.86% as of the end of the fiscal year with the expectation that the County will continue contributing the Actuarially Determined Contribution and paying the pay-go cost.

COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (Continued)

Note 15 – Other Postemployment Benefits Program: (Continued)

Medical Insurance – Pay-as-you-Go (OPEB Plan): (Continued)

County: (Continued)

Changes in Total OPEB Liability

Balances at June 30, 2023	\$	280,709
Changes for the year:		
Service cost		11,622
Interest		11,299
Changes in assumptions		(4,374)
Benefit payments		(19,698)
Net changes	\$	(1,151)
Balances at June 30, 2024	\$	279,558

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following amounts present the total OPEB liability of the County, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.86%) or one percentage point higher (4.86%) than the current discount rate:

Rate		
1% Decrease (2.86%)	Current Discount Rate (3.86%)	1% Increase (4.86%)
\$ 302,355	\$ 279,558	\$ 254,113

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the County, as well as what the total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (5.00% decreasing annually to an ultimate rate of 3.00%) or one percentage point higher (7.00% decreasing annually to an ultimate rate of 5.00%) than the current healthcare cost trend rates:

Rates		
1% Decrease (5.00% decreasing to 3.00%)	Healthcare Cost Trend (6.00% decreasing to 4.00%)	1% Increase (7.00% decreasing to 5.00%)
\$ 258,042	\$ 279,558	\$ 300,192

COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (Continued)

Note 15 – Other Postemployment Benefits Program: (Continued)

Medical Insurance – Pay-as-you-Go (OPEB Plan): (Continued)

County: (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended June 30, 2024, the County recognized OPEB expense in the amount of \$27,886. At June 30, 2024, the County had the following amounts to report as deferred outflows of resources and deferred inflows of resources related to OPEB.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,574	\$ 91,078
Changes in assumptions	49,964	66,107
Employer contributions subsequent to the measurement date	19,860	-
Total	\$ 74,398	\$ 157,185

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense in future reporting periods as follows:

Year Ended June 30	
2025	\$ 4,971
2026	(21,998)
2027	(24,731)
2028	(24,726)
2029	(10,381)
Thereafter	(25,782)

Additional disclosures on changes in net OPEB liability, related ratios, and employer contributions can be found in the required supplementary information following the notes to the financial statements.

School Board

Plan Description

In addition to the pension benefits described in Note 10, the School Board administers a single-employer defined benefit healthcare plan, the Charlotte County School Board OPEB Plan. The plan provides postemployment health care benefits to all eligible permanent employees who meet the requirements under the School Board’s pension plans. The plan does not issue a publicly available financial report.

Note 15 – Other Postemployment Benefits Program: (Continued)

Medical Insurance – Pay-as-you-Go (OPEB Plan): (Continued)

School Board: (Continued)

Benefits Provided

Postemployment benefits are provided to eligible retirees include Medical insurance. The benefits that are provided for active employees are the same for eligible retirees, spouses and dependents of eligible retirees. All permanent employees of the School Board who meet eligibility requirements of the pension plan are eligible to receive postemployment health care benefits.

Plan Membership

At June 30, 2023 (measurement date), the following employees were covered by the benefit terms:

Total active employees with coverage	\$	257
Total retirees with coverage		<u>12</u>
Total	\$	<u><u>269</u></u>

Contributions

The board does not pre-fund benefits; therefore, no assets are accumulated in a trust fund. The current funding policy is to pay benefits directly from general assets on a pay-as-you-go basis. The funding requirements are established and may be amended by the School Board. The amount paid by the School Board for OPEB as the benefits came due during the year ended June 30, 2024 was \$57,900.

Total OPEB Liability

The School Board’s total OPEB liability was measured as of June 30, 2023. The total OPEB liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50% per year as of June 30, 2023
Salary Increases	4.00% per year for general salary inflations as of June 30, 2023
Discount Rate	3.86% for accounting and funding disclosures as of June 30, 2023
Investment Rate of Return	6.75% as of June 30, 2023

Mortality rates are based on the Pub-2010 Healthy Lives (separate tables for pre and post retirement for males and females), projected to change from 2010 by the MP-2021 Scale.

The date of the most recent actuarial experience study for which significant assumptions were based is not available.

COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (Continued)

Note 15 – Other Postemployment Benefits Program: (Continued)

Medical Insurance – Pay-as-you-Go (OPEB Plan): (Continued)

School Board: (Continued)

Discount Rate

The final equivalent single discount rate used for this year’s valuation is 3.86% as of the end of the fiscal year with the expectation that the County will continue contributing the Actuarially Determined Contribution and paying the pay-go cost.

Changes in Total OPEB Liability

Balances at June 30, 2023	\$	995,726
Changes for the year:		
Service cost		40,277
Interest		37,015
Changes in assumptions		(10,669)
Benefit payments		(65,794)
Net changes		829
Balances at June 30, 2024	\$	996,555

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following amounts present the total OPEB liability of the School Board, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.86%) or one percentage point higher (4.86%) than the current discount rate:

Rate		
1% Decrease (2.86%)	Current Discount Rate (3.86%)	1% Increase (4.86%)
\$ 1,063,291	\$ 996,555	\$ 910,396

Note 15 – Other Postemployment Benefits Program: (Continued)

Medical Insurance – Pay-as-you-Go (OPEB Plan): (Continued)

School Board: (Continued)

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the School Board, as well as what the total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (5.00% decreasing annually to an ultimate rate of 3.00%) or one percentage point higher (7.00% decreasing annually to an ultimate rate of 5.00%) than the current healthcare cost trend rates:

Rates		
1% Decrease (5.00% decreasing to 3.00%)	Healthcare Cost Trend (6.00% decreasing to 4.00%)	1% Increase (7.00% decreasing to 5.00%)
\$ 931,099	\$ 996,555	\$ 1,054,549

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended June 30, 2024, the School Board recognized OPEB expense in the amount of \$32,119. At June 30, 2024, the School Board had the following amounts to report as deferred outflows of resources and deferred inflows of resources related to OPEB.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 13,184	\$ 151,358
Changes in assumptions	115,798	305,822
Employer contributions subsequent to the measurement date	57,900	-
Total	\$ 186,882	\$ 457,180

COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (Continued)

Note 15 – Other Postemployment Benefits Program: (Continued)**Medical Insurance – Pay-as-you-Go (OPEB Plan): (Continued)****School Board: (Continued)**

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>	
2025	\$ (45,173)
2026	(45,173)
2027	(45,173)
2028	(45,173)
2029	(45,171)
Thereafter	(102,335)

Additional disclosures on changes in net OPEB liability, related ratios, and employer contributions can be found in the required supplementary information following the notes to the financial statements.

Aggregate OPEB Information

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>	<u>Net OPEB Liability</u>	<u>OPEB Expense</u>
Primary Government				
VRS OPEB Plans:				
Group Life Insurance Program (Note 15):				
County	\$ 75,588	\$ 47,654	\$ 271,405	\$ 11,056
County Stand-Alone Plan (Note 15)	74,398	157,185	279,558	27,886
Totals	<u>\$ 149,986</u>	<u>\$ 204,839</u>	<u>\$ 550,963</u>	<u>\$ 38,942</u>

Component Unit School Board

VRS OPEB Plans:				
Group Life Insurance Program (Note 15):				
School Board Nonprofessional	\$ 7,544	\$ 9,534	\$ 31,542	\$ (473)
School Board Professional	1,037,499	767,127	1,034,288	116,355
Teacher Health Insurance Credit Program (Note 15)	2,153,042	1,543,929	2,464,265	292,125
Health Insurance Credit Program (Note 15)	10,610	36,010	31,183	(4,302)
School Stand-Alone Plan (Note 15)	186,882	457,180	996,555	32,119
Totals	<u>\$ 3,395,577</u>	<u>\$ 2,813,780</u>	<u>\$ 4,557,833</u>	<u>\$ 435,824</u>

COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements
As of June 30, 2024 (Continued)

Note 16 – Interfund Transfers:

Interfund transfers for the year ended June 30, 2024 consisted of the following:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Primary Government:		
General Fund	\$ 628,241	\$ 891,303
Library Fund	263,062	-
Total	<u>\$ 891,303</u>	<u>\$ 891,303</u>

Note 17 – Leases Receivable:

The County leases property to third parties. Lease revenue totaled \$74,981 for the Governmental Activities for the year ended June 30, 2024. Lease interest revenue totaled \$71 for the year ended June 30, 2024. Discount rates vary on lease receivables range from .845% to 1.177%. The initial lease terms range from 12 months to 60 months. The following summarizes the balances related to these leases for the year ended June 30, 2024:

	<u>Governmental Activities</u>
USDA Farm Service Agency	\$ 108,184
STEPS, Inc.	40,304
Total	<u>\$ 148,488</u>

Note 18 – Upcoming Pronouncements:

Statement No. 101, *Compensated Absences*, updates the recognition and measurement guidance for compensated absences. It aligns the recognition and measurement guidance under a unified model and amends certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023.

Statement No. 102, *Certain Risk Disclosures*, provides users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024.

Statement No. 103, *Financial Reporting Model Improvements*, improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025.

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

- Required Supplementary Information -

Note to Required Supplementary Information:

Presented budgets were prepared in accordance with accounting principles generally accepted in the United States of America.

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the Year Ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
General property taxes	\$ 11,158,625	\$ 11,158,625	\$ 11,950,797	\$ 792,172
Other local taxes	1,559,000	1,559,000	1,636,310	77,310
Permits, privilege fees, and regulatory licenses	124,000	124,000	71,896	(52,104)
Fines and forfeitures	85,511	85,511	221,935	136,424
Revenue from the use of money and property	503,842	503,842	1,429,752	925,910
Charges for services	315,933	315,933	343,917	27,984
Miscellaneous	1,269,867	1,269,867	1,932,780	662,913
Intergovernmental:				
Commonwealth	7,837,052	7,837,052	5,881,375	(1,955,677)
Federal	2,726,982	2,726,982	2,853,593	126,611
Total revenues	<u>\$ 25,580,812</u>	<u>\$ 25,580,812</u>	<u>\$ 26,322,355</u>	<u>\$ 741,543</u>
EXPENDITURES				
Current:				
General government administration	\$ 2,053,883	\$ 2,053,883	\$ 1,947,118	\$ 106,765
Judicial administration	940,732	940,732	867,198	73,534
Public safety	7,695,669	7,695,669	7,340,557	355,112
Public works	2,094,934	2,094,934	1,803,445	291,489
Health and welfare	6,720,036	6,720,036	5,016,672	1,703,364
Education	4,804,376	4,804,376	3,851,501	952,875
Parks, recreation, and cultural	116,062	116,062	110,722	5,340
Community development	641,984	641,984	559,966	82,018
Nondepartmental	204,700	204,700	716,740	(512,040)
Debt service:				
Principal retirement	871,110	871,110	951,109	(79,999)
Interest and other fiscal charges	882,745	882,745	946,493	(63,748)
Total expenditures	<u>\$ 27,026,231</u>	<u>\$ 27,026,231</u>	<u>\$ 24,111,521</u>	<u>\$ 2,914,710</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (1,445,419)</u>	<u>\$ (1,445,419)</u>	<u>\$ 2,210,834</u>	<u>\$ 3,656,253</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 2,577,316	\$ 2,577,316	\$ 628,241	\$ (1,949,075)
Transfers (out)	(1,275,648)	(1,275,648)	(891,303)	384,345
Total other financing sources (uses)	<u>\$ 1,301,668</u>	<u>\$ 1,301,668</u>	<u>\$ (263,062)</u>	<u>\$ (1,564,730)</u>
Net change in fund balances	\$ (143,751)	\$ (143,751)	\$ 1,947,772	\$ 2,091,523
Fund balances - beginning	143,751	143,751	17,476,043	17,332,292
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,423,815</u>	<u>\$ 19,423,815</u>

CARES Act Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the Year Ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental:				
Federal	\$ 100,000	\$ 100,000	\$ 70,250	\$ (29,750)
Total revenues	\$ 100,000	\$ 100,000	\$ 70,250	\$ (29,750)
EXPENDITURES				
Current:				
Public safety	\$ 100,000	\$ 100,000	\$ 70,250	\$ 29,750
Total expenditures	\$ 100,000	\$ 100,000	\$ 70,250	\$ 29,750
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ -
Net change in fund balances	\$ -	\$ -	\$ -	\$ -
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ -	\$ -	\$ -	\$ -

ARPA Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the Year Ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental:				
Federal	\$ 1,603,787	\$ 1,603,787	\$ 29,484	\$ (1,574,303)
Total revenues	\$ 1,603,787	\$ 1,603,787	\$ 29,484	\$ (1,574,303)
EXPENDITURES				
Current:				
General government administration	\$ 1,296,911	\$ 1,296,911	\$ 794,638	\$ 502,273
Total expenditures	\$ 1,296,911	\$ 1,296,911	\$ 794,638	\$ 502,273
Excess (deficiency) of revenues over (under) expenditures	\$ 306,876	\$ 306,876	\$ (765,154)	\$ (1,072,030)
OTHER FINANCING SOURCES (USES)				
Transfers (out)	\$ (306,876)	\$ (306,876)	\$ -	\$ 306,876
Total other financing sources and (uses)	\$ (306,876)	\$ (306,876)	\$ -	\$ 306,876
Net change in fund balances	\$ -	\$ -	\$ (765,154)	\$ (765,154)
Fund balances - beginning	-	-	1,573,787	1,573,787
Fund balances - ending	\$ -	\$ -	\$ 808,633	\$ 808,633

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios
Primary Government
For the Measurement Dates June 30, 2014 through June 30, 2023

	2023	2022	2021	2020	2019
Total pension liability					
Service cost	\$ 707,840	\$ 616,410	\$ 557,943	\$ 584,241	\$ 521,323
Interest	2,055,294	1,947,142	1,821,850	1,711,511	1,674,926
Differences between expected and actual experience	(205,572)	566,236	(553,064)	465,511	(386,303)
Changes in assumptions	-	-	760,973	-	738,328
Benefit payments, including refunds of employee contributions	(1,779,476)	(1,458,450)	(1,237,439)	(1,015,769)	(1,224,374)
Net change in total pension liability	\$ 778,086	\$ 1,671,338	\$ 1,350,263	\$ 1,745,494	\$ 1,323,900
Total pension liability - beginning	<u>30,630,696</u>	<u>28,959,358</u>	<u>27,609,095</u>	<u>25,863,601</u>	<u>24,539,701</u>
Total pension liability - ending (a)	<u>\$ 31,408,782</u>	<u>\$ 30,630,696</u>	<u>\$ 28,959,358</u>	<u>\$ 27,609,095</u>	<u>\$ 25,863,601</u>
Plan fiduciary net position					
Contributions - employer	\$ 615,663	\$ 495,421	\$ 466,018	\$ 415,801	\$ 413,711
Contributions - employee	259,058	234,941	218,842	223,541	222,493
Net investment income	1,917,742	(26,900)	6,710,668	468,739	1,549,503
Benefit payments, including refunds of employee contributions	(1,779,476)	(1,458,450)	(1,237,439)	(1,015,769)	(1,224,374)
Administrative expense	(19,590)	(19,247)	(16,785)	(15,997)	(15,561)
Other	768	705	632	(555)	(980)
Net change in plan fiduciary net position	\$ 994,165	\$ (773,530)	\$ 6,141,936	\$ 75,760	\$ 944,792
Plan fiduciary net position - beginning	<u>30,004,279</u>	<u>30,777,809</u>	<u>24,635,873</u>	<u>24,560,113</u>	<u>23,615,321</u>
Plan fiduciary net position - ending (b)	<u>\$ 30,998,444</u>	<u>\$ 30,004,279</u>	<u>\$ 30,777,809</u>	<u>\$ 24,635,873</u>	<u>\$ 24,560,113</u>
County's net pension liability (asset) - ending (a) - (b)	\$ 410,338	\$ 626,417	\$ (1,818,451)	\$ 2,973,222	\$ 1,303,488
Plan fiduciary net position as a percentage of the total pension liability	98.69%	97.95%	106.28%	89.23%	94.96%
Covered payroll	\$ 5,330,263	\$ 4,765,897	\$ 4,451,353	\$ 4,536,603	\$ 4,510,811
County's net pension liability as a percentage of covered payroll	7.70%	13.14%	-40.85%	65.54%	28.90%

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios
Primary Government
For the Measurement Dates June 30, 2014 through June 30, 2023

	2018	2017	2016	2015	2014
Total pension liability					
Service cost	\$ 496,713	\$ 499,908	\$ 501,753	\$ 504,280	\$ 517,448
Interest	1,621,726	1,560,574	1,494,782	1,415,451	1,333,403
Differences between expected and actual experience	(324,168)	(215,983)	(363,963)	(138,453)	-
Changes in assumptions	-	(180,040)	-	-	-
Benefit payments, including refunds of employee contributions	(844,175)	(737,526)	(647,871)	(648,085)	(709,385)
Net change in total pension liability	\$ 950,096	\$ 926,933	\$ 984,701	\$ 1,133,193	\$ 1,141,466
Total pension liability - beginning	23,589,605	22,662,672	21,677,971	20,544,778	19,403,312
Total pension liability - ending (a)	<u>\$ 24,539,701</u>	<u>\$ 23,589,605</u>	<u>\$ 22,662,672</u>	<u>\$ 21,677,971</u>	<u>\$ 20,544,778</u>
Plan fiduciary net position					
Contributions - employer	\$ 429,689	\$ 413,671	\$ 517,045	\$ 508,216	\$ 536,281
Contributions - employee	218,822	210,021	204,950	202,851	206,474
Net investment income	1,644,260	2,430,144	347,483	857,967	2,533,826
Benefit payments, including refunds of employee contributions	(844,175)	(737,526)	(647,871)	(648,085)	(709,385)
Administrative expense	(14,104)	(13,876)	(11,980)	(11,513)	(13,495)
Other	(1,466)	(2,168)	(146)	(182)	134
Net change in plan fiduciary net position	\$ 1,433,026	\$ 2,300,266	\$ 409,481	\$ 909,254	\$ 2,553,835
Plan fiduciary net position - beginning	22,182,295	19,882,029	19,472,548	18,563,294	16,009,459
Plan fiduciary net position - ending (b)	<u>\$ 23,615,321</u>	<u>\$ 22,182,295</u>	<u>\$ 19,882,029</u>	<u>\$ 19,472,548</u>	<u>\$ 18,563,294</u>
County's net pension liability (asset) - ending (a) - (b)	\$ 924,380	\$ 1,407,310	\$ 2,780,643	\$ 2,205,423	\$ 1,981,484
Plan fiduciary net position as a percentage of the total pension liability	96.23%	94.03%	87.73%	89.83%	90.36%
Covered payroll	\$ 4,414,261	\$ 4,233,199	\$ 4,129,210	\$ 4,046,086	\$ #REF!
County's net pension liability as a percentage of covered payroll	20.94%	33.24%	67.34%	54.51%	\$ #REF!

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios
Component Unit School Board (nonprofessional)
For the Measurement Dates June 30, 2014 through June 30, 2023

	2023	2022	2021	2020	2019
Total pension liability					
Service cost	\$ 44,384	\$ 47,940	\$ 54,074	\$ 52,120	\$ 63,516
Interest	213,942	223,334	227,091	224,349	226,390
Differences between expected and actual experience	30,284	(79,588)	(192,956)	(2,026)	(41,670)
Changes in assumptions	-	-	112,963	-	73,881
Benefit payments, including refunds of employee contributions	(274,114)	(380,414)	(229,128)	(238,527)	(226,619)
Net change in total pension liability	\$ 14,496	\$ (188,728)	\$ (27,956)	\$ 35,916	\$ 95,498
Total pension liability - beginning	3,262,189	3,450,917	3,478,873	3,442,957	3,347,459
Total pension liability - ending (a)	<u>\$ 3,276,685</u>	<u>\$ 3,262,189</u>	<u>\$ 3,450,917</u>	<u>\$ 3,478,873</u>	<u>\$ 3,442,957</u>
Plan fiduciary net position					
Contributions - employer	\$ -	\$ 8,032	\$ 8,727	\$ 12,534	\$ 18,186
Contributions - employee	26,372	26,236	26,428	26,293	27,529
Net investment income	249,059	945	959,220	69,958	237,401
Benefit payments, including refunds of employee contributions	(274,114)	(380,414)	(229,128)	(238,527)	(226,619)
Administrative expense	(2,637)	(2,799)	(2,510)	(2,507)	(2,490)
Other	(1,416)	94	89	(81)	(149)
Net change in plan fiduciary net position	\$ (2,736)	\$ (347,906)	\$ 762,826	\$ (132,330)	\$ 53,858
Plan fiduciary net position - beginning	4,002,669	4,350,575	3,587,749	3,720,079	3,666,221
Plan fiduciary net position - ending (b)	<u>\$ 3,999,933</u>	<u>\$ 4,002,669</u>	<u>\$ 4,350,575</u>	<u>\$ 3,587,749</u>	<u>\$ 3,720,079</u>
School Division's net pension liability (asset) - ending (a) - (b)	\$ (723,248)	\$ (740,480)	\$ (899,658)	\$ (108,876)	\$ (277,122)
Plan fiduciary net position as a percentage of the total pension liability	122.07%	122.70%	126.07%	103.13%	108.05%
Covered payroll	\$ 614,182	\$ 605,678	\$ 583,148	\$ 577,123	\$ 595,775
School Division's net pension liability (asset) as a percentage of covered payroll	-117.76%	-122.26%	-154.28%	-18.87%	-46.51%

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios
 Component Unit School Board (nonprofessional)
 For the Measurement Dates June 30, 2014 through June 30, 2023

	2018	2017	2016	2015	2014
Total pension liability					
Service cost	\$ 65,113	\$ 60,843	\$ 50,901	\$ 42,332	\$ 40,341
Interest	228,185	227,017	213,445	215,657	211,225
Differences between expected and actual experience	(90,382)	(37,709)	185,909	(50,746)	-
Changes in assumptions	-	(3,475)	-	-	-
Benefit payments, including refunds of employee contributions	(230,491)	(229,487)	(283,260)	(194,427)	(182,060)
Net change in total pension liability	\$ (27,575)	\$ 17,189	\$ 166,995	\$ 12,816	\$ 69,506
Total pension liability - beginning	3,375,034	3,357,845	3,190,850	3,178,034	3,108,528
Total pension liability - ending (a)	<u>\$ 3,347,459</u>	<u>\$ 3,375,034</u>	<u>\$ 3,357,845</u>	<u>\$ 3,190,850</u>	<u>\$ 3,178,034</u>
Plan fiduciary net position					
Contributions - employer	\$ 21,728	\$ 20,699	\$ 34,751	\$ 30,279	\$ 22,365
Contributions - employee	30,988	30,970	28,231	24,557	18,302
Net investment income	260,691	399,604	55,649	157,937	490,086
Benefit payments, including refunds of employee contributions	(230,491)	(229,487)	(283,260)	(194,427)	(182,060)
Administrative expense	(2,352)	(2,432)	(2,304)	(2,269)	(2,736)
Other	(228)	(350)	(25)	(31)	26
Net change in plan fiduciary net position	\$ 80,336	\$ 219,004	\$ (166,958)	\$ 16,046	\$ 345,983
Plan fiduciary net position - beginning	3,585,885	3,366,881	3,533,839	3,517,793	3,171,810
Plan fiduciary net position - ending (b)	<u>\$ 3,666,221</u>	<u>\$ 3,585,885</u>	<u>\$ 3,366,881</u>	<u>\$ 3,533,839</u>	<u>\$ 3,517,793</u>
School Division's net pension liability (asset) - ending (a) - (b)	\$ (318,762)	\$ (210,851)	\$ (9,036)	\$ (342,989)	\$ (339,759)
Plan fiduciary net position as a percentage of the total pension liability	109.52%	106.25%	100.27%	110.75%	110.69%
Covered payroll	\$ 672,919	\$ 678,586	\$ 612,329	\$ 533,394	\$ 366,041
School Division's net pension liability (asset) as a percentage of covered payroll	-47.37%	-31.07%	-1.48%	-64.30%	-92.82%

Schedule of Employer's Share of Net Pension Liability (Asset) VRS Teacher Retirement Plan
 For the Measurement Dates of June 30, 2014 through June 30, 2023

Date (1)	Employer's Proportion of the Net Pension Liability (Asset) (2)	Employer's Proportionate Share of the Net Pension Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (6)
2023	0.21% \$	20,962,343 \$	20,283,593	103.35%	82.45%
2022	0.33%	31,848,307	30,795,935	103.42%	82.61%
2021	0.14%	10,493,379	11,729,555	89.46%	85.46%
2020	0.13%	19,101,777	11,324,836	168.67%	71.47%
2019	0.13%	17,566,726	11,081,090	158.53%	73.51%
2018	0.14%	16,719,000	12,836,499	130.25%	74.81%
2017	0.14%	17,424,000	11,008,363	158.28%	72.92%
2016	0.15%	20,293,000	11,009,664	184.32%	68.28%
2015	0.15%	18,417,000	10,885,051	169.20%	70.68%
2014	0.15%	17,891,000	10,326,025	173.26%	70.88%

Schedule of Employer Contributions - Pension Plans
For the Years Ended June 30, 2015 through June 30, 2024

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)
Primary Government						
2024	\$	671,945	\$ 671,945	\$ -	\$ 5,842,719	11.50%
2023		615,702	615,702	-	5,330,263	11.55%
2022		495,424	495,424	-	4,765,897	10.40%
2021		466,019	466,019	-	4,451,353	10.47%
2020		415,026	415,026	-	4,536,603	9.15%
2019		413,712	413,712	-	4,510,811	9.17%
2018		359,668	359,668	-	4,414,261	8.15%
2017		418,240	418,240	-	4,233,199	9.88%
2016		519,455	519,455	-	4,129,210	12.58%
2015		508,998	508,998	-	4,046,086	12.58%
Component Unit School Board (nonprofessional)						
2024	\$	-	\$ -	\$ -	\$ 647,161	0.00%
2023		-	-	-	614,182	0.00%
2022		9,677	9,677	-	605,678	1.60%
2021		10,356	10,356	-	583,148	1.78%
2020		16,817	16,817	-	577,123	2.91%
2019		18,186	18,186	-	595,775	3.05%
2018		21,576	21,576	-	672,919	3.21%
2017		25,854	25,854	-	678,586	3.81%
2016		37,291	37,291	-	612,329	6.09%
2015		32,484	32,484	-	533,394	6.09%
Component Unit School Board (professional)						
2024	\$	3,015,615	\$ 3,015,615	\$ -	\$ 18,618,269	16.20%
2023		3,273,958	3,273,958	-	20,283,593	16.14%
2022		4,969,482	4,969,482	-	30,795,935	16.14%
2021		1,912,342	1,912,342	-	11,729,555	16.30%
2020		1,744,225	1,744,225	-	11,324,836	15.40%
2019		1,710,602	1,710,602	-	11,081,090	15.44%
2018		1,832,634	1,832,634	-	12,836,499	14.28%
2017		1,603,700	1,603,700	-	11,088,363	14.46%
2016		1,541,463	1,541,463	-	11,009,664	14.00%
2015		1,547,625	1,547,625	-	10,885,051	14.22%

*Excludes contributions (mandatory and match on voluntary) to the defined contribution portion of the Hybrid plan.

Notes to Required Supplementary Information - Pension Plans
For the Year Ended June 30, 2024

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, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. 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)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

All Others (Non 10 Largest) – Hazardous Duty:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Largest 10 Hazardous Duty
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Component Unit School Board - Professional Employees

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

Schedule of County and School Board's Share of Net OPEB Liability
 Group Life Insurance (GLI) Plan
 For the Measurement Dates of June 30, 2017 through June 30, 2023

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)
Primary Government					
2023	0.02263% \$	271,405 \$	5,330,263	5.09%	69.30%
2022	0.02191%	263,818	4,765,897	5.54%	67.21%
2021	0.02160%	251,250	4,455,380	5.64%	67.45%
2020	0.02210%	368,312	4,541,968	8.11%	52.64%
2019	0.02301%	374,434	4,510,811	8.30%	52.00%
2018	0.02328%	354,000	4,426,060	8.00%	51.22%
2017	0.02299%	345,000	4,240,178	8.14%	48.86%
Component Unit School Board (nonprofessional)					
2023	0.00263% \$	31,542 \$	618,081	5.10%	69.30%
2022	0.00278%	24,059	605,578	3.97%	67.21%
2021	0.00280%	32,949	583,148	5.65%	67.45%
2020	0.00280%	46,727	577,123	8.10%	52.64%
2019	0.00306%	49,794	599,742	8.30%	52.00%
2018	0.00354%	54,000	672,919	8.02%	51.22%
2017	0.00368%	55,000	678,586	8.11%	48.86%
Component Unit School Board (professional)					
2023	0.08624% \$	1,034,288 \$	20,313,202	5.09%	69.30%
2022	0.14174%	1,706,686	30,831,621	5.54%	67.21%
2021	0.05700%	663,635	11,768,958	5.64%	67.45%
2020	0.05500%	918,694	11,329,284	8.11%	52.64%
2019	0.05657%	920,545	11,088,946	8.30%	52.00%
2018	0.06002%	912,000	11,413,497	7.99%	51.22%
2017	0.06019%	906,000	11,102,273	8.16%	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
Group Life Insurance (GLI) Plan
For the Years Ended June 30, 2017 through June 30, 2024

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)
Primary Government					
2024	\$ 31,551	\$ 31,551	-	\$ 5,842,719	0.54%
2023	28,783	28,783	-	5,330,263	0.54%
2022	25,736	25,736	-	4,765,897	0.54%
2021	24,059	24,059	-	4,455,380	0.54%
2020	23,618	23,618	-	4,541,968	0.52%
2019	23,456	23,456	-	4,510,811	0.52%
2018	23,016	23,016	-	4,426,060	0.52%
2017	22,049	22,049	-	4,240,178	0.52%
Component Unit School Board (nonprofessional)					
2024	\$ 3,495	\$ 3,495	-	\$ 647,161	0.54%
2023	3,338	3,338	-	618,081	0.54%
2022	3,271	3,271	-	605,578	0.54%
2021	3,149	3,149	-	583,148	0.54%
2020	3,001	3,001	-	577,123	0.52%
2019	3,119	3,119	-	599,742	0.52%
2018	3,499	3,499	-	672,919	0.52%
2017	3,529	3,529	-	678,586	0.52%
Component Unit School Board (professional)					
2024	\$ 100,591	\$ 100,591	-	\$ 18,627,880	0.54%
2023	109,691	109,691	-	20,313,202	0.54%
2022	166,491	166,491	-	30,831,621	0.54%
2021	63,552	63,552	-	11,768,958	0.54%
2020	58,912	58,912	-	11,329,284	0.52%
2019	57,663	57,663	-	11,088,946	0.52%
2018	59,350	59,350	-	11,413,497	0.52%
2017	57,732	57,732	-	11,102,273	0.52%

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

Notes to Required Supplementary Information
Group Life Insurance (GLI) Plan
For the Year Ended June 30, 2024

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, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Teachers

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

Non-Largest Ten Locality Employers - General Employees

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Non-Largest Ten Locality Employers - Hazardous Duty Employees

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Top 10 Hazardous Duty
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Schedule of School Board's Share of Net OPEB Liability
Teacher Employee Health Insurance Credit (HIC) Plan
Component Unit School Board
For the Measurement Dates of June 30, 2017 through June 30, 2023

Date (1)	Employer's Proportion of the Net HIC OPEB Liability (Asset) (2)	Employer's Proportionate Share of the Net HIC OPEB Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net HIC OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total HIC OPEB Liability (6)
2023	0.20340%	\$ 2,464,265	\$ 20,283,593	12.15%	17.90%
2022	0.33037%	4,126,475	30,791,359	13.40%	15.08%
2021	0.13263%	1,702,397	11,729,555	14.51%	13.15%
2020	0.12918%	1,685,175	11,324,836	14.88%	9.95%
2019	0.13211%	1,729,448	11,081,090	15.61%	8.97%
2018	0.14065%	1,786,000	11,375,134	15.70%	8.08%
2017	0.14051%	1,783,000	11,089,399	16.08%	7.04%

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
Teacher Employee Health Insurance Credit (HIC) Plan
Component Unit School Board
For the Years Ended June 30, 2017 through June 30, 2024

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)
2024	\$ 225,281	\$ 225,281	\$ -	\$ 18,618,269	1.21%
2023	245,431	245,431	-	20,283,593	1.21%
2022	372,575	372,575	-	30,791,359	1.21%
2021	141,928	141,928	-	11,729,555	1.21%
2020	135,898	135,898	-	11,324,836	1.20%
2019	132,973	132,973	-	11,081,090	1.20%
2018	139,914	139,914	-	11,375,134	1.23%
2017	136,400	123,092	13,308	11,089,399	1.11%

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.

Notes to Required Supplementary Information
Teacher Employee Health Insurance Credit (HIC) Plan
Component Unit School Board
For the Year Ended June 30, 2024

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, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. 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)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

Schedule of Changes in Total OPEB Liability and Related Ratios
Primary Government
For the Years Ended June 30, 2018 through June 30, 2024

	2024	2023	2022	2021	2020	2019	2018
Total OPEB liability							
Service cost	\$ 11,622	\$ 15,501	\$ 13,413	\$ 16,188	\$ 14,716	\$ 14,287	\$ 7,400
Interest	11,299	7,522	8,995	14,620	14,771	7,160	6,900
Plan changes	-	-	-	-	-	2,639	-
Differences between expected and actual experience	-	(29,475)	-	(136,309)	-	32,000	-
Change of assumptions	(4,374)	(79,997)	18,131	21,538	19,131	156,747	-
Benefit payments	(19,698)	(18,080)	(17,832)	(8,620)	(2,933)	(2,204)	(2,800)
Net change in total OPEB liability	\$ (1,151)	\$ (104,529)	\$ 22,707	\$ (92,583)	\$ 45,685	\$ 210,629	\$ 11,500
Total OPEB liability - beginning	<u>280,709</u>	<u>385,238</u>	<u>362,531</u>	<u>455,114</u>	<u>409,429</u>	<u>198,800</u>	<u>187,400</u>
Total OPEB liability - ending	<u>\$ 279,558</u>	<u>\$ 280,709</u>	<u>\$ 385,238</u>	<u>\$ 362,531</u>	<u>\$ 455,114</u>	<u>\$ 409,429</u>	<u>\$ 198,900</u>
 Covered-employee payroll	 \$ 5,496,910	 \$ 4,973,578	 \$ 4,430,195	 \$ 4,429,413	 \$ 4,637,076	 \$ 4,267,000	 \$ 4,071,300
 County's total OPEB liability (asset) as a percentage of covered-employee payroll	 5.09%	 5.64%	 8.70%	 8.18%	 9.81%	 9.60%	 4.89%

Schedule is intended to show information for 10 years. Additional years will be included as they become available.

Schedule of Changes in Total OPEB Liability and Related Ratios
 Component Unit School Board
 For the Years Ended June 30, 2018 through June 30, 2024

	2024	2023	2022	2021	2020	2019	2018
Total OPEB liability							
Service cost	\$ 40,277	\$ 64,005	\$ 56,196	\$ 52,538	\$ 49,689	\$ 50,204	\$ 85,700
Interest	37,015	26,348	31,219	38,738	42,818	42,484	47,500
Changes in assumptions	(10,669)	(271,455)	59,448	71,554	49,548	(173,923)	-
Differences between expected and actual experience	-	(99,718)	-	(112,488)	-	29,000	-
Benefit payments	(65,794)	(63,507)	(49,683)	(90,202)	(84,301)	(78,786)	(50,700)
Net change in total OPEB liability	\$ 829	\$ (344,327)	\$ 97,180	\$ (39,860)	\$ 57,754	\$ (131,021)	\$ 82,500
Total OPEB liability - beginning	995,726	1,340,053	1,242,873	1,282,733	1,224,979	1,356,000	1,273,500
Total OPEB liability - ending	<u>\$ 996,555</u>	<u>\$ 995,726</u>	<u>\$ 1,340,053</u>	<u>\$ 1,242,873</u>	<u>\$ 1,282,733</u>	<u>\$ 1,224,979</u>	<u>\$ 1,356,000</u>
Covered-employee payroll	\$ 10,950,109	\$ 12,270,762	\$ 11,704,565	\$ 11,530,329	\$ 11,647,480	\$ 11,308,233	\$ 10,484,900
County's total OPEB liability (asset) as a percentage of covered-employee payroll	9.10%	8.11%	11.45%	10.78%	11.01%	10.83%	12.93%

Schedule is intended to show information for 10 years. Additional years will be included as they become available.

Notes to Required Supplementary Information - County and Component Unit School Board OPEB
For the Year Ended June 30, 2024

County and Component Unit School Board:

Valuation Date: 6/30/2022
Measurement Date: 6/30/2023

No assets are accumulated in a trust that meets the criteria in GASB 75 to pay related benefits.

Methods and assumptions used to determine OPEB liability:

Actuarial Cost Method	Entry age normal level % of salary
Discount Rate	3.86% as of June 30, 2023
Inflation	2.50% per year as of June 30, 2023
Healthcare Trend Rate	The healthcare trend rate assumption starts at 6.00% in 2023 and gradually declines to 4.00%
Salary Increase Rates	The salary increase rate starts at 4.00% salary increase for 1 year of service and gradually declines to 3.50% salary increase for 20 or more years of service
Retirement Age	The average age at retirement is 62
Mortality Rates	The mortality rates for active and healthy retirees was calculated using the Pub-2010, projected into the future using Scale MP-2021

Schedule of Changes in the School Board's Net OPEB Liability and Related Ratios
Health Insurance Credit (HIC) Plan
For the Measurement Dates of June 30, 2020 through June 30, 2023

	2023	2022	2021	2020
Total HIC OPEB Liability				
Service cost	\$ 560	\$ 755	\$ 912	\$ -
Interest	5,971	5,562	5,062	-
Changes in benefit terms	-	-	-	74,996
Differences between expected and actual experience	(45,857)	(3,122)	1	-
Changes of assumptions	-	5,834	1,983	-
Benefit payments	(2,952)	(2,610)	-	-
Net change in total HIC OPEB liability	\$ (42,278)	\$ 6,419	\$ 7,958	\$ 74,996
Total HIC OPEB Liability - beginning	89,373	82,954	74,996	-
Total HIC OPEB Liability - ending (a)	\$ 47,095	\$ 89,373	\$ 82,954	\$ 74,996
Plan fiduciary net position				
Contributions - employer	\$ 7,002	\$ 6,583	\$ 6,356	\$ -
Net investment income	898	(116)	823	-
Benefit payments	(2,952)	(2,610)	-	-
Administrator charges	(23)	(20)	(28)	-
Other	(1)	-	-	-
Net change in plan fiduciary net position	\$ 4,924	\$ 3,837	\$ 7,151	\$ -
Plan fiduciary net position - beginning	10,988	7,151	-	-
Plan fiduciary net position - ending (b)	\$ 15,912	\$ 10,988	\$ 7,151	\$ -
School Board's net HIC OPEB liability - ending (a) - (b)	\$ 31,183	\$ 78,385	\$ 75,803	\$ 74,996
Plan fiduciary net position as a percentage of the total HIC OPEB liability	33.79%	12.29%	8.62%	0.00%
Covered payroll	\$ 614,182	\$ 605,678	\$ 583,148	\$ Unknown
School Board's net HIC OPEB liability as a percentage of covered payroll	5.08%	12.94%	13.00%	Unknown

Schedule is intended to show information for 10 years. Information prior to the 2020 valuation is not available. However, additional years will be included as they become available.

Schedule of Employer Contributions
 Health Insurance Credit (HIC) Plan
 For the Years Ended June 30, 2021 through June 30, 2024

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)
2024	\$ 7,378	\$ 7,378	\$ -	\$ 647,161	1.14%
2023	7,002	7,002	-	614,182	1.14%
2022	6,602	6,602	-	605,678	1.09%
2021	6,356	6,356	-	583,148	1.09%

Schedule is intended to show information for 10 years. Information prior to the 2021 valuation is not available. However, additional years will be included as they become available.

Notes to Required Supplementary Information
Health Insurance Credit (HIC) Plan
For the Year Ended June 30, 2024

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, 2022, valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. 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)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

**- Other Supplementary Information –
Combining and Individual Fund Statements and Schedules**

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

	Special Revenue Funds		Permanent	Total
	Library	Local Sales	Fund	Nonmajor
	Fund	Tax Fund		Governmental
				Funds
ASSETS				
Cash and cash equivalents	\$ 55	\$ 1,975,325	\$ -	\$ 1,975,380
Accounts receivable	10	-	-	10
Due from other funds	20,742	-	-	20,742
Due from other governments	-	168,197	-	168,197
Restricted assets:				
Investments	-	-	404,261	404,261
Total assets	\$ 20,807	\$ 2,143,522	\$ 404,261	\$ 2,568,590
LIABILITIES				
Accounts payable	\$ 15,077	\$ 83,459	\$ -	\$ 98,536
Total liabilities	\$ 15,077	\$ 83,459	\$ -	\$ 98,536
FUND BALANCES				
Nonspendable:				
Permanent fund corpus	\$ -	\$ -	\$ 100,000	\$ 100,000
Restricted:				
Library operations	-	-	304,261	304,261
Assigned:				
Library operations	5,730	-	-	5,730
Education	-	2,060,063	-	2,060,063
Total fund balances	\$ 5,730	\$ 2,060,063	\$ 404,261	\$ 2,470,054
Total liabilities and fund balances	\$ 20,807	\$ 2,143,522	\$ 404,261	\$ 2,568,590

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

	Special Revenue Funds			Total Nonmajor Funds
	Library Fund	Local Sales Tax Fund	Permanent Fund	
REVENUES				
Revenue from the use of money and property	\$ -	\$ -	\$ 51,468	\$ 51,468
Charges for services	855	-	-	855
Miscellaneous	1,243	-	-	1,243
Intergovernmental:				
Commonwealth	80,661	879,640	-	960,301
Total revenues	\$ 82,759	\$ 879,640	\$ 51,468	\$ 1,013,867
EXPENDITURES				
Current:				
Education	\$ -	\$ 322,159	\$ -	\$ 322,159
Parks, recreation, and cultural	340,146	-	14,720	354,866
Total expenditures	\$ 340,146	\$ 322,159	\$ 14,720	\$ 677,025
Excess (deficiency) of revenues over (under) expenditures	\$ (257,387)	\$ 557,481	\$ 36,748	\$ 336,842
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 263,062	\$ -	\$ -	\$ 263,062
Net change in fund balances	\$ 5,675	\$ 557,481	\$ 36,748	\$ 599,904
Fund balances - beginning, as restated	55	1,502,582	367,513	1,870,150
Fund balances - ending	\$ 5,730	\$ 2,060,063	\$ 404,261	\$ 2,470,054

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Fund
For the Year Ended June 30, 2024

	Library Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Charges for services	\$ -	\$ -	\$ 855	\$ 855
Miscellaneous	-	-	1,243	1,243
Intergovernmental:				
Commonwealth	80,661	80,661	80,661	-
Federal	-	-	-	-
Total revenues	\$ 80,661	\$ 80,661	\$ 82,759	\$ 2,098
EXPENDITURES				
Current:				
Education	\$ -	\$ -	\$ -	\$ -
Parks, recreation, and cultural	351,464	351,464	340,146	11,318
Total expenditures	\$ 351,464	\$ 351,464	\$ 340,146	\$ 11,318
Excess (deficiency) of revenues over (under) expenditures	\$ (270,803)	\$ (270,803)	\$ (257,387)	\$ 13,416
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 270,803	\$ 270,803	\$ 263,062	\$ (7,741)
Net change in fund balances	\$ -	\$ -	\$ 5,675	\$ 5,675
Fund balances - beginning, as restated	-	-	55	55
Fund balances - ending	\$ -	\$ -	\$ 5,730	\$ 5,730

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Fund
For the Year Ended June 30, 2024

	Local Sales Tax Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Charges for services	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	-	-	-
Intergovernmental:				
Commonwealth	586,808	586,808	879,640	292,832
Federal	-	-	-	-
Total revenues	\$ 586,808	\$ 586,808	\$ 879,640	\$ 292,832
EXPENDITURES				
Current:				
Education	\$ 586,808	\$ 586,808	\$ 322,159	\$ 264,649
Parks, recreation, and cultural	-	-	-	-
Total expenditures	\$ 586,808	\$ 586,808	\$ 322,159	\$ 264,649
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ 557,481	\$ 557,481
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ -	\$ -	\$ -
Net change in fund balances	\$ -	\$ -	\$ 557,481	\$ 557,481
Fund balances - beginning, as restated	-	-	1,502,582	1,502,582
Fund balances - ending	\$ -	\$ -	\$ 2,060,063	\$ 2,060,063

Combining Statement of Fiduciary Net Position
Custodial Funds
June 30, 2024

	Custodial Funds			
	Special Welfare	Virtual Virginia	Inmate Fund	Total
ASSETS				
Cash and cash equivalents	\$ 20,828	\$ 8,761,183	\$ 43,771	\$ 8,825,782
Due from other governments	-	1,023,520	-	1,023,520
Prepaid expenses	-	16,329	-	16,329
Total assets	\$ 20,828	\$ 9,801,032	\$ 43,771	\$ 9,865,631
LIABILITIES				
Accounts payable	\$ -	\$ 1,892	\$ -	\$ 1,892
Accrued expenses	-	588,812	-	588,812
Total liabilities	\$ -	\$ 590,704	\$ -	\$ 590,704
NET POSITION				
Restricted:				
Amounts held for Virtual Virginia	\$ -	\$ 9,210,328	\$ -	\$ 9,210,328
Amounts held for special welfare	20,828	-	-	20,828
Amounts held for sheriff accounts	-	-	43,771	43,771
Total net position	20,828	9,210,328	43,771	9,274,927

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

Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
June 30, 2024

	Custodial Funds			Total
	Special Welfare	Virtual Virginia	Inmate Fund	
ADDITIONS:				
Charges for services	\$ -	\$ 2,396	\$ -	\$ 2,396
Miscellaneous	41,155	-	354,832	395,987
Intergovernmental:				
Commonwealth	-	13,737,345	-	13,737,345
Federal	-	5,472,500	-	5,472,500
Total additions	<u>41,155</u>	<u>\$ 19,212,241</u>	<u>\$ 354,832</u>	<u>\$ 19,608,228</u>
DEDUCTIONS:				
Inmate personal items	\$ -	\$ -	\$ 346,389	\$ 346,389
Special welfare	48,971	-	-	48,971
Education - administrative	-	7,781,170	-	7,781,170
Education - instruction	-	10,485,132	-	10,485,132
Education - other	-	9,045	-	9,045
Total deductions	<u>\$ 48,971</u>	<u>\$ 18,275,347</u>	<u>\$ 346,389</u>	<u>\$ 18,670,707</u>
Change in net position	\$ (7,816)	\$ 936,894	\$ 8,443	\$ 937,521
NET POSITION:				
Net position, beginning of the year	28,644	8,273,434	35,328	8,337,406
Net position, ending of the year	<u>\$ 20,828</u>	<u>\$ 9,210,328</u>	<u>\$ 43,771</u>	<u>\$ 9,274,927</u>

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

Combining Balance Sheet
Discretely Presented Component Unit - School Board
June 30, 2024

	School Operating Fund	School Cafeteria Fund	School Activity Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 982,756	\$ 133,853	\$ 387,142	\$ 1,503,751
School food inventory	-	20,686	-	20,686
Due from other governmental units	2,256,174	12,388	-	2,268,562
Prepaid items	379,458	-	-	379,458
Total assets	<u>\$ 3,618,388</u>	<u>\$ 166,927</u>	<u>\$ 387,142</u>	<u>\$ 4,172,457</u>
LIABILITIES				
Accounts payable	\$ 546,930	\$ -	\$ -	\$ 546,930
Accrued liabilities	818,381	38,483	-	856,864
Due to primary government	2,327,316	-	-	2,327,316
Total liabilities	<u>\$ 3,692,627</u>	<u>\$ 38,483</u>	<u>\$ -</u>	<u>\$ 3,731,110</u>
FUND BALANCE				
Nonspendable:				
Inventory	\$ -	\$ 20,686	\$ -	\$ 20,686
Prepaid items	379,458	-	-	379,458
Assigned to:				
Textbooks	(74,239)	-	-	(74,239)
School activity funds	-	-	387,142	387,142
Cafeteria operations	-	107,758	-	107,758
Unassigned	(379,458)	-	-	(379,458)
Total fund balances	<u>\$ (74,239)</u>	<u>\$ 128,444</u>	<u>\$ 387,142</u>	<u>\$ 441,347</u>
Total liabilities and fund balances	<u>\$ 3,618,388</u>	<u>\$ 166,927</u>	<u>\$ 387,142</u>	<u>\$ 4,172,457</u>

Amounts reported for governmental activities in the Statement of Net Position (Exhibit 1) are different because:

Total fund balances per above \$ 441,347

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Capital assets, cost	\$ 35,056,953	
Accumulated depreciation	<u>(18,042,039)</u>	17,014,914

The net pension asset is not an available resource and, therefore, is not reported in the funds 723,248

Other long-term assets are not available to pay for current-period expenditures
and, therefore, are deferred in the funds.

Deferred outflows of resources:

Pension related items	\$ 20,098,842	
OPEB related items	<u>3,395,577</u>	23,494,419

Long-term liabilities, including capital leases, are not due and payable in the current period and, therefore, are not reported in the funds.

Net OPEB liabilities	\$ (4,557,833)	
Net pension liability	(20,962,343)	
Lease liabilities	(921)	
Accrued interest payable	(282)	
Deferred inflows of resources:		
Pension related items	(12,973,264)	
OPEB related items	<u>(2,813,780)</u>	(41,308,423)

Net position of governmental activities \$ 365,505

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Governmental Funds - Discretely Presented Component Unit - School Board
 For the Year Ended June 30, 2024

	School Operating Fund	School Cafeteria Fund	School Activity Funds	Total Governmental Funds
REVENUES				
Revenue from the use of money and property	\$ -	\$ 128	\$ -	\$ 128
Charges for services	-	59,861	-	59,861
Miscellaneous	805,623	103	797,010	1,602,736
Intergovernmental:				
Local government	3,846,048	-	-	3,846,048
Commonwealth	18,636,927	24,055	-	18,660,982
Federal	3,897,204	1,154,536	-	5,051,740
Total revenues	\$ 27,185,802	\$ 1,238,683	\$ 797,010	\$ 29,221,495
EXPENDITURES				
Current:				
Education	\$ 27,483,583	\$ 1,314,562	\$ 793,181	\$ 29,591,326
Total expenditures	\$ 27,483,583	\$ 1,314,562	\$ 793,181	\$ 29,591,326
Excess (deficiency) of revenues over (under) expenditures	\$ (297,781)	\$ (75,879)	\$ 3,829	\$ (369,831)
Net change in fund balances	\$ (297,781)	\$ (75,879)	\$ 3,829	\$ (369,831)
Fund balances - beginning	223,542	204,323	383,313	811,178
Fund balances - ending	\$ (74,239)	\$ 128,444	\$ 387,142	\$ 441,347

Amounts reported for governmental activities in the statement of activities (Exhibit 2) are different because:

Net change in fund balances - total governmental funds - per above \$ (369,831)

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense in the current period.

Capital outlay	\$ 5,227,588	
Depreciation expense	(1,815,772)	
Joint assets - net	561,667	3,973,483

The issuance of equipment loans provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Payment of lease liabilities	75,206
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Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds.

Pension expense	\$ (629,905)	
OPEB expense	(24,017)	(653,922)
Change in net position of governmental activities	\$	3,024,936

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Discretely Presented Component Unit - School Board
For the Year Ended June 30, 2024

	School Operating Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Miscellaneous	1,342,063	1,342,063	805,623	(536,440)
Intergovernmental:				
Local government	4,793,923	4,793,923	3,846,048	(947,875)
Commonwealth	17,061,044	17,061,044	18,636,927	1,575,883
Federal	6,819,004	6,819,004	3,897,204	(2,921,800)
Total revenues	\$ 30,016,034	\$ 30,016,034	\$ 27,185,802	\$ (2,830,232)
EXPENDITURES				
Current:				
Education	\$ 31,583,086	\$ 31,583,086	\$ 27,483,583	\$ 4,099,503
Debt service:				
Principal retirement	80,000	80,000	-	80,000
Interest and other fiscal charges	63,750	63,750	-	63,750
Total expenditures	\$ 31,726,836	\$ 31,726,836	\$ 27,483,583	\$ 4,243,253
Excess (deficiency) of revenues over (under) expenditures	\$ (1,710,802)	\$ (1,710,802)	\$ (297,781)	\$ 1,413,021
Net change in fund balances	\$ (1,710,802)	\$ (1,710,802)	\$ (297,781)	\$ 1,413,021
Fund balances - beginning	1,710,802	1,710,802	223,542	(1,487,260)
Fund balances - ending	\$ -	\$ -	\$ (74,239)	\$ (74,239)

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Discretely Presented Component Unit - School Board
For the Year Ended June 30, 2024

	School Cafeteria Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ 300	\$ 300	\$ 128	\$ (172)
Charges for services	60,000	60,000	59,861	(139)
Miscellaneous	19,983	19,983	103	(19,880)
Intergovernmental:				
Local government	-	-	-	-
Commonwealth	9,125	9,125	24,055	14,930
Federal	1,214,056	1,214,056	1,154,536	(59,520)
Total revenues	\$ 1,303,464	\$ 1,303,464	\$ 1,238,683	\$ (64,781)
EXPENDITURES				
Current:				
Education	\$ 1,303,464	\$ 1,303,464	\$ 1,314,562	\$ (11,098)
Debt service:				
Principal retirement	-	-	-	-
Interest and other fiscal charges	-	-	-	-
Total expenditures	\$ 1,303,464	\$ 1,303,464	\$ 1,314,562	\$ (11,098)
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ (75,879)	\$ (75,879)
Net change in fund balances	\$ -	\$ -	\$ (75,879)	\$ (75,879)
Fund balances - beginning	-	-	204,323	204,323
Fund balances - ending	\$ -	\$ -	\$ 128,444	\$ 128,444

- Supporting Schedules -

Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2024

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 5,661,625	\$ 5,661,625	\$ 6,471,686	\$ 810,061
Real and personal public service corporation taxes	750,000	750,000	562,586	(187,414)
Personal property taxes	3,790,000	3,790,000	3,876,376	86,376
Mobile home taxes	25,000	25,000	26,926	1,926
Machinery and tools taxes	707,000	707,000	792,089	85,089
Merchant's capital taxes	36,000	36,000	54,768	18,768
Penalties	116,000	116,000	114,133	(1,867)
Interest	73,000	73,000	52,233	(20,767)
Total general property taxes	\$ 11,158,625	\$ 11,158,625	\$ 11,950,797	\$ 792,172
Other local taxes:				
Local sales and use taxes	\$ 900,000	\$ 900,000	\$ 1,005,034	\$ 105,034
Consumer utility taxes	220,000	220,000	220,657	657
Motor vehicle licenses	324,000	324,000	313,861	(10,139)
Taxes on recordation and wills	84,000	84,000	61,177	(22,823)
Utility consumption taxes	31,000	31,000	35,461	4,461
Other local taxes	-	-	120	120
Total other local taxes	\$ 1,559,000	\$ 1,559,000	\$ 1,636,310	\$ 77,310
Permits, privilege fees, and regulatory licenses:				
Animal licenses	\$ 6,000	\$ 6,000	\$ 4,898	\$ (1,102)
Transfer fees	500	500	526	26
Permits and other licenses	117,500	117,500	66,472	(51,028)
Total permits, privilege fees, and regulatory licenses	\$ 124,000	\$ 124,000	\$ 71,896	\$ (52,104)
Fines and forfeitures:				
Court fines and forfeitures	\$ 85,511	\$ 85,511	\$ 221,935	\$ 136,424
Revenue from use of money and property:				
Revenue from use of money	\$ 257,200	\$ 257,200	\$ 1,174,424	\$ 917,224
Revenue from use of property	246,642	246,642	255,328	8,686
Total revenue from use of money and property	\$ 503,842	\$ 503,842	\$ 1,429,752	\$ 925,910
Charges for services:				
Charges for work release/inmate fees	\$ 48,333	\$ 48,333	\$ 82,311	\$ 33,978
Charges for law enforcement and traffic control	8,000	8,000	7,244	(756)
Jail bed days - other localities	-	-	8,344	8,344
Law library fees	1,100	1,100	1,037	(63)
Courthouse security fees	38,000	38,000	74,508	36,508
Courthouse maintenance fees	13,500	13,500	11,437	(2,063)
Charges for Commonwealth's Attorney	1,000	1,000	1,338	338
School charges for sheriff	200,000	200,000	151,041	(48,959)
Charges for sanitation and waste removal	6,000	6,000	6,657	657
Total charges for services	\$ 315,933	\$ 315,933	\$ 343,917	\$ 27,984

Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2024 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Miscellaneous:				
Miscellaneous	\$ 269,867	\$ 269,867	\$ 480,123	\$ 210,256
Solar payments	1,000,000	1,000,000	1,391,250	391,250
Sheriff funds	-	-	61,407	61,407
Total miscellaneous revenue	<u>\$ 1,269,867</u>	<u>\$ 1,269,867</u>	<u>\$ 1,932,780</u>	<u>\$ 662,913</u>
Total revenue from local sources	<u>\$ 15,016,778</u>	<u>\$ 15,016,778</u>	<u>\$ 17,587,387</u>	<u>\$ 2,570,609</u>
Intergovernmental:				
Revenue from the Commonwealth:				
Noncategorical aid:				
Motor vehicle carrier tax	\$ 72,000	\$ 72,000	\$ 84,807	\$ 12,807
Mobile home titling tax	26,000	26,000	36,558	10,558
Tax on deeds (grantor tax)	24,000	24,000	19,630	(4,370)
Auto rental tax	1,500	1,500	13,735	12,235
Communication sales and use tax	90,000	90,000	83,765	(6,235)
Personal property tax relief funds	686,900	686,900	686,910	10
Total noncategorical aid	<u>\$ 900,400</u>	<u>\$ 900,400</u>	<u>\$ 925,405</u>	<u>\$ 25,005</u>
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	\$ 258,989	\$ 258,989	\$ 265,259	\$ 6,270
Sheriff	1,680,862	1,680,862	1,621,134	(59,728)
Commissioner of revenue	115,446	115,446	116,849	1,403
Treasurer	110,379	110,379	126,048	15,669
Registrar/electoral board	84,414	84,414	79,997	(4,417)
DMV license agent	30,000	30,000	29,387	(613)
Clerk of the Circuit Court	289,815	289,815	285,783	(4,032)
Total shared expenses	<u>\$ 2,569,905</u>	<u>\$ 2,569,905</u>	<u>\$ 2,524,457</u>	<u>\$ (45,448)</u>
Other categorical aid:				
Litter control	\$ 15,950	\$ 15,950	\$ 20,853	\$ 4,903
Fire programs funds	42,557	42,557	42,557	-
Prisoner days	125,000	125,000	126,328	1,328
VJCCCA grant	83,023	83,023	61,540	(21,483)
WIB fiscal agent fees	20,000	20,000	20,000	-
Victim witness	20,798	20,798	19,120	(1,678)
E911 wireless	265,838	265,838	310,449	44,611
Public assistance and welfare administration	2,544,613	2,544,613	793,108	(1,751,505)
Comprehensive services act funds	948,400	948,400	702,468	(245,932)
Emergency services	13,103	13,103	-	(13,103)
Other categorical aid	287,465	287,465	335,090	47,625
Total other categorical aid	<u>\$ 4,366,747</u>	<u>\$ 4,366,747</u>	<u>\$ 2,431,513</u>	<u>\$ (1,935,234)</u>
Total categorical aid	<u>\$ 6,936,652</u>	<u>\$ 6,936,652</u>	<u>\$ 4,955,970</u>	<u>\$ (1,980,682)</u>
Total revenue from the Commonwealth	<u>\$ 7,837,052</u>	<u>\$ 7,837,052</u>	<u>\$ 5,881,375</u>	<u>\$ (1,955,677)</u>
Revenue from the federal government:				
Noncategorical aid:				
BAB subsidy	\$ 63,750	\$ 63,750	\$ 63,750	\$ -
Payments in lieu of taxes	54,000.00	54,000.00	11,554	(42,446)
Total noncategorical aid	<u>\$ 117,750</u>	<u>\$ 117,750</u>	<u>\$ 75,304</u>	<u>\$ (42,446)</u>

Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2024 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenue from the federal government:				
Categorical aid:				
Emergency services	\$ 17,912	\$ 17,912	\$ 6,486	\$ (11,426)
LLE block grant	5,000	5,000	2,214	(2,786)
HMGP grant	322,000	322,000	185,777	(136,223)
Victim witness	43,676	43,676	40,156	(3,520)
DHR grant	10,884	10,884	10,336	(548)
Welfare administration and assistance	50,000	50,000	1,574,631	1,524,631
Workforce investment act	2,159,760	2,159,760	958,689	(1,201,071)
Total categorical aid	\$ 2,609,232	\$ 2,609,232	\$ 2,778,289	\$ 169,057
Total revenue from the federal government	\$ 2,726,982	\$ 2,726,982	\$ 2,853,593	\$ 126,611
Total General Fund	\$ 25,580,812	\$ 25,580,812	\$ 26,322,355	\$ 741,543
CARES Act Fund:				
Intergovernmental:				
Revenue from the federal government:				
Noncategorical aid:				
CARES Act funds	\$ 100,000	\$ 100,000	\$ 70,250	\$ (29,750)
Total CARES Act Fund	\$ 100,000	\$ 100,000	\$ 70,250	\$ (29,750)
ARPA Fund:				
Intergovernmental:				
Revenue from the federal government:				
Noncategorical aid:				
ARPA funds	\$ 1,603,787	\$ 1,603,787	\$ 29,484	\$ (1,574,303)
Total CARES Act Fund	\$ 1,603,787	\$ 1,603,787	\$ 29,484	\$ (1,574,303)
Nonmajor Funds:				
Special Revenue Fund:				
Library Fund:				
Charges for services:				
Other charges for services	\$ -	\$ -	\$ 855	\$ 855
Total revenue from local sources	\$ -	\$ -	\$ 2,098	\$ 2,098
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
State library funds	\$ 80,661	\$ 80,661	\$ 80,661	\$ -
Total revenue from the Commonwealth	\$ 80,661	\$ 80,661	\$ 80,661	\$ -
Total Library Fund	\$ 80,661	\$ 80,661	\$ 82,759	\$ 2,098
Special Revenue Fund:				
Local Sales Tax Fund:				
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Sales Tax	\$ 586,808	\$ 586,808	\$ 879,640	\$ 292,832
Total Local Sales Tax Fund	\$ 586,808	\$ 586,808	\$ 879,640	\$ 292,832

Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2024 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Permanent Fund:				
Library Trust Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 51,468	\$ 51,468
Total revenue from use of money and property	\$ -	\$ -	\$ 51,468	\$ 51,468
Total revenue from local sources	\$ -	\$ -	\$ 51,468	\$ 51,468
Total Library Trust Fund	\$ -	\$ -	\$ 51,468	\$ 51,468
Total Nonmajor funds	\$ 667,469	\$ 667,469	\$ 1,013,867	\$ 346,398
Total Primary Government	\$ 27,952,068	\$ 27,952,068	\$ 27,435,956	\$ (516,112)
Discretely Presented Component Unit - School Board:				
School Operating Fund:				
Miscellaneous:				
Other miscellaneous	\$ 1,342,063	\$ 1,342,063	\$ 805,623	\$ (536,440)
Total revenue from local sources	\$ 1,342,063	\$ 1,342,063	\$ 805,623	\$ (536,440)
Intergovernmental:				
Revenues from local governments:				
Contribution from County of Charlotte, Virginia	\$ 4,793,923	\$ 4,793,923	\$ 3,846,048	\$ (947,875)
Revenue from the Commonwealth:				
Categorical aid:				
Share of state sales tax	\$ 2,703,657	\$ 2,703,657	\$ 2,331,317	\$ (372,340)
Basic school aid	6,651,708	6,651,708	7,179,681	527,973
Remedial education	251,462	251,462	261,835	10,373
GED	8,203	8,203	56,222	48,019
Gifted and talented	63,152	63,152	65,758	2,606
Remedial summer education	46,982	46,982	41,762	(5,220)
Special education	776,963	776,963	902,680	125,717
Textbook payment	375,065	375,065	158,273	(216,792)
Vocational education	462,627	462,627	456,000	(6,627)
Fringe Benefits	1,405,429	1,405,429	2,572,852	1,167,423
Homebound	37,467	37,467	14,727	(22,740)
Class size reduction	245,086	245,086	266,154	21,068
English as a second language	10,203	10,203	11,337	1,134
Algebra readiness	33,885	33,885	33,874	(11)
Technology	360,000	360,000	180,000	(180,000)
Workplace	-	-	704	704
Hold harmless	552,424	552,424	552,424	-
At risk	954,433	954,433	943,359	(11,074)
Early reading	75,156	75,156	61,238	(13,918)
Other state funds	2,047,142	2,047,142	2,546,730	499,588
Total categorical aid	\$ 17,061,044	\$ 17,061,044	\$ 18,636,927	\$ 1,575,883
Total revenue from the Commonwealth	\$ 17,061,044	\$ 17,061,044	\$ 18,636,927	\$ 1,575,883

Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2024 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Discretely Presented Component Unit - School Board: (Continued)				
Revenue from the federal government:				
Noncategorical aid:				
CARES act funds	\$ 3,804,427	\$ 3,804,427	\$ 991,615	\$ (2,812,812)
Categorical aid:				
Title I	\$ 1,069,140	\$ 1,069,140	\$ 876,364	\$ (192,776)
Title VI-B, special education flow-through	578,339	578,339	494,559	(83,780)
Vocational education	86,222	86,222	27,783	(58,439)
Title VI-B, special education pre-school	19,418	19,418	19,418	-
EESA - Title II	130,231	130,231	104,270	(25,961)
Rural schools	77,647	77,647	51,602	(26,045)
Gear up grant	-	-	229,504	229,504
Title IV Part B	501,156	501,156	301,254	(199,902)
Hold harmless	552,424	552,424	-	(552,424)
ESSER	-	-	800,835	800,835
Total categorical aid	\$ 3,014,577	\$ 3,014,577	\$ 2,905,589	\$ (108,988)
Total revenue from the federal government	6,819,004	6,819,004	3,897,204	(2,921,800)
Total School Operating Fund	\$ 30,016,034	\$ 30,016,034	\$ 27,185,802	\$ (2,830,232)
School Cafeteria Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ 300	\$ 300	\$ 128	\$ (172)
Charges for services:				
Cafeteria sales	\$ 60,000	\$ 60,000	\$ 59,861	\$ (139)
Miscellaneous revenue:				
Other miscellaneous	\$ 19,983	\$ 19,983	\$ 103	\$ (19,880)
Total revenue from local sources	\$ 80,283	\$ 80,283	\$ 60,092	\$ (20,191)
Intergovernmental revenues:				
Revenue from the Commonwealth:				
Categorical aid:				
School food program grant	\$ 9,125	\$ 9,125	\$ 24,055	\$ 14,930
Total revenue from the Commonwealth	9,125	9,125	24,055	14,930
Revenue from the federal government:				
Categorical aid:				
School food program grant	\$ 1,214,056	\$ 1,214,056	\$ 1,154,536	\$ (59,520)
Total revenue from the federal government	1,214,056	1,214,056	1,154,536	(59,520)
Total intergovernmental	\$ 1,223,181	\$ 1,223,181	\$ 1,178,591	\$ (44,590)
Total School Cafeteria Fund	\$ 1,303,464	\$ 1,303,464	\$ 1,238,683	\$ (64,781)

Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund:				
General government administration:				
Legislative:				
Board of supervisors	\$ 167,222	\$ 167,222	\$ 164,353	\$ 2,869
General and financial administration:				
County administrator	\$ 638,725	\$ 638,725	\$ 631,336	\$ 7,389
Professional services	94,000	94,000	91,783	2,217
Commissioner of revenue	278,165	278,165	276,542	1,623
Reassessment	161,028	161,028	150,558	10,470
Treasurer	384,852	384,852	339,677	45,175
County attorney	71,325	71,325	57,398	13,927
Total general and financial administration	\$ 1,628,095	\$ 1,628,095	\$ 1,547,294	\$ 80,801
Board of elections:				
Electoral board and officials	\$ 93,866	\$ 93,866	\$ 71,985	\$ 21,881
Registrar	164,700	164,700	163,486	1,214
Total board of elections	\$ 258,566	\$ 258,566	\$ 235,471	\$ 23,095
Total general government administration	\$ 2,053,883	\$ 2,053,883	\$ 1,947,118	\$ 106,765
Judicial administration:				
Courts:				
Circuit court	\$ 13,800	\$ 13,800	\$ 14,177	\$ (377)
General district court	3,700	3,700	3,430	270
Juvenile and domestic relations court	4,585	4,585	3,487	1,098
Special magistrates	2,400	2,400	2,035	365
Clerk of the circuit court	527,100	527,100	456,246	70,854
Total courts	\$ 551,585	\$ 551,585	\$ 479,375	\$ 72,210
Commonwealth's attorney:				
Commonwealth's attorney	\$ 389,147	\$ 389,147	\$ 387,823	\$ 1,324
Total judicial administration	\$ 940,732	\$ 940,732	\$ 867,198	\$ 73,534
Public safety:				
Law enforcement and traffic control:				
Sheriff	\$ 3,019,119	\$ 3,019,119	\$ 2,839,546	\$ 179,573
Witness assistance	43,676	43,676	40,156	3,520
Dare	6,091.00	6,091	2,742	3,349
Asset forfeiture	34,905.00	34,905	19,165	15,740
E-911 system	620,307	620,307	591,086	29,221
Total law enforcement and traffic control	\$ 3,724,098	\$ 3,724,098	\$ 3,492,695	\$ 231,403

Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2024 (Continued)

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Public safety: (Continued)				
Fire and rescue services:				
Fire services	\$ 521,959	\$ 521,959	\$ 521,752	\$ 207
Rescue squad	1,304,846	1,304,846	1,248,602	56,244
Division of forestry	20,123	20,123	20,123	-
Total fire and rescue services	\$ 1,846,928	\$ 1,846,928	\$ 1,790,477	\$ 56,451
Correction and detention:				
Sheriff	\$ 1,855,736	\$ 1,855,736	\$ 1,844,024	\$ 11,712
VJCCA	151,223	151,223	97,726	53,497
Total correction and detention	\$ 2,006,959	\$ 2,006,959	\$ 1,941,750	\$ 65,209
Inspections:				
Building	\$ 93,117	\$ 93,117	\$ 92,292	\$ 825
Other protection:				
Animal control	\$ 24,317	\$ 24,317	\$ 23,183	\$ 1,134
Medical examiner	250	250	160	90
Total other protection	\$ 24,567	\$ 24,567	\$ 23,343	\$ 1,224
Total public safety	\$ 7,695,669	\$ 7,695,669	\$ 7,340,557	\$ 355,112
Public works:				
Sanitation and waste removal:				
Refuse collection and disposal	\$ 1,206,992	\$ 1,206,992	\$ 938,761	\$ 268,231
Maintenance of general buildings and grounds:				
General properties	\$ 886,942	\$ 886,942	\$ 863,684	\$ 23,258
Canneries	1,000	1,000	1,000	-
Total maintenance of general buildings and grounds	\$ 887,942	\$ 887,942	\$ 864,684	\$ 23,258
Total public works	\$ 2,094,934	\$ 2,094,934	\$ 1,803,445	\$ 291,489
Health and welfare:				
Health:				
Supplement of local health department	\$ 121,546	\$ 121,546	\$ 109,176	\$ 12,370
Mental health and mental retardation:				
Crossroads Board	\$ 51,634	\$ 51,634	\$ 51,634	-
Welfare:				
Public assistance	\$ 3,111,496	\$ 3,111,496	\$ 2,790,708	\$ 320,788
Workforce investment	2,159,760	2,159,760	1,131,985	1,027,775
Comprehensive services act	1,275,600	1,275,600	933,169	342,431
Total welfare	\$ 6,546,856	\$ 6,546,856	\$ 4,855,862	\$ 1,690,994
Total health and welfare	\$ 6,720,036	\$ 6,720,036	\$ 5,016,672	\$ 1,703,364

Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2024 (Continued)

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Education:				
Other instructional costs:				
Contributions to Community Colleges	\$ 10,453	\$ 10,453	\$ 5,453	\$ 5,000
Contribution to County school board	4,793,923	4,793,923	3,846,048	947,875
Total education	\$ 4,804,376	\$ 4,804,376	\$ 3,851,501	\$ 952,875
Parks, recreation, and cultural:				
Parks and recreation:				
Recreation youth league	\$ 24,500	\$ 24,500	\$ 19,160	\$ 5,340
Cultural enrichment:				
Red hill shrine	\$ 2,500	\$ 2,500	\$ 2,500	\$ -
Adult programs	89,062	89,062	89,062	-
Total cultural enrichment	\$ 91,562	\$ 91,562	\$ 91,562	\$ -
Total parks, recreation, and cultural	\$ 116,062	\$ 116,062	\$ 110,722	\$ 5,340
Community development:				
Planning and community development:				
Planning	\$ 76,500	\$ 76,500	\$ 58,381	\$ 18,119
Zoning appeals board	1,600	1,600	420	1,180
Economic development	329,642	329,642	270,547	59,095
Total planning and community development	\$ 407,742	\$ 407,742	\$ 329,348	\$ 78,394
Environmental management:				
Contribution to soil and water district	\$ 169,281	\$ 169,281	\$ 165,671	\$ 3,610
Cooperative extension program:				
Extension office	\$ 64,961	\$ 64,961	\$ 64,947	\$ 14
Total community development	\$ 641,984	\$ 641,984	\$ 559,966	\$ 82,018
Nondepartmental:				
Fixed charges	\$ 174,700	\$ 174,700	\$ 708,627	\$ (533,927)
Other capital outlay	30,000	30,000	8,113	21,887
Total nondepartmental	\$ 204,700	\$ 204,700	\$ 716,740	\$ (512,040)
Debt service:				
Principal retirement	\$ 871,110	\$ 871,110	\$ 951,109	\$ (79,999)
Interest and other fiscal charges	882,745	882,745	946,493	(63,748)
Total debt service	\$ 1,753,855	\$ 1,753,855	\$ 1,897,602	\$ (143,747)
Total General Fund	\$ 27,026,231	\$ 27,026,231	\$ 24,111,521	\$ 2,914,710

Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2024 (Continued)

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
CARES Act Fund:				
Public safety	\$ 100,000	\$ 100,000	\$ 70,250	\$ 29,750
Total CARES Act Fund	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ 70,250</u>	<u>\$ 29,750</u>
ARPA Fund:				
Broadband project	\$ 1,296,911	\$ 1,296,911	\$ 794,638	\$ 502,273
Total ARPA Fund	<u>\$ 1,296,911</u>	<u>\$ 1,296,911</u>	<u>\$ 794,638</u>	<u>\$ 502,273</u>
Nonmajor Funds:				
Special Revenue Fund:				
Library Fund				
Parks, recreation, and cultural:				
Library	\$ 351,464	\$ 351,464	\$ 340,146	\$ 11,318
Total Library Fund	<u>\$ 351,464</u>	<u>\$ 351,464</u>	<u>\$ 340,146</u>	<u>\$ 11,318</u>
Special Revenue Fund:				
Local Sales Tax Fund				
Education:				
Education capital projects	\$ 586,808	\$ 586,808	\$ 322,159	\$ 264,649
Total Local Sales Tax Fund	<u>\$ 586,808</u>	<u>\$ 586,808</u>	<u>\$ 322,159</u>	<u>\$ 264,649</u>
Permanent Fund:				
Library Trust Fund				
Parks, recreation, and cultural:				
Library	\$ -	\$ -	\$ 14,720	\$ (14,720)
Total Library Trust Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,720</u>	<u>\$ (14,720)</u>
Total Nonmajor funds	<u>\$ 938,272</u>	<u>\$ 938,272</u>	<u>\$ 677,025</u>	<u>\$ 261,247</u>
Total Primary Government	<u>\$ 29,361,414</u>	<u>\$ 29,361,414</u>	<u>\$ 25,653,434</u>	<u>\$ 3,707,980</u>

Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2024 (Continued)

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Discretely Presented Component Unit - School Board:				
School Operating Fund:				
Education:				
Education costs:				
Elementary and secondary schools	\$ 20,603,574	\$ 20,603,574	\$ 19,325,931	\$ 1,277,643
Administration attendance and health services	5,302,845	5,302,845	3,699,384	1,603,461
Pupil transportation	1,989,896	1,989,896	1,752,703	237,193
Operation and maintenance of school plant	3,686,771	3,686,771	2,705,565	981,206
Total education	\$ 31,583,086	\$ 31,583,086	\$ 27,483,583	\$ 4,099,503
Debt service:				
Principal retirement	\$ 80,000	\$ 80,000	\$ -	\$ 80,000
Interest and other fiscal charges	63,750	63,750	-	63,750
Total debt service	\$ 143,750	\$ 143,750	\$ -	\$ 143,750
Total School Operating Fund	\$ 31,726,836	\$ 31,726,836	\$ 27,483,583	\$ 4,243,253
Special revenue fund:				
School Cafeteria Fund:				
Education:				
School food services:				
Administration of school food program	\$ 1,303,464	\$ 1,303,464	\$ 1,314,562	\$ (11,098)
Total School Cafeteria Fund	\$ 1,303,464	\$ 1,303,464	\$ 1,314,562	\$ (11,098)

- Other Statistical Information -

COUNTY OF CHARLOTTE, VIRGINIA

Table 1

Government-Wide Expenses by Function
Last Ten Fiscal Years

Fiscal Year	General Government		Judicial Admini- stration	Public Safety		Public Works	Health and Welfare		Parks, Recreation, and Cultural		Community Development	Interest on Long- on Long- term Debt	Total			
	Admini- stration															
2013-14	\$	1,394,498	\$	617,495	\$	4,117,916	\$	1,210,398	\$	3,898,251	\$	333,780	\$	87,107	\$	17,219,719
2015-16		1,324,440		522,473		4,413,589		1,249,862		3,342,859		880,479		531,702		17,899,809
2016-17		1,413,203		200,636		4,244,904		1,474,975		3,496,953		215,733		444,203		17,489,933
2017-18		1,484,642		583,483		4,562,360		1,358,053		3,556,731		236,461		759,288		18,180,493
2018-19		1,624,064		833,675		4,695,731		1,604,848		8,316,036		266,351		677,788		23,149,699
2019-20		1,560,917		1,122,896		4,479,057		1,415,261		7,079,867		270,920		700,861		22,141,458
2020-21		1,787,474		1,220,755		5,539,042		1,415,726		3,261,373		834,713		988,183		21,010,060
2021-22		2,207,360		1,258,773		4,631,069		1,621,275		4,753,086		293,851		827,317		20,743,265
2022-23		3,105,123		1,280,168		5,215,687		1,928,447		4,015,870		279,403		783,168		21,853,845
2023-24		1,974,670		1,265,235		7,040,811		1,703,772		4,978,658		553,666		745,465		23,781,382

COUNTY OF CHARLOTTE, VIRGINIA

Table 2

Government-Wide Revenues
Last Ten Fiscal Years

Fiscal Year	PROGRAM REVENUES			GENERAL REVENUES					
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	General Property Taxes	Other Local Taxes	Unrestricted Investment Earnings	Miscellaneous	Grants and Contributions	
								Not Restricted	to Specific Programs
2014-15	\$ 734,320	\$ 6,583,012	\$ 4,650	\$ 7,751,434	\$ 1,199,274	\$ 247,787	\$ 576,435	\$ 986,389	\$ 18,083,301
2015-16	670,452	6,754,669	-	8,484,155	1,193,246	274,082	414,617	1,483,133	19,274,354
2016-17	870,501	6,907,933	-	8,723,038	1,273,165	385,514	564,923	1,023,144	19,748,218
2017-18	1,100,419	6,828,943	-	8,873,499	1,215,078	383,570	477,171	986,098	19,864,778
2018-19	805,034	6,560,594	-	9,009,416	1,296,251	348,008	515,252	995,199	19,529,754
2019-20	877,512	6,387,721	-	10,817,608	1,409,243	324,275	557,302	1,080,006	21,453,667
2020-21	592,281	6,700,114	-	11,189,481	1,459,643	413,909	697,820	2,864,230	23,917,478
2021-22	594,789	9,206,323	-	10,944,966	1,506,170	218,455	615,365	1,385,808	24,471,876
2022-23	567,178	6,894,691	-	12,828,733	1,559,302	887,864	934,411	1,922,969	25,595,148
2023-24	638,603	8,527,931	-	12,788,909	1,636,310	1,481,220	2,024,641	1,267,072	28,364,686

COUNTY OF CHARLOTTE, VIRGINIA Table 3

General Governmental Expenditures by Function (1) (2)												
Last Ten Fiscal Years												
Fiscal Year	General Government Administration	Judicial Administration	Public Safety	Public Works	Health and Welfare	Education (2)	Parks, Recreation, and Cultural	Community Development	Non-Departmental	Capital Projects	Debt Service	Total
2014-15	\$ 1,387,020	\$ 581,314	\$ 4,134,125	\$ 1,157,675	\$ 5,429,748	\$ 19,888,924	\$ 321,002	\$ 270,683	\$ -	\$ -	\$ 557,717	\$ 33,728,208
2015-16	1,214,326	608,872	4,330,787	1,165,377	5,348,625	19,511,653	321,080	896,048	-	-	860,330	34,257,098
2016-17	1,314,206	581,723	4,480,463	1,391,332	5,682,287	19,662,452	348,714	217,818	125,164	4,137,433	774,628	38,716,220
2017-18	1,243,629	578,725	4,660,161	1,379,335	5,383,706	20,046,339	355,269	243,473	122,186	13,751,603	1,021,196	48,785,622
2018-19	1,410,185	582,880	4,858,751	1,664,813	5,059,955	20,574,134	383,383	279,684	154,506	3,374,797	1,374,148	39,717,236
2019-20	1,346,157	589,552	4,493,583	1,588,938	5,087,478	20,758,128	360,961	273,267	85,844	1,627,853	1,352,559	37,564,320
2020-21	1,490,291	653,815	5,243,528	1,400,716	5,358,757	21,256,403	424,972	507,070	507,589	4,985,924	1,285,422	43,114,487
2021-22	1,522,612	749,975	4,889,141	1,585,553	4,967,013	24,366,341	438,357	472,509	208,587	3,424,163	2,437,326	45,061,577
2022-23	2,360,888	813,846	5,241,421	1,809,019	4,897,150	29,683,423	455,137	284,145	711,225	331,374	1,901,558	48,484,186
2023-24	2,741,756	867,198	7,410,807	1,803,445	5,016,672	29,918,938	465,588	559,966	716,740	-	1,897,602	51,398,712

(1) Includes General, Special Revenue Funds, and Permanent Funds of the primary government and its discretely presented component unit, except for capital projects and nondepartmental.

(2) General fund contributions to the School Board are not included.

COUNTY OF CHARLOTTE, VIRGINIA

Table 4

General Governmental Revenues by Source (1)

Last Ten Fiscal Years

Fiscal Year	General Property Taxes (2)	Other Local Taxes	Permits, Privilege Fees, Regulatory Licenses	Fines and Forfeitures	Revenue from the Use of Money and Property	Charges for Services	Miscellaneous	Recovered Costs	Inter-governmental (3)	Total
2014-15	\$ 8,479,959	\$ 1,199,274	\$ 48,342	\$ 163,519	\$ 248,172	\$ 801,482	\$ 1,070,916	\$ -	\$ 22,128,720	\$ 34,140,384
2015-16	9,024,457	1,193,246	39,231	137,887	274,325	681,461	786,122	-	22,978,904	35,115,633
2016-17	9,355,908	1,273,165	67,514	171,807	385,684	858,970	809,462	-	23,095,127	36,017,637
2017-18	9,532,677	1,215,078	63,086	198,866	383,756	998,847	1,045,150	-	22,604,922	36,042,382
2018-19	9,729,225	1,296,251	70,740	225,331	348,648	671,035	998,765	-	22,803,578	36,143,573
2019-20	11,521,560	1,409,243	110,096	232,630	324,978	678,385	1,068,238	-	23,249,653	38,594,783
2020-21	11,900,883	1,459,643	72,422	192,861	414,101	345,128	1,639,942	-	26,231,451	42,256,431
2021-22	11,642,208	1,506,170	76,158	128,094	218,697	423,230	2,477,816	-	29,230,953	45,703,326
2022-23	12,852,848	1,559,302	137,229	145,638	888,111	343,340	2,704,891	-	32,518,290	51,149,649
2023-24	12,637,707	1,636,310	71,896	221,935	1,481,348	404,633	3,536,759	-	32,820,815	52,811,403

(1) Includes General, Special Revenue Funds and Permanent Funds of the primary government and its discretely presented component unit.

(2) Includes Commonwealth of Virginia PPTRA reimbursement.

(3) General fund contributions to the School Board are not included.

COUNTY OF CHARLOTTE, VIRGINIA

Table 5

Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Total Tax Levy (1)	Current Tax (1), (3) Collections	Percent of Levy Collected	Delinquent Tax (2) Collections	Total Tax Collections	Percent of Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes (1)	Percent of Delinquent Taxes to Tax Levy
2014-15	\$ 7,684,759	\$ 7,048,066	91.71%	\$ 744,983	\$ 7,793,049	101.41%	\$ 705,643	9.18%
2015-16	8,273,289	7,657,365	92.56%	680,182	8,337,547	100.78%	834,447	10.09%
2016-17	8,607,788	7,943,358	92.28%	563,580	8,506,938	98.83%	855,507	9.94%
2017-18	8,790,027	7,980,087	90.79%	705,776	8,685,863	98.81%	1,028,980	11.71%
2018-19	8,999,397	8,275,813	91.96%	766,502	9,042,315	100.48%	893,352	9.93%
2019-20	10,822,521	9,945,690	91.90%	888,960	10,834,650	100.11%	2,359,096	21.80%
2020-21	10,963,516	10,311,343	94.05%	902,630	11,213,973	102.28%	959,047	8.75%
2021-22	10,771,679	10,114,400	93.90%	840,898	10,955,298	101.70%	1,539,637	14.29%
2022-23	11,753,105	11,273,771	95.92%	892,167	12,165,938	103.51%	2,265,967	19.28%
2023-24	11,753,105	11,273,771	95.92%	677,026	11,950,797	101.68%	3,068,888	26.11%

(1) Exclusive of penalties and interest.

(2) Does not include land redemptions.

(3) Includes Commonwealth of Virginia PPTRA reimbursement.

COUNTY OF CHARLOTTE, VIRGINIA

Table 6

Assessed Value of Taxable Property
Last Ten Fiscal Years (1)

Fiscal Year	Real Estate	Personal Property	Mobile Homes	Machinery and Tools	Merchants' Capital	Public Service	Total
2014-15	\$ 914,675,911	\$ 90,291,046	\$ 6,038,431	\$ 7,327,130	\$ 943,444	\$ 65,005,310	\$ 1,084,281,272
2015-16	918,211,760	90,948,657	6,136,918	7,635,331	935,525	79,478,190	1,103,346,381
2016-17	921,926,484	95,220,649	6,347,614	11,119,083	937,876	89,162,041	1,124,713,747
2017-18	925,156,500	97,106,146	6,504,781	11,844,083	950,457	95,059,396	1,136,621,363
2018-19	931,964,828	99,670,743	6,460,738	16,214,741	889,622	94,596,884	1,149,797,556
2019-20	1,009,946,924	104,112,957	4,194,137	18,039,253	946,620	94,277,236	1,231,517,127
2020-21	1,014,726,886	105,876,505	4,239,810	17,337,663	1,038,295	102,430,010	1,245,649,169
2021-22	1,013,653,926	143,845,815	4,351,440	22,078,608	1,149,420	122,487,493	1,307,566,702
2022-23	1,021,270,334	150,224,246	4,453,989	23,798,858	1,524,133	116,366,714	1,317,638,274
2023-24	1,021,270,334	150,224,246	4,453,989	23,798,858	1,524,133	116,366,714	1,317,638,274

(1) 100% of fair market value.

COUNTY OF CHARLOTTE, VIRGINIA

Table 7

Property Tax Rates (1)
Last Ten Fiscal Years

Fiscal Year	Real Estate		Personal Property	Mobile Homes	Machinery and Tools		Merchant's Capital	
2014-15	\$	0.48	\$	3.75	\$	3.75	\$	3.20
2015-16		0.53		3.75		3.00		3.20
2016-17		0.53		3.75		3.00		3.20
2017-18		0.53		3.75		3.00		3.20
2018-19		0.53		3.75		3.00		3.20
2019-20		0.62		3.95		3.00		3.20
2020-21		0.62		3.95		3.00		3.20
2021-22		0.62		2.60		3.00		3.20
2022-23		0.62		3.25		3.00		3.20
2023-24		0.62		3.25		3.00		3.20

(1) Per \$100 of assessed value.

COUNTY OF CHARLOTTE, VIRGINIA

Table 8

Ratio of Net General Bonded Debt to
Assessed Value and Net Bonded Debt Per Capita
Last Ten Fiscal Years

Fiscal Year	Population (1)	Assessed Value (2)	Gross Bonded Debt (3)	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
2014-15	12,641	\$ 1,084,281,272	\$ 1,275,000	0.12%	101
2015-16	12,454	1,103,346,381	12,770,000	1.16%	1,025
2016-17	12,316	1,124,713,747	12,605,000	1.12%	1,023
2017-18	12,231	1,136,621,363	18,535,000	1.63%	1,515
2018-19	12,021	1,149,797,556	18,008,000	1.57%	1,498
2019-20	11,928	1,231,517,127	17,462,000	1.42%	1,464
2020-21	11,936	1,245,649,169	20,635,000	1.66%	1,729
2021-22	11,448	1,307,566,702	20,045,000	1.53%	1,751
2022-23	11,448	1,317,638,274	19,330,000	1.47%	1,689
2023-24	11,448	1,317,638,274	19,330,000	1.47%	1,689

(1) Weldon Cooper Center for Public Service.

(2) From Table 6.

(3) Includes all long-term general obligation bonded debt and Literary Fund Loans.
Excludes capital leases, premiums on bonds, net OPEB liabilities
net pension liability, landfill postclosure and corrective action liability,

COUNTY OF CHARLOTTE, VIRGINIA

Table 9

Ratio of Annual Debt Service Expenditures for General Bonded
Debt to Total General Governmental Expenditures (1)
Last Ten Fiscal Years

Fiscal Year	Principal	Interest	Total Debt Service	Total General Governmental Expenditures (2)	Ratio of Debt Service to General Governmental Expenditures
2014-15	\$ 446,265	\$ 111,452	\$ 557,717	\$ 33,728,208	1.65%
2015-16	173,031	687,299	860,330	34,257,098	2.51%
2016-17	269,973	504,655	774,628	38,716,220	2.00%
2017-18	274,229	746,967	1,021,196	48,785,622	2.09%
2018-19	641,766	732,382	1,374,148	39,717,236	3.46%
2019-20	633,320	719,239	1,352,559	37,564,320	3.60%
2020-21	479,932	805,490	1,285,422	43,114,487	2.98%
2021-22	1,318,782	1,118,544	2,437,326	45,061,577	5.41%
2022-23	916,416	985,142	1,901,558	48,484,186	3.92%
2023-24	951,109	946,493	1,897,602	51,398,712	3.69%

(1) Includes General and Permanent funds of the Primary Government and Special Revenue funds
of the Discretely Presented Component Unit - School Board.

(2) Excludes capital projects and nondepartmental.

- Compliance –



**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 Board of Supervisors
County of Charlotte, 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 Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Charlotte, Virginia, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the County of Charlotte, Virginia's basic financial statements, and have issued our report thereon dated December 13, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County of Charlotte, Virginia'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County of Charlotte, Virginia's internal control. Accordingly, we do not express an opinion on the effectiveness of the County of Charlotte, Virginia'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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County of Charlotte, Virginia'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.

A handwritten signature in cursive script that reads "Robinson, Farmer, Cox, Associates".

Charlottesville, Virginia

December 13, 2024



ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

Independent Auditors' Report on Compliance For Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance

**To the Honorable Members of
the Board of Supervisors
County of Charlotte, Virginia**

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited County of Charlotte, Virginia's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of County of Charlotte, Virginia's major federal programs for the year ended June 30, 2024. County of Charlotte, Virginia's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, County of Charlotte, Virginia's complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of County of Charlotte, Virginia's and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of County of Charlotte, Virginia's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to County of Charlotte, Virginia's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on County of Charlotte, Virginia's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about County of Charlotte, Virginia's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding County of Charlotte, Virginia's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of County of Charlotte, Virginia's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of County of Charlotte, Virginia's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 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 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 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Report on Internal Control over Compliance (Continued)

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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. Accordingly, this report is not suitable for any other purpose.

Robinson, Farmer, Cox, Associates

Charlottesville, Virginia

December 13, 2024

COUNTY OF CHARLOTTE, VIRGINIA

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024

Federal Grantor/State Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing	Pass-Through Entity Identifying Number	Pass- through to Subrecipients	Federal Expenditures
Department of Health and Human Services:				
Pass-Through Payments:				
Virginia Department of Social Services:				
Title IV-E Prevention Program	93.472	0010123 / 0010124	\$ -	\$ 21,923
Guardianship Assistance	93.090	1110123 / 1110124	-	9,415
MaryLee Allen Promoting Safe and Stable Families Program	93.556	950123	-	7,365
Temporary Assistance for Needy Families (TANF)	93.558	0400124 / 0400123	-	342,704
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	93.566	0500124 / 0500123	-	727
Low-Income Home Energy Assistance	93.568	0600424 / 0600423	-	37,300
Child Care Mandatory and Matching Funds of the Child Care and Development Fund (CCDF Cluster)	93.596	0760124 / 0760123	-	36,546
Chafee Education and Training Vouchers Program	93.599	9160123	-	201
Stephanie Tubbs Jones Child Welfare Services Program	93.645	0900124 / 0900123	-	159
Foster Care - Title IV-E	93.658	1100124 / 1100123	-	98,620
Adoption Assistance	93.659	1120124 / 1120123	-	257,179
Social Services Block Grant	93.667	1000124 / 1000123	-	183,995
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	9150124 / 9150123	-	1,776
Elder Abuse Prevention Interventions Program	93.747	8000223	-	8,398
Children's Health Insurance Program (CHIP)	93.767	0540124 / 0540123	-	2,841
Medical Assistance Program (Medicaid Cluster)	93.778	1200124 / 1200123	-	251,041
Total Department of Health and Human Services			\$ -	\$ 1,260,190
Department of Agriculture:				
Pass-Through Payments:				
Virginia Department of Agriculture:				
National School Lunch Program - Food Distribution (Child Nutrition Cluster)	10.555	Unknown	\$ -	\$ 47,239
Virginia Department of Education:				
National School Lunch Program (Child Nutrition Cluster)	10.555	402540	-	720,634
School Breakfast Program (Child Nutrition Cluster)	10.553	402530	-	369,699
Total Child Nutrition Cluster			\$ -	\$ 1,137,572
Child and Adult Care Food Program	10.558	Unknown	-	13,709
COVID-19 Pandemic EBT Administrative Costs	10.649	Unknown	-	3,256
Virginia Department of Social Services:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP Cluster)	10.561	0040124 / 0040123	-	322,836
Total Department of Agriculture			\$ -	\$ 1,477,373
Department of Justice:				
Pass-Through Payments:				
Virginia Department of Criminal Justice Services:				
Crime Victim Assistance	16.575	Unknown	\$ -	\$ 40,156
Edward Byrne Memorial Justice Assistance Grant Program	16.738	Unknown	-	2,214
Total Department of Justice			\$ -	\$ 42,370

COUNTY OF CHARLOTTE, VIRGINIA

Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2024

Federal Grantor/State Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing	Pass-Through Entity Identifying Number	Pass- through to Subrecipients	Federal Expenditures
Department of Labor:				
Pass-Through Payments:				
Virginia Community College System:				
WIOA Cluster:				
WIA/WIOA Adult Program	17.258	Unknown	\$ -	\$ 532,885
WIA/WIOA Youth Activities	17.259	Unknown	-	241,584
WIA/WIOA Dislocated Worker Formula Grants	17.278	Unknown	-	184,220
Total WIOA Cluster			\$ -	\$ 958,689
Total Department of Labor			\$ -	\$ 958,689
Department of Treasury:				
Pass Through Payments:				
Virginia Department of Accounts:				
COVID 19-Coronavirus Relief Fund	21.019	SLT0022	\$ -	\$ 70,250
COVID 19-Coronavirus State and Local Fiscal Recovery Funds	21.027	Unknown	-	228,318
Total Department of Treasury			\$ -	\$ 298,568
Department of Homeland Security				
Pass-Through Payments:				
Virginia Department of Emergency Management:				
Emergency Management Performance Grants	97.042	Unknown	\$ -	\$ 6,486
Department of Education:				
Pass-Through Payments:				
Virginia Department of Education:				
Title I Grants to Local Educational Agencies	84.010	S010A230046	\$ -	\$ 876,364
Special Education - Grants to States (IDEA) (Special Education Cluster)	84.027	H027A230107	-	491,453
Special Education - Preschool Grants (IDEA) (Special Education Cluster)	84.173	H173A230112	-	22,524
Total Special Education Cluster (IDEA)			\$ -	\$ 513,977
Career and Technical Education - Basic Grants to States (Perkins IV)	84.048	V048A230046	-	27,783
Supporting Effective Instruction State Grants	84.367	S367A230044	-	104,270
Twenty-First Century Community Learning Centers	84.287	S287C230047	-	227,180
Rural Education	84.358	S358B230046	-	51,602
English Language Acquisition State Grants	84.365	Unknown	-	2,118
Student Support and Academic Enrichment Program	84.424	S424A230048	-	74,073
COVID-19-Elementary and Secondary School Emergency Relief Fund	84.425D	Unknown	-	2,008,720
Total Department of Education			\$ -	\$ 3,886,087
Total Expenditures of Federal Awards			\$ -	\$ 7,929,763

See accompanying notes to Schedule of Expenditures of Federal Awards.

COUNTY OF CHARLOTTE, VIRGINIA

Notes to Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2024

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the County of Charlotte, Virginia under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the 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 County of Charlotte, Virginia, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County of Charlotte, Virginia.

Note 2 - Summary of Significant Accounting Policies

(1) Expenditures 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.

(2) Pass-through entity identifying numbers are presented where available.

Note 3 - Food Donation

Nonmonetary assistance is reported in the schedule at fair market value of the commodities received and disbursed.

Note 4 - De Minimis Cost Rate

The County did not elect to use the 10-percent de minimis indirect cost rate under Uniform Guidance.

Note 5 - Loan Balances

The County has no loan guarantees which are subject to reporting requirements for the current year.

Note 6 - Relationship to Financial Statements

Federal expenditures, revenues and capital contributions are reported in the County's basic financial statements as follows:

Intergovernmental federal revenues per the basic financial statements:

Primary government:

General Fund	\$ 2,853,593
CARES Act Fund	70,250
ARPA Fund	29,484
Less: Payments in lieu of taxes	(11,554)
Less: BAB Subsidy	(63,750)
Total primary government	\$ <u>2,878,023</u>

Component Unit School Board:

School Operating Fund	\$ 3,897,204
School Cafeteria Fund	1,154,536
Total component unit School Board	\$ <u>5,051,740</u>

Total federal expenditures per basic financial statements	\$ <u>7,929,763</u>
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Total federal expenditures per the Schedule of Expenditures of Federal Awards	\$ <u><u>7,929,763</u></u>
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COUNTY OF CHARLOTTE, VIRGINIA

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2024

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:
Material weakness(es) identified? No

Significant deficiency(ies) identified? None reported

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:
Material weakness(es) identified? No

Significant deficiency(ies) 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:

<u>Assistance Listing</u>	<u>Name of Federal Program or Cluster</u>
84.010	Title I Grants to Local Educational Agencies
84.425D	COVID-19 Education Stabilization Fund

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.

Section IV - Prior Year Findings

There are no findings from the prior year.