



ANNUAL COMPREHENSIVE FINANCIAL REPORT

JUNE 30th
2024
FOR FISCAL YEAR ENDED





County of Spotsylvania, Virginia

ANNUAL COMPREHENSIVE FINANCIAL REPORT



Fiscal Year Ending June 30, 2024

Ed Petrovitch, County Administrator
Mark L. Cole, Deputy County Administrator
Rebecca R. Forry, Chief Financial Officer
Tina Cleveland, Controller
Heath Holladay, Financial Reporting Manager

Published by the Department of Finance



All Rights Reserved 2023-2024 Spotsylvania County.



Table of Contents

INTRODUCTORY SECTION

| | |
|---|----|
| Letter of Transmittal | 3 |
| Principal Officials | 11 |
| Organizational Chart | 12 |
| GFOA Certificate of Achievement for Excellence in Reporting | 13 |

FINANCIAL SECTION

| | |
|---|----|
| Independent Auditor's Report | 15 |
| Management's Discussion and Analysis (MD&A) | 19 |

Basic Financial Statements

Government-wide Financial Statements

| | |
|--|----|
| <i>Exhibit I</i> Statement of Net Position | 37 |
| <i>Exhibit II</i> Statement of Activities | 38 |

Fund Financial Statements

Governmental Fund Financial Statements

| | |
|---|----|
| <i>Exhibit III</i> Balance Sheet | 40 |
| Reconciliation of the Governmental Funds' Balance Sheet to the Statement of Net Position | 41 |
| <i>Exhibit IV</i> Statement of Revenues, Expenditures and Changes in Fund Balances | 42 |
| Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities | 43 |

Proprietary Fund Financial Statements

| | |
|--|----|
| <i>Exhibit V</i> Statement of Fund Net Position | 44 |
| <i>Exhibit VI</i> Statement of Revenues, Expenditures and Changes in Fund Net Position | 45 |
| <i>Exhibit VII</i> Statement of Cash Flows | 46 |

Fiduciary Fund Financial Statements

| | |
|--|----|
| <i>Exhibit VIII</i> Statement of Fiduciary Net Position | 48 |
| <i>Exhibit IX</i> Statement of Changes in Fiduciary Net Position | 49 |

| | |
|-------------------------------------|----|
| Notes to Financial Statements | 50 |
|-------------------------------------|----|

REQUIRED SUPPLEMENTARY INFORMATION

| | |
|---|-----|
| <i>Schedule 1</i> Budgetary Comparison Schedule - General Fund | 126 |
| Notes to Budgetary Comparison Schedule - General Fund | 127 |
| <i>Schedule 2</i> Schedule of Changes in Net Pension Liability and Related Ratios - County | 128 |
| <i>Schedule 3</i> Schedule of Changes in Net Pension Liability (Asset) and Related Ratios - School Board | 130 |
| <i>Schedule 4</i> Schedule of Employer's Share of Net Pension Liability - Teacher Retirement Plan | 132 |
| <i>Schedule 5</i> Schedule of Employer Contributions - Pensions | 134 |
| <i>Schedule 6</i> Schedule of Employer's Share of Net OPEB Group Life Insurance Liability | 135 |
| <i>Schedule 7</i> Schedule of Employer GLI Contributions | 137 |
| <i>Schedule 8</i> Schedule of Changes in Net HIC OPEB Liability and Related Ratios - School Board | 138 |
| <i>Schedule 9</i> Schedule of Employer's Share of Net HIC OPEB Liability - Teacher Plan | 140 |
| <i>Schedule 10</i> Schedule of Employer Health Insurance Credit Contributions | 141 |
| <i>Schedule 11</i> Schedule of Changes in Total OPEB Liability - Retiree Healthcare and Related Ratios - County | 142 |

| | | |
|--------------------|---|-----|
| Schedule 12 | Schedule of Changes in Net OPEB Liability – Retiree Healthcare and Related Ratios – School Board | 143 |
| Schedule 13 | Schedule of OPEB – Retiree Healthcare Investment Returns – School Board | 144 |
| Schedule 14 | Schedule of Changes in Total OPEB Liability – LODA and related ratios | 145 |
| Schedule 15 | Schedule of Changes in Length of Service Award Program (LOSAP) Total Pension Liability and Related Ratios | 146 |

OTHER SUPPLEMENTARY INFORMATION

Governmental Funds

| | | |
|-------------------|---|-----|
| Schedule A | Budgetary Comparison Schedule – Capital Projects Fund | 149 |
|-------------------|---|-----|

Other Governmental Funds

| | | |
|-----------------------|--|-----|
| Schedule B-1 | Combining Balance Sheet | 152 |
| Schedule B-2 | Combining Statement of Revenues, Expenditures and Changes in Fund Balances | 153 |
| Schedule B-3.1 | Budgetary Comparison Schedule – Fire/EMS Service Fee Fund | 154 |
| Schedule B-3.2 | Budgetary Comparison Schedule – Code Compliance Fund | 155 |
| Schedule B-3.3 | Budgetary Comparison Schedule – Transportation Fund | 156 |

Discretely Presented Component Unit

| | | |
|---------------------|--|-----|
| Schedule C-1 | Combining Balance Sheet – School Board | 158 |
| | Reconciliation of the Combining Balance Sheet – School Board to the Statement of Net Position | 159 |
| Schedule C-2 | Combining Statement of Revenues, Expenditures and Changes in Fund Balances – School Board | 160 |
| | Reconciliation of the Combining Statement of Revenues, Expenditures and Changes in Fund Balances – School Board – to the Statement of Activities | 161 |
| Schedule C-3 | Combining Budgetary Comparison Schedule – School Board | 162 |
| Schedule D-1 | Statement of Net Position – Internal Service Fund – School Board | 166 |
| Schedule D-2 | Statement of Revenues, Expenditures and Changes in Net Position – Internal Service Fund – School Board | 167 |
| Schedule D-3 | Statement of Cash Flows – Internal Service Fund – School Board | 168 |
| Schedule E-1 | Statement of Net Position – Fiduciary Funds – School Board | 170 |
| Schedule E-2 | Statement of Changes in Net Position – Fiduciary Funds – School Board | 171 |
| Schedule F-1 | Balance Sheet – Economic Development Authority | 174 |
| Schedule F-2 | Statement of Revenues, Expenditures and Changes in Fund Balances – Economic Development Authority | 175 |

STATISTICAL SECTION

Financial Trends Information

| | | |
|------------------|---|-----|
| Table S-1 | Net Position by Component | 178 |
| Table S-2 | Changes in Net Position | 179 |
| Table S-3 | Fund Balances of Governmental Funds | 182 |
| Table S-4 | Changes in Fund Balances of Governmental Funds | 183 |
| Table S-5 | Tax Revenues by Source Reported in the General Fund | 185 |
| Table S-6 | General Revenues by Source – All Governmental Funds and the Component Unit – School Board | 186 |

Revenue Capacity Information

| | | |
|------------------|---|-----|
| Table S-7 | Assessed Value and Actual Value of Taxable Property | 187 |
|------------------|---|-----|

| | | |
|--|---|-----|
| Table S-8 | Property Tax Rates per \$100 of Assessed Value | 188 |
| Table S-9 | Principal Property Taxpayers | 189 |
| Table S-10 | Property Tax Levies and Collections | 190 |
| Debt Capacity Information | | |
| Table S-11 | Ratios of Outstanding Debt by Type | 191 |
| Table S-12 | Revenue Bond Coverage – Water and Sewer Revenue Bonds | 193 |
| Demographic and Economic Information | | |
| Table S-13 | Demographic and Economic Statistics | 194 |
| Table S-14 | Principal Employers | 195 |
| Operating Information | | |
| Table S-15 | Full-Time County Government Employees by Function | 196 |
| Table S-16 | Operating Indicators by Function | 197 |
| Table S-17 | Capital Asset Statistics by Function | 199 |
| Table S-18 | Summary of Certain School Statistics | 200 |
| Table S-19 | Detail of School Activity Fund – School Board..... | 203 |



INTRODUCTORY SECTION



All Rights Reserved 2023-2024 Spotsylvania County.



County of Spotsylvania

Founded 1721

Board of Supervisors
GERALD CHILDRESS
DEBORAH FRAZIER
LORI HAYES
JACOB LANE
KEVIN MARSHALL
DREW MULLINS
CHRIS YAKABOUSKI



County Administrator
ED PETROVITCH
Deputy County Administrator
MARK L. COLE
P.O BOX 99, SPOTSYLVANIA, VA 22553
Voice: (540) 507-7010
Fax: (540) 507-7019

Service, Integrity, Pride

March 24, 2025

Mr. Chairman, Members of the Board of County Supervisors,
 and Citizens of the County of Spotsylvania, Virginia:

We are pleased to present the Annual Comprehensive Financial Report (ACFR) of the County of Spotsylvania, Virginia, (the County) for the fiscal year ended June 30, 2024. The *Code of Virginia* requires that all general-purpose local governments publish a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with governmental auditing standards generally accepted in the United States of America.

This report consists of management's representations concerning the finances of the County. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management has established an internal control framework. The framework is designed to protect the County's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the County's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the County's framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. We believe the information presented is accurate in all material respects.

The County's financial statements have been audited by CliftonLarsonAllen LLP. An independent audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. Our independent auditors have issued an unmodified ("clean") opinion on Spotsylvania County's financial statements for the year ended June 30, 2024, which is presented on pages 15 – 18 of this report.

The audit of the financial statements was part of a broader, federally mandated "Single Audit" designed to meet the needs of federal agencies that provide aid to the County. The standards governing single audit engagements require the auditor to report on the County's internal controls and compliance with legal requirements, particularly as they relate to federal awards. This information, also audited by CliftonLarsonAllen LLP, is available in a separately issued report.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). The MD&A can be found immediately following the Independent Auditor's Report and should be read in conjunction with the letter of transmittal.

PROFILE OF THE COUNTY AND OUR GOVERNMENT

Spotsylvania County contains a mix of beautiful rural and urban landscapes and is one of Virginia's fastest-growing counties. Within its boundaries, the County possesses the scenic beauty of Lake Anna, rural vistas, suburban amenities and a wealth of historical attractions from the Colonial and Civil War eras. The growing Spotsylvania community has attracted many dynamic commercial and retail businesses which serve area residents and visitors. These resources also make the County a favorite tourist destination.



History

In 1721, a vast new county was formed in the young colony of Virginia. Extending far beyond the Blue Ridge Mountains, this frontier outpost was named for Alexander Spotswood, Colonial Governor of Virginia. Much of the County's early development is attributed to Spotswood's ironworks that he founded in the early 1700's. His "Iron Mines Company", a mining and smelting operation, was founded in 1725 at Germanna. A blast furnace, also founded by Spotswood, was operated in this area from 1730 through 1785. Remnants of the ironworks are still found in the County.

Known as the "Crossroads of the Civil War", four major Civil War battles were fought on Spotsylvania soils including one of the bloodiest of the war, the Battle of Spotsylvania Courthouse, in May 1864. It was during this battle that the clash between the armies of Ulysses S. Grant and Robert E. Lee known as the "Bloody Angle" took place and at Chancellorsville, Stonewall Jackson fell to the mistaken fire of his own men.

The National Park Service maintains more than 4,400 acres of Civil War battlefields in various locations throughout the County.



Geography

Spotsylvania County is located along Interstate 95, midway between the Nation's capital of Washington D.C. and the State's capital of Richmond. The County is bounded by Caroline County on the east; Louisa and Hanover counties along the North Anna River on the south; Culpeper and Stafford counties and the City of Fredericksburg on the north along the Rappahannock and Rapidan rivers; and Orange County on the west. About 65% of the County is located in Virginia's Piedmont physiographic province and about 35% is in the Coastal Plain. The County's area is 414.25 square miles and elevations range from sea level to 540 feet.

Government

Spotsylvania County is governed by a seven-member Board of Supervisors, elected for staggered four-year terms. The Board of Supervisors sets county policies, adopts ordinances, appropriates funds, approves land rezoning

and special exceptions to the zoning ordinance, and carries out other responsibilities set forth by the State and County code.

The County functions under the traditional form of government with a Board-appointed County Administrator who acts as the Board's agent in the administration and operation of the departments and agencies. Additionally, County citizens elect and are served by five constitutional officers: Treasurer, Commissioner of Revenue, Sheriff, Clerk of the Circuit Court, and Commonwealth's Attorney. The Health Department and the court system are under the control of the Commonwealth of Virginia, while mental health services are provided by the Rappahannock Area Community Services Board.

Spotsylvania County Public Schools (SCPS), reported as a component unit of the County within the financial statements, are governed by a seven-member elected School Board. Since its inception in 1870, consisting of scattered one-room schools, the school system has evolved to the present system of separate elementary,

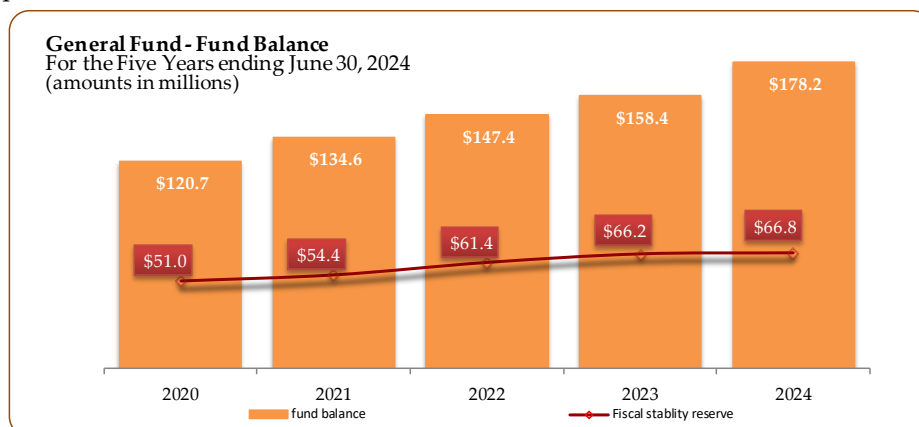


middle, and high schools. Today, SCPS serves just under 24,000 students daily from preschool to grade twelve and is comprised of 31 schools and centers: 17 elementary schools, 7 middle schools, 5 high schools, a Career and Technical Center, and an Alternative Learning Center. The School System also represents the largest employer for Spotsylvania County with approximately 3,300 employees.

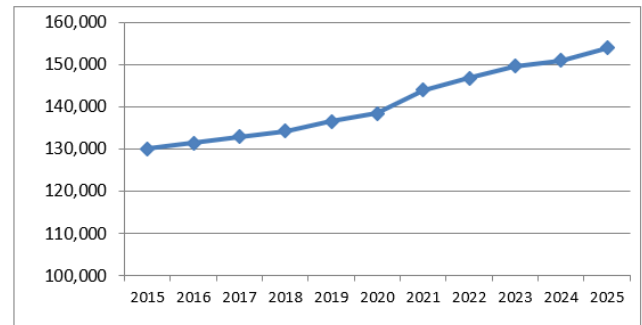
The County provides general governmental services for its citizens including emergency medical services and fire protection, collection and disposal of refuse, water and sewer services, parks and recreation, libraries, and detention centers. Other services provided by the County for which partial funding is received from the State include public education in grades preK-12, certain technical, vocational and special education; mental health assistance; agricultural services; law enforcement; health and social services; and judicial activities.

ECONOMIC CONDITION AND OUTLOOK

Spotsylvania County's General Fund concluded the year on a positive note, with a fund balance of \$178.2 million—an increase of \$19.8 million from the previous year and a remarkable \$57.5 million, or 47.6% increase, since fiscal year 2020. This growth highlights the resilience of Spotsylvania's local economy, driven by its strategic location, targeted economic development efforts, thoughtful planning, and prudent financial and debt management practices.

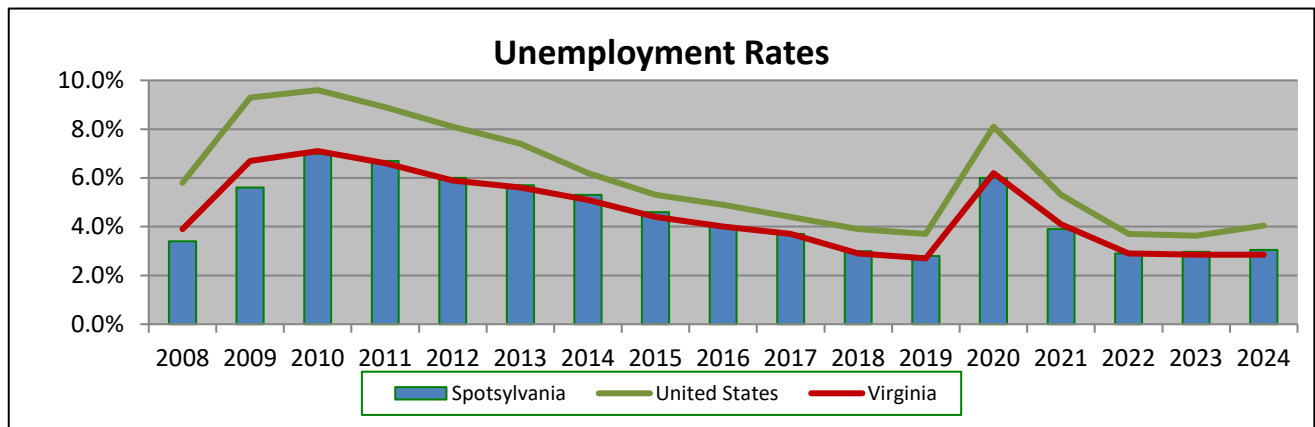


The Planning Department estimates the County's 2025 population to be 153,861, in line with the County's consistent growth over the past ten years. Between 2018 and 2019, the County was ranked as the 7th fastest-growing county in Virginia, according to the U.S. Census Bureau, with a population growth percentage of 1.6%.



Source for 2015 – 2023 estimates: U.S. Census Bureau
Source for 2024 - 2025 estimate – Spotsylvania County Planning Department

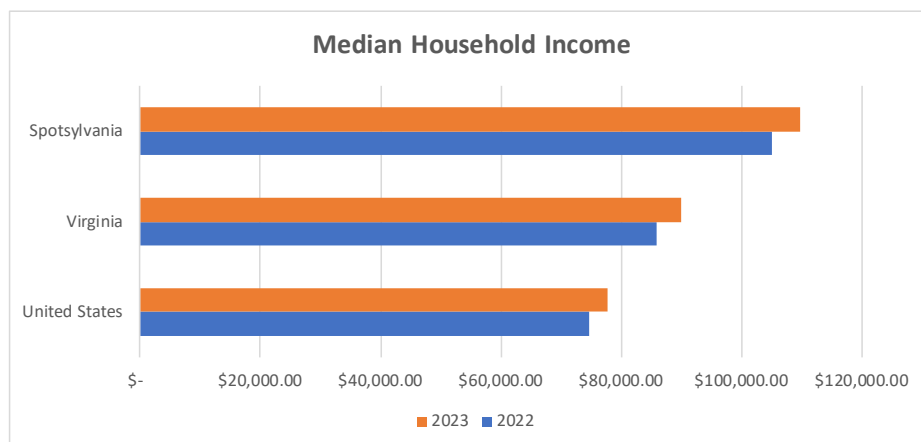
Unemployment rates for Spotsylvania have been well below the national level and below, or comparable to, state rates in recent years. The County had the 9th best unemployment rate in Virginia in November 2024, as reported by the U.S. Bureau of Labor Statistics. Unemployment rates began to rise significantly in 2009 in response to the housing crisis, and again in 2020 in response to the COVID-19 global pandemic. Rates immediately declined in 2021 and have stabilized to pre-pandemic rates over the last three years.



Source: U.S. Bureau of Labor Statistics

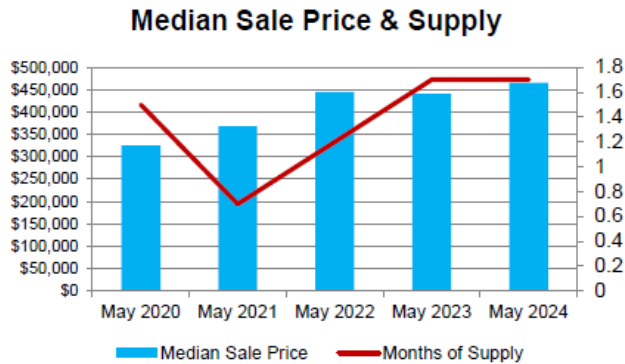
¹ 2008 through 2023 represent the annual average while 2024 represents the monthly average for January through November.

Over the past decade, the median household income in Spotsylvania County has increased by more than 30%. According to the U.S. Census Bureau, the 2023 median household income in Spotsylvania reached \$109,834, reflecting a 4.5% growth from the previous year. This figure is 41.3% higher than the national median and 22.2% higher than the median for Virginia.



Source: Bureau of Labor Statistics

Spotsylvania's tax base is firmly supported by a robust residential market. Median home sale prices have increased by 43% over the past five years, reaching \$464,900 in May 2024. Since 2020, the County has added 5,636 new housing units to keep pace with its growth. Additionally, the County is diversifying its housing portfolio to better serve the evolving needs of its increasingly diverse population, with multi-family housing units reaching 13% as of December 31, 2023, and an additional 47% of the County's total approved and unbuilt residential units in the pipeline.



Spotsylvania County Housing Units

| Housing Unit Type | 2020 | 2023 | 2024 |
|--------------------------|---------------|---------------|---------------|
| Single Family – Detached | 41,151 | 43,245 | 43,766 |
| Single Family - Attached | 4,604 | 5,054 | 5,184 |
| Multi-Family | 5,106 | 6,465 | 7,547 |
| Totals | 50,861 | 54,764 | 56,497 |
| Single Family – Detached | 81% | 79% | 77% |
| Single Family - Attached | 9% | 9% | 9% |
| Multi-Family | 10% | 12% | 13% |

| Approved Unbuilt Residential Units | | | |
|------------------------------------|------------------------|-------------|----------------|
| Single Family Detached | Single Family Attached | Multifamily | Age Restricted |
| 2,324 | 1,815 | 4,448 | 862 |
| Total | | | 9,449 |

RELEVANT FINANCIAL POLICIES

The County maintains a strong financial position through the adoption of a comprehensive set of financial policies. These policies are a key part of the County's governance portfolio and help promote sustainable development and intergenerational equity, both of which are critical to balancing the needs of a community. Some of the more relevant policies are highlighted below.

Required Reserve Levels - Tied to liquidity and contingency planning needs, the County maintains the following key reserves.

Fiscal Stability Reserve. The County commits within its General Fund balance at the close of each fiscal year a reserve equal to no less than 11% of General Fund and School Operating Fund revenues projected for the subsequent fiscal year budget. As of June 30, 2024, the fiscal stability reserve was \$66.8 million.

Health Insurance Reserve. The County maintains a self-insured health insurance reserve for both the County and the SCPS equal to the total claims incurred but not reported (IBNR) plus three months of claim payments based on the previous three years' experiences. The reserve at June 30, 2024 was \$6.1 million and \$16.5 million, respectively.

Budget Stabilization Reserve. The County maintains a reserve, not to exceed \$5.0 million, to address potential revenue declines or other economic stress placed on the budget.

Economic Opportunities Reserve. The County maintains a reserve funded at \$2.0 million for the purpose of funding matches to State grants and to provide other up-front incentives to substantial economic development opportunities.

OPEB Reserve. The County met its long-term fiscal policy goal to contribute the full annual recommended Other Postemployment Benefits (OPEB) retiree health insurance contribution by fiscal year 2024 and each year thereafter. As of June 30, 2024, the County and School Board maintained OPEB reserves of \$25.4 million and \$16.6 million, respectively.

Debt Management - Although the County has no legal limitations on the amount of debt it can issue, the County has created self-imposed limits through its debt service to governmental fund expenditures and debt-to-assessed value ratios. Debt service as a percentage of governmental and school spending was 6.99%, well within the County's adopted policy of 12% and below the County's 2025 target of 10%. Net debt as a percentage of taxable property assessed value was 1.08%, below the required 3% set by the County.



The three credit rating agencies reaffirmed Spotsylvania County's Triple-A bond rating for 2024, the highest rating possible. The affirmed ratings from Moody's Investor Services (Moody's), Standard & Poor's (S&P), and Fitch Ratings (Fitch). This marks the second year in a row the county has achieved this rating from all three agencies. Spotsylvania County is one of only 55 counties in the United States to receive this designation, less than 1.8% of all counties nationwide.

"Receiving top ratings from all three major rating agencies for the second year in a row demonstrates the continued confidence in the county's financial strength," says Edward Petrovitch, Spotsylvania County Administrator.

"This designation continues to set us apart and ultimately saves our taxpayers money by lowering the county's interest rates during the borrowing process."

MAJOR INITIATIVES AND LONG-TERM FINANCIAL PLANNING

Long-term growth is projected to be strong with two large-scale economic development projects under construction. Expected to open in 2026, Kalahari Resorts & Conventions, Virginia's largest indoor waterpark resort will feature 900-room resort, convention center, indoor waterpark and family entertainment center. There are already over 11,000 room commitments and almost 20,000 prospects. The project is expected to generate new tax revenues of approximately \$7.0 million a year in excess of tax incentives and more than 800 full time jobs and more than 725 part time jobs.

Amazon Web Services (AWS), also under construction, is estimated to invest up to \$9.9 billion in Spotsylvania over the next 15 years. In addition to the real and personal property taxes the data centers will pay directly, the economic activity



generated also results in additional tax collections from “second-round” economic effects of business-to-business transactions between the direct vendors to data centers and their suppliers. AWS also commits to being a “good neighbor” through their AWS InCommunities program which include STEM education, access and equity, local tech upskilling, environmental stewardship, and employee engagement. Personal property tax revenue is expected to fund significant amounts of future one-time capital project needs for the County and Schools, reducing the County’s long-term borrowing needs. All related infrastructure is also to be financed by AWS, including any water and sewer infrastructure necessary to expand facilities and install re-use water service.

In addition to the County’s ongoing investment to maintain its equipment and facilities, more notable infrastructure investments included in the County’s FY 2025 to FY2029 Adopted Capital Improvement Plan include:

- Expansion and improvements to the County’s landfill of \$8.5 million with scheduled completion in 2026.
- Almost \$24.5 million in funding committed to expand fire & rescue facilities to include a proposed fire training and logistics center with design work to start in 2027; the replacement of Company 3 in Partlow, expected to be operational in fiscal year 2025; a new fire and rescue station in Massaponax, estimated to be operational in fiscal year 2027; and design work to begin in 2028 for a new fire and rescue station in the Shady Grove area.
- Funding committed for the renovation and expansion of the Spotsylvania Middle School of \$32.0 million with an estimated completion date in 2026. \$25.0 million for major renovations to Chancellor High School in FY 2025 and 2026, to update mechanical, electric, and plumbing needs.
- \$45.0 million to build a Public Works facility to provide space needs for Utilities and Public Works staffing in a centralized location. Planning work is scheduled to begin in FY 2027.
- Funding committed for the Motts Water Treatment Plant expansion, rehabilitation and resiliency project of \$85.5 million, to double the capacity of the Plant to 24 MGD to meet future water demands.
- Funding committed of \$21.2 million for rehabilitation of the Ni Water Treatment Plant. Planning is scheduled to begin in FY 2026.
- Funding committed for the Massaponax Wastewater Treatment Plant expansion project of \$36.0 million, to increase capacity from 9.4 MGD to 13.4 MGD and allow for the decommissioning of the FMC Wastewater Treatment Plant and transition all County wastewater flow, except for the Thornburg service area, to the Massaponax plant for treatment.

Transportation

The FY 2025 – FY 2029 Adopted Capital Improvement Plan includes \$133.7 million in future county funds to address the County’s ever-growing transportation needs. While the majority of the funding in the adopted CIP reflects future issuances of general obligation bonds as its funding source, it’s anticipated that a portion of these funds will be replaced with future federal and state funding awards. Major transportation projects include:

- \$13.0 million in Harrison Road widening and intersection improvements;
- \$7.1 million for rural road trench widening improvements;
- \$55.8 million in transportation commitments for the Rt. 1 corridor of the Four-Mile Fork area to address planned growth and revitalization around the VA Clinic; and
- \$42.9 million in smart-scale projects for Rt. 208 operational improvements, Rt. 2 improvements and widening, and Rt. 3 widening.

AWARDS AND ACKNOWLEDGEMENTS



The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2023. This is the 29th consecutive year that the County has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Annual Comprehensive Financial Report, whose contents conform to both generally accepted accounting principles and applicable program requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

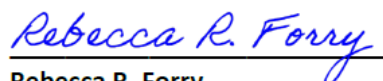


The County also received the GFOA's Distinguished Budget Presentation Award to the County for its annual budget for the fiscal year ended June 30, 2025. In order to achieve this award, the County's budget document must meet program criteria as a policy document, a financial plan, an operations guide, and as a communications device. This is the 28th award in as many years.

The preparation of this report could not have been possible without the dedicated, and coordinated effort of the Finance Department, and the cooperation and assistance of all County departments and the School Board's Finance Department. We also thank the Board of Supervisors for their unfailing support for maintaining the highest standards of professionalism in the management of the County of Spotsylvania's finances.

Respectfully submitted,


 Ed Petrovitch
 County Administrator


 Rebecca R. Forry
 Chief Financial Officer

Spotsylvania Board of Supervisors



Chris Yakabouski
Battlefield District
Chair



Gerald Childress
Chancellor District



Drew Mullins
Courtland District



Lori Hayes
Lee Hill District
Vice-Chair



Kevin Marshall
Berkeley District



Dr. Deborah H. Frazier
Salem District

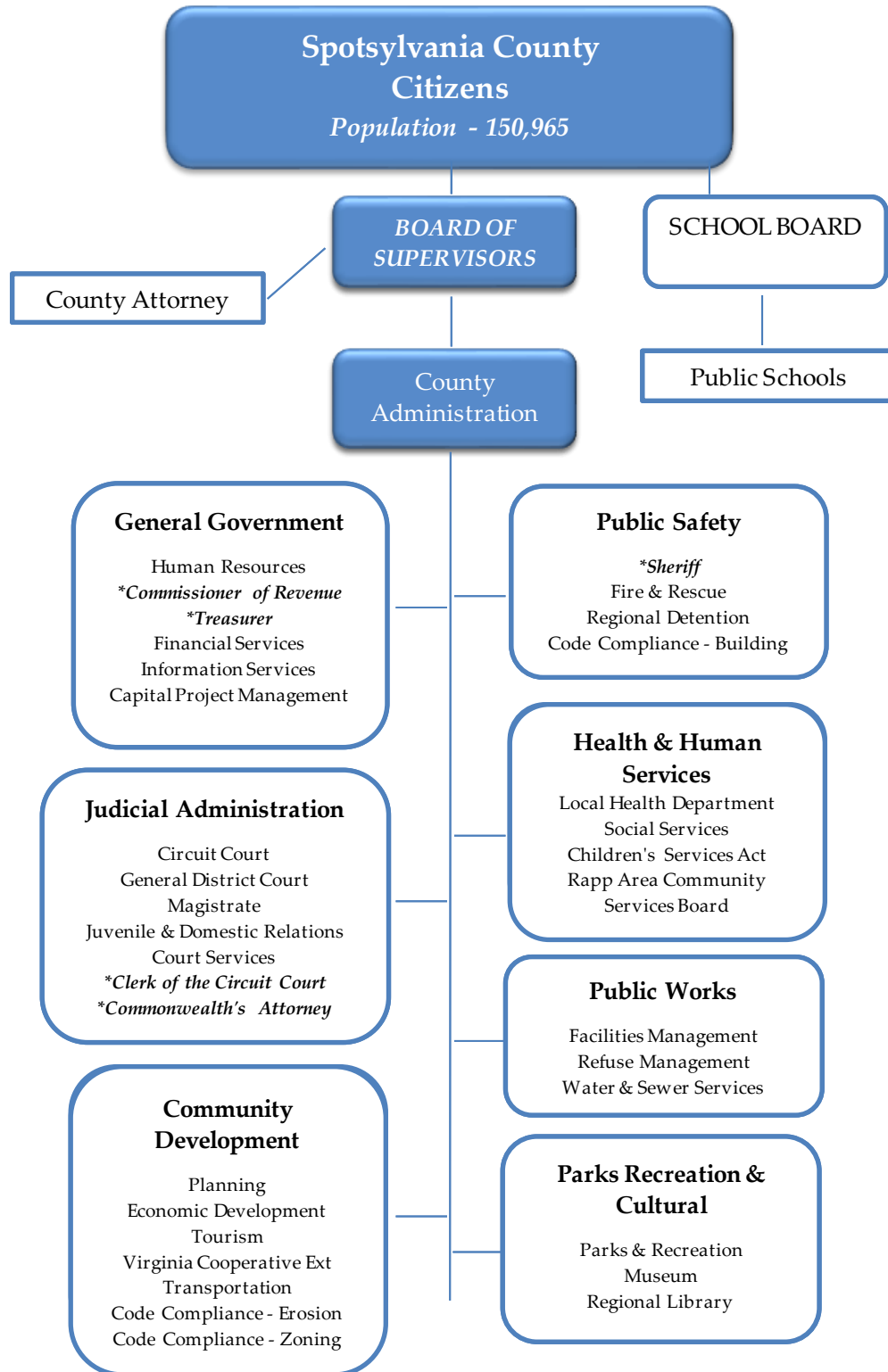


Jacob Lane
Livingston District

County Administrative & Financial Officers

| | |
|------------------|--|
| Ed Petrovitch | County Administrator |
| Mark L. Cole | Deputy County Administrator |
| Karl R. Holsten | County Attorney |
| Ben Loveday | Assistant County Administrator – Community Operations |
| Wanda Parrish | Assistant County Administrator – Community Development |
| Rebecca R. Forry | Chief Financial Officer |
| Larry Pritchett | County Treasurer |
| Laurie Newman | Chief Human Resources Officer |
| Debbie Williams | Commissioner of the Revenue |

Spotsylvania County Organizational Chart

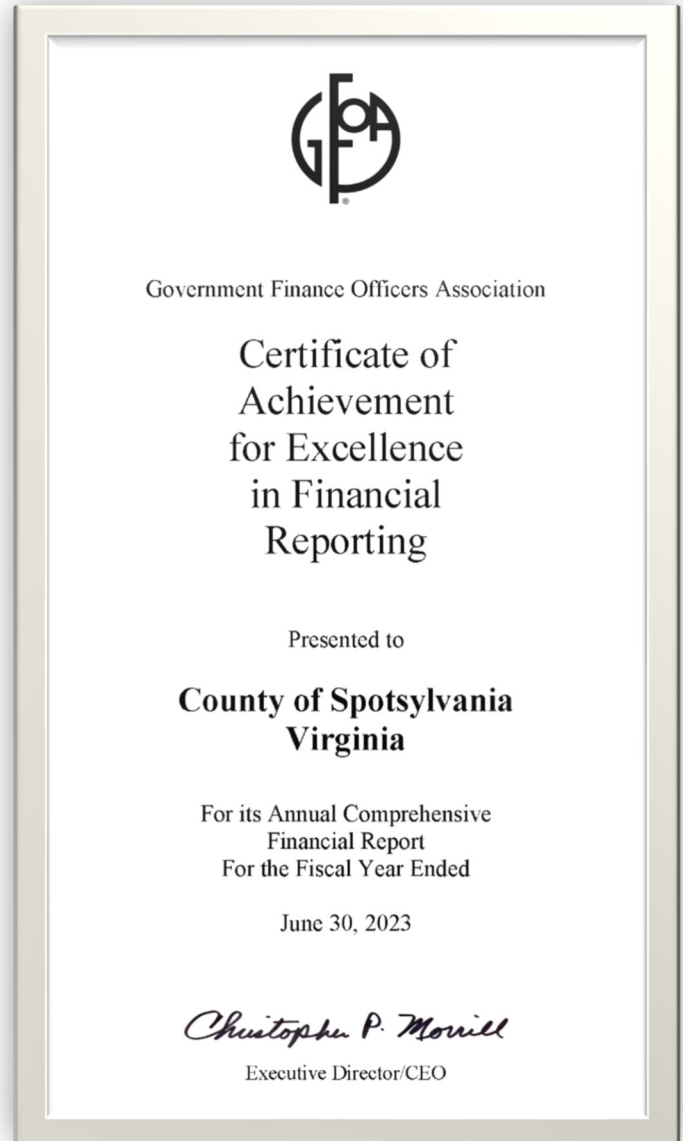


* denotes Constitutional Officer

Spotsylvania County Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a certificate of Achievement for Excellence in Financial Reporting to the County of Spotsylvania, Virginia for its annual comprehensive financial report for the fiscal year ended June 30, 2023. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine eligibility for another certificate.



FINANCIAL SECTION



CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT AUDITORS' REPORT

Honorable Members of the Board of Supervisors
County of Spotsylvania, Virginia

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Spotsylvania, Virginia (the County), 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 respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows 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 (GAAS) and 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* (the "Specifications"), 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 the County 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 the County'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.

CLA (CliftonLarsonAllen LLP) is an independent network member of CLA Global. See [CLAglobal.com/disclaimer](https://www.claglobal.com/disclaimer).

Honorable Members of the Board of Supervisors
County of Spotsylvania, Virginia

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 GAAS and *Government Auditing Standards* 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 GAAS and *Government Auditing Standards*, 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 the County'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 the County'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.

Honorable Members of the Board of Supervisors
County of Spotsylvania, Virginia

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (MD&A) and the required supplementary information other than MD&A 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying combining and individual fund statements and budgetary comparison schedules 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 GAAS. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

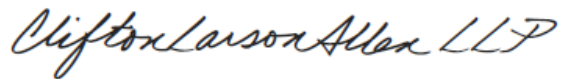
Management is responsible for the other information included in the annual report. The other information comprises the Introductory Section and Statistical Section, as listed in the table of contents but does not include the basic financial statements and our auditors' report thereon. Our opinions on 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.

Honorable Members of the Board of Supervisors
County of Spotsylvania, Virginia

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 24, 2025, on our consideration of the County'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 the County'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's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Arlington, Virginia
March 24, 2025

Management's Discussion & Analysis (MD&A)

As management of the County of Spotsylvania (the County), 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. We encourage readers to consider the information presented here in conjunction with the transmittal letter, which is located in the Introductory Section of this report, and the County's financial statements, including the notes to the financial statements, which are located after this analysis.

Financial Highlights

Government-wide 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 \$402.5 million (net position), a 13.3% increase from the previous year. Net position for governmental activities increased by \$7.5 million, reporting a net position of \$11.1 million. Net position for business-type activities increased by \$39.6 million bringing its total net position to \$391.3 million.
- Program and general revenues for governmental activities increased by \$29.1 million, or 8.0%, from the previous year. Total expenses, prior to transfers, increased by \$51.2 million, or 15.3%, from the previous year.
- Program and other general revenues for business-type activities increased by \$13.6 million, or 17.7%, from the previous year. Total expenses, prior to transfers, increased by \$3.1 million, or 6.5%, from the previous year.

Fund Financial Statements

- At the close of the current fiscal year, the County's governmental funds reported combined fund balances of \$290.7 million, an increase of \$41.9 million, or 16.8%. Unrestricted fund balance of the General Fund (the total of the committed, assigned, and unassigned components of fund balance) was \$169.4 million, a little over five months, or 44.5%, of total general fund expenditures.

Overview of the Financial Statements

This annual report consists of four parts – *management's discussion and analysis* (this section), the *basic financial statements*, *required supplementary information (RSI)*, and an optional section that presents *combining statements* for non-major governmental funds. The basic financial statements include two kinds of statements that present different views of the County:

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the County's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the County government, reporting the County's operations in *more detail* than the government-wide statements.
 - The *governmental funds'* statements tell how *general government* services like public safety were financed in the *short-term* as well as what remains for future spending.
 - *Proprietary fund* statements offer *short-term* and *long-term* financial information about the activities the government operates *like businesses*, such as the water and sewer system.
 - *Fiduciary fund* statements provide information about the financial relationships in which the County acts solely as a trustee or agent for the benefit of others, to whom the resources in question belong.

The basic financial statements also include *notes* that explain some of the information in the financial statements and provide more detailed data. The basic financial statements are followed by a section of RSI that further explains and supports the information in the financial statements. In addition to these required elements, we have included a section with combining statements that provide the details about our non-major governmental funds and Component unit – School Board, each of which are added together and presented in their respective columns in the basic financial statements.

Table 1 below summarizes the major features of the County’s financial statements, including the portion of the County government they cover and the types of information they contain. The remainder of this overview section explains the structure and contents of each of the statements.

| Table 1 Major Features of County’s Government-wide and Fund Financial Statements | | | | |
|---|--|--|---|---|
| | Government-wide Statements | Fund Statements | | |
| | | Governmental Funds | Proprietary Funds | Fiduciary Funds |
| Scope | Entire County government (except fiduciary funds) and the County’s Component units | The activities of the County that are not proprietary or fiduciary (e.g., public safety) | Activities the County operates similar to private businesses such as the water and sewer system | Instances in which the County is the trustee or agent for someone else’s resources |
| Required financial statements | <ul style="list-style-type: none"> • Statement of net position • Statement of activities | <ul style="list-style-type: none"> • Balance sheet • Statement of revenues, expenditures, and changes in fund balances | <ul style="list-style-type: none"> • Statement of net position • Statement of revenues, expenses, and changes in fund net position • Statement of cash flows | <ul style="list-style-type: none"> • Statement of fiduciary net position • Statement of changes in fiduciary net position |
| Accounting basis and measurement focus | Accrual accounting and economic resources focus | Modified accrual accounting and current financial resources focus | Accrual accounting and economic resources focus | Accrual accounting and economic resources focus |
| Type of asset/liability information | All assets and liabilities, both financial and capital, and short-term and long-term | Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included | All assets and liabilities, both financial and capital, and short-term and long-term | All assets and liabilities, both short-term and long-term |
| Type of inflow/outflow information | All revenues and expenses during the year, regardless of when cash is received or paid | Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter | All revenues and expenses during the year, regardless of when cash is received or paid | All revenues and expenses during the year, regardless of when cash is received or paid |

GOVERNMENT-WIDE STATEMENTS

The government-wide statements report information about the County as a whole using accounting methods similar to those used by private-sector companies. The *Statement of Net Position* presents information on all the County's assets and deferred outflows of resources less liabilities and deferred inflows of resources, resulting in the County's net position. The *Statement of Activities* presents information showing how the County's net position changed during the most recent fiscal year, regardless of when cash is received or paid. The government-wide financial statements of the County are divided into three categories:

- *Governmental activities* – account for functions of the County that are primarily supported by taxes and intergovernmental revenues (e.g., federal and state grants). The majority of the County's basic services, such as education, law enforcement, fire and rescue, health & welfare, general government, public works, and parks, fall with this category.
- *Business-type activities* – account for functions that are intended to recover all or a significant portion of their costs through user fees and charges. The County's water and sewer services are included here.
- *Discretely presented component units* – account for functions of legally separate entities for which the County is financially accountable. The County has two discretely presented component units, the Spotsylvania County Public School System (School Board) and the Economic Development Authority (EDA).

FUND FINANCIAL STATEMENTS

The fund financial statements provide more detailed information about the County's most significant *funds* – not the County as a whole. Funds are accounting devices that the County uses to keep track of specific sources of funding and spending for particular purposes. The County has three kinds of funds:

- *Governmental funds* – Most of the County's basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information on the subsequent page of the governmental funds statement that explains the relationship between them. The following indicates some of the reporting differences between the government-wide financial statements and the fund financial statements.
 - Capital assets used in governmental activities are not reported in governmental fund statements.
 - Long-term liabilities, unless due and payable, are not included in the fund financial statements.
 - Other long-term assets that are not available to pay for current period expenditures are deferred in the governmental fund statements, but not deferred in the government-wide statements.
 - Capital outlay spending results in capital assets on the government-wide statements, but is reported as expenditures in the fund financial statements.
 - Bond proceeds provide current financial resources on the fund financial statements, but are recorded as long-term liabilities in the government-wide financial statements.

- *Proprietary funds* are used to report the same functions presented as business-type activities in the government-wide financial statements, in this case, water and sewer operations. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.
- *Fiduciary funds* – Resources held for other governments, individuals, or agencies not part of the County is reported as fiduciary funds. The County is responsible for ensuring that the assets reported are used for their intended purposes. The County’s fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the County’s government-wide financial statements because the County cannot use these assets to finance its operations.

Government-wide Financial Analysis

The table below presents a Summary of Net Position for the reporting entity as of June 30, 2024 and 2023:

| Table 2 Summary of Net Position (amounts in millions) | | | | | | | | |
|---|----------------------------|---------------|-----------------------------|-----------------|-----------------------------|-----------------|--------------------|------------------|
| | Governmental Activities | | Business-type Activities | | Total Primary Government | | Component Units | |
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Current and other assets | \$ 488.1 | \$ 426.9 | \$ 200.6 | \$ 191.1 | \$ 688.7 | \$ 618.0 | \$ 120.1 | \$ 91.6 |
| Capital assets, net | 163.4 | 164.6 | 435.0 | 371.2 | 598.4 | 535.8 | 358.4 | \$ 340.0 |
| Total assets | 651.5 | 591.5 | 635.6 | 562.3 | 1,287.1 | 1,153.8 | 478.5 | 431.6 |
| Total deferred outflows | 43.2 | 33.5 | 6.6 | 5.2 | 49.8 | 38.7 | 83.9 | 83.5 |
| Other liabilities | 65.5 | 58.7 | 13.8 | 11.6 | 79.3 | 70.3 | 41.5 | 37.5 |
| Long-term liabilities | 464.0 | 410.1 | 231.5 | 197.3 | 695.5 | 607.4 | 285.5 | 323.0 |
| Total liabilities | 529.5 | 468.8 | 245.3 | 208.9 | 774.8 | 677.7 | 327.0 | 360.5 |
| Total deferred inflows | 154.1 | 152.6 | 5.6 | 6.9 | 159.7 | 159.5 | 194.0 | 197.0 |
| Net position: | | | | | | | | |
| Net investment in capital assets | 116.1 | 113.1 | 281.3 | 258.6 | 397.4 | 371.7 | 352.1 | 338.6 |
| Restricted | 18.9 | 14.6 | 7.9 | 3.0 | 26.8 | 17.6 | 47.6 | 24.2 |
| Unrestricted | (123.9) | (124.1) | 102.1 | 90.1 | (21.8) | (34.0) | (358.3) | (405.2) |
| Total net position | \$ 11.1 | \$ 3.6 | \$ 391.3 | \$ 351.7 | \$ 402.4 | \$ 355.3 | \$ 41.4 | \$ (42.4) |

Primary Government

The largest portion of the Primary Government’s net position represents \$397.4 million of investment in capital assets (e.g., land, buildings, equipment, construction in progress, etc.), less any related outstanding debt and deferred inflows and outflows of resources used to acquire those assets. Due to their purpose, which is to serve the citizens of the County, these capital assets would not be considered available for future spending. The restricted net position of \$26.8 million represents resources subject to external restrictions on how they may be used, and include future debt service \$2.7 million), capital projects (\$8.4 million), transportation (\$8.1 million), and grant program and opioid recovery funds of (\$7.7 million). The remaining balance equals a net deficit of \$21.8 million, driven mostly from \$193.9 million in debt incurred by the County on-behalf of the School Board without the offset of related capital assets reported by the School Board. When School Board debt is excluded, the Primary Government’s unrestricted net position rises to \$172.1 million, and a total net position of \$208.6 million.

Component Units

Net position of component units consists of School Board net investment in capital assets of \$352.1 million and \$47.6 million in School Board funds restricted for capital projects of \$43.5 million, student activity funds of \$3.0 million, and \$1.0 million in net pension assets. Unrestricted net position includes \$1.5 million primarily from land held as an investment with the EDA, and a School Board deficit of \$359.8 million primarily from net postemployment liabilities.

Changes in Net Position

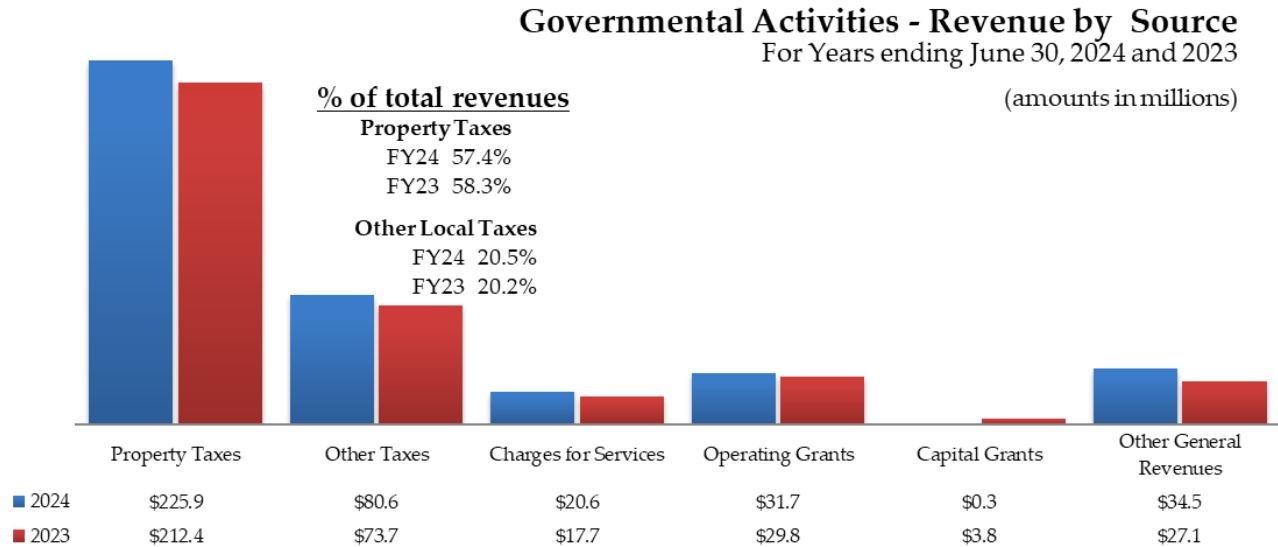
The following table summarizes the changes in net position for the primary government and its component units for the fiscal years ended Jun 30, 2024 and 2023:

| Table 3 Changes in Net Position (amounts in millions) | | | | | | | | |
|---|-------------------------|---------------|--------------------------|-----------------|--------------------------|-----------------|-----------------|------------------|
| | Governmental Activities | | Business-type Activities | | Total Primary Government | | Component Units | |
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Revenues | | | | | | | | |
| Program Revenues: | | | | | | | | |
| Charges for services | \$ 20.6 | \$ 17.7 | \$ 47.9 | \$ 42.6 | \$ 68.5 | \$ 60.3 | \$ 3.1 | \$ 3.5 |
| Operating grants and contributions | 31.7 | 29.8 | - | 0.3 | 31.7 | 30.1 | 238.4 | 232.4 |
| Capital grants and contributions | 0.3 | 3.8 | 33.3 | 29.0 | 33.6 | 32.8 | 9.2 | 1.0 |
| General Revenues: | | | | | | | | |
| General property taxes | 225.9 | 212.4 | - | - | 225.9 | 212.4 | - | - |
| Other taxes | 80.6 | 73.7 | - | - | 80.6 | 73.7 | - | - |
| Payments from Primary Government | - | - | - | - | - | - | 169.0 | 142.9 |
| Other general revenues | 34.5 | 27.1 | 9.2 | 4.9 | 43.7 | 32.0 | 5.5 | 1.6 |
| Total Revenues | 393.6 | 364.5 | 90.4 | 76.8 | 484.0 | 441.3 | 425.2 | 381.4 |
| Expenses | | | | | | | | |
| General government | 27.3 | 22.9 | - | - | 27.3 | 22.9 | - | - |
| Judicial administration | 13.8 | 13.1 | - | - | 13.8 | 13.1 | - | - |
| Public safety | 94.6 | 85.5 | - | - | 94.6 | 85.5 | - | - |
| Public works | 15.8 | 16.1 | - | - | 15.8 | 16.1 | - | - |
| Health and welfare | 30.6 | 27.7 | - | - | 30.6 | 27.7 | - | - |
| Education | 166.0 | 139.9 | - | - | 166.0 | 139.9 | 338.2 | 315.5 |
| Parks and recreation | 9.9 | 9.2 | - | - | 9.9 | 9.2 | - | - |
| Community development | 17.6 | 12.4 | - | - | 17.6 | 12.4 | 3.2 | 3.2 |
| Water and sewer | - | - | 50.8 | 47.7 | 50.8 | 47.7 | - | - |
| Interest on long-term debt | 10.5 | 8.1 | - | - | 10.5 | 8.1 | - | - |
| Total Expenses | 386.1 | 334.9 | 50.8 | 47.7 | 436.9 | 382.6 | 341.4 | 318.7 |
| Excess before transfers | 7.5 | 29.6 | 39.6 | 29.1 | 47.1 | 58.7 | 83.8 | 62.7 |
| Transfers | - | 0.1 | - | (0.1) | - | - | - | - |
| Increase(decrease) in net position | 7.5 | 29.7 | 39.6 | 29.0 | 47.1 | 58.7 | 83.8 | 62.7 |
| Net position - beginning | 3.6 | (26.1) | 351.7 | 322.7 | 355.3 | 296.6 | (42.4) | (105.1) |
| Net position - ending | \$ 11.1 | \$ 3.6 | \$ 391.3 | \$ 351.7 | \$ 402.4 | \$ 355.3 | \$ 41.4 | \$ (42.4) |

GOVERNMENTAL ACTIVITIES

Revenues

Revenues from governmental activities for fiscal year 2024 totaled \$393.6 million, an increase of \$29.1 million or 8.0% from the previous fiscal year. The chart below provides information on year over year changes by each major revenue source.



Program Revenues

Overall program revenues increased by \$1.3 million, or 2.5%, reaching \$52.6 million for fiscal year 2024.

- Charges for services rose by \$2.9 million, or 16.4%, primarily driven by a \$1.4 million increase in building permit activity, \$0.6 million in refuse disposal fees, and \$0.4 million in emergency rescue fees.
- Operating grants and contributions grew by \$1.9 million, or 6.4%, due to the recognition of \$1.2 million in opioid abatement settlement funds to support long-term strategies, a \$0.6 million increase in state Children's Services Act funding, and a \$0.3 million rise in funding for federally mandated public assistance programs.
- Capital grants and contributions, which tend to be cyclical and non-recurring, decreased by \$3.5 million in fiscal year 2024. This decline reflects a \$2.3 million reduction from the donation of park land in the previous year and a \$0.9 million decrease in reimbursements for transportation infrastructure improvements.

General Revenues

Overall general revenues, consisting mostly of general property taxes, increased by \$27.8 million, or 8.9%, to \$341.0 million for the year.

- General property taxes, the single largest source of local government tax revenue, rose \$13.5 million, or 6.4% driven by a combination of new construction, rising real property values from the County's biannual reassessment process, and an adopted 2024 calendar year tax rate that is \$0.0686 cents above the equalized tax rate.
- Other local taxes rose \$6.9 million, or 9.4%, from a combination of tax rate adjustments and higher consumer spending. This included an additional \$0.2 million in sales tax revenue and a rise in the meals tax rate from 4.5% to 6.0%, effective October 2023, which generated an extra \$4.7 million in meals tax revenue. Also effective in October 2023, the County raised its transient occupancy tax from 7% to 9%, producing an additional

\$1.2 million in revenue. Furthermore, fuel tax revenues rose by \$0.7 million from higher fuel prices and increased consumption.

- Other general revenues increased by \$7.4 million, or 27.3%, due primarily to investment returns.

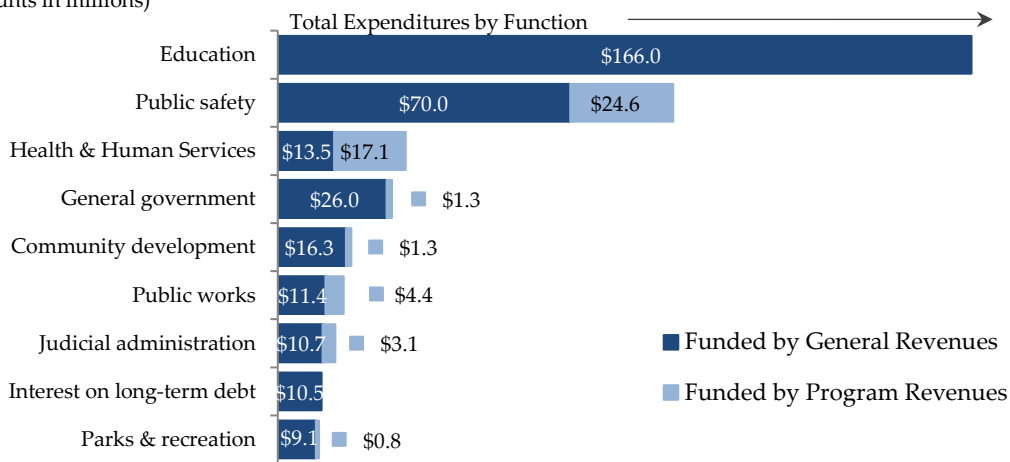
Expenses

Expenses of governmental activities for fiscal year 2024 totaled \$386.1 million. Of this amount, \$52.6 million was paid from program-specific revenues, leaving a net functional cost of \$333.5 million to be covered by general revenues, including taxes, interest, and unrestricted aid from the Commonwealth. The chart below illustrates the allocation of general revenues by function (shown in dark blue) to cover expenses not met through program-specific revenues (depicted in light blue).

Governmental Activities - Funding of Net Functional Costs

For the Year ended June 30, 2024

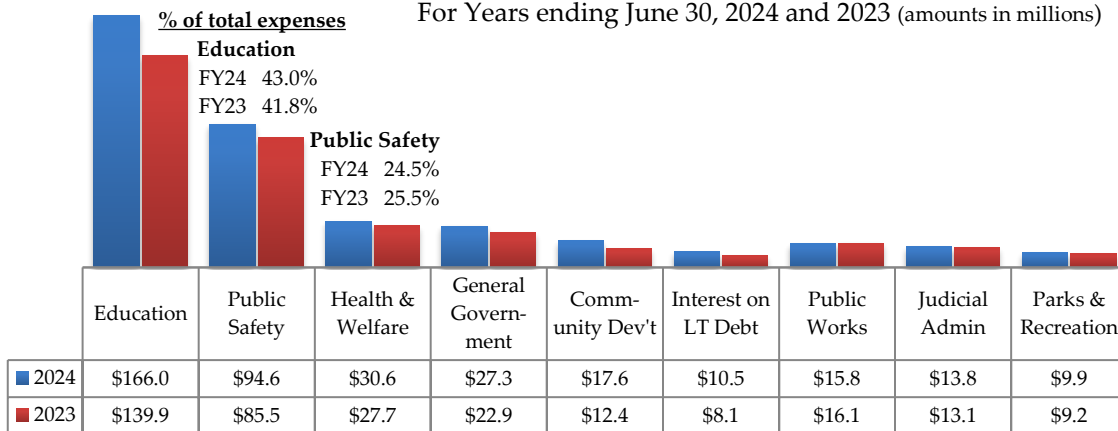
(amounts in millions)



The following chart illustrates the total expenses by function for governmental activities and compares them to the prior fiscal year:

Governmental Activities - Expenses by Function

For Years ending June 30, 2024 and 2023 (amounts in millions)



Total expenses for governmental activities in fiscal year 2024 increased by \$51.2 million, or 15.3%, compared to the previous fiscal year. Key drivers of this increase include:

- \$11.4 million in higher personnel-related costs, primarily due to a 6% cost-of-living adjustment for all employees, a step increase for those on the public pay scale, and a 2.0% performance merit increase for full-time and part-time employees not on the public safety pay scale.
- The addition of 15 new positions in the Sheriff's Office, costing approximately \$1.5 million.
- \$2.6 million in increased other postemployment expenses for retiree healthcare, driven by a higher number of retirees and increased claims experience.
- \$1.6 million in increased costs for compensated absences, resulting from a policy change that allows employees to be paid for 25% of their accrued sick leave, with no maximum payout for those enrolled in VRS Retirement Plans 1 & 2, and a maximum payout of 240 hours for VRS Hybrid employees, who are automatically provided paid short-term disability coverage through the VRS retirement plan.
- \$4.9 million in higher transportation costs, allocated to funding necessary improvements to federal and state transportation systems.
- \$2.4 million in increased interest on long-term debt, a 29.6% rise, due to the recognition of \$1.5 million in arbitrage liabilities, partially offset by reductions in bond interest expense.
- Education expense includes a \$0.2 million contribution to the Germanna Community College for both FY24 and FY23 and a total school division expense of \$166.0 million (a \$26.2 million increase). The following table shows the payments to the School Board totaling \$149.3 million used to fund the school division's operating expenses after all other funding sources (such as federal and state funds) are exhausted. In accordance with GAAP, additional reporting adjustments are required to account for the \$45.3 million in 2024 general obligation bonds issued by the County on behalf of the Schools, as well as \$28.6 million in related debt service.

| | 2024 | 2023 |
|--|-----------------------|-----------------------|
| Payments from the Primary Government (County) for school operating expenditures prior to the following adjustments: | \$ 149,285,907 | \$ 143,210,392 |
| GAAP required adjustments for debt issued on behalf of the Schools': | | |
| General obligation (GO) bonds issued in the current year | 45,300,528 | 25,368,977 |
| GO debt service paid in the current year | (28,624,129) | (28,829,843) |
| Reported school operating expense of the Primary Government: | \$ 165,962,306 | \$ 139,749,526 |

BUSINESS-TYPE ACTIVITIES

Net position related to the County's business-type activities increased by \$39.6 million, or 11.3%. Overall revenues, consisting mostly of water and sewer user fees, increased by \$13.6 million, or 17.7%.

- Water and sewer user fees increased \$5.3 million, or 12.4%, from new connections and planned rate increases of 8.5% (based on an average monthly residential bill using 4,300 gallons.)
- Capital grants and contributions increased \$4.3 million, or 14.8%, from \$6.0 million in state assistance from the Water Quality Improvement Fund (WQIF) to fund improvements to the Thornburg and Massaponax Waste Water Treatment Plants.
- Other general revenues increased by \$4.3 million, primarily from investment returns of \$4.6 million through a combination of realized gains of \$3.2 million and \$1.4 million in unrealized investment gains.

Overall expenses increased by \$3.1 million, or 6.5%. Of this increase, approximately \$2.0 million is due to higher personnel costs, primarily driven by a 6.0% cost of living adjustment for all employees and a 2% performance merit increase for both full-time and part-time staff. Interest expense rose by \$2.7 million, with \$1.6 million attributed to

higher interest rates and borrowing needs for projects, and \$1.1 million related to recognized arbitrage liabilities. The remaining \$1.6 million in savings is due to a reduction in capital project costs that did not meet the criteria for capitalization.

COMPONENT UNITS

School Board

For fiscal year 2024, the School Board reported an increase in net position of \$83.8 million. Total revenues rose \$43.8 million, or 11.6%. Program revenues increased \$13.8 million mostly from an increase of \$17.2 million (8.9%) in state funding offset by a reduction of \$3.9 million (10.8%) in federal funding. Payments from Primary Government increased by \$26.1 million (see chart on preceding page for breakdown), and other general revenues increased \$3.9 million from increased e-rate program revenues of \$1.5 million and \$1.6 million in increased investment returns. Overall expenses increased by \$22.7 million, or 7.2%, primarily from increased instructional expenses of \$17.7 million and increased technology costs of \$1.5 million.

Economic Development Authority

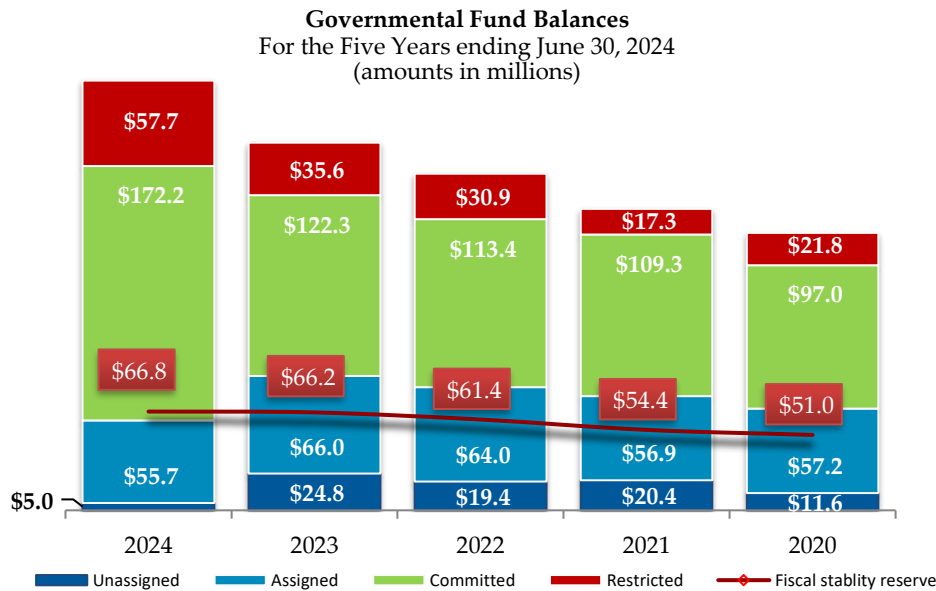
Payments from the Primary Government (County) and related incentive expenditures remained consistent with last year at \$3.2 million.

Financial Analysis of Governmental Funds

Combined governmental fund balances at year-end equaled \$290.7 million, an increase of \$42.0 million, or 16.9%. As the County's available fund balance is of critical importance to its overall financial health, the Board has established fiscal policies to govern its required balances and allowable uses. Detailed information on these required minimum balances can be found under section 1.15 in the Notes to the Financial Statements. The following chart provides a snapshot of the combined governmental fund balances at each year-end and their categorical allocations reported from the highest level of constraint of Restricted down to the lowest level of constraint of Unassigned. Detailed information on balances held under each of the following categories is presented in the Notes to the Financial Statements under Note 8.

- **Non-spendable** fund balance, represents \$79,946 in funds that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact.
- **Restricted** fund balance, representing amounts limited to specific purposes imposed by external parties, increased 62.1% to \$57.7 million primarily from an increase in unexpended bond proceeds.
- **Committed** fund balance rose \$49.9 million, or 40.8%, to \$172.2 million. These funds are reserved by resolution of the Board and may not be changed or removed without equal action by the Board. Major fund commitments in FY 2024 include \$70.8 million in fiscal stability reserves, \$40.6 million in health insurance reserves including OPEB of \$18.0 million, and \$41.7 million in locally funded cash reserves for future capital projects. In FY 2024 \$30.9 million in prior year School Health Insurance and County OPEB reserves were moved from assigned to committed to better reflect Board approved fiscal policy reservations.
- **Assigned** fund balance includes amounts constrained for specific purposes and are normally temporary in nature. In FY 2024, assigned fund balance decreased by 15.6% to \$55.7 million. Major fund assignments include \$21.4 million in FY 2024 carryover and anticipated FY 2025 use of fund balance and \$27.5 million in future cash funding of capital projects (the majority of the \$27.5 million was pulled from the previous year's unrestricted fund balance).

- **Unassigned** fund balance includes all remaining amounts considered available for any purpose. In FY 2024, all available unassigned funds above the County's Budget Stabilization Reserve of \$5.0 million were transferred to assigned fund balance for the future cash funding of capital projects.

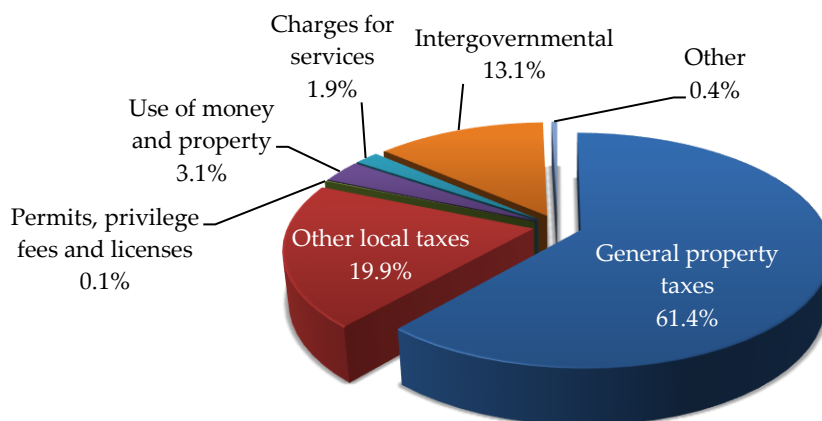


Amounts reflect the cumulative fund balances of the General Fund, Capital Projects Fund, and all non-major governmental funds.

Governmental Fund Revenues

Total governmental fund revenues increased by \$31.8 million in fiscal year 2024. General property and other local taxes accounted for 78.0% of total revenues and reported a collective increase of \$20.8 million, or 7.3%.

Total revenues of the General Fund rose \$26.3 million, or 7.7% from the previous year. General property tax collections for the General Fund increased by \$13.8 million, or 6.5%. Other local taxes continue to report strong growth of \$6.3 million, or 9.5%, bolstered by increases in the transient occupancy and meals tax rates. Intergovernmental revenues decreased by \$0.2 million, or 0.4%. Use of money and property increased by \$5.2 million primarily from realized and unrealized investment returns.



| Revenue sources (\$ in millions): | |
|-----------------------------------|-----------------|
| General property taxes | \$ 224.6 |
| Other local taxes | 72.9 |
| Permits, fees and licenses | 0.3 |
| Use of money and property | 11.5 |
| Charges for services | 6.8 |
| Intergovernmental | 48.0 |
| Other revenue | 1.6 |
| | <u>\$ 365.7</u> |

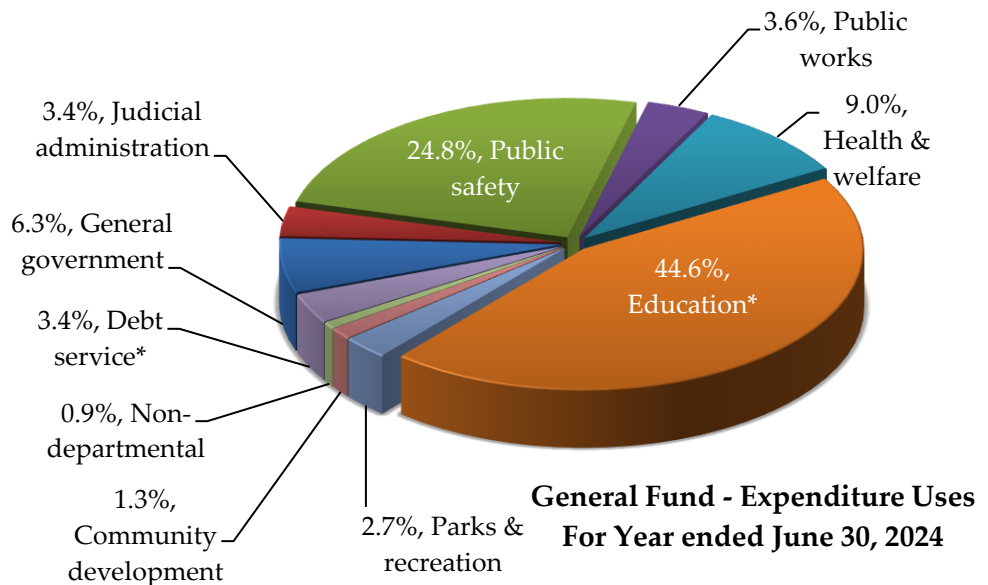
General Fund - Revenue Sources
For the Year ended June 30, 2024

Governmental Fund Expenditures

Total governmental fund expenditures increased \$41.1 million, or 10.9%. Expenditures of the General Fund, the County's main operating fund, increased \$22.3 million, or 7.1%, from the previous year (after the removal of \$20.2 million in year over year Education reporting adjustments*). Activity factored into this increase is highlighted below:

- Compensation and benefits increased \$9.7 million across all functions primarily from a 6% cost of living adjustment for all employees, a step for employees on the public pay scale, and a 2.0% performance merit for full-time and part-time employees not on the public safety pay scale.
- Operating expenditures rose \$4.6 million, or 8.9%, of this amount, the majority of these increases impacted public safety and health & welfare.
- Expenditures from capital outlays increased \$2.6 million from increased subscription-based information technology arrangements within the general government function.
- The County's local transfer to the School Board increased \$5.9 million to \$149.1 million in fiscal year 2024. The County's local transfer to the Schools' Operating Fund increased by \$8.2 million to address compensation adjustments and net new debt service requirements. The County's local transfer to the Schools' Capital Projects Fund decreased by \$2.3 million from decreased available surplus to cash fund future projects.

| Expenditure uses (\$ in millions) | |
|-------------------------------------|-----------------|
| General government | \$ 21.0 |
| Judicial administration | 11.5 |
| Public safety | 83.1 |
| Public works | 12.1 |
| Health & welfare | 30.3 |
| Education* | 149.3 |
| Parks & recreation | 9.0 |
| Community development | 4.5 |
| Non-departmental | 2.6 |
| Debt service* | 11.5 |
| Total Expenditures: | \$ 334.9 |
| Education adjustments*: | |
| Issuance of school bonds | 45.3 |
| Total Expenditures (Edh-IV): | \$ 380.2 |



* The Code of Virginia requires local governments to issue debt through bond referendum on-behalf of the School Board. For financial reporting, GAAP does not allow for the allocation of debt activity to the component-unit school board. As a result, reporting adjustments are necessary to reclass and combine school debt activity with debt activity of the General Fund. The net of these adjustments is recorded through the Education function. Details on these adjustments can be found within Schedule 1 of these financial statements.

General Fund Budgetary Highlights

ORIGINAL BUDGET TO FINAL BUDGET

Over the course of the year, the Board revised the County budget several times. Most of these adjustments consisted of reallocations of funds between funding sources and departments, with the exception of the following amendments:

- The “carryover” of obligated or approved fiscal year 2023 funding not yet expended by the County and Schools of \$8.5 million was approved and appropriated to education (\$4.0 million), public safety (\$3.8 million), general government (\$0.7 million), and \$0.6 million spread over the remaining functions.

FINAL BUDGET TO ACTUAL

As of June 30, the County’s General Fund reported a positive budget variance of \$36.2 million consisting of \$15.0 million in additional total revenues, \$18.9 million in unexpended budgeted expenditures, and \$2.3 million in unexpended other financing uses. The most notable variances are as follows:

Revenues:

- General property taxes exceeded budgeted projections by \$4.5 million. Every two years, the office of Real Estate Assessments conducts a general reassessment of all real property to include agricultural, residential and commercial land and improvements. The purpose of the reassessment is to bring the value of all real property within the County in line with market values at the time of the reassessment. Updated assessments take effect in January of every even numbered year. Given that 2024 is a reassessment year, the State Code requires the County to determine and report the equalized tax rate. The equalized rate is the tax rate that, when applied to new assessed values less new construction, yields 101% of the revenue that the prior year’s tax rate yielded on the prior assessed value. In April 2024, the Board approved a calendar year tax rate that was \$0.0686 cents above the equalized tax rate of \$0.6657 generating additional tax revenue not anticipated when the budget was adopted in April of 2023.
- Revenue from the use of money and property exceeded budget by \$10.1 million in response to increased realized investment revenues from a larger balance of invested funds and higher market rates.

Expenditures:

Total current expenditures, excluding Education, were \$14.4 million below the amended budget, primarily due to the following factors:

- \$6.1 million in personnel savings, mainly due to vacant positions.
- \$4.3 million in budgeted funds obligated in FY 2024, but not yet spent by the County. The majority of these funds are related to public safety.
- \$1.9 million in unspent Social Services and Children’s Services Act program costs and \$1.6 million in budgeted but unexpended professional services, travel and training, and equipment fuel costs.

The County’s local education transfer to the School Board (Education) which pays for operating costs, not funded through other intergovernmental sources (state and federal funding), was below budget by \$4.5 million mostly from vacancy savings.

Additional information on the County’s General Fund budget compliance can be found in Schedule 1, *Budgetary Comparison Schedule – General Fund*.

Capital Assets and Debt Administration

CAPITAL ASSETS

County capital assets consist of land, buildings, furniture, equipment and vehicles, and water and sewer infrastructure which are used for operations, and construction in progress. Construction in progress maintains the balance of funds expended on on-going projects as they are incurred. Once the asset is placed into service, the cost is transferred from construction in progress to the appropriate capital category based on the nature of the asset.

The County's investment in capital assets for its governmental and business-type activities as of June 30, 2024, increased to \$598.4 million (net of accumulated depreciation), up 11.7% from the previous year, as reported in the table below.

Capital Assets

| | (net of depreciation, amounts in millions) | | | | | |
|---|--|-----------------------------|--------------------------|-----------------|--------------|--------------|
| | Governmental Activities | Business-type Activities | Total Primary Government | | \$ Change | % Change |
| | | | 2024 | 2023 | | |
| Land & land improvements | \$ 16.1 | \$ 10.3 | \$ 26.4 | \$ 25.0 | 1.4 | 5.6% |
| Land improvements, depreciable | 18.5 | 1.5 | 20.0 | 21.5 | (1.5) | -7.0% |
| Buildings & improvements | 70.9 | 79.6 | 150.5 | 155.1 | (4.6) | -3.0% |
| Right-to-use buildings & improvements | 0.2 | - | 0.2 | 0.3 | (0.1) | -33.3% |
| Furniture, equipment, software & vehicles | 44.2 | 13.8 | 58.0 | 57.1 | 0.9 | 1.6% |
| Right-to-use furn, equip, software & vehicles | 8.9 | 1.0 | 9.9 | 8.3 | 1.6 | 19.3% |
| Water & sewer systems | - | 209.7 | 209.7 | 198.8 | 10.9 | 5.5% |
| Construction in progress | 4.6 | 119.1 | 123.7 | 69.7 | 54.0 | 77.5% |
| Total capital assets | \$ 163.4 | \$ 435.0 | \$ 598.4 | \$ 535.8 | 62.6 | 11.7% |

Major capital asset activities for fiscal year 2024 included the following:

Governmental Activities:

- Fire and Rescue Company 6 bunkroom addition was completed in 2024 and capitalized for \$3.5 million, of which \$2.8 million was moved from the prior year's construction in progress.
- The County purchased land for Fire and Rescue Company 12 in 2024 adding \$0.8 million to land capitalized assets.

Business-type Activities:

- Ownership of various new water and sewer transmission lines, valued at approximately \$8.4 million, was transferred to the County as a result of planned growth in commercial and residential development.
- Construction work continues on the Thornburg wastewater treatment plant upgrade (WWTP). The project will replace the existing Thornburg WWTP with a new facility that will be more efficient and meet increased wastewater processing demands without expanding the facility's footprint. Fiscal year 2024 costs incurred were \$3.9 million for a total capital outlay to date of \$24.2 million. The facility is expected to be operational in July 2025.
- Work on the Massaponax WWTP expansion continues expending \$44.3 million in the current fiscal year bringing the project to date costs to \$66.9 million in construction in progress. The project will expand the

facility to treat all County wastewater flow, except for the Thornburg service area, allowing for the decommissioning of the FMC WWTP. The facility is expected to be operational in April 2026.

- Construction work began for the rehabilitation, resiliency, and expansion of the Motts Water Treatment Plant. The project will double the current capacity from 12 million gallons per day (MGD) to 24 MGD to meet future water demands. Total project costs to date are \$12.6 million. The facility is expected to be operational in March 2027.

Additional information on the County's capital assets can be found in Note 4 to the financial statements.

DEBT ADMINISTRATION

At the end of the current fiscal year, the County reported \$513.0 million in outstanding bonds and related unamortized bond premiums, an increase of 12.5%. Of this amount, \$233.8 million represents general obligation bonds backed by the full faith and credit of the County, \$32.5 million in public facility revenue bonds secured through various County and School facilities, and \$193.6 million in water and sewer revenue and refunding bonds payable from net revenues derived from the County's water and sewer system.

Outstanding Bonds & Related Unamortized Premiums

(amounts in millions)

| | Primary Government | | % |
|--|--------------------|-----------------|--------------|
| | 2024 | 2023 | Change |
| Governmental activities: | | | |
| General obligation bonds - County | \$ 89.4 | \$ 82.7 | 8.1% |
| General obligation bonds - School Board | 144.4 | 120.2 | 20.1% |
| Public facility revenue bonds - County | 5.4 | 6.2 | -12.9% |
| Public facility revenue bonds - School Board | 27.1 | 31.3 | -13.4% |
| Unamortized premiums on all bonds | 35.1 | 33.7 | 4.2% |
| Total governmental activities debt: | 301.4 | 274.1 | 10.0% |
| Water & Sewer revenue & refunding bonds | 193.6 | 165.8 | 16.8% |
| Unamortized premiums | 18.0 | 16.2 | 11.1% |
| Total business-type activities debt: | 211.6 | 182.0 | 16.3% |
| Total outstanding bonds: | \$ 513.0 | \$ 456.1 | 12.5% |

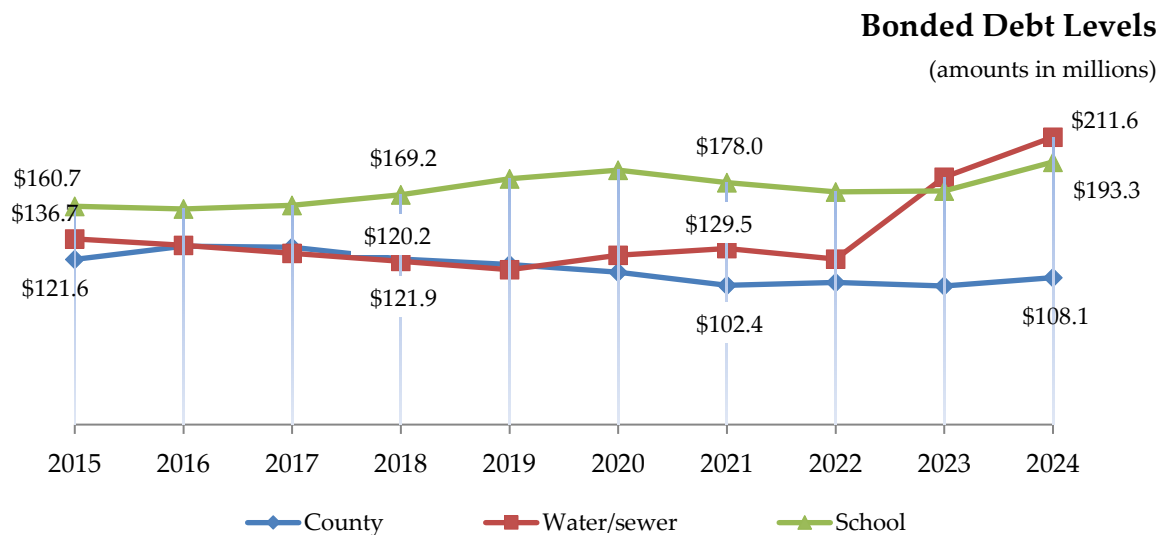
In September of 2023, the County issued \$58.3 million in general obligation bonds (adjusted for premium of \$5.8 million and payment of \$0.3 million in issuance costs) to finance school, public safety, and transportation projects of \$63.8 million.

In November of 2023, the County issued \$35.0 million in Water and Sewer Revenue Bonds (adjusted for premium of \$3.3 million and payment of \$0.3 million in issuance costs), to finance water and sewer infrastructure projects of \$33.8 million. In addition to planned water and sewer line upgrades, major plant upgrades include Massaponax WWTP expansion, Thornburg WWTP upgrade, FMC to Massaponax WWTP conveyance, and the Motts WTP expansion, rehabilitation and resiliency project.

In the fall of 2024, County representatives met with Fitch, Moody's and Standard & Poor's to present current economic and financial information pertaining to Spotsylvania County. As a result, the County continues to hold the Aaa by Moody's and AAA ratings on its general obligation bonds. Only 55 counties in the United States have a triple-A bond rating from all three major rating agencies. The highest ratings, Aaa/AAA, are granted to counties that are best managed and prepared to meet debt obligations during periods of recession or fiscal stress.

We are pleased to report that Moody's upgraded our rating from Aa2 to Aa1 with a stable outlook for our Water and Sewer revenue bonds. Fitch and S&P affirmed our current AA+ rating with a stable outlook. "AA" ratings are only one step below "AAA" and are judged to be of high quality and are subject to very low credit risk.

Bonded debt levels outstanding for the current year and previous nine years by activity are as follows.



More detailed information regarding bonded debt and other long-term liabilities of the County can be found in Note 9 to the financial statements.

Economic Factors and Next Year's Budget

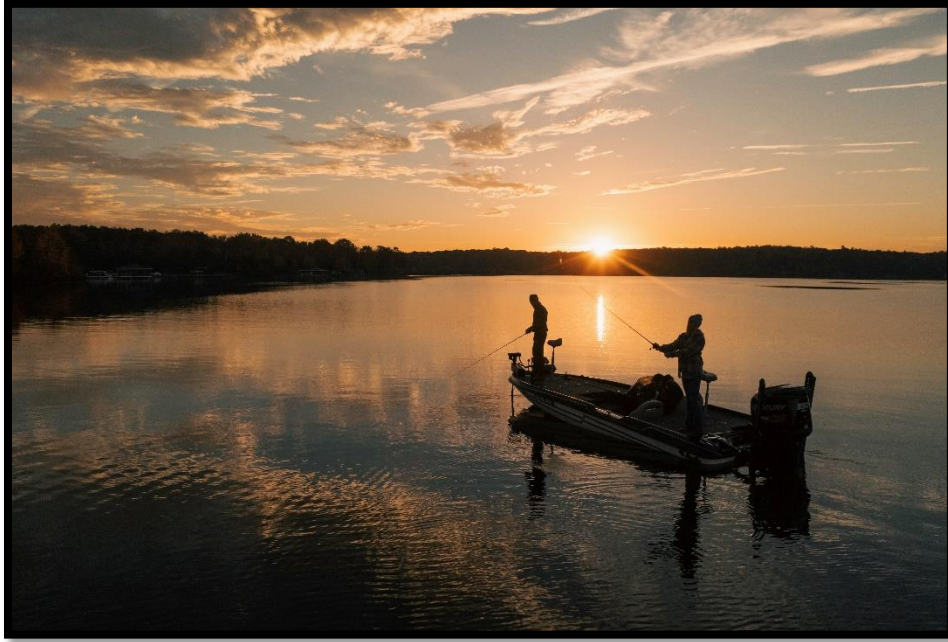
The adopted 2025 General Fund budget of \$389.2 million reflects a \$21.0 million, or 5.7% increase in revenues from the 2024 adopted budget. This increase includes a projected use of fund balance of \$14.4 million. The following information provides highlights of the 2025 General Fund Adopted Budget.

- The 2024 land book value reflects an increase in residential and commercial values, mostly from the County's bi-annual reassessment, of 24.1% and 11.5%, respectively. The County's housing market remains strong with an average assessed value of \$337,748 for residential properties with a home. The Board set an increased tax rate of \$0.7717 for calendar year 2024, up from the equalized rate of \$0.6657 to fund the needs of public safety and schools.
- The Board reduced the passenger automobiles class of the personal property tax rate of \$5.42 to \$5.37.
- Funding is included for the following compensation adjustments:

- Five new gate attendants for convenience center waste collection sites, two heavy equipment operators for refuse disposal, one detective, and one health and safety captain for Fire & Rescue Emergency Management.
- A 3.0% cost of living adjustment for all employees, a 2.0% merit increase for employees not on the public safety pay scale, and a step increase for public safety personnel.
- Longevity adjustments continue to be included at 0.5% for non-Public Safety scale employees reaching 3 or 12 years of service, and 1% for those reaching 5, 10, and 15 years of service by June 30, 2024.
- A market adjustment for E911 communications staff.
- \$1.6 million for the increased share of the Regional Jail and Juvenile Detention Center budgets.
- The budget includes a net new \$3.9 million transfer from the General Fund to the Capital Projects Fund to cash fund capital projects and reduce borrowing needs.
- An additional \$787,324 thousand transfer to the Transportation Fund to help address projected out-year needs.
- The net local transfer to the Schools increased by \$6.6 million to \$155.5 million in support of compensation adjustments to include \$1.3 million in one-time matching funds for the State retention initiative, additional transfer of \$0.8 million to match ongoing salary adjustments, \$1.0 million to fund debt service and \$4.8 million required local match for State recommended 3% pay adjustment.

Request for Information

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the County's finances. Questions concerning any of the information provided in this report or requests for additional financial information may be sent by email to finance@spotsylvania.va.us or can be addressed to the Office of the Chief Financial Officer at 8800 Courthouse Road, Spotsylvania Virginia, 22553.



All Rights Reserved 2023-2024 Spotsylvania County.



BASIC FINANCIAL STATEMENTS

COUNTY OF SPOTSYLVANIA, VIRGINIA

Statement of Net Position

June 30, 2024

Exhibit I

| | Primary Government | | | Component Unit | |
|---|-------------------------|--------------------------|-------------------------|-----------------------|--------------------------------|
| | Governmental Activities | Business-type Activities | Total | School Board | Economic Development Authority |
| ASSETS | | | | | |
| Cash and investments - pooled equity (Note 2) | \$ 279,834,820 | \$ 105,519,672 | \$ 385,354,492 | \$ 30,448,449 | \$ 1,138,557 |
| Receivables, net (Note 3.01) | 160,312,118 | 15,686,553 | 175,998,671 | 14,054,324 | - |
| Lease Receivable (Note 3.02) | 1,934,585 | 1,408,774 | 3,343,359 | - | - |
| Prepaid items | 1,636,099 | 70,117 | 1,706,216 | 2,688,343 | - |
| Inventory | - | 1,007,166 | 1,007,166 | 584,545 | - |
| Due from primary government (Note 6) | - | - | - | 11,958,890 | - |
| Restricted cash and investments (Note 2) | 44,351,147 | 76,903,057 | 121,254,204 | 56,922,917 | - |
| Land held as investment | - | - | - | - | 1,292,100 |
| Capital assets, net (Note 4): | | | | | |
| Non-depreciable assets | 20,713,364 | 129,432,249 | 150,145,613 | 43,435,189 | - |
| Depreciable assets | 142,710,394 | 305,594,465 | 448,304,859 | 315,010,481 | - |
| Net pension assets (Note 7.05) | - | - | - | 1,047,002 | - |
| Total assets | \$ 651,492,527 | \$ 635,622,053 | \$ 1,287,114,580 | \$ 476,150,140 | \$ 2,430,657 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | |
| Debt refunding | \$ - | \$ 994,326 | \$ 994,326 | \$ - | \$ - |
| Pension contributions (Note 7.05) | 9,843,939 | 1,257,285 | 11,101,224 | 27,061,297 | - |
| Pension actuarial differences (Note 7.05) | 7,379,606 | 896,437 | 8,276,043 | 20,659,434 | - |
| OPEB contributions (Note 7.06) | 317,127 | 59,133 | 376,260 | 9,730,165 | - |
| OPEB actuarial differences (Note 7.06) | 25,677,599 | 3,392,568 | 29,070,167 | 26,470,253 | - |
| Total deferred outflows of resources | \$ 43,218,271 | \$ 6,599,749 | \$ 49,818,020 | \$ 83,921,149 | \$ - |
| LIABILITIES | | | | | |
| Accounts payable | \$ 4,293,759 | \$ 6,683,883 | \$ 10,977,642 | \$ 11,618,336 | \$ 498,560 |
| Retainage payable | 75,837 | 4,816,240 | 4,892,077 | 1,512,832 | - |
| Accrued salaries and benefits | 1,751,051 | 199,959 | 1,951,010 | 19,375,851 | - |
| Accrued interest | 4,725,399 | 716,254 | 5,441,653 | - | - |
| Other accrued liabilities | 2,126,930 | 929,916 | 3,056,846 | 74,534 | 398,201 |
| Unearned revenue | 24,125,952 | 233,940 | 24,359,892 | 8,014,951 | - |
| Due to component unit (Note 6) | 11,958,890 | - | 11,958,890 | - | - |
| Deposits | 16,482,054 | 150,751 | 16,632,805 | - | - |
| Noncurrent liabilities (Note 7): | | | | | |
| Due within one year | 39,761,512 | 8,743,940 | 48,505,452 | 6,824,440 | - |
| Due in more than one year | 424,190,097 | 222,789,815 | 646,979,912 | 278,672,309 | - |
| Total liabilities | \$ 529,491,481 | \$ 245,264,698 | \$ 774,756,179 | \$ 326,093,253 | \$ 896,761 |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Property taxes | \$ 112,892,429 | \$ - | \$ 112,892,429 | \$ - | \$ - |
| Special assessments | 135,813 | - | 135,813 | - | - |
| Leases | 1,854,639 | 1,331,464 | 3,186,103 | - | - |
| Debt refunding | 649,692 | - | 649,692 | - | - |
| Pension actuarial differences (Note 7.05) | 7,058,654 | 661,641 | 7,720,295 | 19,311,568 | - |
| OPEB actuarial differences (Note 7.06) | 31,465,006 | 3,626,725 | 35,091,731 | 174,720,750 | - |
| Total deferred inflows of resources | \$ 154,056,233 | \$ 5,619,830 | \$ 159,676,063 | \$ 194,032,318 | \$ - |
| NET POSITION | | | | | |
| Net investment in capital assets | \$ 116,153,090 | \$ 281,335,052 | \$ 397,488,142 | \$ 352,148,047 | \$ - |
| Restricted for: | | | | | |
| Grant programs | 4,405,906 | - | 4,405,906 | - | - |
| Debt service | - | 2,656,061 | 2,656,061 | - | - |
| Transportation | 8,117,317 | - | 8,117,317 | - | - |
| Opioid abatement | 3,244,847 | - | 3,244,847 | - | - |
| Capital projects | 3,145,289 | 5,216,674 | 8,361,963 | 43,505,145 | - |
| Net pension assets | - | - | - | 1,047,002 | - |
| Student activities | - | - | - | 3,019,820 | - |
| Unrestricted | (123,903,365) | 102,129,487 | (21,773,878) | (359,774,296) | 1,533,896 |
| Total net position (deficit) | \$ 11,163,084 | \$ 391,337,274 | \$ 402,500,358 | \$ 39,945,718 | \$ 1,533,896 |

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

COUNTY OF SPOTSYLVANIA, VIRGINIA

Statement of Activities

For the Year Ended June 30, 2024

Exhibit II - Page 1

| Functions/Programs | Expenses | Program Revenues | | | Primary Governmental Activities |
|--|-----------------------|----------------------|----------------------------------|--------------------------------|---------------------------------|
| | | Charges for Services | Operating Grants & Contributions | Capital Grants & Contributions | |
| Primary Government: | | | | | |
| General government | \$ 27,298,883 | \$ 315,536 | \$ 995,849 | \$ - | \$ (25,987,498) |
| Judicial administration | 13,832,513 | 736,385 | 2,386,286 | - | (10,709,842) |
| Public safety | 94,614,640 | 13,547,312 | 10,970,606 | 96,846 | (69,999,876) |
| Public works | 15,755,231 | 4,256,532 | 43,872 | 25,586 | (11,429,241) |
| Health and human services | 30,635,743 | 105,989 | 17,000,033 | - | (13,529,721) |
| Education | 165,962,306 | - | 3,007 | - | (165,959,299) |
| Parks, recreation and cultural | 9,901,921 | 787,601 | 1,747 | 713 | (9,111,860) |
| Community development | 17,608,197 | 842,106 | 362,148 | 137,577 | (16,266,366) |
| Interest on long-term debt | 10,485,395 | - | - | - | (10,485,395) |
| Total governmental activities | \$ 386,094,829 | \$ 20,591,461 | \$ 31,763,548 | \$ 260,722 | \$ (333,479,098) |
| Business-type activities: | | | | | |
| Water and sewer | 50,804,416 | 47,883,792 | - | 33,325,030 | |
| Total Primary Government | \$ 436,899,245 | \$ 68,475,253 | \$ 31,763,548 | \$ 33,585,752 | |
| Component unit: | | | | | |
| School Board | \$ 338,205,050 | \$ 3,076,933 | \$ 238,398,442 | \$ 9,201,067 | |
| Economic Development Authority | \$ 3,211,337 | \$ - | \$ - | \$ - | |
| General revenues: | | | | | |
| Taxes | | | | | |
| Property taxes | | | | | \$ 225,891,835 |
| Sales taxes | | | | | 29,899,566 |
| Utility taxes | | | | | 3,403,756 |
| Business licenses | | | | | 6,879,403 |
| Rental taxes | | | | | 4,280,178 |
| Motor vehicle licenses | | | | | 3,399,164 |
| Bank stock taxes | | | | | 1,169,417 |
| Recordation taxes | | | | | 2,456,378 |
| Meal taxes | | | | | 19,839,988 |
| Fuel taxes | | | | | 7,630,525 |
| Cigarette taxes | | | | | 1,606,320 |
| Grants and contributions not restricted to specific programs | | | | | 19,319,689 |
| Payments from Primary Government | | | | | - |
| Interest and investment earnings | | | | | 14,758,884 |
| Miscellaneous | | | | | 444,897 |
| Transfers | | | | | 9,554 |
| Total general revenues and transfers | | | | | \$ 340,989,554 |
| Change in net position | | | | | \$ 7,510,456 |
| Net position (deficit), beginning | | | | | 3,652,628 |
| Net position (deficit), ending | | | | | \$ 11,163,084 |

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

COUNTY OF SPOTSYLVANIA, VIRGINIA

Statement of Activities

For the Year Ended June 30, 2024

Exhibit II - Page 2

Net (Expense) Revenue & Changes in Net Position

| Functions/Programs | Primary Government | | Component Unit | |
|--|------------------------------|------------------------------|-----------------------------|--------------------------------|
| | Business-type Activities | Total | School Board | Economic Development Authority |
| Primary Government: | | | | |
| General government | | \$ (25,987,498) | | |
| Judicial administration | | (10,709,842) | | |
| Public safety | | (69,999,876) | | |
| Public works | | (11,429,241) | | |
| Health and human services | | (13,529,721) | | |
| Education | | (165,959,299) | | |
| Parks, recreation and cultural | | (9,111,860) | | |
| Community development | | (16,266,366) | | |
| Interest on long-term debt | | (10,485,395) | | |
| Total governmental activities | | \$ (333,479,098) | | |
| Business-type activities: | | | | |
| Water and sewer | 30,404,406 | 30,404,406 | | |
| Total Primary Government | \$ 30,404,406 | \$ (303,074,692) | | |
| Component units: | | | | |
| School Board | | | \$ (87,528,608) | |
| Economic Development Authority | | | | \$ (3,211,337) |
| General revenues: | | | | |
| Taxes | | | | |
| Property taxes | \$ - | \$ 225,891,835 | \$ - | \$ - |
| Sales taxes | - | 29,899,566 | - | - |
| Utility taxes | - | 3,403,756 | - | - |
| Business licenses | - | 6,879,403 | - | - |
| Rental taxes | - | 4,280,178 | - | - |
| Motor vehicle licenses | - | 3,399,164 | - | - |
| Bank stock taxes | - | 1,169,417 | - | - |
| Recordation taxes | - | 2,456,378 | - | - |
| Meal taxes | - | 19,839,988 | - | - |
| Fuel taxes | - | 7,630,525 | - | - |
| Cigarette taxes | - | 1,606,320 | - | - |
| Grants and contributions not restricted to specific programs | - | 19,319,689 | - | - |
| Payments from Primary Government | - | - | 165,773,135 | 3,173,037 |
| Interest and investment earnings | 9,030,152 | 23,789,036 | 2,918,072 | 70,365 |
| Miscellaneous | 219,077 | 663,974 | 2,642,336 | - |
| Transfers | (9,554) | - | - | - |
| Total general revenues and transfers | <u>\$ 9,239,675</u> | <u>\$ 350,229,229</u> | <u>\$ 171,333,543</u> | <u>\$ 3,243,402</u> |
| Change in net position | \$ 39,644,081 | \$ 47,154,537 | \$ 83,804,935 | \$ 32,065 |
| Net position (deficit), beginning | <u>351,693,193</u> | <u>355,345,821</u> | <u>(43,859,217)</u> | <u>1,501,831</u> |
| Net position (deficit), ending | <u><u>\$ 391,337,274</u></u> | <u><u>\$ 402,500,358</u></u> | <u><u>\$ 39,945,718</u></u> | <u><u>\$ 1,533,896</u></u> |

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

COUNTY OF SPOTSYLVANIA, VIRGINIA

Balance Sheet - Governmental Funds

June 30, 2024

Exhibit III - Page 1

| | Governmental Funds | | | |
|--|-----------------------|----------------------|--------------------------|--------------------------|
| | General | Capital Projects | Other Governmental Funds | Total Governmental Funds |
| ASSETS | | | | |
| Cash and investments - pooled equity | \$ 210,914,810 | \$ 45,728,310 | \$ 23,191,700 | \$ 279,834,820 |
| Receivables, net | 150,032,821 | 1,074,254 | 9,205,043 | 160,312,118 |
| Lease receivable | 1,934,585 | - | - | 1,934,585 |
| Restricted cash and investments | 2,040,475 | 40,636,954 | 1,673,718 | 44,351,147 |
| Total assets | <u>\$ 364,922,691</u> | <u>\$ 87,439,518</u> | <u>\$ 34,070,461</u> | <u>\$ 486,432,670</u> |
| LIABILITIES | | | | |
| Accounts payable | \$ 2,766,201 | \$ 1,335,673 | \$ 191,885 | \$ 4,293,759 |
| Retainage payable | - | 75,837 | - | 75,837 |
| Accrued salaries and benefits | 2,164,802 | 1,345 | 74,419 | 2,240,566 |
| Other accrued liabilities | 1,899,321 | 102,093 | 7,638 | 2,009,052 |
| Unearned revenue | 24,125,952 | - | - | 24,125,952 |
| Due to component unit | 11,958,890 | - | - | 11,958,890 |
| Deposits | 10,045,930 | 2,235,727 | 4,200,397 | 16,482,054 |
| Total liabilities | <u>\$ 52,961,096</u> | <u>\$ 3,750,675</u> | <u>\$ 4,474,339</u> | <u>\$ 61,186,110</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Property taxes | \$ 121,983,989 | \$ - | \$ 601,701 | \$ 122,585,690 |
| Special assessments | - | 135,813 | - | 135,813 |
| Other revenues | 9,911,916 | 38,441 | - | 9,950,357 |
| Leases | 1,854,639 | - | - | 1,854,639 |
| Total deferred inflows of resources | <u>\$ 133,750,544</u> | <u>\$ 174,254</u> | <u>\$ 601,701</u> | <u>\$ 134,526,499</u> |
| FUND BALANCES | | | | |
| Non spendable | \$ 79,946 | \$ - | \$ - | \$ 79,946 |
| Restricted | 8,774,356 | 39,202,497 | 9,770,329 | 57,747,182 |
| Committed | 112,054,915 | 41,783,987 | 18,396,870 | 172,235,772 |
| Assigned | 52,301,834 | 2,528,105 | 827,222 | 55,657,161 |
| Unassigned | 5,000,000 | - | - | 5,000,000 |
| Total fund balances | <u>\$ 178,211,051</u> | <u>\$ 83,514,589</u> | <u>\$ 28,994,421</u> | <u>\$ 290,720,061</u> |
| Total liabilities, deferred inflows of resources, and fund balances | <u>\$ 364,922,691</u> | <u>\$ 87,439,518</u> | <u>\$ 34,070,461</u> | <u>\$ 486,432,670</u> |

COUNTY OF SPOTSYLVANIA, VIRGINIA

Reconciliation of the Governmental Funds' Balance Sheet to the Statement of Net Position

June 30, 2024

Exhibit III - Page 2

Total fund balances - governmental funds (Exhibit III)

\$ 290,720,061

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

Prepaid items used current resources and, therefore, are not reported in the governmental funds.

1,636,099

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

Non-depreciable assets

\$ 20,713,364

Depreciable assets, net of depreciation

142,710,394

163,423,758

Deferred outflows of resources that represent a consumption of net position applying to future periods and, therefore, are not reported in the governmental funds.

Deferred pension contributions

\$ 9,843,939

Deferred pension actuarial differences

7,379,606

Deferred OPEB contributions

317,127

Deferred OPEB actuarial differences

25,677,599

43,218,271

Interest on long-term debt is not accrued in the governmental funds, but rather, is recognized as an expenditure when due.

(4,725,399)

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

Bonds payable, net of related costs

\$ (301,415,903)

Net pension liability

(20,607,661)

LOSAP pension benefits

(3,241,585)

Other postemployment benefits

(102,544,089)

Lease liability

(336,978)

Subscription liability

(7,046,387)

Compensated absences

(8,456,702)

Landfill closure obligation

(14,469,386)

Arbitrage liability

(3,614,523)

Insurance claims (excludes \$489,515 accrued in the General Fund)

(1,728,880)

(463,462,094)

Revenue not considered available in governmental funds is susceptible to full accrual on the entity-wide statements.

Property taxes

\$ 9,693,261

Intergovernmental revenues

4,267,914

Sales tax

2,629,020

Other local revenues

3,053,423

19,643,618

Deferred inflows of resources represent an acquisition of net position that is applicable to a future reporting period

Deferred pension actuarial differences

\$ (7,058,654)

Deferred debt refunding

(649,692)

Deferred OPEB actuarial differences

(31,465,006)

(39,173,352)

Expenses not due and payable in the current period and, therefore, are not reported in the governmental funds.

Other liabilities

\$ (117,878)

(117,878)

Total net position - governmental activities (Exhibit I)

\$ 11,163,084

COUNTY OF SPOTSYLVANIA, VIRGINIA

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds

For the Year Ended June 30, 2024

Exhibit IV - Page 1

| | General Fund | Capital Projects Fund | Other Governmental Funds | Total Governmental Funds |
|--|------------------------|------------------------|--------------------------|--------------------------|
| REVENUES | | | | |
| General property taxes | \$ 224,616,762 | \$ 32,266 | \$ 1,110,042 | \$ 225,759,070 |
| Other local taxes | 72,918,803 | - | 7,630,525 | 80,549,328 |
| Permits, fees and regulatory licenses | 273,764 | - | 8,282,822 | 8,556,586 |
| Fines and forfeitures | 557,485 | - | - | 557,485 |
| From use of money and property | 11,455,113 | 3,801,920 | 495,056 | 15,752,089 |
| Charges for services | 6,842,820 | - | 4,330,374 | 11,173,194 |
| Contributions | 150,702 | 174,350 | - | 325,052 |
| Miscellaneous | 845,564 | - | - | 845,564 |
| Intergovernmental | 48,008,897 | 1,016,071 | - | 49,024,968 |
| Total revenues | <u>\$ 365,669,910</u> | <u>\$ 5,024,607</u> | <u>\$ 21,848,819</u> | <u>\$ 392,543,336</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | \$ 21,038,090 | \$ 130,236 | \$ - | \$ 21,168,326 |
| Judicial administration | 11,490,513 | - | - | 11,490,513 |
| Public safety | 83,052,924 | - | 3,281,558 | 86,334,482 |
| Public works | 12,090,310 | - | 1,223 | 12,091,533 |
| Health and human services | 30,281,365 | - | - | 30,281,365 |
| Education | 165,962,306 | - | - | 165,962,306 |
| Parks, recreation and cultural | 8,999,761 | - | - | 8,999,761 |
| Community development | 4,537,590 | - | 5,461,223 | 9,998,813 |
| Non-departmental | 2,647,717 | - | - | 2,647,717 |
| Capital projects | - | 22,165,218 | - | 22,165,218 |
| Debt service: | | | | |
| Bonded debt: | | | | |
| Principal retirement | 28,600,170 | - | 3,794,830 | 32,395,000 |
| Interest and other fiscal charges | 9,315,719 | - | 1,803,629 | 11,119,348 |
| Bond issuance costs | 239,453 | 84,997 | - | 324,450 |
| Right to use assets: | | | | |
| Principal retirement | 1,779,045 | - | 5,758 | 1,784,803 |
| Interest and other fiscal charges | 149,350 | - | 17 | 149,367 |
| Total expenditures | <u>\$ 380,184,313</u> | <u>\$ 22,380,451</u> | <u>\$ 14,348,238</u> | <u>\$ 416,913,002</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>\$ (14,514,403)</u> | <u>\$ (17,355,844)</u> | <u>\$ 7,500,581</u> | <u>\$ (24,369,666)</u> |
| Other financing sources (uses): | | | | |
| Transfers in | \$ 4,899,190 | \$ 15,600,421 | \$ 3,914,685 | \$ 24,414,296 |
| Transfers out | (18,107,295) | (16,412) | (6,281,035) | (24,404,742) |
| Issuance of bonds | 41,275,000 | 17,030,000 | - | 58,305,000 |
| Premium on bonds issued | 4,025,528 | 1,786,749 | - | 5,812,277 |
| Lease liabilities issued | 66,838 | - | - | 66,838 |
| Subscription liabilities issued | 2,174,246 | - | - | 2,174,246 |
| Total other financing sources (uses), net | <u>\$ 34,333,507</u> | <u>\$ 34,400,758</u> | <u>\$ (2,366,350)</u> | <u>\$ 66,367,915</u> |
| Net change in fund balances | <u>\$ 19,819,104</u> | <u>\$ 17,044,914</u> | <u>\$ 5,134,231</u> | <u>\$ 41,998,249</u> |
| Fund balance, beginning | <u>158,391,947</u> | <u>66,469,675</u> | <u>23,860,190</u> | <u>248,721,812</u> |
| Fund balance, ending | <u>\$ 178,211,051</u> | <u>\$ 83,514,589</u> | <u>\$ 28,994,421</u> | <u>\$ 290,720,061</u> |

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

COUNTY OF SPOTSYLVANIA, VIRGINIA

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds
to the Statement of Activities

For the Year Ended June 30, 2024

Exhibit IV - Page 2

| | | |
|--|---------------------|----------------------------|
| Net changes in governmental fund balances (Exhibit IV): | | \$ 41,998,249 |
| <i>Amounts reported for governmental activities in the Statement of Activities are different because:</i> | | |
| Governmental funds report prepaids as expenditures. However, in the Statement of Activities, the cost is allocated over its service life and reported against the applicable functional expense. | | (945,720) |
| Governmental funds report capital outlays, including right to use assets, as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. | | |
| Capital outlay, net of disposals and related proceeds | \$ 16,321,449 | |
| Depreciation expense | <u>(16,753,162)</u> | (431,713) |
| In the Statement of Activities, only the gain or loss on capital assets is reported, while in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the capital assets sold. | | (748,441) |
| The issuance of long-term debt provides current 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 and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. | | |
| Debt issued or incurred: | | |
| Issuance of general obligation bonds | \$ (58,305,000) | |
| Premium on general obligation bonds | (5,812,277) | |
| Right to use leases incurred | (66,838) | |
| Right to use subscriptions incurred | <u>(2,174,247)</u> | (66,358,362) |
| Debt reductions: | | |
| Principal payments on bonds | \$ 32,395,000 | |
| Principal payments on right to use leases | 189,263 | |
| Principal payments on right to use subscriptions | 1,595,540 | |
| Principal reduction from partial termination of right to use subscription | <u>224,615</u> | 34,404,418 |
| Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the fund statements. | | |
| Property taxes | \$ 132,765 | |
| Intergovernmental and other revenues | <u>1,443,458</u> | 1,576,223 |
| 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. | | |
| Other postemployment benefits obligation | \$ (815,772) | |
| Pension benefits (includes LOSAP - Length of Service Award Plan) | 805,909 | |
| Amortization of bond related costs | 4,428,283 | |
| Accrued interest | (748,960) | |
| Arbitrage liability | (2,571,553) | |
| Landfill closure obligation | (678,839) | |
| Compensated absences | (2,284,549) | |
| Insurance claims (excludes \$489,515 in claims expense reported in the General Fund) | <u>(118,717)</u> | <u>(1,984,198)</u> |
| Change in net position - governmental activities (Exhibit II) | | <u>\$ 7,510,456</u> |

COUNTY OF SPOTSYLVANIA, VIRGINIA

Statement of Fund Net Position - Proprietary Fund

June 30, 2024

Exhibit V

| | <u>Water & Sewer Fund</u> |
|---|-------------------------------|
| ASSETS | |
| Current assets: | |
| Cash and investments - pooled equity | \$ 105,519,672 |
| Receivables, net | 15,686,553 |
| Lease receivable | 1,408,774 |
| Inventory | 1,007,166 |
| Prepaid items | 70,117 |
| Restricted cash and investments | 76,903,057 |
| Total current assets | <u>\$ 200,595,339</u> |
| Noncurrent assets: | |
| Capital assets, net: | |
| Non-depreciable assets | \$ 129,432,249 |
| Depreciable assets | 305,594,465 |
| Total noncurrent assets | <u>\$ 435,026,714</u> |
| Total assets | <u>\$ 635,622,053</u> |
| DEFERRED OUTFLOWS OF RESOURCES | |
| Deferred charge on debt refunding | \$ 994,326 |
| Pension contributions | 1,257,285 |
| Pension actuarial differences | 896,437 |
| OPEB contributions | 59,133 |
| OPEB actuarial differences | 3,392,568 |
| Total deferred outflows of resources | <u>\$ 6,599,749</u> |
| LIABILITIES | |
| Current liabilities: | |
| Accounts payable | \$ 6,683,883 |
| Retainage payable | 4,816,240 |
| Accrued salaries and benefits | 199,959 |
| Accrued bond interest | 716,254 |
| Other accrued liabilities | 929,916 |
| Unearned revenue | 233,940 |
| Deposits | 150,751 |
| Current portion of long-term debt | 8,743,940 |
| Total current liabilities | <u>\$ 22,474,883</u> |
| Noncurrent liabilities: | |
| Noncurrent portion of long-term debt | \$ 222,789,815 |
| Total noncurrent liabilities | <u>\$ 222,789,815</u> |
| Total liabilities | <u>\$ 245,264,698</u> |
| DEFERRED INFLOWS OF RESOURCES | |
| Leases | \$ 1,331,464 |
| Pension actuarial differences | 661,641 |
| OPEB actuarial differences | 3,626,725 |
| Total deferred inflows of resources | <u>\$ 5,619,830</u> |
| NET POSITION | |
| Net investment in capital assets | \$ 281,335,052 |
| Restricted for debt service | 2,656,061 |
| Restricted for capital projects | 5,216,674 |
| Unrestricted | 102,129,487 |
| Total net position | <u>\$ 391,337,274</u> |

COUNTY OF SPOTSYLVANIA, VIRGINIA

Statement of Revenues, Expenditures and Changes in Fund Net Position - Proprietary Fund

For the Year Ended June 30, 2024

Exhibit VI

| | <u>Water & Sewer Fund</u> |
|--|-------------------------------|
| OPERATING REVENUES | |
| Charges for services | \$ 45,685,513 |
| Other operating revenues | 2,198,279 |
| Total operating revenues | <u>\$ 47,883,792</u> |
| OPERATING EXPENSES | |
| Personnel and related benefits | \$ 14,548,388 |
| Contractual services | 3,433,966 |
| Materials and supplies | 4,627,479 |
| Depreciation | 13,459,551 |
| Other services and charges | 6,352,005 |
| Total operating expenses | <u>\$ 42,421,389</u> |
| Operating income | <u>\$ 5,462,403</u> |
| NON-OPERATING REVENUES (EXPENSES) | |
| Interest and fiscal charges | \$ (8,080,698) |
| Bond issuance costs | (302,329) |
| Investment earnings, net | 9,030,152 |
| Miscellaneous income | 219,077 |
| Total non-operating expenses, net | <u>\$ 866,202</u> |
| Income before contributions and transfers | <u>\$ 6,328,605</u> |
| Capital contributions: | |
| Availability fees | \$ 10,371,540 |
| Other capital contributions | 22,953,490 |
| Total capital contributions | <u>\$ 33,325,030</u> |
| Transfers to other funds, net | (9,554) |
| Total capital contributions and transfers | <u>\$ 33,315,476</u> |
| Change in net position | <u>\$ 39,644,081</u> |
| Net position, beginning | 351,693,193 |
| Net position, ending | <u><u>\$ 391,337,274</u></u> |

COUNTY OF SPOTSYLVANIA, VIRGINIA

Statement of Cash Flows - Proprietary Fund

For the Year Ended June 30, 2024

Exhibit VII - Page 1

| | Water & Sewer Fund |
|--|-------------------------------|
| Cash flows from operating activities: | |
| Receipts from water and sewer customers | \$ 44,373,547 |
| Receipts from other operating revenues | 2,199,505 |
| Receipt of customer deposits | 38,980 |
| Payments to suppliers and service providers | (13,704,939) |
| Payments to employees for salaries and benefits | (14,052,667) |
| Return of customer deposits | (10,720) |
| Net cash provided by operating activities | \$ 18,843,706 |
| Cash flows from noncapital financing activities: | |
| Receipt for cell tower operating leases | \$ 125,745 |
| Transfers out | (9,554) |
| Net cash provided by noncapital financing activities | \$ 116,191 |
| Cash flows from capital and related financing activities: | |
| Acquisition and construction of capital assets | \$ (66,790,712) |
| Proceeds from sale of capital assets | 10,125 |
| Principal payments on revenue bonds | (7,255,000) |
| Interest and bond issuance costs on revenue bonds | (8,141,012) |
| Proceeds from revenue bonds issued | 38,285,873 |
| Receipts of proffers for capital assets | 55,000 |
| Principal payments on leases | (15,012) |
| Interest payments on leases | (1,726) |
| Principal payments on subscriptions | (137,432) |
| Interest payments on subscriptions | (18,120) |
| Intergovernmental revenue - capital | 18,845,327 |
| Payment of arbitrage rebate liability | (256,572) |
| Receipt of availability fees | 10,735,050 |
| Net cash used in capital and related financing activities | \$ (14,684,211) |
| Cash flows from investing activities: | |
| Proceeds from investment maturities | \$ 27,898,259 |
| Proceeds from investment principal pay downs | 1,561,018 |
| Investment earnings, net | 7,510,826 |
| Net cash provided by investing activities | \$ 36,970,103 |
| Net increase in cash and cash equivalents | \$ 41,245,789 |
| Cash and cash equivalents: | |
| Beginning | 115,022,234 |
| Ending | \$ 156,268,023 |
| Shown on the Statement of Fund Net Position as: | |
| Cash and investments - pooled equity | \$ 105,519,672 |
| Restricted cash and investments | 76,903,057 |
| | \$ 182,422,729 |
| Less investments | 26,154,706 |
| Cash and cash equivalents, unrestricted and restricted | \$ 156,268,023 |

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

COUNTY OF SPOTSYLVANIA, VIRGINIA

Statement of Cash Flows - Proprietary Fund

For the Year Ended June 30, 2024

Exhibit VII - Page 2

Water & Sewer Fund**Reconciliation of operating income to net cash provided by operating activities:**

| | |
|--|----------------------|
| Operating income | \$ 5,462,403 |
| Depreciation | 13,459,551 |
| Effect of changes in assets and liabilities: | |
| Increase in accounts receivable (net of capital related financing) | (1,310,740) |
| Decrease in prepaid items | 16,938 |
| Increase in inventory | (3,233) |
| Increase in deferred outflows - pension contributions | (155,389) |
| Decrease in deferred outflows - pension actuarial differences | 632,093 |
| Increase in deferred outflows - OPEB contributions | (8,576) |
| Increase in deferred outflows - OPEB actuarial differences | (1,791,867) |
| Increase in accounts payable (net of capital related financing) | 694,805 |
| Increase in customer deposits payable | 28,260 |
| Increase in salary and benefits payable | 69,052 |
| Increase in insurance claims payable | 20,958 |
| Increase in compensated absences payable | 339,259 |
| Decrease in net pension liability | (132,443) |
| Increase in total OPEB liability - healthcare | 2,528,624 |
| Increase in net OPEB liability - VRS GLI | 118,162 |
| Decrease in deferred inflows - pension actuarial differences | (453,777) |
| Decrease in deferred inflows - OPEB actuarial differences | (670,374) |
| Net cash provided by operating activities | \$ 18,843,706 |

Noncash noncapital financing activities:

| | |
|--|-----------|
| Increase in cell tower operating lease receivables | \$ 10,542 |
|--|-----------|

Noncash capital and financing activities:

| | |
|---|----------------|
| Decrease in intergovernmental receivables | \$ (3,801,262) |
| Increase in availability fee and other capital contribution receivables | (849,953) |
| Developer donated capital assets | 8,395,868 |
| Net book value of capital assets disposed or sold | (1,850) |
| Decrease in accounts payable and accrued liabilities | 881,340 |
| Increase in arbitrage payable | (1,581,343) |
| Increase in retainage payable | (2,856,052) |
| Difference between recognition of lease revenue and deferred inflows | 19,511 |
| Net change in deferred inflows and outflows related to bonded debt | 1,474,073 |

Noncash investing activities:

| | |
|---|--------------|
| Increase in fair value of investments | \$ 1,585,927 |
| Decrease in accrued interest receivable | (25,384) |

COUNTY OF SPOTSYLVANIA, VIRGINIA

Statement of Fiduciary Net Position

June 30, 2024

Exhibit VIII

| | <u>Custodial Fund</u> |
|--|--------------------------|
| ASSETS | |
| Cash and cash equivalents | \$ 729,284 |
| Receivables - taxes for the Commonwealth of Virginia | <u>151,866</u> |
| Total assets | <u><u>\$ 881,150</u></u> |
| LIABILITIES | |
| Accounts payable and other liabilities | \$ 62,180 |
| Total liabilities | <u><u>\$ 62,180</u></u> |
| NET POSITION | |
| Restricted for: | |
| Individuals, organizations, and other governments | \$ 818,970 |
| Total net position | <u><u>\$ 818,970</u></u> |

COUNTY OF SPOTSYLVANIA, VIRGINIA
Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2024

Exhibit IX

| | <u>Custodial Fund</u> |
|---|--------------------------|
| ADDITIONS | |
| Collections of taxes and fees for other governments | \$ 858,910 |
| Social Security Administration deposits (special welfare) | 38,627 |
| Collections of Sheriff evidence funds | 58,666 |
| Deposits of unclaimed property | 194,521 |
| Deposits from and on behalf of service organizations | 4,258 |
| Collections for real estate sale (unclaimed property) | 19,788 |
| Total additions | <u>\$ 1,174,770</u> |
| DEDUCTIONS | |
| Payments of taxes and fees to other governments | \$ 737,506 |
| Payments made to special welfare individuals | 29,194 |
| Evidence disbursements | 68,447 |
| Unclaimed property disbursements | 82,204 |
| Payments to service organizations | 4,260 |
| Payments to real estate holders (unclaimed property) | 19,040 |
| Total deductions | <u>\$ 940,651</u> |
| Net increase in fiduciary net position | \$ 234,119 |
| Fiduciary net position, beginning | <u>584,851</u> |
| Fiduciary net position, ending | <u><u>\$ 818,970</u></u> |

Note 1

Summary of Significant Accounting Policies

1.01 REPORTING ENTITY

The County of Spotsylvania, Virginia (the County) is organized under the board-administrator form of government. The governing body is the Board of Supervisors (the Board), which is comprised of seven members elected to a four-year term by the voters of the district in which the member resides. The Board appoints a County Administrator charged with the execution of the Board's policies and programs. Additionally, County citizens elect and are served by five constitutional officers: Treasurer, Commissioner of Revenue, Sheriff, Clerk of the Circuit Court, and Commonwealth's Attorney. The County's Health Department and the court system are under the control of the Commonwealth of Virginia.

The County provides services for its citizens including emergency medical services and fire protection, collection and disposal of refuse, water and sewer activities, parks and recreation, libraries funded through various revenue streams such as taxes, charges for services, grants and contributions.

The accompanying financial statements present the County and its component units, entities for which the County is considered to be financially accountable. Blended component units are, in substance, part of the Primary Government's operations, even though they are legally separate entities. The County has no component units that meet the requirements for blending and the County's discretely presented component units are reported in separate columns in the government-wide statements to emphasize they are legally separate from the Primary Government.

Discretely Presented Component Units:

The Spotsylvania County Public School System (School Board) is responsible for elementary and secondary education within the County's jurisdiction. School Board members are elected to four-year terms by the voters of the district in which the member resides. The School Board functions independently of the County Board and County Administration, but is considered fiscally dependent based on the County's budgetary approval authority. In addition, the County Board must levy taxes to finance School Board operations and issue debt on its behalf as the School Board can neither levy taxes nor incur bonded indebtedness under Virginia law. The School Board does not publish a separate financial report; therefore, the fund financial statements of the School Board are included in the other supplementary information section of this report.

The Economic Development Authority of Spotsylvania, Virginia (EDA) was established by ordinance of the Board pursuant to the Industrial Development and Revenue Bond Act (Chapter 33, Title 15.1 Code of Virginia (the Code) of 1950, as amended) so that such authorities may acquire, own, lease and dispose of properties to the end that such authorities may be able to promote industry and develop trade by inducing manufacturing, industrial, governmental and commercial enterprises to locate in or remain in the Commonwealth. Included in the discretely presented component unit EDA are the activities of economic development services. The County Board of Supervisors appoints the seven board directors of the EDA representing each of the seven districts of the County. By statute, the EDA has the power to cause the issuance of tax-exempt industrial revenue bonds to qualifying enterprises wishing to utilize that form of financing. The County is involved in the day-to-day operations of the EDA, the determination of its operating budget and annual service fee rates and the approval of prospective private activity bond issues. The EDA does not publish a separate financial report; therefore, the fund financial statements of the EDA are included in the other supplementary information section of this report.

1.02 BASIS OF PRESENTATION

Government-wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the Primary Government and its component units. These statements include the financial activities of the overall government, except for its fiduciary activities. Financial activities are categorized as either governmental or business-type. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The Statement of Activities presents a comparison between direct expenses and program revenues for the different business-type activities of the County and for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are for charges between the County's Water and Sewer Fund and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues for the various functions concerned.

Fund Financial Statements

The fund financial statements provide information about the County's funds, including its fiduciary funds. Separate statements for each fund category - governmental, proprietary, and fiduciary - are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water and sewer fund are charges to customers for sales and services. In addition, the water and sewer fund recognizes a portion of its availability fees intended to recover the cost of connecting new customers to the system as operating revenue. Operating expenses for the water and sewer fund include cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

County's Major Governmental Funds:

The **General Fund** is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. Revenue is derived primarily from property taxes, utility taxes, state and federal distributions and other intergovernmental revenue. The general operating expenditures, fixed charges and capital outlay costs that are not paid through other funds are paid from the General Fund.

The **Capital Projects Fund** is used to account for the development, modernization and replacement of County infrastructure not financed by the proprietary fund. Financing is provided through general tax revenue, bond proceeds, state and federal aid, and investment income.

County's Major Enterprise Fund:

The **Water and Sewer Fund** is responsible for providing water, wastewater and reclaimed water services to residential, commercial, industrial, irrigation, and wholesale customers. Operations are financed through a rate structure based on the amount of service used. Debt is issued, as needed, for large capital projects.

County's Fiduciary Fund:

The **Custodial Fund** is used to account for resources held for the benefit of individuals, private organizations, and other governments.

County's Non-major Special Revenue Funds:

The **Fire and EMS Service Fee Fund** was created to account for the revenue recovery program established by County code section 9-39. The program authorizes charges for services to cover emergency medical transport provided by the County.

The **Code Compliance Fund** was established to account for the revenues and expenditures associated with the enforcement of building and zoning codes enacted by authority of the Commonwealth of Virginia. Fees are restricted by the Commonwealth to defray the cost of code enforcement functions.

The **Transportation Fund** is used to cover costs associated with planning and oversight of transportation projects, funding for the Fredericksburg Regional Transit (FRED) local bus system, and debt service. Funding is provided through a tax on fuel distribution costs and real estate taxes generated from special service districts.

1.03 MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of the transactions or events for recognition in the financial statements.

Government-wide, Proprietary, and Fiduciary Fund Financial Statements

The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available.

Property taxes, sales taxes, franchise taxes, various charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period if received within a 45-day availability period, with the exception of local sales and use tax that follows a 30-day availability window. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received within 45 days after the end of the fiscal year. Revenues from reimbursement-based grants of the Component unit – School Board are recognized when earned. All other revenue items are considered to be measurable and available only when cash is received.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and financing from leases are reported as other financing sources.

1.04 BUDGET INFORMATION

Budgetary Basis of Accounting

Budgets for all funds are adopted on a budgetary basis. Budgeted amounts presented in the required supplementary information are as originally adopted and amended by the County Board, School Board, County Administrator or the School Superintendent.

A recommended budget is presented to the County Board at the functional level (i.e., general government, public safety, etc.). The County Board adopts the budget by resolution and funds are appropriated July 1. The resolution adopted by the Board, establishes the level of control at the fund level (e.g., General Fund) at which expenditures may not legally exceed appropriation. Appropriations in all budgeted funds lapse at the end of the fiscal year except the capital projects funds, which are appropriated on a project-length basis. The County adopted additional budgetary controls beyond the legal level, which limit authority to county department heads to only transfer funding between accounts within their operating budgets, and County Administration to transfer funding between all categories of a departmental budget and up to \$100,000 between departmental budgets. All other revisions to the budget must be approved by the Board of Supervisors.

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. The County and many governments revise their original budgets over the course of the year for a variety of reasons. The budgetary comparison schedule presents the original budget, the final budget, and the actual activity of the major governmental funds. Reconciliations of the budgetary basis to the GAAP basis are presented as required supplementary information with explanations of the reconciling items. Budgetary information for non-major governmental funds is presented as other supplementary information.

1.05 CASH AND INVESTMENTS – POOLED EQUITY

The County maintains a single cash and investment pool for all its unrestricted funds except for its Length of Service Awards Program - revocable pension trust. Investment income is allocated only when contractually or legally required based on its average daily balances. Investment earnings not required to be allocated are reported in the General Fund.

For the purpose of the Statement of Cash Flows, the County considers cash and all highly liquid investments, including restricted assets with a maturity of three months or less when purchased, as cash and cash equivalents. Cash equivalents represent money market investments reported at amortized cost and defined as short-term, highly liquid debt instruments. These instruments include commercial paper, bankers' acceptances, and U.S. Treasury and agency obligations that have a remaining maturity at time of purchase of one year or less, provided that the fair value of those investments is not significantly affected by the impairment of the credit standing of the issuer or by other factors. The County holds negotiable certificates of deposit with varying maturities. For ease of presentation, these investments are reported in their entirety at fair value. Positions in external investment pools meeting certain provisions of GAAP are reported at their net asset value per share (which approximates fair value). All other investments are reported at fair value.

1.06 RECEIVABLES

Receivables consist of general accounts for services, intergovernmental revenues, property taxes, water and sewer fees and any necessary accruals needed for amounts due to the County at fiscal year-end and are reported net of allowance for uncollectible amounts. The property tax receivable allowance is calculated consistent with criteria established by the Auditor of Public Accounts of the Commonwealth of Virginia, which uses historical collection data, specific account

analysis and management's judgment. All remaining accounts receivable utilize the aging analysis method in determining its allowance.

1.07 PROPERTY TAXES

Real property is assessed biennially at estimated fair value on January 1. Real estate and personal property taxes are payable in two installments on June 5th and December 5th. The second installment due December 5th is included as a deferred inflow of resources as these taxes are restricted for use to the following fiscal year. Unpaid real estate taxes automatically constitute liens on real property, which must be satisfied prior to sale or transfer. Outstanding personal property taxes do not create a lien; however, once reported to the Virginia Department of Motor Vehicles, a hold will be placed on any license plate requests until paid.

1.08 LEASE RECEIVABLE

The County's lease receivable is measured at the present value of lease payments expected to be received during the lease term. A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in the amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

1.09 PREPAID ITEMS

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the government-wide statements and recorded as an expense when consumed rather than when purchased.

1.10 INVENTORIES

Inventories are valued at cost using the first-in/first-out (FIFO) method and consist of expendable supplies and necessary repair and spare parts for vehicles, water and wastewater systems. The cost of such inventories is expensed when consumed rather than when purchased for accrual-based reporting.

1.11 RIGHT TO USE ASSETS

The County has recorded right to use assets as a result of implementing GASB 87 and GASB 96. Right to use assets are defined by the County as assets with an initial cost of more than \$50,000. The right to use lease assets are initially measured at an amount equal to the initial measurement period of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right to use subscription assets are initially measured at an amount equal to the initial measurement period of the related subscription liability, plus any subscription payments made prior to the subscription term, plus capitalizable implementation costs, less any incentives received at or before the commencement of the subscription term. The right to use assets are amortized on a straight-line basis over the life of the related lease or subscription.

1.12 CAPITAL ASSETS

Capital assets, which include property, plant, equipment, utility infrastructure, and intangibles, are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than \$10,000 and an estimated useful life in excess of two years. Individual capital items under \$10,000, purchased in bulk at an amount greater than \$150,000 with an estimated useful life in excess of two years, are also capitalized. The County does not capitalize any infrastructure, such as roads or bridges, where ownership is conveyed to the Commonwealth.

Intangible assets include purchased and internally developed software, easements and purchased capacity. Purchased capacity consists of payments made by the County under intergovernmental agreements for the County's allocated share of improvements to sewage treatment systems owned and operated by other jurisdictions.

All capital assets are capitalized at cost or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at acquisition value. Major outlays for capital assets and improvements are capitalized as projects are constructed.

With the exception of land and construction in progress, assets are depreciated or amortized over their estimated useful life using the straight-line method. Useful lives of the various major categories of capital assets are as follows:

| Major Asset Type | Estimated Useful Life |
|-------------------------------|------------------------------|
| Buildings and improvements | 10-50 years |
| Furniture and other equipment | 3-20 years |
| Vehicles | 5-15 years |
| Water and sewer systems | 20-50 years |
| Software | 3-10 years |
| Purchased sewer capacity | 20-50 years |

The term depreciation is used in the accompanying financial statements to describe both depreciation and amortization.

1.13 DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

The Statement of Net Position reports a separate section for deferred outflows of resources in addition to assets. The County reports deferred outflows of resources for deferred charges on refunding and amounts related to pensions and OPEB in the government-wide statements and the proprietary financial statements in this category. The deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or the refunding debt. Deferred outflows of resources for pensions and OPEB result from changes in actuarial assumptions, proportionate share, investments, experience and contributions made subsequent to the measurement date. Amounts other than contributions made subsequent to the measurement date and investment results are deferred and amortized over the remaining service life of all participants. Contributions are deferred and amortized over one year and investment experience amounts are deferred and amortized over a closed five-year period.

The County reports a separate section for deferred inflows of resources in addition to liabilities for both its governmental funds' Balance Sheet and its Statement of Net Position. Deferred inflows of resources in the governmental funds' Balance Sheet represent unavailable revenue for amounts billed or accrued and not collected, and lease receivables initiated and subsequently amortized on a straight-line basis over the term of the lease. Deferred inflows of resources in the government-wide Statement of Net Position represent unearned revenues for amounts received in advance of meeting timing requirements or amounts collected in advance of the fiscal year to which they apply. Deferred inflows of resources are also reported for deferred charges on refunding resulting from the difference in the carrying value of refunded debt and its reacquisition price, and amounts related to pensions and OPEB in the government-wide statement of net position. Actuarial losses resulting from a difference in actual experience, actuarial assumptions and proportionate share are deferred and amortized over the remaining service life of all participants. Deferred inflows of resources resulting from pension and OPEB investment experience are also deferred and amortized over a closed five-year period. The County has also recorded amounts associated with long term receivables, primarily related to leases, as deferred inflows.

1.14 COMPENSATED ABSENCES

The County's policy permits employees to accumulate earned but unused annual and sick leave benefits, which are eligible for payment upon separation from service. Annual leave payouts are limited to a maximum of 288 hours for full-time employees. Any amounts exceeding the maximum allowable accumulation, is converted to sick leave. Sick leave obligations are compensated at 25% of accrued sick leave, with no maximum payout for employees enrolled in VRS Plans 1 & 2, and a maximum payout of 240 hours for VRS Hybrid employees. The liability for compensated absences is reported as incurred in the government-wide and proprietary fund financial statements.

1.15 FUND BALANCE

Fund Balance Classifications

In the fund financial statements, governmental funds report fund balances as nonspendable, restricted, committed, assigned or unassigned based on the extent to which the County is bound to observe constraints imposed on the use of resources.

Nonspendable – includes amounts that cannot be spent because they are either not in spendable form (e.g., inventory), or are legally or contractually required to remain intact (e.g., endowment funds).

Restricted Fund Balance – amounts are limited to specific purposes imposed by external parties (e.g., grantors, creditors, contributors), or laws and regulations of other governments.

Committed Fund Balance – funds are reserved by resolution for specific purposes, using its highest level of decision-making authority (i.e., the Board). Once reported as committed, amounts cannot be used for any other purpose unless the County takes equal action to remove or change the constraint.

Assigned Fund Balance – funds are constrained by the County's intent to be used for specific purposes, but are neither restricted nor committed. Unlike committed funds, the assignment generally is temporary and additional action is not required for their removal. The Board authorizes the County Administrator and the Chief Financial Officer as authorities permitted to designate funds as assigned.

Unassigned Fund Balance – includes amounts considered available for any purpose. Due to its capacity to account for financial resources not constrained through other Funds, the General Fund is the only fund that may report a positive unassigned fund balance.

For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in order by committed, assigned, and unassigned fund balance.

Reserves

The County's fiscal policy requires the maintenance of fund balance reservations in the following priority order:

Fiscal Stability Reserve – The County commits within its General Fund at the close of each fiscal year a reserve equal to no less than 11% of the General Fund and School Operating Fund revenues projected for the subsequent fiscal year budget. Appropriations from the Reserve may be made only by a majority vote of the Board of Supervisors to meet a critical, unexpected financial need costing at least \$1.0 million and resulting from a natural disaster, declared emergency, or from a local catastrophe that cannot be resolved through other less extraordinary budgetary action. The \$1.0 million cost requirement is met when the County incurs a loss in revenue, an increase in expenditures, or a combination of each stemming from eligible events. Any use of the reserve will be replenished within three fiscal years.

Self-insured Health Insurance Reserve – The County will maintain a committed self-funded health insurance reserve equal to the total claims incurred but not reported (IBNR) plus three months of claim payments based on the previous three

years' experiences. Any use of such reserve will be limited to payment of IBNR in the event the County changes to a new vendor for health insurance and to the payment of claims that exceed applied premiums. Any use of the reserve will be replenished within one year.

Budget Stabilization Reserve – The County maintains a reserve to mitigate financial and service delivery risk due to unexpected revenue shortfalls or unanticipated critical expenditures. The purpose of the reserve is to provide budgetary stabilization and not serve as an alternative funding source for new programs. The reserve equal to \$5 million is a component of unassigned fund balance at June 30, 2024.

Economic Opportunities Reserve - The County maintains an Economic Opportunities Reserve for the purpose of providing incentives to substantial economic development opportunities. At the end of each fiscal year, the *assigned* reserve will be replenished to the \$2.0 million level in the event that unassigned fund balance remains after full funding of the fiscal stability, self-insured health insurance, and budget stabilization reserves.

1.16 NET POSITION

Net position is comprised of three categories: Net investments in capital assets; restricted net position; and unrestricted net position. Net investment in capital assets reflect the portion of net position associated with non-liquid, capital assets, less the outstanding debt related to these capital assets. The related debt is the debt less the unspent bond proceeds and any associated unamortized costs. Restricted net position consists of assets whose use is subject to constraints that is either externally imposed by creditors or by law. Net position, which is neither restricted nor related to capital assets, is reported as unrestricted net position.

Component unit – School Board Bonded Debt

The *Code of Virginia* (Code) establishes the School Board as a legal entity holding title to all school assets but having no taxing authority. The County must issue debt through bond referendum, Virginia Public School Authority or Literary Fund to finance the School Board's capital asset program. GAAP provides specific guidance that requires localities to separate internal activities (within the Primary Government) from intra-entity activities (between the Primary Government and its component units). This guidance prevents local governments from allocating debt incurred "on-behalf" of school boards to the Component unit – School Board column. Therefore, the School Board assets are included in the component unit column while the debts related to those assets are included in the Primary Government - Governmental Activities column on Exhibit I.

As of June 30, 2024, the County reported \$193.9 million of "on-behalf" net school bonded debt with a corresponding reduction to the County's unrestricted net position. To assist readers in understanding this relationship and to more accurately reflect the respective financial conditions of the Primary Government and its component unit – School Board the following table provides the associated net position before and after the allocation of "on-behalf" school bonded debt.

| Allocation of County Issued "on-behalf" Bonded Debt of the School Board | | | | |
|---|------------------------|--------------------------------|-------------------------------|--|
| | Net Position Exhibit I | Allocation of "on-behalf" debt | Net Position after allocation | |
| Primary Government - Governmental Activities: | | | | |
| Net investment in capital assets | \$ 116,153,090 | \$ - | \$ 116,153,090 | |
| Restricted | 18,913,359 | - | 18,913,359 | |
| Unrestricted | (123,903,365) | 193,859,277 | 69,955,912 | |
| Total net position at June 30, 2024 | <u>\$ 11,163,084</u> | <u>\$ 193,859,277</u> | <u>\$ 205,022,361</u> | |
| Component unit - School Board: | | | | |
| Net investment in capital assets | \$ 352,148,047 | \$ (150,291,184) | \$ 201,856,863 | |
| Restricted | 47,571,967 | (43,568,093) | 4,003,874 | |
| Unrestricted | (359,774,296) | - | (359,774,296) | |
| Total net position at June 30, 2024 | <u>\$ 39,945,718</u> | <u>\$ (193,859,277)</u> | <u>\$ (153,913,559)</u> | |

Note 2

Deposits and Investments

2.01 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. 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 amount from 50% to 130% of excess deposits. Accordingly, all deposits reported are considered fully collateralized.

2.02 INVESTMENTS

In accordance with Sec. 2.2-4500 of the Code, the County is authorized 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, the Asian Development Bank, the African Development Bank, "prime quality" commercial paper, negotiable bank and certain corporate notes, bankers' acceptances; repurchase agreements, and the State Treasurer's Local Governmental Investment Pool, and the Virginia State Non-Arbitrage Program.

Fair Value Hierarchy

The County categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of an asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The County's financial investments are valued using a matrix pricing model, a Level 2 input based on the securities relationship to benchmark quoted prices. The County reports the following recurring fair value measurements as of June 30, 2024:

| Investments Measured at Fair Value | |
|------------------------------------|---------------|
| Investments by fair value level | Level 2 |
| Debt securities | |
| Repurchase agreements | \$ 8,177,106 |
| U.S. Treasury obligations | 27,823,721 |
| Federal agency obligations | 10,995,607 |
| Supra-national agency notes | 463,912 |
| Corporate notes | 20,275,984 |
| Total debt securities | \$ 67,736,330 |

External Investment Pools

The County maintains investments in the following qualified external investment pools at June 30, 2024:

| Investments Measured at Net Asset Value (NAV) | |
|---|----------------|
| Virginia Local Government Investment Pool | \$ 235,541,728 |
| Virginia State Non-arbitrage Program | 161,541,621 |
| | \$ 397,083,349 |

Virginia Local Government Investment Pool (LGIP)

The County invests in an externally managed investment pool, the LGIP, which is not SEC-registered. Pursuant to Section 2.2-4605 of the Code, the Treasury Board of the Commonwealth sponsors the LGIP and regulatory oversight of the pool rests with the Virginia State Treasury. It is the policy of the LGIP management to invest funds in accordance with Sections 2.2-4500, et seq. of the Code with the primary objectives (in priority order) of safety, liquidity and return on investment. The LGIP maintains a stable net asset value per share of \$1.00 using the amortized cost method of valuation. Redemptions of shares are not subject to redemption fees or withdrawal penalties and can be made on any banking day without limitation.

Virginia State Non-Arbitrage Program (SNAP)

The County participates in SNAP (the Program) for the investment of and accounting for bond proceeds and related funds in compliance with rebate requirements of the Internal Revenue Code of 1986, as amended. The Program invests in the PFM Funds Prime Series-SNAP Fund Class. Registered under the Investment Act of 1940, as amended, the SNAP Fund Class is a diversified, open-end fund with the primary objective to see as high a rate of current income as is consistent with maintaining liquidity and stability of principal, and to maintain a stable net asset value (NAV) of \$1.00 per share. Redemptions of shares are not subject to redemption fees or withdrawal penalties and can be made on any banking day without limitation.

Defined Benefit Length of Service Award Program

The Primary Government maintains a revocable, non-contributory, single member, defined benefit Length of Service Award Program (LOSAP). The Plan was established and is maintained to provide retirement benefits to vested participants in the Plan at the time of their retirement from fire and rescue volunteer services. Investments are held in non-participating interest-earning annuity contracts and valued at contract value.

EDA – Land Held for Investment

On July 2, 2018 the EDA received a donation of 48 acres of vacant, industrially zoned property in Spotsylvania, County. The land was acquired without access to the site and appraised as-is at \$790,000. On December 14, 2018, the EDA exchanged 11 of the 48 acres for access rights to the property. As of June 30, 2024, the remaining 37 acres are valued at a fair market value of \$1.3 million based on an internal sales comparison appraisal (level 3 input) assuming the property's highest and best use. Land is not currently undergoing development and is intended to be sold to fund future economic development initiatives.

School Board OPEB Trust

Information related to the investments held in the OPEB trust fund of the component unit- School Board is discussed in Note 7.07.

Interest Rate Risk

In accordance with the County's investment policy, to the extent possible, the investment portfolio is structured to ensure sufficient cash is available to meet anticipated liquidity needs. Investments are limited to a maximum maturity of five years; however, debt service reserve funds with longer term investment horizons may be invested in securities exceeding five years if the maturity of such investment is made to coincide with the expected use of funds. The County manages its exposure to declines in fair values by limiting the weighted average maturity (WAM) of its investment portfolio to less than 3 years as shown in the Weighted Average Maturity of Investments table. The portfolio's WAM is derived by dollar-weighting the WAM for each investment type. For purposes of this WAM calculation, the County assumes all of its investments will be held to maturity.

| Weighted Average Maturity of Investments | | | |
|---|----------------|----------------|--------------------------------------|
| Pooled Cash & Investments by Type | Valuation | Fair Value | Weighted Average Maturity (in years) |
| LGIP | NAV | \$ 235,541,728 | 0.0028 |
| SNAP | NAV | 161,541,621 | 0.0028 |
| Other money markets & mm mutual funds | Amortized cost | 41,757,992 | 0.0028 |
| Repurchase agreements | Fair | 8,177,106 | 0.0028 |
| U.S. Treasury obligations | Fair | 27,823,721 | 0.3393 |
| Federal agency obligations | Fair | 10,995,607 | 2.3353 |
| Supra-national agency note | Fair | 463,912 | 0.2778 |
| Corporate notes | Fair | 20,275,984 | 0.6993 |
| Total investments: | | \$ 506,577,671 | |
| Portfolio weighted average maturity: | | | 0.1000 |
| Cash on hand | | 2,870 | |
| Deposits | | 87,226,886 | |
| LOSAP pension benefit Trust funds | | 2,040,476 | |
| Total pooled cash and investments: | | \$ 595,847,903 | |
| Reconciliation of pooled cash and investments: | | | |
| Exh I: Total primary government cash and investments - pooled equity | | \$ 385,354,492 | |
| Exh I: Total primary government restricted cash and investments | | 121,254,204 | |
| Exh I: Component unit school board cash and investments - pooled equity | | 30,448,449 | |
| Exh I: Component unit school board restricted cash and investments | | 56,922,917 | |
| Exh I: Component unit EDA cash and investments - pooled equity | | 1,138,557 | |
| Exh VIII: Custodial cash and investments - pooled equity | | 729,284 | |
| | | \$ 595,847,903 | |

Credit Risk

All investments must meet or exceed state statutes and shall be diversified by security type and institution. The tables below reflect the level of quality acceptable per policy by investment type and pooled investments, which include (while not required) debt securities issued by the U.S. government, reported by credit quality and exposure as of June 30, 2024.

| Maximum Credit Exposure for Investments | | | |
|---|---|-------------------------|--------------|
| Authorized Investment | Minimum Credit Quality Rating | Maximum Credit Exposure | |
| | | Sector Limit | Issuer Limit |
| U.S. Treasury obligations | AA or equivalent | 100% | 100% |
| Federal agency obligations | AA or equivalent | 100% | 35% |
| Municipal obligations | AA or equivalent | 20% | 5% |
| Commercial paper | Short-term debt rating of A-1 or equivalent | 25% | 5% |
| Corporate notes | AA or equivalent | 20% | 5% |
| Certificate of deposit | A-1 for maturities ≤ 1 year and AA for maturities > than one year | 20% | 5% |
| Money market mutual funds | AAA or equivalent and complies with Rule 2a7 | 100% | 50% |
| Repurchase agreements | AA or equivalent | 35% | 35% |

| Pooled Investments Reported by Credit Quality and Exposure | | | |
|--|-----------------------|-----------------------|-----------------|
| Investments by Type | Fair Value | Credit Quality Rating | Credit Exposure |
| LGIP | \$ 235,541,728 | AAAm | 46.50% |
| SNAP | 161,541,621 | AAAm | 31.89% |
| Other money market mutual funds | 41,757,992 | AAAm | 8.24% |
| Repurchase agreements | 8,177,106 | AAA | 1.61% |
| U.S. Treasury obligations | 27,823,721 | AA(72%)/ A-1(28%) | 5.49% |
| Federal agency obligations | 10,995,607 | AA | 2.17% |
| Supra-national agency note | 463,912 | AAA | 0.09% |
| Corporate notes | 20,275,984 | AA(76%)/ A(24%) | 4.00% |
| Total investments: | \$ 506,577,671 | | 100.00% |

Concentration of Credit Risk

Concentration of credit risk is defined as the risk of loss associated to the amount of the County's investment in a single issuer. No more than five percent of the pooled investment portfolio will be invested in securities of any single issuer with the exception of mutual funds and investments issued or explicitly guaranteed by the United States government. As of June 30, 2024, the County has no concentrations of credit risk to report.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of the failure of the counter party, the County will not be able to recover the value of its investments or collateral securities that are in possession of any outside party. The County's investment policy requires all securities shall be held by the County or by the County's designated custodian. The designated custodian must be a third party, not a counterparty to the investment transaction, and all securities held must be identifiable on the custodian's books as belonging to the County. Therefore, the County has no custodial credit risk.

Restricted Cash and Investments

As of June 30, 2024, the County and its Component-unit School Board maintain cash and investments totaling \$121.3 million and \$56.9 million, respectively, with the following restrictions:

| Restricted Cash and Investments | |
|--|-----------------------|
| Governmental activities: | |
| General Fund - LOSAP pension benefits | \$ 2,040,475 |
| Capital Projects Fund - Project bond proceeds (SNAP) | 40,636,954 |
| Transportation Fund - Transportation special service districts | 1,673,718 |
| Total restricted cash & investments: | \$ 44,351,147 |
| Busines-type activities: | |
| Water & Sewer Fund - Project bond proceeds (SNAP) | \$ 73,545,146 |
| Water & Sewer Fund - Debt service | 3,357,911 |
| Total restricted cash & investments: | \$ 76,903,057 |
| Total Primary Government restricted cash & investments: | \$ 121,254,204 |
| Component Unit-School Board: | |
| Capital Projects Fund - Project bond proceeds (SNAP) | \$ 53,903,097 |
| Student Activity Fund - School activity fees & contributions | 3,019,820 |
| Total restricted cash & investments: | \$ 56,922,917 |

Note 3

Receivables

3.01 ACCOUNTS RECEIVABLE

Accounts receivable, net of related allowances, at June 30, 2024 consist of the following:

| Receivables | | | | | |
|----------------------------------|---|------------------|--------------------------|--------------------------|----------------|
| | Primary Government - Governmental Activities | | | | Component Unit |
| | General | Capital Projects | Other Governmental Funds | Total Governmental Funds | School Board |
| Special assessments | \$ - | \$ 135,813 | \$ - | \$ 135,813 | \$ - |
| Property taxes | | | | | |
| Delinquent | 13,340,837 | - | 30,749 | 13,371,586 | - |
| Not yet due | 112,769,488 | - | 558,288 | 113,327,776 | - |
| Fuel taxes | - | - | 8,096,611 | 8,096,611 | - |
| EMS Transport fees | - | - | 1,605,261 | 1,605,261 | - |
| Accounts - other | 13,150,927 | - | 7,443 | 13,158,370 | 498,895 |
| Intergovernmental - Federal | 3,810,473 | - | - | 3,810,473 | 7,310,400 |
| Intergovernmental - State | 9,944,830 | 938,441 | - | 10,883,271 | 6,245,029 |
| Gross receivables | 153,016,555 | 1,074,254 | 10,298,352 | 164,389,161 | 14,054,324 |
| Allowance for uncollectibles | (2,983,734) | - | (1,093,309) | (4,077,043) | - |
| Net receivables at June 30, 2024 | \$ 150,032,821 | \$ 1,074,254 | \$ 9,205,043 | \$ 160,312,118 | \$ 14,054,324 |
| | Primary Government - Business-type activities | | | Water & Sewer | |
| | | | | \$ 8,357,793 | |
| | | | | 302,964 | |
| | | | | 2,878,782 | |
| | | | | 4,328,233 | |
| | | | | 15,867,772 | |
| | | | | (181,219) | |
| | | | | \$ 15,686,553 | |
| | | | | \$ 175,998,671 | |

Amounts not expected to be collected within one year include \$2.2 million of opioid settlement funding in the General Fund accounts – other category, \$113,917 in special assessments in the Capital Projects Fund, and \$36,324 of availability fees in the Water & Sewer Fund.

3.02 LEASES RECEIVABLE

The County owns, operates and maintains various cell and water towers throughout the county. Extra space on these towers is leased out to telecommunication companies allowing for the installation and maintenance of cellular communication equipment. Lease agreements range from 2 years to 15 years with interest rates between 0.32% and 2.66%. For fiscal year 2024, the County recognized the following receivable, deferred inflows, and lease related revenue:

| | General Fund | | | Water & Sewer Fund | | |
|--------------------|-----------------------------|----------------------------------|---------------------|-----------------------------|----------------------------------|---------------------|
| | Receivable at June 30, 2024 | Deferred Inflow at June 30, 2024 | Fiscal Year Revenue | Receivable at June 30, 2024 | Deferred Inflow at June 30, 2024 | Fiscal Year Revenue |
| Tower space leases | \$ 1,934,585 | \$ 1,854,639 | \$ 211,822 | \$ 1,408,774 | \$ 1,331,464 | \$ 157,043 |
| Interest | - | - | 16,571 | - | - | 13,094 |
| | \$ 1,934,585 | \$ 1,854,639 | \$ 228,393 | \$ 1,408,774 | \$ 1,331,464 | \$ 170,137 |

Note 4

Capital Assets

Capital assets from governmental activities for the year ended June 30, 2024 was as follows:

| Capital Assets - Governmental Activities | | | | |
|---|-------------------------|----------------------|---------------------|--------------------------|
| | Balance July 1, 2023 | Increases | Decreases | Balance June 30, 2024 |
| Capital assets, not being depreciated: | | | | |
| Land & land improvements | \$ 15,257,801 | \$ 828,448 | \$ - | \$ 16,086,249 |
| Construction in progress | 7,404,656 | 1,521,336 | 4,298,877 | 4,627,115 |
| Total capital assets, not being depreciated | \$ 22,662,457 | \$ 2,349,784 | \$ 4,298,877 | \$ 20,713,364 |
| Capital assets being depreciated/amortized: | | | | |
| Land improvements | \$ 39,335,528 | \$ 1,039,334 | \$ - | \$ 40,374,862 |
| Buildings & improvements | 122,343,079 | 3,737,314 | - | 126,080,393 |
| Right-to-use buildings & improvements | 455,556 | - | - | 455,556 |
| Furn, equip, software & vehicles | 110,213,510 | 9,798,054 | 2,734,323 | 117,277,241 |
| Right-to-use furn, equip, software & vehicles | 8,451,463 | 3,695,840 | 541,453 | 11,605,850 |
| Total capital assets, being depreciated/amortized | 280,799,136 | 18,270,542 | 3,275,776 | 295,793,902 |
| Less accumulated depreciation/amortization for: | | | | |
| Land improvements | 19,514,233 | 2,341,526 | - | 21,855,759 |
| Buildings & improvements | 51,629,529 | 3,525,063 | - | 55,154,592 |
| Right-to-use buildings & improvements | 133,719 | 113,167 | - | 246,886 |
| Furn, equip, software & vehicles | 66,436,399 | 8,928,098 | 2,210,497 | 73,154,000 |
| Right-to-use furn, equip, software & vehicles | 1,143,801 | 1,845,308 | 316,838 | 2,672,271 |
| Total accumulated depreciation/amortization | 138,857,681 | 16,753,162 | 2,527,335 | 153,083,508 |
| Total capital assets being depreciated/amortized, net | \$ 141,941,455 | \$ 1,517,380 | \$ 748,441 | \$ 142,710,394 |
| Governmental activities capital assets, net | \$ 164,603,912 | \$ 3,867,164 | \$ 5,047,318 | \$ 163,423,758 |
| Depreciation and amortization expense was charged to the functions of the governmental activities of the Primary Government as follows: | | | | |
| General government | | \$ 5,768,028 | | |
| Judicial administration | | 1,858,837 | | |
| Public safety | | 5,698,341 | | |
| Public works | | 2,430,965 | | |
| Health and Human Services | | 50,838 | | |
| Parks and recreation | | 912,043 | | |
| Community development | | 34,110 | | |
| | | <u>\$ 16,753,162</u> | | |

Construction in progress from governmental activities for the year ended June 30, 2024 was as follows:

| Construction in Progress - Governmental Activities | | | |
|--|--------------------------|---------------------|----------------------|
| | Project Authorization | Spent to Date | Committed Funding |
| Land assessment & tax systems | \$ 2,211,550 | \$ - | \$ 2,211,550 |
| Financial system upgrade | 2,710,003 | 1,897,043 | 812,960 |
| New Co. 12 Massaponax fire station | 965,302 | 68,300 | 897,002 |
| Replacement of Co. 3 Partlow fire station | 12,958,432 | 1,482,229 | 11,476,203 |
| E911 phone system | 1,100,000 | 478,274 | 621,726 |
| Judicial center renovations | 1,051,261 | 476,159 | 575,102 |
| Other projects | 1,075,601 | 225,110 | 850,491 |
| | <u>\$ 22,072,149</u> | <u>\$ 4,627,115</u> | <u>\$ 17,445,034</u> |

Capital assets of the Water and Sewer Fund for the year ended June 30, 2024 was as follows:

| Capital Assets - Business-type Activities | | | | |
|---|------------------------------|-----------------------------|----------------------------|------------------------------|
| | Balance July 1, 2023 | Increases | Decreases | Balance June 30, 2024 |
| Capital assets, not being depreciated: | | | | |
| Land & land improvements | \$ 9,670,961 | \$ 620,254 | \$ - | \$ 10,291,215 |
| Construction in progress | 62,336,890 | 66,059,693 | 9,255,549 | 119,141,034 |
| Total capital assets, not being depreciated | <u>\$ 72,007,851</u> | <u>\$ 66,679,947</u> | <u>\$ 9,255,549</u> | <u>\$ 129,432,249</u> |
| Capital assets being depreciated/amortized: | | | | |
| Land improvements | \$ 3,757,260 | \$ - | \$ - | \$ 3,757,260 |
| Buildings & improvements | 179,073,102 | 16,223 | - | 179,089,325 |
| Furn, equip, software & vehicles | 31,790,622 | 2,302,405 | 458,765 | 33,634,262 |
| Right-to-use furn, equip, software & vehicles* | 1,111,642 | 130,636 | - | 1,242,278 |
| Water & sewer systems | 310,333,015 | 17,418,266 | 2,500 | 327,748,781 |
| Purchased sewer capacity | 2,073,958 | - | - | 2,073,958 |
| Total capital assets, being depreciated/amortized | <u>528,139,599</u> | <u>19,867,530</u> | <u>461,265</u> | <u>547,545,864</u> |
| Less accumulated depreciation/amortization for: | | | | |
| Land improvements | 2,093,809 | 133,365 | - | 2,227,174 |
| Buildings & improvements | 94,632,631 | 4,847,114 | - | 99,479,745 |
| Furn, equip, software & vehicles | 18,470,888 | 1,868,135 | 458,765 | 19,880,258 |
| Right-to-use furn, equip, software & vehicles | 110,707 | 163,827 | - | 274,534 |
| Water & sewer systems | 113,124,738 | 6,405,631 | 650 | 119,529,719 |
| Purchased sewer capacity | 518,490 | 41,479 | - | 559,969 |
| Total accumulated depreciation/amortization | <u>228,951,263</u> | <u>13,459,551</u> | <u>459,415</u> | <u>241,951,399</u> |
| Total capital assets being depreciated/amortized, net | <u>\$ 299,188,336</u> | <u>\$ 6,407,979</u> | <u>\$ 1,850</u> | <u>\$ 305,594,465</u> |
| Business-type activities capital assets, net | <u>\$ 371,196,187</u> | <u>\$ 73,087,926</u> | <u>\$ 9,257,399</u> | <u>\$ 435,026,714</u> |

Construction in progress from business-type activities for the year ended June 30, 2024 was as follows:

| Construction in Progress - Business-type Activities | | | |
|---|--------------------------|-----------------------|-----------------------|
| | Project Authorization | Spent to Date | Committed Funding |
| Calhoun Drive sewer | 1,157,765 | 127,843 | 1,029,922 |
| Fawn Lake pump stations | 2,972,005 | 164,627 | 2,807,378 |
| Thornburg WWTP upgrades | 32,387,920 | 24,166,953 | 8,220,967 |
| Motts WTP improvements | 92,371,109 | 66,861,705 | 25,509,404 |
| FMC WWTP to Massaponax WWTP | 20,423,457 | 1,798,157 | 18,625,300 |
| Route 1 line upgrade | 5,647,406 | 1,786,288 | 3,861,118 |
| Thornburg sanitary sewer | 5,160,758 | 559,226 | 4,601,532 |
| Thornburg water distribution | 3,998,202 | 771,568 | 3,226,634 |
| Motts WTP expansion | 26,456,619 | 10,288,045 | 16,168,574 |
| Tidewater trail waterline | 1,669,509 | 225,922 | 1,443,587 |
| Harrison Road waterline extension | 13,185,500 | 2,354,633 | 10,830,867 |
| Massaponax tank | 5,920,377 | 806,774 | 5,113,603 |
| Lake Bottom booster station | 4,344,053 | 505,512 | 3,838,541 |
| Leavells Road water line | 2,529,448 | 330,335 | 2,199,113 |
| Thornburg SE reg water service | 3,923,792 | 57,192 | 3,866,600 |
| Motts WTP rehabilitation | 12,750,000 | 596,239 | 12,153,761 |
| Motts WTP resiliency | 7,460,659 | 1,748,814 | 5,711,845 |
| Other water service improvements | 7,709,150 | 3,501,992 | 4,207,158 |
| Other sewer service improvements | 6,812,500 | 2,384,027 | 4,428,473 |
| Other general service improvements | 1,108,539 | 105,179 | 1,003,360 |
| | <u>\$ 257,988,772</u> | <u>\$ 119,141,034</u> | <u>\$ 138,847,738</u> |

Capital assets of the Component unit – School Board for the year ended June 30, 2024 was as follows:

| Capital Assets - Component unit - School Board | | | | |
|--|-------------------------|-----------------------|---------------------|--------------------------|
| | Balance July 1, 2023 | Increases | Decreases | Balance June 30, 2024 |
| Capital assets, not being depreciated: | | | | |
| Land | \$ 9,629,070 | \$ - | \$ - | \$ 9,629,070 |
| Construction in progress | 11,252,742 | 29,075,373 | 6,521,996 | 33,806,119 |
| Total capital assets, not being depreciated | <u>\$ 20,881,812</u> | <u>\$ 29,075,373</u> | <u>\$ 6,521,996</u> | <u>\$ 43,435,189</u> |
| Capital assets being depreciated/amortized: | | | | |
| Buildings & improvements | \$ 505,248,140 | \$ 6,869,069 | \$ - | \$ 512,117,209 |
| Right-to-use buildings & improvements | 15,527 | - | - | 15,527 |
| Furn, equip, software & vehicles | 151,290,053 | 7,112,648 | 392,228 | 158,010,473 |
| Right-to-use furn, equip, software & vehicles | 3,602,999 | 5,033,906 | 401,442 | 8,235,463 |
| Total capital assets, being depreciated/amortized | <u>660,156,719</u> | <u>19,015,623</u> | <u>793,670</u> | <u>678,378,672</u> |
| Less accumulated depreciation/amortization for: | | | | |
| Buildings & improvements | 247,895,431 | 13,014,135 | - | 260,909,566 |
| Right-to-use buildings & improvements | 5,822 | 7,764 | - | 13,586 |
| Furn, equip, software & vehicles | 92,574,330 | 8,669,419 | 354,363 | 100,889,386 |
| Right-to-use furn, equip, software & vehicles | 582,360 | 1,374,735 | 401,442 | 1,555,653 |
| Total accumulated depreciation/amortization | <u>341,057,943</u> | <u>23,066,053</u> | <u>755,805</u> | <u>363,368,191</u> |
| Total capital assets being depreciated/amortized, net | <u>\$ 319,098,776</u> | <u>\$ (4,050,430)</u> | <u>\$ 37,865</u> | <u>\$ 315,010,481</u> |
| Component unit - School Board activities capital assets, net | <u>\$ 339,980,588</u> | <u>\$ 25,024,943</u> | <u>\$ 6,559,861</u> | <u>\$ 358,445,670</u> |

All depreciation and amortization of the component unit – School Board was charged to education.

Construction in progress activity for the Component unit – School Board for the year ended June 30, 2024 was as follows:

| Construction in Progress - Component unit - School Board | | | |
|--|--------------------------|----------------------|----------------------|
| | Project Authorization | Spent to Date | Committed Funding |
| Massaponax HS DOAS Rooftop Units | \$ 205,000 | \$ 143,500 | \$ 61,500 |
| Massaponax HS Mechanical Renovation | 230,000 | 161,000 | 69,000 |
| Spotsy ES Flooring | 41,797 | 30,565 | 11,232 |
| SMS Renovation | 57,655,941 | 27,545,469 | 30,110,472 |
| Thornburg MS Boiler Replacement | 50,000 | 37,500 | 12,500 |
| Riverview ES HVAC Replacement | 3,413,055 | 3,121,847 | 291,208 |
| SHS Upgrade HVAC Controls | 1,500,000 | 1,442,112 | 57,888 |
| Salem ES Roof Replacement | 56,330 | 41,285 | 15,045 |
| SHS Intercom Project | 244,789 | 226,398 | 18,391 |
| Phase 6 Front Entrance Access Control | 409,594 | 176,724 | 232,870 |
| SHS Stage Lighting | 893,724 | 639,041 | 254,683 |
| Courtland HS and CTC Roof Replacement | 73,480 | 68,336 | 5,144 |
| Salem Elementary Chiller Replacement | 20,258 | 12,030 | 8,228 |
| Riverbend HS Cooling Tower Replacement | 23,530 | 15,130 | 8,400 |
| Berkley ES Boiler and Controls | 34,496 | 24,620 | 9,876 |
| Livingston ES Boiler Replacement | 22,996 | 14,596 | 8,400 |
| Salem ES Security Vestibule Re-Design | 52,500 | 29,400 | 23,100 |
| Lee Hill ES Security Vestibule Re-Design | 52,500 | 29,400 | 23,100 |
| Riverview ES Roof Replacement | 62,910 | 47,165 | 15,745 |
| | <u>\$ 65,042,901</u> | <u>\$ 33,806,119</u> | <u>\$ 31,236,782</u> |

Note 5

Interfund Transfers

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, or (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. The following table summarizes the transfers between funds of the Primary Government as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances for Governmental Funds.

| Transfers in | Transfers out | | | | Total |
|--------------------------|----------------------|--------------------------|--------------------------------|-----------------------|--------------|
| | General Fund | Capital Projects Fund | Other Governmental Funds | Water & Sewer Fund | |
| General Fund | \$ - | \$ - | \$ 4,899,190 | \$ - | \$ 4,899,190 |
| Capital Projects Fund | 14,209,022 | - | 1,381,845 | 9,554 | 15,600,421 |
| Other governmental funds | 3,898,273 | 16,412 | - | - | 3,914,685 |
| Water and Sewer Fund | - | - | - | - | - |
| Total | <u>\$ 18,107,295</u> | <u>\$ 16,412</u> | <u>\$ 6,281,035</u> | <u>\$ 9,554</u> | |

Note 6

Receivables/Payables with Component Units

Transactions between the Primary Government and its Component unit - School Board are made for the purpose of providing operational support. The remaining balance of \$12.0 million at June 30, 2024 represents School Board accrued revenues and payables expected to be reimbursed by the County in the next fiscal year.

Note 7

Long-term Liabilities

Long-term liability activity for the year ended June 30, 2024 was as follows:

| Long-term Liabilities - Governmental Activities | | | | | |
|---|-------------------------|-----------------------|----------------------|--------------------------|------------------------|
| | Balance July 1, 2023 | Increases | Decreases | Balance June 30, 2024 | Due Within One Year |
| Bond obligations: | | | | | |
| General obligation bonds | \$ 202,905,000 | \$ 58,305,000 | \$ 27,425,000 | \$ 233,785,000 | \$ 27,270,000 |
| Revenue bonds | 37,465,000 | - | 4,970,000 | 32,495,000 | 5,195,000 |
| Unamortized bond premiums | 33,702,826 | 5,812,277 | 4,379,200 | 35,135,903 | - |
| Total bond obligations (Note 7.01) | 274,072,826 | 64,117,277 | 36,774,200 | 301,415,903 | 32,465,000 |
| Other long-term liabilities: | | | | | |
| Arbitrage liability (Note 7.01)* | 1,042,970 | 2,571,553 | - | 3,614,523 | 32,535 |
| Compensated absences | 6,172,153 | 9,147,648 | 6,863,099 | 8,456,702 | 517,157 |
| Leases (Note 7.02.1) | 459,403 | 66,838 | 189,263 | 336,978 | 169,993 |
| Subscriptions (Note 7.02.2) | 6,692,295 | 2,174,246 | 1,820,154 | 7,046,387 | 1,447,773 |
| Landfill closure obligation (Note 7.03) | 13,790,547 | 809,460 | 130,621 | 14,469,386 | 142,791 |
| Insurance claims payable (Note 11) | 1,910,010 | 15,347,357 | 15,038,972 | 2,218,395 | 2,218,395 |
| LOSAP pension liability (Note 7.04) | 3,489,254 | 177,657 | 425,326 | 3,241,585 | 129,402 |
| Net pension liability - VRS (Note 7.05) | 21,651,441 | 24,291,915 | 25,335,695 | 20,607,661 | - |
| Total OPEB liability - Healthcare (Note 7.06) | 71,894,401 | 24,867,747 | 5,038,955 | 91,723,193 | 2,367,995 |
| Total OPEB liability - LODA (7.08) | 6,631,198 | 1,248,305 | 258,993 | 7,620,510 | 270,471 |
| Net OPEB liability - VRS GLI (Note 7.09) | 3,300,700 | 529,393 | 629,707 | 3,200,386 | - |
| Total other long-term liabilities: | 137,034,372 | 81,232,119 | 55,730,785 | 162,535,706 | 7,296,512 |
| Total governmental activities | \$ 411,107,198 | \$ 145,349,396 | \$ 92,504,985 | \$ 463,951,609 | \$ 39,761,512 |

| Long-term Liabilities - Business-type Activities | | | | | |
|--|-------------------------|----------------------|----------------------|--------------------------|------------------------|
| | Balance July 1, 2023 | Increases | Decreases | Balance June 30, 2024 | Due Within One Year |
| Bond obligations: | | | | | |
| Water & sewer revenue bonds | \$ 165,835,000 | \$ 35,020,000 | \$ 7,255,000 | \$ 193,600,000 | \$ 7,835,000 |
| Unamortized bond premiums | 16,180,634 | 3,265,873 | 1,408,083 | 18,038,424 | - |
| Total bond obligations (Note 7.01): | 182,015,634 | 38,285,873 | 8,663,083 | 211,638,424 | 7,835,000 |
| Other long-term liabilities: | | | | | |
| Arbitrage (Note 7.01)* | 431,610 | 1,581,343 | 256,572 | 1,756,381 | - |
| Compensated absences | 805,563 | 1,058,850 | 719,591 | 1,144,822 | 170,062 |
| Leases (Note 7.02.1) | - | 78,463 | 15,012 | 63,451 | 15,237 |
| Subscriptions (Note 7.02.2) | 967,143 | 52,172 | 137,432 | 881,883 | 138,920 |
| Insurance claims payable (Note 11) | 196,290 | 1,928,523 | 1,907,565 | 217,248 | 217,248 |
| Net pension liability - VRS (Note 7.05) | 3,319,982 | 3,724,866 | 3,857,309 | 3,187,539 | - |
| Total OPEB liability - Healthcare (Note 7.06) | 9,518,624 | 3,292,422 | 763,798 | 12,047,248 | 367,473 |
| Net OPEB liability - VRS GLI (Note 7.09) | 478,597 | 71,320 | (46,842) | 596,759 | - |
| Total other long-term liabilities: | 15,717,809 | 11,787,959 | 7,610,437 | 19,895,331 | 908,940 |
| Total business-type activities | \$ 197,733,443 | \$ 50,073,832 | \$ 16,273,520 | \$ 231,533,755 | \$ 8,743,940 |

* The July 1, 2023 arbitrage liability balances were previously reported as other accrued liabilities on Exhibit I, Statement of Net Position in the FY 2023 ACFR

| Long-term Liabilities - Component unit- School Board | | | | | |
|--|-------------------------|--------------------|--------------------|--------------------------|------------------------|
| | Balance July 1, 2023 | Increases | Decreases | Balance June 30, 2024 | Due Within One Year |
| Compensated absences | \$ 7,177,535 | \$ 3,235,061 | \$ 3,027,833 | \$ 7,384,763 | \$ 595,609 |
| Leases (Note 7.02.1) | 116,184 | 891,531 | 259,039 | 748,676 | 236,387 |
| Subscriptions (Note 7.02.2) | 2,706,349 | 4,142,375 | 1,299,777 | 5,548,947 | 1,205,486 |
| Insurance claims payable (Note 11) | 4,813,944 | 44,811,340 | 44,838,326 | 4,786,958 | 4,786,958 |
| Net pension liability - VRS (Note 7.05) | 146,946,632 | 46,725,598 | 38,169,852 | 155,502,378 | - |
| Net OPEB liability - Healthcare (Note 7.07) | 132,769,607 | 10,768,556 | 59,489,428 | 84,048,735 | - |
| Net OPEB liability - VRS GLI (Note 7.09) | 8,537,525 | 1,513,660 | 1,643,638 | 8,407,547 | - |
| Net OPEB liability - VRS HIC (Note 7.10) | 19,909,004 | 2,195,993 | 3,036,252 | 19,068,745 | - |
| Total Component unit - School Board | 322,976,780 | 114,284,114 | 151,764,145 | 285,496,749 | 6,824,440 |

Long-term liabilities of governmental activities are generally liquidated by the General Fund with the exceptions of employee benefit related obligations, (e.g., insurance claims and postemployment benefits), of which approximately 5% is liquidated by other governmental funds; and general obligation bonds, which is normally liquidated 90% and 10% from the General Fund and Transportation Fund, respectively.

Under Virginia state law, School Boards may not incur debt. Rather, the local government incurs debt *on behalf* of the local school board creating a *tenancy in common*. Per 15.2-1800.1 of the Code, in 2002, the County Board of Supervisors adopted a resolution opting out of a tenancy in common. As a result, all school debt in the form of general obligation and public improvement bonds is reported as an obligation of the Primary Government and the related assets are reported as assets of the Component unit - School Board.

7.01 PRIMARY GOVERNMENT - BOND OBLIGATIONS

General Obligations Bonds

The County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds (including Virginia Public School Authority bonds) are direct obligations and pledge the full faith and credit of the County. Section 15.2-2659 of the Code outlines remedies with respect to events of default for localities in Virginia on general obligation bonds.

In the event of default, the owner(s) or paying agent for the bonds submits an affidavit to the Governor of Virginia. The Governor of Virginia would make a summary investigation into the facts set forth in the affidavit. If established to the satisfaction of the Governor that a default has occurred, the Governor would direct the Comptroller of Virginia to withhold all further payment of the locality of all or any funds payable to the locality until the default is cured and make payment directly to the bondholders on behalf of the locality. This practice is commonly referred to as state aid intercept.

In compliance with the Tax Reform Act of 1986 and subsequent U.S. Treasury Regulations, the County performed arbitrage rebate calculations via a third party to determine probable amounts due to the Federal government. At June 30, 2024, amounts estimated for arbitrage rebate liabilities were \$3.6 million for governmental activities and \$1.7 million for business-type activities.

Schedule of Outstanding General Obligation Bonds

General obligation bonds payable at June 30, 2024, backed by the full faith and credit of the County, are comprised of the following individual issues:

| Outstanding General Obligation Debt - Governmental Activities | | | | | | |
|---|-----------|----------------|-------------------------------|--|--------------------|-----------------------|
| | Sale Date | Final Maturity | Interest Rate to Maturity (%) | Annual Principal Requirements (in thousands) | Original Borrowing | Principal Outstanding |
| Spotsylvania County: | | | | | | |
| Qualified Energy Conservation, Series 2012B | 07/2012 | 06/2032 | 1.00 - 3.80 | \$55 - \$70 | \$ 1,240,000 | \$ 525,000 |
| Public Improvement & Refunding, Series 2014 | 08/2014 | 01/2034 | 2.00 - 5.00 | \$223 - \$3,923 | 38,110,410 | 13,270,997 |
| Public Improvement & Refunding, Series 2015 | 08/2015 | 01/2035 | 3.00 - 5.00 | \$837 - \$910 | 17,769,115 | 9,772,859 |
| Public Improvement, Series 2016 | 09/2016 | 06/2036 | 2.00 - 5.00 | \$215 - \$680 | 8,370,000 | 3,345,000 |
| Public Improvement, Series 2017A | 08/2017 | 01/2037 | 2.40 - 5.00 | \$30 - \$130 | 1,715,000 | 840,000 |
| Public Improvement, Series 2018 | 08/2018 | 07/2038 | 2.50 - 5.00 | \$275 - \$365 | 6,125,000 | 4,305,000 |
| Public Improvement, Series 2019 | 08/2019 | 01/2039 | 4.00 - 5.00 | \$185 - \$325 | 4,665,000 | 3,100,000 |
| Public Improvement - Refunding, Series 2019 | 08/2019 | 01/2035 | 4.00 - 5.00 | \$305 - \$1,517 | 16,818,006 | 11,026,003 |
| Public Improvement, Series 2020 | 09/2020 | 01/2040 | 3.00 - 5.00 | \$60 - \$65 | 1,240,000 | 985,000 |
| Public Improvement - Refunding, Series 2020 | 09/2020 | 01/2030 | 5.00 | \$680 - \$750 | 7,080,000 | 4,270,000 |
| Public Improvement, Series 2021 | 08/2021 | 01/2041 | 3.00 - 5.00 | \$435 - \$610 | 12,365,000 | 11,075,000 |
| Public Improvement - Refunding, Series 2021 | 08/2021 | 01/2032 | 3.00 - 5.00 | \$90 - \$1,690 | 5,652,323 | 3,101,676 |
| Public Improvement, Series 2022 | 08/2022 | 01/2042 | 4.00 - 5.00 | \$20 - \$280 | 8,435,000 | 7,435,000 |
| Public Improvement, Series 2023 | 09/2023 | 01/2043 | 5.00 | \$675 - \$865 | 17,030,000 | 16,355,000 |
| Total General Obligation Bonds - Spotsylvania County: | | | | | | \$ 89,406,535 |

| Outstanding General Obligation Debt - Governmental Activities (Continued) | | | | | | |
|---|-----------|----------------|-------------------------------|--|--------------------|-----------------------|
| | Sale Date | Final Maturity | Interest Rate to Maturity (%) | Annual Principal Requirements (in thousands) | Original Borrowing | Principal Outstanding |
| Component Unit - School Board: | | | | | | |
| Qualified School Construction Bonds | 06/2010 | 06/2027 | 5.31 | \$150 - \$155 | \$ 2,630,000 | \$ 465,000 |
| Public Improvement & Refunding, Series 2014 | 08/2014 | 01/2034 | 2.00 - 5.00 | \$225 - \$2,815 | \$ 20,954,590 | \$ 5,439,003 |
| Public Improvement & Refunding, Series 2015 | 08/2015 | 01/2035 | 3.00 - 5.00 | \$231 - \$2,924 | 27,765,885 | 7,592,141 |
| Public Improvement, Series 2016 | 09/2016 | 06/2031 | 2.00 - 5.00 | \$630 - \$1,925 | 19,615,000 | 5,595,000 |
| Public Improvement, Series 2017A | 08/2017 | 01/2037 | 2.40 - 5.00 | \$570 - \$1,695 | 24,440,000 | 12,775,000 |
| Public Improvement, Series 2018 | 08/2018 | 07/2038 | 2.50 - 5.00 | \$980 - \$1,915 | 28,465,000 | 18,920,000 |
| Public Improvement, Series 2019 | 08/2019 | 01/2039 | 4.00 - 5.00 | \$560 - \$1,885 | 24,475,000 | 14,530,000 |
| Public Improvement - Refunding, Series 2019 | 08/2019 | 01/2033 | 4.00 - 5.00 | \$216 - \$484 | 5,206,994 | 2,303,997 |
| Public Improvement, Series 2020 | 09/2020 | 01/2040 | 3.00 - 5.00 | \$195 - \$995 | 11,030,000 | 7,085,000 |
| Public Improvement, Series 2021 | 08/2021 | 01/2041 | 3.00 - 5.00 | \$330 - \$1,315 | 15,580,000 | 11,665,000 |
| Public Improvement - Refunding, Series 2021 | 08/2021 | 01/2032 | 3.00 - 5.00 | \$107 - \$778 | 1,862,677 | 763,324 |
| Public Improvement, Series 2022 | 08/2022 | 01/2042 | 4.00 - 5.00 | \$305 - \$2,135 | 22,610,000 | 18,360,000 |
| Public Improvement, Series 2023 | 09/2023 | 01/2043 | 5.00 | \$1,335 - \$3,080 | 41,275,000 | 38,885,000 |
| Total General Obligation Bonds - Component Unit - School Board: | | | | | | \$ 144,378,465 |
| Total Governmental Activities - General Obligation Bonds: | | | | | | \$ 233,785,000 |

Revenue Bonds – Governmental Activities

Periodically, the EDA has issued Public Facility Revenue Bonds as authorized in the Industrial Development and Revenue Bond Act, Section 15.2-4900 et. seq. of the Code. These bonds provide financial assistance to the County for the acquisition and construction of facilities in the public interest. The bonds are secured by the property financed and are payable solely from County appropriations through an authorized financing agreement with the EDA. Upon repayment of the bonds, ownership of the acquired facilities transfers to the County served by the bond issuance. Through an approved financing agreement, the County is obligated for repayment of the bonds. Accordingly, the bonds are reported as County obligations.

Revenue bonds payable at June 30, 2024, are comprised of the following individual issues:

| Revenue Bonds - Governmental Activities | | | | | | |
|---|-----------|----------------|-------------------------------|--|--------------------|-----------------------|
| | Sale Date | Final Maturity | Interest Rate to Maturity (%) | Annual Principal Requirements (in thousands) | Original Borrowing | Principal Outstanding |
| Revenue Bonds: | | | | | | |
| Spotsylvania County | | | | | | |
| Public Facility Revenue, Series 2014 | 08/2014 | 06/2034 | 2.00 - 5.00 | \$300 - \$360 | \$ 6,305,000 | \$ 2,790,000 |
| Public Facility Revenue, Series 2021 | 08/2021 | 06/2030 | 4.00 - 5.00 | \$182 - \$536 | 4,028,110 | 2,583,412 |
| Total Spotsylvania County: | | | | | | \$ 5,373,412 |
| Component Unit - School Board | | | | | | |
| Public Facility Revenue, Series 2014 | 08/2014 | 06/2034 | 2.00 - 5.00 | \$840 - \$2,035 | 26,445,000 | \$ 13,030,000 |
| Public Facility Revenue, Series 2021 | 08/2021 | 06/2030 | 4.00 - 5.00 | \$993 - \$2,928 | 21,971,890 | 14,091,588 |
| Total Component Unit - School Board: | | | | | | \$ 27,121,588 |
| Total Governmental Activities - Revenue Bonds: | | | | | | \$ 32,495,000 |

In the event of default, possible remedies include acceleration of all unpaid payments on the debt, possession of pledged property by the debtor, or any other necessary legal actions against the County to cure the default.

The following assets are held for collateral as of June 30, 2024:

| Issue | Sale Date | Collateral |
|--|-----------|------------------------------|
| Public Facility Revenue & Refunding Bonds, Series 2021 | 08/2021 | Courtland High School |
| Public Facility Revenue & Refunding Bonds, Series 2014 | 08/2014 | John J. Wright Middle School |

Water & Sewer Revenue Bonds

The County issues revenue bonds to finance the costs of expansion and improvements to the County's water and sewer system. The bonds are limited obligations of the County, payable solely from net revenues derived from the County's water and sewer system, certain reserves, income from investments and proceeds of insurance. Net Revenues must be sufficient to equal at least 115% of the amount required to pay annual debt service on the bond's annual debt service.

In the case of an event of default, the Trustee may, if requested by the registered owners of not less than 25% in aggregate principal amount of bonds, proceed to protect and enforce its rights and the rights of the registered owners of the bonds by declaring the entire unpaid principal of and interest on the bonds due and payable or by instituting a mandamus or other suit, action or proceeding at law or in equity.

| Outstanding Bond Obligations - Business-type Activities | | | | | | |
|---|-----------|----------------|-------------------------------|--|--------------------|-----------------------|
| | Sale Date | Final Maturity | Interest Rate to Maturity (%) | Annual Principal Requirements (in thousands) | Original Borrowing | Principal Outstanding |
| Business-type Activities - Revenue Bonds | | | | | | |
| Water & Sewer Revenue Refunding, Series 2015 | 08/2015 | 06/2037 | 3.00 - 5.00 | \$1,650 - \$4,040 | \$ 55,325,000 | \$ 29,175,000 |
| Water & Sewer Revenue Refunding, Series 2019 | 11/2019 | 12/2039 | 3.00 - 5.00 | \$910 - \$2,125 | 28,665,000 | 23,840,000 |
| Water & Sewer Revenue Refunding, Series 2020 | 11/2020 | 12/2040 | 3.00 - 5.00 | \$1,020 - \$3,160 | 46,530,000 | 40,400,000 |
| Water & Sewer Revenue, Series 2022 | 11/2022 | 12/2047 | 4.00 - 5.00 | \$150 - \$4,700 | 65,315,000 | 65,165,000 |
| Water & Sewer Revenue, Series 2023 | 11/2023 | 12/2048 | 5.00 | \$210 - \$2,540 | 35,020,000 | 35,020,000 |
| Total Business-type Activities - Revenue Bonds: | | | | | | \$ 193,600,000 |

New Debt Issuance

General Obligation Bonds

On September 20, 2023, the County issued \$58.3 million in General Obligation Public Improvement Bonds, Series 2023 with a fixed interest rate of 5%. The bonds are to be repaid in various installments beginning January 15, 2024 until final maturity on January 15, 2043. Net bond proceeds of \$63.8 million (adjusted for premium of \$5.8 million and payment of \$0.3 million in issuance costs) were used to purchase State Non-Arbitrage Program funds to finance school, public safety, and transportation projects in the County.

Revenue Bonds

On November 30, 2023, the County issued \$35.0 million in Water and Sewer Revenue Bonds, Series 2023, with a fixed interest rate of 5%. The bonds are to be repaid in various installments beginning December 1, 2024 until final maturity on December 1, 2048. Net bond proceeds of \$38.0 million (adjusted for premium of \$3.3 million and payment of \$0.3 million in issuance costs) were used to finance water and sewer infrastructure projects.

Amortization of Debt Service

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

| Future Debt Service - Primary Government | | | | | | |
|--|-------------------------|----------------------|----------------------|---------------------|--------------------------|----------------------|
| Fiscal Year | Governmental Activities | | | | Business-type Activities | |
| | General Obligation | | Revenue Bonds | | Revenue Bonds | |
| | Principal | Interest | Principal | Interest | Principal | Interest |
| 2025 | \$ 27,270,000 | \$ 10,245,121 | \$ 5,195,000 | \$ 1,283,227 | \$ 7,835,000 | \$ 8,322,694 |
| 2026 | 26,905,000 | 9,015,820 | 5,280,000 | 1,064,578 | 8,210,000 | 7,926,194 |
| 2027 | 26,455,000 | 7,857,221 | 5,380,000 | 842,678 | 6,040,000 | 7,510,194 |
| 2028 | 19,180,000 | 6,563,717 | 5,585,000 | 614,877 | 6,305,000 | 7,235,819 |
| 2029 | 17,790,000 | 5,675,648 | 4,575,000 | 378,028 | 8,545,000 | 6,899,944 |
| 2030 - 2034 | 66,290,000 | 17,784,389 | 6,480,000 | 370,816 | 50,425,000 | 27,931,696 |
| 2035 - 2039 | 37,165,000 | 6,965,656 | - | - | 45,635,000 | 17,871,870 |
| 2040 - 2044 | 12,730,000 | 1,334,950 | - | - | 31,505,000 | 10,120,426 |
| 2045 - 2049 | - | - | - | - | 29,100,000 | 3,124,339 |
| Totals: | \$ 233,785,000 | \$ 65,442,522 | \$ 32,495,000 | \$ 4,554,204 | \$ 193,600,000 | \$ 96,943,176 |

Conduit Debt Obligations

From time to time, the Economic Development Authority (EDA) has issued Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. Bonds are issued in accordance with the provisions of the Industrial Development and Revenue Bond Act, Title 15.2, Chapter 49 of the Code, as amended. As of June 30, 2024, outstanding revenue bonds totaling \$39.0 million include the following issues:

| Name of Issue | Date of Issue | Final Maturity | Original Borrowing | Principal Outstanding |
|---|---------------|----------------|--------------------|-----------------------|
| Economic Development Authority of Spotsylvania County, Multifamily Housing Revenue Bonds (The Heights of Jackson Village I) Series 2019 | 12/13/2019 | 1/1/2040 | \$39,000,000 | \$39,000,000 |

Neither the EDA, nor the County, is obligated in any manner for the repayment of these bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

7.02 PRIMARY GOVERNMENT & SCHOOL BOARD RIGHT TO USE LIABILITY**7.02.1 Lease Liability**

The County and School Board have entered into agreements to lease tower space and assorted office equipment for various terms under long-term, non-cancelable lease agreements. The leases expire at various dates through 2029 and provide for renewal options up to eight years. The following lease agreements (grouped for purposes of disclosure) have been recorded at the present value of the future minimum lease payments as of the date of their inception.

| Grouped Lease Agreement Information | | | | | |
|---------------------------------------|----------------------|-----------------|-------------------|--------------------|-----------------------|
| | Months to Expiration | Interest Rates | Monthly Principal | Original Borrowing | Principal Outstanding |
| Governmental Activities | | | | | |
| Equipment - Various | 27-60 | 0.514% - 3.155% | \$49 - \$2,583 | \$ 253,767 | \$ 118,725 |
| Building - FREM Training | 36 | 2.038% | \$7,336 | 271,398 | 99,985 |
| Tower Space - Pamunkey Rd | 92 | 0.727% | \$1,844 | 184,158 | 118,268 |
| Total Governmental Activities | | | | | \$ 336,978 |
| Business-type Activities | | | | | |
| Equipment - CalAmp GPS Trackers | 60 | 2.656% | \$2,583 | \$ 78,463 | \$ 63,451 |
| Total Business-type Activities | | | | | \$ 63,451 |
| School Board | | | | | |
| Equipment - Various | 24 - 60 | 0.514% - 2.848% | \$135 - \$15,785 | \$ 985,872 | \$ 746,731 |
| Building - BCWDB | 24 | 0.312% | \$649 | \$ 15,527 | \$ 1,945 |
| Total School Board | | | | | \$ 748,676 |

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2024, were as follows:

| Principal and Interest Requirements to Maturity | | | | | | | | | |
|---|-------------------------|-------------------|-------------------|--------------------------|-------------------|------------------|--------------------|-------------------|-------------------|
| Year Ending June 30 | Governmental Activities | | | Business-type Activities | | | School Board | | |
| | Principal Payments | Interest Payments | Total | Principal Payments | Interest Payments | Total | Principal Payments | Interest Payments | Total |
| 2025 | \$ 169,993 | \$ 4,095 | \$ 174,088 | \$ 15,237 | \$ 1,501 | \$ 16,738 | \$ 236,387 | \$ 17,064 | \$ 253,451 |
| 2026 | 61,558 | 1,946 | 63,504 | 15,647 | 1,091 | 16,738 | 227,238 | 11,001 | 238,239 |
| 2027 | 45,837 | 1,120 | 46,957 | 16,067 | 670 | 16,737 | 216,766 | 4,938 | 221,704 |
| 2028 | 41,488 | 445 | 41,933 | 16,500 | 238 | 16,738 | 52,299 | 820 | 53,119 |
| 2029 | 18,102 | 49 | 18,151 | - | - | - | 15,986 | 174 | 16,160 |
| Total | \$ 336,978 | \$ 7,655 | \$ 344,633 | \$ 63,451 | \$ 3,500 | \$ 66,951 | \$ 748,676 | \$ 33,997 | \$ 782,673 |

7.02.2 Subscription Liability

The County and School Board have entered into subscription agreements to use assorted software for various terms under subscription-based information technology arrangements (SBITA's). The subscriptions expire at various dates through 2033 and provide for renewal options up to ten years. The following SBITA's (grouped for purposes of disclosure) have been recorded at the present value of the future minimum subscription payments as of the date of their inception.

| Grouped Subscription Agreement Information | | | | | |
|--|----------------------|-----------------|-------------------|--------------------|-----------------------|
| | Months to Expiration | Interest Rates | Monthly Principal | Original Borrowing | Principal Outstanding |
| Governmental Activities | | | | | |
| Software - Various | 24 - 120 | 1.710% - 3.591% | \$563 - \$38,512 | \$ 9,891,182 | \$ 7,046,387 |
| Total Governmental Activities | | | | | \$ 7,046,387 |
| Business-type Activities | | | | | |
| Software - Various | 60 - 120 | 1.710% - 3.144% | \$916 - \$9,167 | \$ 1,163,815 | \$ 881,883 |
| Total Business-type Activities | | | | | \$ 881,883 |
| School Board | | | | | |
| Software - Various | 24 - 120 | 1.710% - 3.102% | \$917 - \$21,158 | \$ 7,318,429 | \$ 5,548,947 |
| Total School Board | | | | | \$ 5,548,947 |

The future minimum subscription obligations and the net present value of these minimum subscription payments as of June 30, 2024, were as follows:

| Principal and Interest Requirements to Maturity | | | | | | | | | |
|---|-------------------------|-------------------|---------------------|--------------------------|-------------------|-------------------|---------------------|-------------------|---------------------|
| Year Ending June 30 | Governmental Activities | | | Business-type Activities | | | School Board | | |
| | Principal Payments | Interest Payments | Total | Principal Payments | Interest Payments | Total | Principal Payments | Interest Payments | Total |
| 2025 | \$ 1,447,773 | \$ 166,593 | \$ 1,614,366 | \$ 138,920 | \$ 16,633 | \$ 155,553 | \$ 1,205,486 | \$ 181,712 | \$ 1,387,198 |
| 2026 | 1,483,655 | 130,712 | 1,614,367 | 141,766 | 13,787 | 155,553 | 1,310,209 | 110,881 | 1,421,090 |
| 2027 | 1,482,681 | 93,895 | 1,576,576 | 144,673 | 10,880 | 155,553 | 1,241,836 | 77,964 | 1,319,800 |
| 2028 | 969,302 | 56,979 | 1,026,281 | 107,954 | 7,909 | 115,863 | 1,004,059 | 46,937 | 1,050,996 |
| 2029 | 527,356 | 33,276 | 560,632 | 84,938 | 5,962 | 90,900 | 229,469 | 19,699 | 249,168 |
| Thereafter | 1,135,620 | 35,492 | 1,171,112 | 263,632 | 9,070 | 272,702 | 557,890 | 28,317 | 586,207 |
| Total | \$ 7,046,387 | \$ 516,947 | \$ 7,563,334 | \$ 881,883 | \$ 64,241 | \$ 946,124 | \$ 5,548,947 | \$ 465,510 | \$ 6,014,457 |

7.03 PRIMARY GOVERNMENT - LANDFILL CLOSURE OBLIGATION

Closure and Post-Closure Care Costs

State and federal laws and regulations require the County to place final covers on its landfills when closed and to perform certain maintenance and monitoring functions at the landfill sites for ten years after final capping on the two landfills no longer accepting waste and thirty years after final capping on the currently operating landfill. In addition to operating expenses related to current activities of the landfill, a liability is being recognized based on the future of closure and post-closure care costs that will be incurred near or after the date the landfill no longer accepts waste. The recognition of these landfill closure and post-closure care costs is based on the amount of landfill use during the year.

The estimated liability for landfill closure and post-closure care costs is \$0.6 million and \$13.9 million for closed and operating landfills, respectively, which is based on 100% and 43.8% usage, respectively. It is estimated that an additional \$5.5 million will be recognized as closure and post-closure care expenses between the date of the Statement of Net Position and the date the operating landfill open cells are expected to be filled to capacity (2052).

The estimated total current cost of the landfill closure and post-closure care (\$14.5 million for all landfills) is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill were acquired as of June 30, 2024. However, the actual cost of closure and post-closure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

The County is not currently required by State or Federal laws and regulations to set aside funds to finance closure and post-closure care. The County intends to finance these costs through operating budgets. These costs, as well as future

inflation costs and additional costs that might arise from changes in post-closure requirements (due to changes in technology or more rigorous environmental regulations, for example) may need to be covered by charges to future landfill users, taxpayers or both.

PENSION LIABILITIES – ALL PLANS

Summary of balances for all pension plans for the primary government and the component-unit School Board.

| | Primary Government | | | Component unit- School Board |
|--|----------------------------|-----------------------------|-----------------------------|---------------------------------|
| | Governmental Activities | Business-type Activities | Total Primary Government | |
| Pension liabilities | | | | |
| Length of Service Award Program (Note 7.04) | \$ 3,241,585 | \$ - | \$ 3,241,585 | \$ - |
| Virginia Retirement System (Note 7.05.4) | 20,607,661 | 3,187,539 | 23,795,200 | 155,502,378 |
| | <u>\$ 23,849,246</u> | <u>\$ 3,187,539</u> | <u>\$ 27,036,785</u> | <u>\$ 155,502,378</u> |
| Deferred Outflows of Resources: | | | | |
| Employer contributions subsequent to the measurement date: | | | | |
| Length of Service Award Program (Note 7.04) | \$ 105,474 | \$ - | \$ 105,474 | \$ - |
| Virginia Retirement System (Note 7.05.4) | 9,738,465 | 1,257,285 | 10,995,750 | 27,061,297 |
| Pension contributions (Exhibit I): | <u>\$ 9,843,939</u> | <u>\$ 1,257,285</u> | <u>\$ 11,101,224</u> | <u>\$ 27,061,297</u> |
| Pension actuarial differences: | | | | |
| Length of Service Award Program (Note 7.04) | \$ 892,897 | \$ - | \$ 892,897 | \$ - |
| Virginia Retirement System (Note 7.05.4) | 6,486,709 | 896,437 | 7,383,146 | 20,659,434 |
| Pension actuarial differences (Exhibit I): | <u>\$ 7,379,606</u> | <u>\$ 896,437</u> | <u>\$ 8,276,043</u> | <u>\$ 20,659,434</u> |
| Deferred Inflows of Resources | | | | |
| Pension actuarial differences: | | | | |
| Length of Service Award Program (Note 7.04) | \$ 1,717,016 | \$ - | \$ 1,717,016 | \$ - |
| Virginia Retirement System (Note 7.05.4) | 5,341,638 | 661,641 | 6,003,279 | 19,311,568 |
| Pension actuarial differences (Exhibit I): | <u>\$ 7,058,654</u> | <u>\$ 661,641</u> | <u>\$ 7,720,295</u> | <u>\$ 19,311,568</u> |
| Pension expense | | | | |
| Virginia Retirement System (Note 7.05.4) | \$ 9,043,809 | \$ 1,147,770 | \$ 10,191,579 | \$ 14,861,062 |
| Length of Service Award Program (Note 7.04) | (5,087) | - | (5,087) | - |
| | <u>\$ 9,038,722</u> | <u>\$ 1,147,770</u> | <u>\$ 10,186,492</u> | <u>\$ 14,861,062</u> |

7.04 PRIMARY GOVERNMENT - LOSAP PENSION LIABILITY

Volunteer Fire & Rescue Length of Service Award Program

Plan description

The County is the administrator of a revocable, noncontributory, single employer, defined benefit Length of Service Retirement Plan (the Plan). The Plan covers voluntary fire and rescue service members, who are not County employees, but who serve voluntarily with one of the County's volunteer fire and rescue companies. Members are eligible to participate in the Plan if they are 18 years of age and complete one year of active service.

Plan membership

As of June 30, 2023, the most recent actuarial valuation date, membership in the Plan was as follows:

Number of Participants:

| | |
|--|------------|
| Inactive members currently receiving benefits | 85 |
| Inactive members with deferred vested benefits | 207 |
| Active members | 37 |
| | <u>329</u> |

Benefits provided

The Plan provides retirement, death and disability benefits. Retirement benefits vest within ten years of credited service. Normal commencement of retirement benefits is age 65, after which members are entitled to receive monthly benefit payments for life based on years of creditable service (minimum of 10 years) up to a maximum benefit of \$250 per month. The Board maintains the authority to establish, amend and revoke the benefit provisions of this Plan.

Contributions

The Plan's funding policy provides for annual contributions by the County at actuarially determined rates to accumulate sufficient assets to pay benefits when due. Plan members are not required to and do not contribute to the Plan. The Board maintains the authority to amend the Plan's funding policy at any time. Accumulated Plan assets are held in a revocable trust and, therefore, do not meet the definition of pension plan assets per GAAP.

Total pension liability

The Plan's total pension liability of \$3.2 million was determined and measured by an actuarial valuation performed as of June 30, 2023.

Changes in total pension liability

Table represents the changes in the total pension liability through the Plan's measurement date of June 30, 2023.

| Changes in the Total LOSAP Pension Liability | |
|--|-------------------------|
| | Total Pension Liability |
| Balance at June 30, 2022 | \$ 3,489,254 |
| Changes for the year: | |
| Service cost | 50,889 |
| Interest on total pension liability | 126,768 |
| Differences between expected and actual experience | (287,546) |
| Changes in assumptions | (40,270) |
| Benefit payments | (97,510) |
| Balance at June 30, 2023 | \$ 3,241,585 |

Actuarial assumptions

The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|-------------------|---------------------------|
| Rate of inflation | 2.30% |
| Salary scale | No salary, inflation used |
| Discount rate | 3.86% |

Mortality rates are based on the RP-2014 Combined Mortality Table for Males or Females, as appropriate, based on Scale AA projected to 2023.

Discount rate

The discount rate used to measure the total pension liability was 3.86%, based on an index rate for 20-year tax exempt general obligation municipal bonds with an average rating of AA or higher as published by the Bond Buyer 20-Bond GO Index. Changes of assumptions and other inputs reflect a change in the discount rate from 3.69% in 2022 to 3.86% in 2023.

Sensitivity of the total pension liability to changes in the discount rate

The following presents the total LOSAP pension liability of the County, as well as what the County's liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current discount rate:

| | 1% Decrease 2.86% | Current Rate 3.86% | 1% Increase 4.86% |
|-------------------------|----------------------|-----------------------|----------------------|
| Total pension liability | \$ 3,813,000 | \$ 3,241,585 | \$ 2,794,000 |

Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions

For the year ended June 30, 2024 the County recognized pension income of \$5,087. During the year, the Plan made benefit payments that are subsequent to the Plan's measurement date. These payments of \$105,474 are reported as a deferred outflow of resources as of June 30, 2024, and will be recognized as a reduction of the total pension liability in fiscal year ending June 30, 2025.

At June 30, 2024, the County reported actuarially determined deferred inflows of resources of \$1,717,016 and deferred outflows of resources of \$892,897 that will be recognized as pension expense in future reporting periods as follows:

| LOSAP Pension Deferred Outflows and Inflows of Resources | | |
|--|----------------------|-----------------------|
| | Deferred Outflows | Deferred Inflows |
| Differences between expected and actual experience | \$ 28,536 | \$ (486,016) |
| Change in assumptions | 864,361 | (1,231,000) |
| | <u>\$ 892,897</u> | <u>\$ (1,717,016)</u> |
| Amortization for the year ending June 30, | | |
| 2025 | \$ (183,437) | |
| 2026 | (126,598) | |
| 2027 | (93,784) | |
| 2028 | (93,784) | |
| 2029 | (93,784) | |
| Thereafter | (232,732) | |
| | <u>\$ (824,119)</u> | |

Deferred outflows of resources and deferred inflows of resources related to the LOSAP pension plan are combined with the Virginia Retirement System pension plan for reporting on Exhibit I. The disaggregated amounts can be located at section 7.05.6 of the notes to the financial statements.

7.05 PRIMARY GOVERNMENT & SCHOOL BOARD - NET VRS PENSION LIABILITY**Defined Benefit Pension Plan***7.05.1 General information about the pension plan***Plan Description**

The County and School Board participate in the Virginia Retirement System's (VRS) Political Subdivision Retirement Plan, a multi-employer agent plan for County and School Board employees, and the VRS Teacher Employee Plan, a cost-sharing multiple-employer teacher retirement plan. For the purpose of future disclosure, the term Plan will incorporate both the agent and cost-sharing pension plans of both the County and School Board unless separately noted.

The Plan is administered by the Virginia Retirement System (System) along with plans for other employer groups in the Commonwealth of Virginia. Title 51.1, Article 2.1 of the Code, as amended, grants the authority to the VRS Board of Trustees for the general administration and operation the Plan. State statutes governing the Plan administered by the System may be amended only by the General Assembly of Virginia.

All full-time, salaried permanent employees of the County and School Board are automatically covered by the Plan upon employment. Members earn one month of service credit for each month they are employed and for which they and their employer are paying contributions to VRS. Members are eligible to purchase prior public service, based on specific criteria as defined in the Code. Eligible prior service that may be purchased includes prior public service, active military service, certain periods of leave, and previously refunded service.

Summary of Significant Accounting Policies

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, pension expense, information about the fiduciary net position of the Plan, and the additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they were reported by 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.

Benefits Provided

The Plan provides retirement, disability, and death benefits. The System administers three different benefit plans for covered employees – Plan 1, Plan 2, and Hybrid. Each of these benefit structures has different eligibility criteria. The specific information for each Plan and the eligibility for covered groups within each Plan are set out on the following page.

| VRS PLAN 1 | VRS PLAN 2 | HYBRID RETIREMENT PLAN | |
|--|---|--|----------------------|
| | | DEFINED BENEFIT | DEFINED CONTRIBUTION |
| ELIGIBILITY | | | |
| Membership date is before July 1, 2010 and they were vested as of January 1, 2013 and have not taken a refund. | Membership date is on or after July 1, 2010, or their membership date is before July 1, 2010, and they were not vested as of January 1, 2013. | Membership date is on or after January 1, 2014 for school division and political subdivision employees, and any member opting in from VRS Plans 1 or 2 during the election window. Political subdivision employees who are covered by enhanced benefits for hazardous duty employees are ineligible. | |
| VESTING | | | |
| Vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members become vested when they have at least five years (60 months) of creditable service. Vesting means members are eligible to qualify for retirement if they meet the age and service requirements for their plan. Members are always 100% vested in the contributions that they make. | | Defined contribution vesting refers to the minimum length of service a member needs to be eligible to withdraw the employer contributions from the defined contribution component of the plan. Members are always 100% vested in the contributions that they make. | |
| CALCULATING THE BENEFIT | | | |
| The basic benefit is determined using the member’s average final compensation, service credit and plan multiplier. An early retirement reduction is applied to this amount if the member is retiring with a reduced benefit. In cases where the member has elected an optional form of retirement payment, an option factor specific to the option chosen is then applied. | | The benefit is based on contributions made by the member and any matching contributions made by the employer, plus net investment earnings on those contributions. | |

| VRS PLAN 1 | VRS PLAN 2 | HYBRID RETIREMENT PLAN | |
|---|---|--|---|
| | | DEFINED BENEFIT | DEFINED CONTRIBUTION |
| AVERAGE FINAL COMPENSATION | | | |
| A member’s average final compensation is the average of the 36 consecutive months of highest compensation as a covered employee. | A member’s average final compensation is the average of their 60 consecutive months of highest compensation as a covered employee. | Not applicable for defined contribution plans. | |
| SERVICE RETIREMENT MULTIPLIER | | | |
| The retirement multiplier is a factor used in the formula to determine a final retirement benefit. The multiplier for non-hazardous duty members is 1.70% and eligible political subdivision hazardous duty employees is 1.85%. | Same as Plan 1 for service earned, purchased or granted prior to January 1, 2013. For non-hazardous duty members the retirement multiplier is 1.65% for service credit earned, purchased or granted on or after January 1, 2013. | The retirement multiplier is 1.0%. For members that opted into the Hybrid Retirement Plan from VRS Plan 1 or 2, the applicable multipliers for those plans will be used to calculate the retirement benefit for service credited. | Not applicable for defined contribution plans. |
| NORMAL RETIREMENT AGE | | | |
| Normal retirement age is 65. Political subdivision hazardous duty employees are age 60. | Normal Social Security retirement age. Political subdivision hazardous duty employees same as Plan 1. | Normal Social Security retirement age, including political subdivision hazardous duty employees. | Members are eligible to receive distributions upon leaving employment, subject to restrictions. |
| EARLIEST REDUCED RETIREMENT ELIGIBILITY | | | |
| Age 55 with at least five years of service credit or age 50 with at least 10 years of service credit. Hazardous duty employees may retire at age 50 with at least 5 years of service credit. | Members may retire with a reduced benefit as early as age 60 with at least five years of service credit. Political subdivision hazardous duty employees same as Plan 1. | Members may retire with a reduced benefit as early as age 60 with at least five years of service credit, including political subdivision hazardous duty employees. | Members are eligible to receive distributions upon leaving employment, subject to restrictions. |
| EARLIEST UNREDUCED RETIREMENT ELIGIBILITY | | | |
| Age 65 with at least 5 years of service credit or at age 50 with at least 30 years of service credit. Hazardous duty employees may retire at age 60 with at least 5 years of service credit or age 50 with at least 25 years of service credit. | Members may retire with an unreduced benefit at normal social security retirement age with at least 5 years of service credit or when their age plus service credit equals 90. Political subdivision hazardous duty employees are the same as Plan 1. | Members may retire with an unreduced benefit at normal social security retirement age with at least 5 years of service credit or when their age plus service credit equals 90, including political subdivision hazardous duty employees. | Members are eligible to receive distributions upon leaving employment, subject to restrictions. |
| COST-OF-LIVING ADJUSTMENT (COLA) IN RETIREMENT | | | |
| The COLA matches the first 3% increase in the CPI-U and half of any additional increase (up to 4%) up to a maximum COLA of 5%. The COLA will go into effect on July 1 after one calendar year from retirement or the unreduced retirement eligibility date as applicable, with some exceptions. | The COLA matches the first 2% increase in the CPI-U and half of any additional increase (up to 2%) up to a maximum COLA of 3%. The COLA will go into effect on July 1 after one calendar year from retirement or the unreduced retirement eligibility date as applicable, with some exceptions. | | Not applicable for defined contribution plans. |

| RETIREMENT CONTRIBUTIONS | | |
|---|--|--|
| Employees contribute 5% of their compensation each month to their member contribution account through a pretax salary reduction. Member contributions are tax-deferred until they are withdrawn as part of a retirement benefit or as a refund. The employer makes a separate actuarially determined contribution to VRS for all covered employees. VRS invests both member and employer contributions to provide funding for the future benefit payment. | | A member's retirement benefit is funded through mandatory and voluntary contributions made by the member and the employer to both the defined benefit and the defined contribution components of the plan. Mandatory contributions are based on a percentage of the employee's creditable compensation and are required from both the member and the employer. Additionally, members may choose to make voluntary contributions to the defined contribution component of the plan, and the employer is required to match those voluntary contributions according to specified percentages. |
| SERVICE CREDIT | | |
| Service credit includes active service. Members earn service credit for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional service credit the member is granted. A member's total service credit is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. | | Service credit is used to determine vesting for the employer contribution portion of the plan. |
| PURCHASE OF PRIOR SERVICE | | |
| Members may be eligible to purchase service from previous public employment, active-duty military service, an eligible period of leave or VRS refunded service as a service credit in their plan. Prior service credit counts toward vesting and eligibility for retirement. Only active members are eligible to purchase prior service. Hybrid Retirement Plan members are ineligible for ported service. | | Not applicable for defined contribution plans. |
| DISABILITY COVERAGE | | |
| For Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.70% on all service. | Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.65% on all service. | Members participate in the Virginia Local Disability Program (VDLP) and are subject to a one-year waiting period before becoming eligible for non-work-related disability benefits. |

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:

| | County | School Board* |
|--|--------------|---------------|
| Inactive employees or beneficiaries currently receiving benefits | 463 | 327 |
| Inactive employees entitled to but not yet receiving benefits | 783 | 306 |
| Active employees | 1,050 | 403 |
| | <u>2,296</u> | <u>1,036</u> |
| * Excludes employees reported under the Teacher's Cost Sharing Plan. | | |

Contributions

Contribution rates are computed in accordance with title 51.1-145 of the Code, as amended, and equal the sum of the normal contribution and any unfunded accrued liability. Contractual rates are established based on an independent actuarial valuation using recognized actuarial principles, methods and assumptions approved by the VRS Board of Trustees.

Employees are required to contribute 5% of their creditable compensation for each pay period. The County and School Board are required to contribute the difference between the actuarially determined rate and the contribution rate of employees. In June 2023, the Commonwealth made a special contribution of approximately \$147.5 million to the VRS Teacher Employee Plan. Of this amount, \$2.3 million was proportionately allocated to the School Board's Teacher Employee 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.

Details of the County and School Board's contractually required rates for the year ended June 30, 2024, as a percentage of covered employee compensation, are provided in the table below.

| | School Board | |
|----------------------------|--------------|--------------|
| | School Board | Teacher Plan |
| County | | |
| Employee contribution rate | 5.00% | 5.00% |
| Employer contribution rate | 13.72% | 16.62% |
| | 18.72% | 21.62% |

Contributions, both employer and employee, to the pension plan for the years ended June 30, 2024 and June 30, 2023 were as follows:

| | Amounts in thousands | | |
|--------------------------|----------------------|--------------|--------------|
| | School Board | | |
| | County | School Board | Teacher Plan |
| Year ended June 30, 2024 | \$ 15,722 | \$ 1,294 | \$ 36,254 |
| Year ended June 30, 2023 | 13,946 | 1,340 | 33,159 |

7.05.2 *Fiduciary Net Position*

Detailed information about the pension plan's fiduciary net position is available in the separately issued VRS 2023 Annual Financial Report located at <http://www.varetire.org/pdf/publications/2023-annual-report.pdf>.

7.05.3 *Net Pension Asset / Liability*

Multi-Employer Agent Plan

At June 30, 2024, the County's net pension liability was \$23.8 million and the School Board reported a net pension asset of \$1.1 million. Each multi-employer agent plan balance was determined by an actuarial valuation performed as of June 30, 2022, rolled forward to the measurement date of June 30, 2023.

School Board's Teacher Retirement Cost-Sharing Plan

The net pension liability of the cost-sharing plan is calculated separately for each school 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, the net pension liability amounts for the VRS Teacher Employee Retirement Plan (*for all school systems*) is as follows (amounts expressed in thousands):

| | VRS Employee Retirement Plan - all School Systems in Commonwealth |
|---|--|
| Total pension liability | \$ 57,574,609 |
| Plan fiduciary net position | 47,467,405 |
| Employers' Net Pension Liability | <u>\$ 10,107,204</u> |
| 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.

At June 30, 2024, the School Board reported a liability of \$155.5 million for its proportionate share of the VRS Employee Retirement Plan's 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 as of June 30, 2022, and rolled forward to the measurement date of June 30, 2023. The School Board's proportion of the net pension liability was based on the School Board's actuarially determined employer contributions to the 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 Board's proportion was 1.54% as compared to 1.55% for June 30, 2022.

Actuarial assumptions

The total pension liability of the 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.

| Plan Actuarial Assumptions | | | |
|--|---|---|---|
| | General Employees | Public Safety | Teacher Plan |
| Assumptions used in calculations: | | | |
| Investment rate of return* | 6.75% | 6.75% | 6.75% |
| Projected salary increases* | 3.50 – 5.35% | 3.50 – 4.75% | 3.50 – 5.95% |
| *Includes inflation at | 2.50% | 2.50% | 2.50% |
| Mortality rates: % of deaths to be service related | 15.00% | 45.00% | Not available |
| Mortality tables: | | | |
| 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. | 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. | Pub-2010 Amount Weighted Teachers Employee Rates projected generationally; 110% of rates for males. |

| | | | |
|--|---|--|--|
| 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. | 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 years. | Pub-2010 Amount Weighted Teachers Healthy Retiree Rates projected generationally; males set forward 1 year; 105% of rates for females. |
| Post-Disability | 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. | 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. | Pub-2010 Amount Weighted Teachers Disabled Rates projected generationally; 110% of rates for males and females. |
| Beneficiaries/Survivors | Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years. | 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. | 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. | Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates. | Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the standard rates. |
| Changes to 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. | <ul style="list-style-type: none"> • Mortality rates updated to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020. • Retirement rates adjusted to better fit experience for Plan 1; set separate rates based on experience for Plan2/Hybrid; changed final retirement age. • Withdrawal rates adjusted to better fit experience at each year age and service through 9 years of service. • Disability rates – no change. • Line of duty disability rate – no change. • Discount rate – no change. | <ul style="list-style-type: none"> • Mortality rates updated to PUB2010 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 to better fit experience and changed final retirement age from 65 to 70. • Withdrawal rates decreased 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. • Line of duty disability rate – no change. • Discount rate – no change. | <ul style="list-style-type: none"> • Mortality rates updated to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020. • Retirement rates adjusted to better fit experience for Plan 1; set separate rates based on experience for Plan2/Hybrid; changed final retirement age from 75 to 80 for all. • Withdrawal rates adjusted to better fit experience at each year age and service through 9 years of service. • Disability rates – no change. • Discount rate – no change. |

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan 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 plan 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 table below.

| Long-term Expected Rate of Return | | | |
|-----------------------------------|-------------------|--|--|
| 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% |
| Multi-Asset Public Strategies | 4.00% | 4.50% | 0.18% |
| 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. 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 is 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%.

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 member (employee) 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; political subdivisions were also provided with an opportunity to use an alternate 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 contribution rate from June 30, 2022, actuarial valuations, whichever was greater.

From July 1, 2023, on, participating employers are assumed 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 the Net Pension Liability

The following tables represent the changes in net pension liability through the Plan's measurement date of June 30, 2023 for the County and School Board, respectively.

| County Pension Plan: Changes in the Net Pension Liability | | | |
|---|-------------------------|-----------------------------|-----------------------|
| | Increase (Decrease) | | |
| | Total Pension Liability | Plan Fiduciary Net Position | Net Pension Liability |
| | (a) | (b) | (a)-(b) |
| Balances at June 30, 2022 | \$ 264,662,372 | \$ 239,690,949 | \$ 24,971,423 |
| Changes for the year: | | | |
| Service cost | 9,292,285 | - | 9,292,285 |
| Interest | 18,163,090 | - | 18,163,090 |
| Changes of assumptions | - | - | - |
| Difference between expected and actual experience | 411,215 | - | 411,215 |
| Contributions - employer | - | 9,783,810 | (9,783,810) |
| Contributions - employee | - | 3,552,761 | (3,552,761) |
| Net investment income | - | 15,850,018 | (15,850,018) |
| Benefit payments, including refunds of employee contributions | (9,743,681) | (9,743,681) | - |
| Administrative expense | - | (150,191) | 150,191 |
| Other changes | - | 6,415 | (6,415) |
| Net changes | 18,122,909 | 19,299,132 | (1,176,223) |
| Balances at June 30, 2023 | \$ 282,785,281 | \$ 258,990,081 | \$ 23,795,200 |
| | | Governmental activities: | 20,607,661 |
| | | Business-type activities: | 3,187,539 |
| | | | \$ 23,795,200 |

| School Board Pension Plan: Changes in the Net Pension Liability | | | |
|---|-------------------------|-----------------------------|-------------------------------|
| | Increase (Decrease) | | |
| | Total Pension Liability | Plan Fiduciary Net Position | Net Pension (Asset) Liability |
| | (a) | (b) | (a)-(b) |
| Balances at June 30, 2022 | \$ 37,629,865 | \$ 38,763,636 | \$ (1,133,771) |
| Changes for the year: | | | |
| Service cost | 1,041,512 | - | 1,041,512 |
| Interest | 2,548,344 | - | 2,548,344 |
| Changes in assumptions | - | - | - |
| Difference between expected and actual experience | 125,242 | - | 125,242 |
| Contributions - employer | - | 631,213 | (631,213) |
| Contributions - employee | - | 521,916 | (521,916) |
| Net investment income | - | 2,499,107 | (2,499,107) |
| Benefit payments, including refunds of employee contributions | (1,836,255) | (1,836,255) | - |
| Administrative expense | - | (24,908) | 24,908 |
| Other changes | - | 1,001 | (1,001) |
| Net changes | 1,878,843 | 1,792,074 | 86,769 |
| Balances at June 30, 2023 | \$ 39,508,708 | \$ 40,555,710 | \$ (1,047,002) |

* Table excludes data for the VRS Teacher Retirement Plan, a cost-sharing pension plan.

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

The following table presents the net pension liability of the County and School Board's multi-employer agent plans and Teacher Retirement Plan, calculated using each Plan's current discount rate, as well as what the respective Plan's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

| Sensitivity Analysis of Net Pension Liability to Changes in Discount Rate | | | |
|---|------------------------|-------------------------------------|------------------------|
| | 1% Decrease (5.75%) | Current Discount Rate (6.75%) | 1% Increase (7.75%) |
| County's calculated net pension liability (asset) | \$ 66,302,356 | \$ 23,795,200 | \$ (10,577,681) |
| School Board's calculated net pension liability (asset) | \$ 3,814,600 | \$ (1,047,002) | \$ (5,120,980) |
| Teacher Retirement Plan's calculated net pension liability* | \$ 275,650,252 | \$ 155,502,378 | \$ 56,730,942 |

* Represents the School Board's proportionate share of the VRS Teacher Employee Retirement Plan Net Pension Liability

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

The following tables summarize the recognized pension expense at June 30, 2024, and the reported deferred outflows and inflows of resources by source as of the June 30, 2023 measurement date for the Primary Government and its Component unit – School Board. 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 proportional share of employer contributions.

| Pension Expense and Deferred Inflows and Outflows of Resources Related to Pensions - Primary Government | | | |
|---|----------------------------|-----------------------------|-----------------------------|
| | Governmental Activities | Business-type Activities | Total Primary Government |
| Total pension expense: | \$ 9,043,809 | \$ 1,147,770 | \$ 10,191,579 |
| Deferred outflows - pension contributions: | | | |
| Employer contributions subsequent to the measurement date | \$ 9,738,465 | \$ 1,257,285 | \$ 10,995,750 |
| Deferred outflows - actuarial differences: | | | |
| Difference between expected and actual experience | \$ 3,397,322 | \$ 469,497 | \$ 3,866,819 |
| Change of assumptions | 3,089,387 | 426,940 | 3,516,327 |
| Total deferred outflows - actuarial differences: | \$ 6,486,709 | \$ 896,437 | \$ 7,383,146 |
| Deferred inflows - actuarial differences: | | | |
| Difference between expected and actual experience | \$ (2,283,786) | \$ (282,881) | \$ (2,566,667) |
| Net difference between projected and actual earnings on plan investments | (3,057,852) | (378,760) | (3,436,612) |
| Total deferred inflows - actuarial differences | \$ (5,341,638) | \$ (661,641) | \$ (6,003,279) |

| Pension Expense and Deferred Inflows and Outflows of Resources Related to Pensions - Component Unit - School Board | | | | |
|--|-------------------------------|-----------------------|--------------------|-----------------------------|
| | Component unit - School Board | | | |
| | Multi-Employer Agent Plan | | Teacher Retirement | Total |
| | School Board | Internal Service Fund | Cost-sharing Plan | Component unit School Board |
| | | Fleet Services | | |
| Total pension expense: | \$ 54,339 | \$ 8,107 | \$ 14,798,616 | \$ 14,861,062 |
| Deferred outflows - pension contributions: | | | | |
| Employer contributions subsequent to the measurement date | \$ 599,584 | \$ 48,543 | \$ 26,413,170 | \$ 27,061,297 |
| Deferred outflows - actuarial differences: | | | | |
| Difference between expected and actual experience | \$ (203,818) | \$ (16,934) | \$ 13,357,787 | \$ 13,137,035 |
| Change of assumptions | 273,747 | 22,744 | 7,049,468 | 7,345,959 |
| Changes in proportion and differences between the employer's contributions and the employer's proportionate share of contributions | \$ - | \$ - | \$ 176,440 | \$ 176,440 |
| Total deferred outflows - actuarial differences: | \$ 69,929 | \$ 5,810 | \$ 20,583,695 | \$ 20,659,434 |
| Deferred inflows - actuarial differences: | | | | |
| Difference between expected and actual experience | \$ (261,329) | \$ (19,543) | \$ (6,068,367) | \$ (6,349,239) |
| Net difference between projected and actual earnings on plan investments | (575,517) | (43,040) | (10,110,791) | (10,729,348) |
| Changes in proportion and differences between the employer's contributions and the employer's proportionate share of contributions | - | - | (2,232,981) | (2,232,981) |
| Total deferred inflows - actuarial differences | \$ (836,846) | \$ (62,583) | \$ (18,412,139) | \$ (19,311,568) |

Amortization of Deferred Outflows and Inflows of Resources

Employer contributions made subsequent to the measurement date will be recognized as a reduction of the net pension liability in fiscal year ended 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:

| | | Primary Government | | | Component unit - School Board | | | | |
|--------------------------------|--|---------------------------|--------------------------|--------------------------|-------------------------------|--------------------------------------|--------------------------------------|-----------------------------------|---------------------|
| | | Multi-Employer Agent Plan | | | School Board | Internal Service Fund Fleet Services | Teacher Retirement Cost-sharing Plan | Total Component unit School Board | |
| | | Governmental Activities | Business-type Activities | Total Primary Government | | | | | |
| | | | | | | | | | |
| Fiscal year ended June 30, | | 2025 | \$ 1,007,913 | \$ 206,673 | \$ 1,214,586 | \$ (630,494) | \$ (46,674) | \$ (3,567,498) | \$ (4,244,666) |
| | | 2026 | (2,519,128) | (516,550) | (3,035,678) | (671,360) | (49,699) | (9,647,638) | (10,368,697) |
| | | 2027 | 2,564,554 | 525,865 | 3,090,419 | 517,511 | 38,310 | 12,437,082 | 12,992,903 |
| | | 2028 | 91,732 | 18,808 | 110,540 | 17,426 | 1,290 | 2,949,610 | 2,968,326 |
| | | | <u>\$ 1,145,071</u> | <u>\$ 234,796</u> | <u>\$ 1,379,867</u> | <u>\$ (766,917)</u> | <u>\$ (56,773)</u> | <u>\$ 2,171,556</u> | <u>\$ 1,347,866</u> |
| Pension actuarial differences: | | | | | | | | | |
| Total deferred outflows | | | \$ 6,486,709 | \$ 896,437 | \$ 7,383,146 | \$ 69,929 | \$ 5,810 | \$ 20,583,695 | \$ 20,659,434 |
| Total deferred inflows | | | (5,341,638) | (661,641) | (6,003,279) | (836,846) | (62,583) | (18,412,139) | (19,311,568) |
| | | | <u>\$ 1,145,071</u> | <u>\$ 234,796</u> | <u>\$ 1,379,867</u> | <u>\$ (766,917)</u> | <u>\$ (56,773)</u> | <u>\$ 2,171,556</u> | <u>\$ 1,347,866</u> |

7.05.5 Payables to the Pension Plan

The County and School Board reported payables of \$1.3 and \$0.9 million, respectively for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2024.

OPEB LIABILITIES – ALL PLANS

Summary of balances for all OPEB plans for the primary government and the component-unit School Board.

| | Primary Government | | | Component Unit-School Board |
|--|-------------------------|--------------------------|--------------------------|-----------------------------|
| | Governmental Activities | Business-type Activities | Total Primary Government | |
| OPEB Liabilities | | | | |
| Primary Government Retiree Healthcare (Note 7.06) | \$ 91,723,193 | \$ 12,047,248 | \$ 103,770,441 | \$ - |
| School Board Retiree Healthcare (Note 7.07) | - | - | - | 84,048,735 |
| Primary Government LODA (Note 7.08) | 7,620,510 | - | 7,620,510 | - |
| VRS Group Life Insurance Program (Note 7.09) | 3,200,386 | 596,759 | 3,797,145 | 8,407,547 |
| VRS Health Insurance Credit Program (Note 7.10) | - | - | - | 19,068,745 |
| | <u>\$ 102,544,089</u> | <u>\$ 12,644,007</u> | <u>\$ 115,188,096</u> | <u>\$ 111,525,027</u> |
| Deferred Outflows of Resources: | | | | |
| Employer contributions subsequent to the measurement date: | | | | |
| School Board Retiree Healthcare (Note 7.07) | \$ - | \$ - | \$ - | \$ 6,668,606 |
| VRS Health Insurance Credit Program (Note 7.10) | - | - | - | 2,095,310 |
| VRS Group Life Insurance Program (Note 7.09) | 317,127 | 59,133 | 376,260 | 966,249 |
| OPEB contributions (Exhibit I): | <u>\$ 317,127</u> | <u>\$ 59,133</u> | <u>\$ 376,260</u> | <u>\$ 9,730,165</u> |
| OPEB actuarial differences: | | | | |
| Primary Government Retiree Healthcare (Note 7.06) | \$ 24,270,059 | \$ 3,263,751 | \$ 27,533,810 | \$ - |
| Primary Government LODA Program (7.08) | 716,703 | - | 716,703 | - |
| School Board Retiree Healthcare (Note 7.07) | - | - | - | 24,806,927 |
| VRS Health Insurance Credit Program (Note 7.10) | - | - | - | 579,150 |
| VRS Group Life Insurance Program (Note 7.09) | 690,837 | 128,817 | 819,654 | 1,084,176 |
| OPEB actuarial differences (Exhibit I): | <u>\$ 25,677,599</u> | <u>\$ 3,392,568</u> | <u>\$ 29,070,167</u> | <u>\$ 26,470,253</u> |
| Deferred Inflows of Resources: | | | | |
| OPEB actuarial differences: | | | | |
| Primary Government Retiree Healthcare (Note 7.06) | \$ 27,297,364 | \$ 3,543,122 | \$ 30,840,486 | \$ - |
| School Board Retiree Healthcare (Note 7.07) | - | - | - | 171,902,427 |
| Primary Government LODA (Note 7.08) | 3,719,286 | - | 3,719,286 | - |
| VRS Group Life Insurance Program (Note 7.09) | 448,356 | 83,603 | 531,959 | 1,423,806 |
| VRS Health Insurance Credit Program (Note 7.10) | - | - | - | 1,394,517 |
| OPEB actuarial differences (Exhibit I): | <u>\$ 31,465,006</u> | <u>\$ 3,626,725</u> | <u>\$ 35,091,731</u> | <u>\$ 174,720,750</u> |
| OPEB Expense | | | | |
| Primary Government Retiree Healthcare (Note 7.06) | \$ 3,199,249 | \$ 407,977 | \$ 3,607,226 | \$ - |
| School Board Retiree Healthcare (Note 7.07) | - | - | - | (21,712,550) |
| Primary Government LODA (Note 7.08) | 529,766 | - | 529,766 | - |
| VRS Group Life Insurance Program (Note 7.09) | 269,056 | 50,169 | 319,225 | 292,620 |
| VRS Health Insurance Credit Program (Note 7.10) | - | - | - | 1,327,082 |
| | <u>\$ 3,998,071</u> | <u>\$ 458,146</u> | <u>\$ 4,456,217</u> | <u>\$ (20,092,848)</u> |

7.06 PRIMARY GOVERNMENT - TOTAL OPEB LIABILITY – RETIREE HEALTHCARE

Plan Description

The County administers a single-employer defined benefit plan that provides health and dental insurance during retirement for eligible retirees and their dependents. The retiree health plan provides subsidies, to the retiree only, for available coverage supported by the County for its active employees. A retiree's spouse or dependent may be covered by the County's Plan at the retiree's sole expense.

In order to be eligible for other postemployment benefits (OPEB) employees must meet VRS's retirement eligibility criteria. They also must retire directly from active employment and enroll in a medical plan offering at the time of retirement. In addition, employees must also meet certain County service requirements based on their County hire date. Employees hired prior to November 1, 2007 must complete ten consecutive years of regular full-time employment with the County immediately prior to full (unreduced) retirement under VRS to be fully subsidized by the County. Employees hired on or after November 1, 2007 must complete at least twenty consecutive years of regular fulltime employment with the County immediately prior to full retirement under VRS for the full subsidy.

Employees retiring with reduced VRS pension benefits, regardless of their hire date, will be required to complete 20 or more consecutive years of full-time County service at retirement to be eligible for a minimum 50% subsidy toward their coverage. For every additional consecutive year of service worked over twenty years the employee receives a 5% subsidy toward their coverage. Retirees reaching the age of 65 must apply for and receive Medicare coverage and convert to a Medicare carve-out policy. Line of duty disabilities receive full subsidization of their coverage regardless of years of service or hire date with the County.

The terms of the Plan are governed by the Board of Supervisors and can be amended by action of the Board at any time. No separate financial report is issued.

Post-65 Health Reimbursement Accounts (HRAs)

Effective January 1, 2019, Spotsylvania County began providing Health Reimbursement Accounts (HRAs) to eligible post-65 retirees. The County makes monthly contributions to the HRAs as determined by the Board of Supervisors. The contribution amount, which is determined annually, is based on the individual retiree's hire date with the County, years of consecutive full-time County services, and eligibility for either unreduced or reduced VRS pension benefits. Eligible expenses that can be paid from the HRA include premiums and other qualifying medical expenses. Excess amounts may be rolled over to subsequent months. Upon the death of the retiree, the surviving spouse may use any remaining funds to pay premiums and other qualifying medical expenses for up to 365 days from the retiree's death. Post-65 retirees hired before September 25, 2018 may elect to either enroll in an HRA or enroll in one of the County's health plan offerings. Post-65 retirees hired on or after September 25, 2018 may only elect to enroll in an HRA.

Employees Covered by Benefit Terms

As of June 30, 2024, the most recent actuarial valuation date, membership in the Plan consisted of the following:

| | |
|-------------------------|-------------|
| Number of Participants: | |
| Active Employees | 923 |
| Retirees and Spouses | 240 |
| Beneficiaries | 1 |
| | <u>1164</u> |

Contributions

Funding of OPEB liabilities is budgeted and reserved as funds are available and subject to annual appropriation by the Board. Currently, benefits are financed on a pay-as-you-go basis. Although the County does not hold assets in trust to fund its OPEB liabilities, as of June 30, 2024, the County has committed fund balances of \$15,562,887, \$98,845 and \$2,378,854 in its General Fund, Capital Projects Fund and other governmental funds, respectively; and \$7,317,655 of its proprietary Water & Sewer Fund's unrestricted net position to fund future OPEB liabilities.

Total OPEB Liability

The County's total OPEB liability of \$103.8 million was determined by an actuarial valuation as of June 30, 2024 and projected forward to a measurement date of June 30, 2024.

Changes in the Total OPEB Liability

| Changes in the Total OPEB Liability | |
|--|----------------------|
| | Total OPEB Liability |
| Total OPEB liability as of June 30, 2022 | \$ 81,413,025 |
| Service Cost | 2,402,953 |
| Interest | 3,008,693 |
| Change of assumptions | (3,005,655) |
| Change of benefits/demographics | 22,748,523 |
| Benefit payments | (2,797,098) |
| Total OPEB liability as of June 30, 2023 | \$ 103,770,441 |
| Primary Government: | |
| Governmental | \$ 91,723,193 |
| Business-type | 12,047,248 |
| | \$ 103,770,441 |

Actuarial Assumptions

The total OPEB liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

| | |
|----------------------------|------------------------------|
| Actuarial Cost Method | Entry Age Normal |
| Inflation | 2.50% |
| Discount Rate | 3.93% |
| Healthcare cost trend rate | 6.10% to 3.90% over 52 years |

The discount rate was based on the Bond Buyer 20-Year Bond GO Index at the measurement date increasing from 3.65% as of June 30, 2023 to 3.93% as of June 30, 2024.

Assumption rates for retirement, mortality, withdrawal, and disability were based on the most recent experience study performed for VRS. This study examined actual VRS experience over the four-year period ending June 30, 2020. The demographic assumptions recommended as a result of this study were adopted by the VRS Board of Trustees on April 20, 2021.

Sensitivity of the Total OPEB Liability to Changes in the Discount rate and Healthcare cost Trend

The following presents the sensitivity of the total OPEB liability to changes in the discount rate and healthcare cost trend using rates that are 1-percentage-point lower of 1-percentage-point higher than the current rate.

Discount rate sensitivity

| | 2.93% | 3.93% | 4.93% |
|----------------------|----------------|----------------|---------------|
| Total OPEB liability | \$ 123,444,367 | \$ 103,770,441 | \$ 88,295,082 |

Healthcare rate sensitivity

| | 1% Decrease in Trend Rate | Current Rate Trend Rate | 1% Increase in Trend Rate |
|----------------------|------------------------------|----------------------------|------------------------------|
| Total OPEB liability | \$ 87,268,610 | \$ 103,770,441 | \$ 125,077,271 |

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Other Postemployment Benefits

The following table summarizes the recognized OPEB expense at June 30, 2024, and the reported deferred outflows and inflows of resources by source as of the June 30, 2024 measurement date for the Primary Government.:

| OPEB Expense and Deferred Inflows and Outflows of Resources Related to OPEB - Primary Government | | | |
|--|----------------------------|-----------------------------|-----------------------------|
| | Governmental Activities | Business-type Activities | Total Primary Government |
| Total OPEB expense: | \$ 3,199,249 | \$ 407,977 | \$ 3,607,226 |
| Deferred outflows - actuarial differences: | | | |
| Difference between expected and actual experience | \$ 19,851,667 | \$ 2,669,582 | \$ 22,521,249 |
| Change of assumptions | 4,418,392 | 594,169 | 5,012,561 |
| Total deferred outflows - actuarial differences: | \$ 24,270,059 | \$ 3,263,751 | \$ 27,533,810 |
| Deferred inflows - actuarial differences: | | | |
| Difference between expected and actual experience | \$ (8,714,436) | \$ (1,131,110) | \$ (9,845,546) |
| Change of assumptions | (18,582,928) | (2,412,012) | (20,994,940) |
| Total deferred inflows - actuarial differences | \$ (27,297,364) | \$ (3,543,122) | \$ (30,840,486) |

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

| | Governmental Activities | Business-type Activities | Total Primary Government |
|-----------------------------------|----------------------------|-----------------------------|-----------------------------|
| Fiscal year ended June 30, | | | |
| 2025 | \$ (995,653) | \$ (91,883) | \$ (1,087,536) |
| 2026 | (1,001,931) | (92,462) | (1,094,393) |
| 2027 | (2,626,769) | (242,409) | (2,869,178) |
| 2028 | (2,626,769) | (242,409) | (2,869,178) |
| 2029 | (294,897) | (27,214) | (322,111) |
| Thereafter | 4,518,714 | 417,006 | 4,935,720 |
| | <u>\$ (3,027,305)</u> | <u>\$ (279,371)</u> | <u>\$ (3,306,676)</u> |
| OPEB actuarial differences: | | | |
| Total deferred outflows | \$ 24,270,059 | \$ 3,263,751 | \$ 27,533,810 |
| Total deferred inflows | (27,297,364) | (3,543,122) | (30,840,486) |
| | <u>\$ (3,027,305)</u> | <u>\$ (279,371)</u> | <u>\$ (3,306,676)</u> |

7.07 SCHOOL BOARD - NET OPEB LIABILITY – RETIREE HEALTHCARE**Plan Description***Plan administration*

The School Board provides post-retirement healthcare benefits through a single-employer defined benefit plan (the Plan) to all eligible permanent full-time employees. Pursuant to Code Section 15.2-1544, the School Board has joined the Virginia Pooled OPEB Trust Fund. This Trust, operating as the "Varco-VML Pooled OPEB Trust" (Pooled Trust), was established as an irrevocable trust to receive, invest, and disburse funds set aside by political subdivisions of the Commonwealth of Virginia to defray future expenses related to OPEB.

Management of the Plan is vested by the School Board to a Local Finance Board, which consists of eight members – two School Board members, the School Superintendent, Chief Business Officer, finance management team and one citizen representative. The Local Finance Board has been empowered to establish and amend postemployment benefits, and to act as trustee for the Pooled Trust. The Virginia Local Government Finance Corporation (VLGFC) provides the day-to-day administration of the Trust.

Plan membership

As of November 22, 2023, the most recent actuarial valuation, membership consisted of the following:

| | 2023 | 2021 |
|-------------------------|--------------|--------------|
| Active employees | 2,253 | 2,333 |
| Retirees (pre-Medicare) | 329 | 302 |
| Retirees (Medicare-age) | 896 | 857 |
| Total | <u>3,478</u> | <u>3,492</u> |

Benefits provided

The Plan provides healthcare insurance for eligible retirees and their dependents through the School Board's group health insurance plan. To be eligible for the Plan, employees must be entitled to full or reduced pension benefits through the Virginia Retirement System (VRS) and reach:

- ~ Age 55 with at least 5 consecutive years of service with Spotsylvania County Schools, or
- ~ Age 50 with at least 10 consecutive years of service with Spotsylvania County Schools

The individual and their dependents must be enrolled in the group plan for a period of one year prior to seeking retiree medical benefits. Individuals hired on or after July 1, 2007 must have a minimum of 15 years of consecutive service with Spotsylvania County Public Schools. Prior to Medicare eligibility, retirees may choose among the same health insurance options as active employees. Once a retiree reaches Medicare eligibility age, the retiree must apply for and receive Medicare coverage (parts A and B). The retiree must also convert to a Medicare Complimentary Plan, which is secondary to Medicare. Spouses of retired employees may continue medical coverage but will not receive any explicit subsidy from the School Board.

Contributions

State Code authorizes the School Board to establish and amend the Plan's contribution requirements. The School Board has adopted a resolution authorizing the appointed Local Finance Board to make funding recommendations to the Board, as determined appropriate based on periodic actuarial analysis of the Plan's future obligations. As of June 30, 2024, there are no Plan contribution requirements, benefits are financed on a pay-as-you-go basis. Contributions into the Trust are irrevocable; however, continued participation in the Pooled Trust is voluntary and any Local Finance Board may terminate future participation.

Investments

Investment policy

To assist local governments in funding their OPEB liabilities, the Virginia Association of Counties and the Virginia Municipal League established the VACo/VML Pooled OPEB Trust (Trust). The Trust is an irrevocable trust offered to local governments and authorities and is governed by a Board of Trustees comprised of nine voting members. Trustees are members of the local finance boards of participating political subdivisions and are elected for staggered three-year terms by the participants in the Trust.

The Trust is comprised of two investment portfolios and operates under the Virginia Pooled OPEB Trust Fund Agreement ("Trust Agreement"). The School Board's participates in the Virginia Pooled OPEB Trust Portfolio I ("Portfolio I") a default portfolio with an asset allocation constructed to achieve a long-term expected rate of return of approximately 7.5%. The Trust seeks to maximize the total long-term rate of return with reasonable risk by seeking capital appreciation and, secondarily, principal protection. The investment policy seeks to achieve long-term objectives while maintaining prudent investment guidelines. The objective is partly achieved through asset diversification. The Board of Trustees, with assistance from the investment consultant, makes asset class choices and sets the asset class target allocations. The Board of Trustees chooses which investment managers to include in the investment portfolios. Investment managers construct and manage the strategies for the Trust's investment portfolios.

All assets of the Pooled Trust are commingled for investment purposes; however, contributions, investment gains and losses, and distributions for each participating Local Finance Board are accounted for separately. Participant ownership is proportionate and based on market value. The value of each share is determined by dividing the value of the net position of the portfolio by the number of units outstanding at the end of the month when the portfolios are valued. Investments are reported at fair value approximating NAV. The Net Asset Value ("NAV") is floating and fluctuates in accordance with market conditions including asset prices and interest rate levels. Shares are purchased and redeemed at the floating NAV. Interest income is allocated to participants' accounts once per month. Employer contributions are recognized when received. Distributions are recognized when a formal request from a participating employer's local finance board is received. Generally, participants may redeem their investment at the end of a calendar quarter upon 90 days' written notice.

Audited financial statements of the Virginia Pooled OPEB Trust Fund are available through the VML/VACo Finance Program, Attn: Managing Director, 8 E. Main St., Suite 100, Richmond, VA 23219.

Concentrations

As of June 30, 2024, there are no investments in any one organization that represent 5% or more of the Plan's fiduciary net position.

Rate of return

For the year ended June 30, 2024, the annual money-weighted rate of return on investments, net of investment expense, was 15.0%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Total OPEB Liability

The total OPEB liability was determined by an actuarial valuation as of March 1, 2023, using the following actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2023.

Changes in the Net OPEB Liability

| Changes in Net OPEB Liability | | | |
|---|----------------------|-----------------------------|--------------------|
| | Total OPEB Liability | Plan Fiduciary Net Position | Net OPEB Liability |
| Balances, June 30, 2022 | \$ 146,178,232 | \$ 13,408,626 | \$ 132,769,606 |
| Service Cost | 5,048,693 | - | 5,048,693 |
| Interest | 5,719,864 | - | 5,719,864 |
| Difference between actual and expected experience | (12,826,061) | - | (12,826,061) |
| Changes of assumptions | (40,511,491) | - | (40,511,491) |
| Employer contributions | - | 5,143,855 | (5,143,855) |
| Net investment income | - | 1,008,021 | (1,008,021) |
| Benefit payments | (5,143,855) | (5,143,855) | - |
| Balances, June 30, 2023 | \$ 98,465,382 | \$ 14,416,647 | \$ 84,048,735 |

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of March 1, 2023, using the following actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2023, unless otherwise specified:

| | |
|---------------------------------|--------------|
| Investment rate of return, net* | 6.75% |
| Salary increases* | 1.00 – 3.45% |
| Blended discount rate | 6.75% |
| *Includes inflation at | 2.50% |

Mortality rates are based on the SOA Pub. 2010 Teacher's Employees Headcount-Weighted Mortality Table, projected on a fully generational basis using mortality improvement scale MP-2021.

Healthcare cost trend rates are based on the Society of Actuaries (SOA) Getzen Long-Term Healthcare Cost Trend Model with an initial rate of 7.5% for 2023, decreasing gradually to an ultimate rate of 3.94% for 2075 and later years.

Demographic assumptions mirror those used for the School Board's pension plan, with adjustments made for the actual experience of the School Board employees. The retirement, termination, and disability assumptions are the same as those developed for Teachers and Local Non-Top 10 Employers (non-hazardous duty employees) in the VRS experience study dated September 10, 2021. The mortality assumption is based on the SOA Pub 2010 headcount-weighted mortality tables, projected using mortality improvement scale MP-2021. The average premium was calculated by blending the FY2023 premiums for each plan based on enrollment as of the valuation date and trending to the midpoint of the projection period using 7.50% trend. The average premium for the pre-Medicare plans was then age adjusted to determine a retiree per capita cost.

Changes in assumptions and other inputs:

- A change in the discount rate from 3.99% in 2022 to 6.75% in 2023.
- The per capita cost assumption was updated based on the FY2023 premium rates provided by the Schools.
- The healthcare cost trend assumption was updated based on the 2022 Getzen model released by the SOA.
- The retirement, termination, disability, salary scale, and spouse age differential assumptions were updated based on those developed in the VRS experience study dated September 10, 2021.
- The mortality improvement scale was updated to MP-2021.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate and Healthcare Cost Trend

The following presents the net OPEB liability of the School Board, as well as what the School Board's net OPEB liability would be if it were calculated using a discount rate and healthcare cost trend rate that are 1-percentage-point lower or 1-percentage-point higher than the current discount and healthcare cost trend rates.

Discount rate sensitivity

| | 1% Decrease 5.75% | Current Rate 6.75% | 1% Increase 7.75% |
|--------------------|----------------------|-----------------------|----------------------|
| Net OPEB liability | <u>\$ 94,557,229</u> | <u>\$ 84,048,735</u> | <u>\$ 75,101,039</u> |

Healthcare rate sensitivity

| | 1% Decrease Trend Rate of 2.94% | Current Rate Trend Rate of 3.94% | 1% Increase Trend Rate of 4.94% |
|--------------------|---------------------------------------|--|---------------------------------------|
| Net OPEB liability | <u>\$ 73,863,172</u> | <u>\$ 84,048,735</u> | <u>\$ 96,191,782</u> |

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Other Postemployment Benefits

For the fiscal year ended June 30, 2024, the School Board recognized an OPEB expense of (\$21,712,550). At June 30, 2024, the School Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | Deferred Outflows | Deferred Inflows |
|--|----------------------|-----------------------|
| Differences between expected and actual experience | \$ - | \$ 97,626,771 |
| Changes of assumptions | 23,860,057 | 74,275,656 |
| Net difference between projected and actual earnings | 946,870 | - |
| Total | <u>\$ 24,806,927</u> | <u>\$ 171,902,427</u> |

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

| | <u>OPEB Expense</u> |
|----------------------|-------------------------|
| Year ending June 30, | |
| 2025 | \$ (31,586,282) |
| 2026 | (28,159,430) |
| 2027 | (28,266,882) |
| 2028 | (31,897,802) |
| 2029 | (13,850,716) |
| Thereafter | <u>(13,334,388)</u> |
| Total | <u>\$ (147,095,500)</u> |

GASB 74 OPEB Liability

The following presents information required under GAAP. Use of this information should be limited to the School Board's OPEB Trust Fund, a component unit of the School Board, as reported within Schedule F-1 School Board's Statement of Net Position – Fiduciary Funds, Schedule F-2 School Board's Statement of Changes in Net Position – Fiduciary Funds, and their related Schedules of Required Supplementary Information.

Net OPEB Liability

The components of the net OPEB liability of the School Board at June 30, 2024, were as follows:

| | |
|--|----------------------|
| Total OPEB liability | \$ 100,979,068 |
| Plan fiduciary net position | 16,582,871 |
| School Board's net OPEB liability | <u>\$ 84,396,197</u> |
| Plan fiduciary net position as a % of the total OPEB liability | 16.42% |

Actuarial assumptions

The total OPEB liability was determined by an actuarial valuation as of March 1, 2023, using the following actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2024, unless otherwise specified:

| | |
|---------------------------------|--------------|
| Investment rate of return, net* | 6.75% |
| Salary increases* | 1.00 – 3.45% |
| Blended discount rate | 6.75% |
| *Includes inflation at | 2.50% |

Mortality rates are based on the SOA Pub. 2010 Teacher's Employees Headcount-Weighted Mortality Table, projected on a fully generational basis using mortality improvement scale MP-2021.

Healthcare cost trend rates are based on the Society of Actuaries (SOA) Getzen Long-Term Healthcare Cost Trend Model with an initial rate of 7.5% for 2023, decreasing gradually to an ultimate rate of 3.94% for 2075 and later years.

Demographic assumptions mirror those used for the School Board's pension plan, with adjustments made for the actual experience of the School Board employees. The retirement, termination, and disability assumptions are based on the Teachers and Local Non-Top 10 Employers (non-hazardous duty employees) in the VRS experience study dated September 10, 2021. The mortality assumption is based on the SOA Pub 2010 headcount-weighted mortality tables, projected using mortality improvement scale MP-2021. The average premium was calculated by blending the FY2023 premiums for each plan based on enrollment as of the valuation date and trending to the midpoint of the projection period using 7.50% trend. The average premium for the pre-Medicare plans was then age adjusted to determine a retiree per capita cost.

The Trust utilizes a strategic asset allocation approach with its investments to achieve the long-term return objectives for Portfolio I. The strategic asset allocation for the portfolio was determined by using the investment consultant's proprietary asset allocation modeling tool. The asset allocation model uses historical returns, volatility, and correlations for each asset class to provide a range of potential risk and return outcomes for Portfolio I. The long-term target allocations are included in the following table, as well as the arithmetic nominal and real rates of return for each asset class. The weighted average real rate of return is derived from the target allocation and real rate of return for each asset class. The

weighted averages are combined and added to the expected long-term inflation rate to calculate the expected arithmetic nominal return.

The strategic asset allocation targets and allowable asset allocation ranges are outlined in the Trust's Investment Policy Statement, as amended on September 22, 2023. The table on the next page provides the target asset allocation for the Trust's Portfolio I, the 2024 nominal and real capital market assumptions for those asset classes, and the weighted average real return based on the long-term capital market assumptions, as determined by the investment consultant.

| Asset Class | Target Asset Allocation | Long-Term Arithmetic Average Nominal Return ¹ | Long-Term Arithmetic Average Real Return ² | Long-Term Arithmetic Weighted Average Real Return |
|--------------------------------|-------------------------|--|---|---|
| Core Bonds | 5.00% | 5.31% | 2.56% | 0.13% |
| Core Plus | 11.00% | 5.62% | 2.87% | 0.32% |
| Liquid Absolute Return | 4.00% | 6.00% | 3.25% | 0.13% |
| U.S. Large Cap Equity | 21.00% | 9.90% | 7.15% | 1.50% |
| U.S. Small Cap Equity | 10.00% | 11.33% | 8.58% | 0.86% |
| International Developed Equity | 13.00% | 10.78% | 8.03% | 1.04% |
| Emerging Market Equity | 5.00% | 12.04% | 9.29% | 0.46% |
| Long/Short Equity | 6.00% | 8.30% | 5.55% | 0.33% |
| Private Equity | 10.00% | 13.26% | 10.51% | 1.05% |
| Core Real Estate | 10.00% | 9.24% | 6.49% | 0.65% |
| Opportunistic Real Estate | 5.00% | 12.24% | 9.49% | 0.47% |
| Total | 100.00% | | | 6.95% |
| | | Inflation | | 2.75% |
| | | Expected arithmetic nominal return | | 9.70% |

1) Long-Term Arithmetic Average Nominal Return is the average return assumption for any given year derived from long-term risk premiums and a long-term average risk-free rate.

2) Long-Term Arithmetic Average Real Return is the Long-Term Arithmetic Average Nominal Return minus an average annual inflation rate of 2.75%.

Discount rate

The School Board maintains an irrevocable trust valued at \$16.6 million as of June 30, 2024. The Plan's fiduciary net position was projected for each year based on the expected total contributions, benefit payments, and investment earnings from the Trust, and is projected to remain solvent. Therefore, the expected rate of return of 6.75% is used as the discount rate as of June 30, 2024.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate and Healthcare Cost Trend

Sensitivity of the net OPEB liability to changes in the discount rate

The following presents the net OPEB liability of the School Board, as well as what the School Board's net OPEB liability would be if it were calculated using a discount rate and healthcare cost trend rate that are 1-percentage-point lower or 1-percentage-point higher than the current discount and healthcare cost trend rates.

Discount rate sensitivity

| | 1% Decrease | Current Rate | 1% Increase |
|--------------------|---------------|---------------|---------------|
| | 5.75% | 6.75% | 7.75% |
| Net OPEB liability | \$ 95,018,377 | \$ 84,396,197 | \$ 75,339,861 |

Healthcare rate sensitivity

| | 1% Decrease Trend Rate of 2.94% | Current Rate Trend Rate of 3.94% | 1% Increase Trend Rate of 4.94% |
|--------------------|---------------------------------------|--|---------------------------------------|
| Net OPEB liability | <u>\$ 73,343,842</u> | <u>\$ 84,396,197</u> | <u>\$ 97,586,158</u> |

7.08 PRIMARY GOVERNMENT – TOTAL OPEB LIABILITY – LINE OF DUTY ACT (LODA) PLAN**Plan Description**

The County is a non-participating employer of Virginia's Line of Duty Act (LODA) program as governed by §9.1-400.1 of the Code, as amended, and directly funds the costs of benefits provided under the County's single-employer LODA benefit plan. All employees and volunteers in hazardous duty positions and hazardous duty employees who are covered under the Virginia Retirement System are automatically covered by the LODA program.

The LODA program provides death and disability benefits for public safety employees and volunteer firefighters who die or are who disabled in the line of duty. Benefits include a \$100,000 life insurance benefit for death occurring as a direct or proximate result of duties, and a \$75,000 death benefit for death by presumptive clause within five years of retirement. The Plan also provides medical benefits for disabled employees and their families, including surviving spouses.

The Virginia Retirement System determines line of duty eligibility, and issues notification for benefit payments for LODA Fund non-participating employers. The Virginia Department of Human Resource Management (DHRM) administers continuous LODA health benefit plans, including disabled participants and their families.

Medical Benefits

LODA provides medical insurance for eligible participants and their families. "Eligible spouse" is the spouse of a deceased person or a disabled person at the time of the death or disability. "Eligible dependent" is the natural or adopted child or children of a deceased person or disabled person or of a deceased or disabled person's eligible spouse. The child must be the result of a pregnancy that occurred prior to the time of the employee's death or disability; or the result of an adoption agreement entered into prior to the time of the employee's death or disability.

Participants with death or disability eligibility date after July 1, 2017:

- Coverage ends upon eligibility for Medicare due to attainment of age 65. However, if the participant qualifies for Social Security disability benefits or Railroad Retirement Plan disability benefits, then the participant may receive LODA medical benefits for life, but not Medicare Part B reimbursement.
- For eligible spouses, health care benefits terminate upon the earlier of the spouse's death, divorce, or election of alternate coverage. Unless the disabled retiree qualifies for Social Security disability benefits or Railroad Retirement Plan disability benefits, the spouse's health care benefits terminate when the spouse becomes eligible for Medicare due to age.
- If the participant's post-disability income is greater than his/her pre-disability income, then the participant's LODA benefits are suspended.
- Surviving spouses also receive LODA benefits. However, LODA benefits end if they remarry. There is no opportunity to return to the LODA program in the future.

Participants with death or disability eligibility date prior to July 1, 2017:

- Disabled employees receive LODA coverage for life.
- Eligible spouses receive LODA coverage for life. However, health care benefits terminate upon the earlier of the spouse's death, divorce, or election of alternate coverage.
- There is no suspension of benefits due to income.
- Current/existing surviving spouses who remarry prior to July 1, 2017 will continue to receive LODA benefits. Surviving spouses who remarry after July 1, 2017 will lose LODA benefits.
- There is reimbursement for Medicare Part B premiums

For dependent children, LODA coverage ends at the end of the year in which the child turns age 26. LODA requires that the County purchase medical insurance from the State Plan.

Medical Plans

Health insurance under LODA covers medical insurance, dental insurance, vision insurance, and prescription insurance, including related Medicare coverage. LODA requires that the County purchase medical insurance from the State Plan. There are three plans: 1. Former LODA employment (not eligible for Medicare), 2. Current LODA employment (for LODA disabled participants who are currently employed by a LODA employer), and 3. Medicare primary plan. The two non-Medicare plans have the same benefit design based on the State employee/retiree health benefits program plans.

Medicare B Premiums

LODA pays the Medicare Part B premium for eligible participants that were disabled prior to July 1, 2017 and their eligible spouses once they become Medicare eligible. The Medicare Part B premium depends upon income. Monthly Medicare B premiums for most participants was \$174.70 for 2024 and \$164.90 for 2023.

LODA Premiums

VRS LODA premiums for the fiscal year ending June 30, 2024 are as follows:

| | |
|---------------------------|-------------|
| Plan 1 (former LODA) | Premium |
| Single | \$ 1,119.00 |
| Dual | \$ 1,882.00 |
| Family | \$ 2,653.00 |
| Plan 3 (Medicare primary) | Premium |
| Single | \$ 346.00 |

Plan Participants

As of June 30, 2024, the most recent actuarial valuation date, membership in the Plan consisted of the following:

| | Employees | Volunteer Fire fighters | Total |
|----------------|-----------|----------------------------|-------|
| Active members | 490 | 126 | 616 |
| Retirees | N/A | N/A | 13 |
| Spouses | N/A | N/A | 5 |

Contributions

Funding of OPEB liabilities is budgeted and reserved as funds are available and subject to annual appropriation by the Board. Currently, benefits are financed on a pay-as-you-go basis. As of June 30, 2024, the County has committed \$500,000 in General Fund fund balance to finance future LODA OPEB liabilities.

Total OPEB Liability

The County's total OPEB liability of \$7.6 million was determined by an actuarial valuation as of June 30, 2023 and rolled forward to the measurement date of June 30, 2024.

Changes in the Total OPEB Liability

| Changes in the Total OPEB Liability | |
|-------------------------------------|----------------------|
| | Total OPEB Liability |
| Balance as of June 30, 2023 | \$ 6,631,198 |
| Service Cost | 826,366 |
| Interest | 251,148 |
| Changes of benefit terms | 5,196 |
| Experience losses | 33,889 |
| Changes of assumptions | 131,706 |
| Benefit payments | (258,993) |
| Balance as of June 30, 2024 | \$ 7,620,510 |

Actuarial Assumptions

The total OPEB liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

| | |
|---------------------------------|--|
| Actuarial cost method | Entry Age Normal |
| Inflation | 2.50% |
| Discount rate | 3.97% |
| Medical cost trend rate | 7.50% in 2024 to 4.04% in 2075 |
| Salary increases | 3.50 – 4.75% |
| Mortality rates | |
| Active Employees/Volunteers | SOA Pub-2010 Safety Employees Headcount-Weighted Mortality Table, adjusted using 95% of the standard rates for males and 105% of the standard rates for females, set forward 2 years and projected on a fully generational basis using 75% of mortality improvement scale MP-2020. |
| Disabled Retirees | SOA Pub-2010 Disabled Retirees Headcount-Weighted Mortality Table, adjusted using 95% of the standard rates for males and 90% of the standard rates for females, set back 3 years and projected on a fully generational basis using 75% of mortality improvement scale MP-2020. |
| Beneficiaries/Surviving Spouses | SOA Pub-2010 Safety Contingent Survivor Headcount-Weighted Mortality Table, adjusted using 110% of the standard rates for males and females, set forward 2 years and projected on a fully generational basis using 75% of mortality improvement scale MP-2020. |
| Service related deaths | Direct result 22.50% and presumptive result 22.50% |
| Service related disability | 65% of disabilities assumed to be service related |

The discount rate was based on 20-Year municipal AA rated bonds as of June 30, 2024. The medical trend assumption was developed using the Society of Actuaries (SOA) Long-Run Medical Cost Trend Model baseline assumptions. The current valuation uses the 2024 version of the model.

Changes of assumptions and other inputs since the prior valuation:

- A change in the discount rate from 3.86% in 2023 to 3.97% in 2024.
- The per capita cost assumption was updated based on the 2024 premium rates provided in the census data.
- The healthcare cost trend assumption was updated based on the 2024 Getzen model released by the SOA.
- The demographic assumptions were updated based on those developed for Hazardous Duty employees in the Locals Non-Top 10 group in the VRS experience study dated September 10, 2021.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate and Healthcare Cost Trend

The following presents the sensitivity of the total OPEB liability to changes in the discount rate and healthcare cost trend using rates that are 1-percentage-point lower or 1-percentage-point higher than the current rate.

Discount rate sensitivity

| | 1% Decrease 2.97% | Current Rate 3.97% | 1% Increase 4.97% |
|----------------------|----------------------|-----------------------|----------------------|
| Total OPEB liability | \$ 8,867,021 | \$ 7,620,510 | \$ 6,636,833 |

Healthcare rate sensitivity

| | 1% Decrease 3.04% | Current Rate 4.04% | 1% Increase 5.04% |
|----------------------|----------------------|-----------------------|----------------------|
| Total OPEB liability | \$ 6,302,898 | \$ 7,620,510 | \$ 9,335,184 |

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Other Postemployment Benefits

For the year ended June 30, 2024, the County recognized OPEB expense of \$529,766. At June 30, 2024, deferred outflows of resources and deferred inflows of resources related to OPEB were from the following sources:

| | Deferred Outflows | Deferred Inflows |
|---|----------------------|---------------------|
| Difference between expected and actual experience | \$ 143,680 | \$ (2,943,120) |
| Changes of assumptions | 573,025 | (776,166) |
| Total | \$ 716,705 | \$ (3,719,286) |

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

| | OPEB Expense |
|----------------------|----------------|
| Year ending June 30, | |
| 2025 | \$ (552,944) |
| 2026 | (552,945) |
| 2027 | (544,242) |
| 2028 | (602,611) |
| 2029 | (223,301) |
| Thereafter | (526,538) |
| Total | \$ (3,002,581) |

7.09 PRIMARY GOVERNMENT & SCHOOL BOARD VRS GROUP LIFE INSURANCE PROGRAM**Summary of Significant Accounting Policies**

The County and School Board participate in the Virginia Retirement System (VRS) Group Life Insurance (GLI) Program, a multiple employer, cost-sharing plan. It provides coverage to state employees, teachers, and employees of participating political subdivisions. The GLI Program was established pursuant to Section 51.1-500 of the Code, as amended, and which provides the authority under which benefit terms are established or may be amended. The GLI Program is a defined benefit plan that provides a basic GLI benefit for employees of participating employers. For purposes of measuring the net GLI Program OPEB liability, deferred outflows of resources and deferred inflows of resources related to the GLI Program OPEB, and GLI Program OPEB expense, information about the fiduciary net position of the VRS GLI program OPEB and the additions to/deductions from the VRS GLI Program OPEB's net fiduciary position have been determined on the same basis as they were reported by VRS. In addition, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Plan Description

All full-time, salaried permanent employees of the state agencies, teachers and employees of participating political subdivisions are automatically covered by the VRS GLI Program upon employment. This plan is administered by the Virginia Retirement System (the System), along with pensions and other OPEB plans, for public employer groups in the Commonwealth of Virginia.

In addition to the Basic Group Life Insurance benefit, members are also eligible to elect additional coverage for themselves as well as a spouse or dependent children through the Optional Group Life Insurance Program. 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 program, it is not included as part of the GLI Program OPEB.

The specific information for GLI Program OPEB, including eligibility, coverage and benefits is set out in the table below:

| GLI PLAN PROVISIONS |
|---|
| <p>Eligible Employees</p> <p>The GLI Program was established July 1, 1960, for state employees, teachers and employees of political subdivisions that elect the program, including the following employers that do not participate in VRS for retirement:</p> <ul style="list-style-type: none"> • City of Richmond • City of Portsmouth • City of Roanoke • City of Norfolk • Roanoke City School Board <p>Basic group life insurance coverage is automatic upon employment. Coverage ends for employees who leave their position before retirement eligibility or who take a refund of their member contributions and accrued interest.</p> |
| <p>Benefit Amounts</p> <p>The benefits payable under the GLI Program have several components.</p> <ul style="list-style-type: none"> • <u>Natural Death Benefit</u> – The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled. • <u>Accidental Death Benefit</u> – The accidental death benefit is double the natural death benefit. • <u>Other Benefit Provisions</u> – In addition to the basic natural and accidental death benefits, the program provides additional benefits provided under specific circumstances. These include: <ul style="list-style-type: none"> ○ Accidental dismemberment benefit ○ Seatbelt benefit ○ Repatriation benefit |

| |
|---|
| <ul style="list-style-type: none"> ○ Felonious assault benefit ○ Accelerated death benefit option |
| <p>Reduction in Benefit Amounts</p> <p>The benefit amounts provided to members covered under the GLI Program 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.</p> |
| <p>Minimum Benefit Amount and Cost-of-Living Adjustment (COLA)</p> <p>For covered members with at least 30 years of creditable service, there is a minimum benefit payable under the GLI Program. The minimum benefit was set at \$8,000 by statute in 2015. This amount is increased annually based on the VRS Plan 2 cost-of-living adjustment calculation and is currently \$9,254.</p> |

Contributions

The contribution requirements for the GLI Program are governed by Sections 51.1-506 and § 51.1-508 of the Code, 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 Program 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 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 Program from the County and School Board for the years ended June 30, 2024 and June 30, 2023 were as follows:

| | County of Spotsylvania | | | Spotsylvania | Spotsylvania |
|--|------------------------|---------------|---------------|---------------|--------------|
| | Governmental | Business-type | Total Primary | County School | School Board |
| | Activities | Activities | Government | Board | Teacher Plan |
| Contributions for year ended June 30, 2024 | \$ 317,127 | \$ 59,133 | \$ 376,260 | \$ 64,655 | \$ 901,594 |
| Contributions for year ended June 30, 2023 | 348,674 | 50,557 | 399,231 | 62,291 | 829,709 |

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

At June 30, 2024, the County and School Board reported liabilities for their proportionate share of the net GLI OPEB liabilities as shown in the following table. The net GLI OPEB liabilities were measured as of June 30, 2023 and the total GLI OPEB liabilities used to calculate the net GLI OPEB liabilities were determined by actuarial valuations performed as of June 30, 2022, and rolled forward to the measurement date of June 30, 2023. The County's and School Board's proportions of the net GLI OPEB liability were based on their actuarially determined employer contributions to the GLI Program for the year ended June 30, 2023, relative to the total of the actuarially determined employer contributions for all participating employers.

For the year ended June 30, 2024, the County and School Board recognized GLI OPEB expense as shown in the following table. Since there was a change in proportionate shares between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

| Proportionate share of GLI OPEB Liability and related OPEB Expense | | | | | | |
|--|----------------------------|-----------------------------|-----------------------------|--|--|--|
| | County of Spotsylvania | | | Spotsylvania County School Board | Spotsylvania County School Board Teacher Plan | Total Component Unit-School Board |
| | Governmental Activities | Business-type Activities | Total Primary Government | | | |
| Net OPEB liability | \$ 3,200,386 | \$ 596,759 | \$ 3,797,145 | \$ 587,304 | \$ 7,820,243 | \$ 8,407,547 |
| OPEB expense | \$ 269,056 | \$ 50,169 | \$ 319,225 | \$ 22,952 | \$ 269,668 | \$ 292,620 |
| Proportion at June 30, 2023 | | | 0.31661% | 0.04897% | 0.65206% | |
| Proportion at June 30, 2022 | | | 0.31387% | 0.04668% | 0.66236% | |

At June 30, 2024, the County and School Board reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the following sources:

| OPEB Deferred Outflows of Resources and Deferred Inflows of Resources | | | | | | |
|---|----------------------------|-----------------------------|-----------------------------|--|--|--|
| | County of Spotsylvania | | | Spotsylvania County School Board | Spotsylvania County School Board Teacher Plan | Total Component Unit-School Board |
| | Governmental Activities | Business-type Activities | Total Primary Government | | | |
| Deferred outflows | | | | | | |
| Differences between expected and actual experience | \$ 319,640 | \$ 59,602 | \$ 379,242 | \$ 58,657 | \$ 781,051 | \$ 839,708 |
| Change in assumptions | 68,410 | 12,756 | 81,166 | 12,554 | 167,161 | 179,715 |
| Changes in proportionate share | 302,787 | 56,459 | 359,246 | 29,457 | 35,296 | 64,753 |
| Total deferred outflows | <u>\$ 690,837</u> | <u>\$ 128,817</u> | <u>\$ 819,654</u> | <u>\$ 100,668</u> | <u>\$ 983,508</u> | <u>\$ 1,084,176</u> |
| Deferred inflows | | | | | | |
| Differences between expected and actual experience | \$ (97,148) | \$ (18,115) | \$ (115,263) | \$ (17,828) | \$ (237,384) | \$ (255,212) |
| Net difference between projected and actual earnings on OPEB plan investments | (128,610) | (23,981) | (152,591) | (23,601) | (314,262) | (337,863) |
| Change in assumptions | (221,735) | (41,346) | (263,081) | (40,691) | (541,817) | (582,508) |
| Change in proportionate share | (863) | (161) | (1,024) | (28,209) | (220,014) | (248,223) |
| Total deferred inflows | <u>\$ (448,356)</u> | <u>\$ (83,603)</u> | <u>\$ (531,959)</u> | <u>\$ (110,329)</u> | <u>\$ (1,313,477)</u> | <u>\$ (1,423,806)</u> |

Contributions subsequent to the measurement date will be recognized as a reduction of the respective net GLI OPEB liabilities in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in GLI OPEB expense in future reporting periods as follows:

| Deferred Outflows of Resources and Deferred Inflows of Resources Maturities | | | | | | | |
|---|----------------------------|-----------------------------|-----------------------------|--|--|---|--|
| | County of Spotsylvania | | | Spotsylvania County School Board | Spotsylvania County School Board Teacher Plan | Total Component Unit-School Board | |
| | Governmental Activities | Business-type Activities | Total Primary Government | | | | |
| Year ending June 30, | | | | | | | |
| 2025 | \$ 88,754 | \$ 16,550 | \$ 105,304 | \$ (5,351) | \$ (99,375) | \$ (104,726) | |
| 2026 | (40,670) | (7,584) | (48,254) | (25,607) | (367,142) | (392,749) | |
| 2027 | 125,166 | 23,339 | 148,505 | 7,060 | 86,647 | 93,707 | |
| 2028 | 32,829 | 6,122 | 38,951 | 3,670 | (5,835) | (2,165) | |
| 2029 | 36,402 | 6,787 | 43,189 | 10,567 | 55,736 | 66,303 | |
| | <u>\$ 242,481</u> | <u>\$ 45,214</u> | <u>\$ 287,695</u> | <u>\$ (9,661)</u> | <u>\$ (329,969)</u> | <u>\$ (339,630)</u> | |
| OPEB actuarial differences: | | | | | | | |
| Total deferred outflows | \$ 690,837 | \$ 128,817 | \$ 819,654 | \$ 100,668 | \$ 983,508 | \$ 1,084,176 | |
| Total deferred inflows | (448,356) | (83,603) | (531,959) | (110,329) | (1,313,477) | (1,423,806) | |
| | <u>\$ 242,481</u> | <u>\$ 45,214</u> | <u>\$ 287,695</u> | <u>\$ (9,661)</u> | <u>\$ (329,969)</u> | <u>\$ (339,630)</u> | |

Actuarial Assumptions

The total GLI OPEB liability was based on actuarial valuations 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.

| GLI Plan Actuarial Assumptions | | | |
|--|--|--|--|
| | Locality - General Employees | Locality - Hazardous Duty Employees | Teacher Plan |
| Assumptions used in calculations: | | | |
| Inflation | 2.50% | 2.50% | 2.50% |
| Salary increases, including inflation | 3.50% - 5.35% | 3.50% - 4.75% | 3.50% - 5.95% |
| Investment rate of return | 6.75%, net of plan investment expenses, including inflation | | |
| Changes to 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. | <ul style="list-style-type: none">• Mortality rates updated to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020• Retirement rates adjusted 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 to better fit experience at | <ul style="list-style-type: none">• Mortality rates updated to PUB2010 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 to better fit experience and changed final retirement age from 65 to 70• Withdrawal rates decreased and changed from rates based on age and ser- | <ul style="list-style-type: none">• Mortality rates updated to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020• Retirement rates adjusted 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 to better fit experience at |

| | | | |
|-----------------------------|---|---|--|
| | each year age and service through 9 years of service <ul style="list-style-type: none"> Disability rates no change Discount rate no change | vice to rates based on service only to better fit experience and be more consistent with Locals Top 10 Hazardous Duty <ul style="list-style-type: none"> Disability rates no change Discount rate no change | each year age and service through 9 years of service <ul style="list-style-type: none"> Disability rates no change Discount rate no change |
| Mortality tables: | | | |
| 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 | Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years | Pub-2010 Amount Weighted Teachers Employee Rates projected generationally; 110% of rates for males |
| 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 | Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years | Pub-2010 Amount Weighted Teachers Healthy Retiree Rates projected generationally; males set forward 1 year; 105% of rates for females |
| Post-Disability | 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 | 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 | Pub-2010 Amount Weighted Teachers Disabled Rates projected generationally; 110% of rates for males and females. |
| Beneficiaries and Survivors | Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally | Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years. | 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. | Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates. | Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates. |

Plans' Net GLI OPEB Liability

The net OPEB liability for the GLI Program represents the program'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, the net OPEB liability amounts for the GLI Program are as follows (amounts expressed in thousands):

| | VRS GLI OPEB Program |
|--|---------------------------------|
| Total GLI OPEB Liability | \$ 3,907,052 |
| Plan Fiduciary Net Position | 2,707,739 |
| GLI Net OPEB Liability | <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 VRS's actuary, and each plan's fiduciary net position is reported in the VRS's financial statements. The net GLI OPEB liability is disclosed in accordance with the requirements of GASB Statement No. 74 in the VRS's notes to the financial statements and required supplementary information.

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 per the VRS guidance and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between the actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2023, the rate contributed by the County and School Board 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 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.

Long-Term Expected Rate of Return

The long-term expected rate of return on VRS 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:

| Target Asset Allocation | | | |
|--------------------------------|-----------------------------------|--|------------------------------------|
| Asset Class (Strategy) | Long-Term Target Asset Allocation | Arithmetic Long-term Expected Rate of Return | 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% |
| Mult-Asset Public Strategies | 4.00% | 4.50% | 0.18% |
| 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. 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 6.75% which is 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%.

Sensitivity of the County's and School Board's Proportionate Share of the Net GLI OPEB Liability to Changes in the Discount Rate

The following presents the County's and School Board's proportionate share of the net GLI OPEB liability using the discount rate of 6.75%, as well as what the 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:

| | 1.00% Lower (5.75%) | Current Discount Rate (6.75%) | 1.00% Higher (7.75%) |
|---------------------------------|------------------------|-------------------------------------|-------------------------|
| GLI - County | \$ 5,628,557 | \$ 3,797,145 | \$ 2,316,439 |
| GLI - School Board | \$ 870,568 | \$ 587,304 | \$ 358,283 |
| GLI - School Board Teacher Plan | \$ 11,592,044 | \$ 7,820,243 | \$ 4,770,718 |

Fiduciary Net Position

Detailed information about the GLI Program's Fiduciary Net Position is available in the separately issued VRS 2023 Annual Comprehensive Financial 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.

Payables to the VRS GLI OPEB Plan

The County and School Board reported the following payables for the outstanding number of contributions to the VRS GLI OPEB Plans required for the year ended June 30, 2024.

| | |
|---------------------------------|-------------------|
| GLI - County | \$ 95,719 |
| GLI - School Board | 5,893 |
| GLI - School Board Teacher Plan | 48,043 |
| | <u>\$ 149,655</u> |

7.10 SCHOOL BOARD VRS HEALTH INSURANCE CREDIT PROGRAM

The School Board participates in the following two multiple employer other postemployment benefit plans administered by the VRS, collectively referred to as the "HIC plans" or "Plans".

- VRS Teacher Employee Health Insurance Credit Program – cost sharing plan
- VRS Political Subdivision Health Insurance Credit Program – agent defined plan

Summary of Significant Accounting Policies

The HIC plans were established pursuant to Section 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. The HIC plans are defined benefit plans that provide a credit toward the cost of health insurance coverage for retired teachers and political subdivision employees of participating employers. For purposes of measuring each Plan's OPEB liability, deferred outflows of resources and deferred inflows of resources and related expense, information about each Plan's fiduciary net position; and the additions to/deductions from each Plan's net fiduciary position have been determined on the same basis as they were reported by VRS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

On April, 2020 the Virginia General Assembly amended Section 51.1-1400 et seq. of the Code of Virginia to provide the health insurance credit benefit to employees of local school divisions who are not teachers, who retired under the VRS, including the hybrid retirement program, and who rendered at least 15 years of creditable service, regardless of their date of retirement. The health insurance credit shall only be available on a prospective basis for those eligible retired employees of a local school division who retired prior to July 1, 2020, but did not receive a health insurance credit prior to this date.

Plan Description

All full-time, salaried permanent employees of public school divisions are automatically covered by the Plans upon employment. The Plans are 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 health insurance credit 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 each Plan's eligibility, coverage and benefits is set out in the table below:

| HIC PLAN PROVISIONS | |
|---|--|
| Eligible Employees The HIC was established July 1, 1993 for retired political subdivision employees of employers who elect the benefit and teacher employees, which are covered under VRS who retire with at least 15 years of service credit. Eligible employees are enrolled automatically upon employment. They include: <ul style="list-style-type: none"> • Full-time permanent (professional) salaried employees of public school divisions covered under VRS. | |
| Benefit Amounts The HIC provides the following benefits for eligible employees: | |
| Teacher Employee HIC Program <ul style="list-style-type: none"> • <u>At Retirement</u> – For Teacher and other professional school employees who retire with at least 15 years of service credit, the monthly benefit is \$4.00 per year of service per month with no cap on the benefit amount. • <u>Disability Retirement</u> – 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: <ul style="list-style-type: none"> ○ \$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. | Political Subdivision HIC Program <ul style="list-style-type: none"> • <u>At Retirement</u> – For employees who retire with at least 15 years of service credit, the monthly benefit is \$1.50 per year of service per month with a maximum benefit of \$45.00 per month. • <u>Disability Retirement</u> – 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. |
| Health Insurance Credit Program Notes <ul style="list-style-type: none"> • The monthly Health Insurance Credit 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 health insurance credit as a retiree. | |

Employees covered by benefit terms

As of the June 30, 2022, actuarial valuation, the following employees were covered by the benefit terms of the Political Subdivision Health Insurance Credit Program:

| | |
|--|-----|
| Inactive members or their beneficiaries currently receiving benefits | 47 |
| Inactive members: | |
| Vested inactive members | 6 |
| Non-vested inactive members | 0 |
| Inactive members active elsewhere in the System | 104 |
| Total inactive members | 157 |
| Active members | 401 |
| Total covered employees | 558 |

- Data excludes teacher employees covered through the cost-sharing Teacher Employee HIC Program

Contributions*Teacher Employee HIC Program*

The contribution requirement for active employees is governed by Section 51.1-1401(E) of the Code, 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. 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 to the plan were \$2.0 million and \$1.9 million for the years ended June 30, 2024 and June 30, 2023, respectively.

Political Subdivision HIC Program

The contribution requirement for active employees is governed by Section 51.1-1401(E) of the Code, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. The contractually required employer contribution rate for the year ended June 30, 2024, was 0.62% 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 to the plan were \$74,297 and \$71,069 for the years ended June 30, 2024 and June 30, 2023, respectively.

Fiduciary Net Position

Detailed information about the Fiduciary Net Position for the Teacher Employee Health Insurance Credit Program is available in the separately issued VRS 2023 Annual Comprehensive Financial 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.

Net OPEB Liability

The following represents the net HIC OPEB liabilities through the Plans' measurement date of June 30, 2023.

| | Net HIC OPEB Liability |
|--|-----------------------------------|
| HIC - School Board Cost-Sharing Teacher Plan | \$ 18,642,260 |
| HIC - Political Subdivision Agent Plan | 426,485 |
| | <u>\$ 19,068,745</u> |

Teacher Employee HIC Program

The net OPEB liability for the Teacher Employee Health Insurance Credit Program represents the program's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of June 30, 2023, the net OPEB liability amounts for the Plan, prior to each employers' allocation of their proportionate share, is as follows (amounts expressed in thousands):

| | VRS 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 | <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.

At June 30, 2024, the School Board reported a liability of \$18.6 million for its proportionate share of the VRS Teacher Employee Health Insurance Credit Program Net OPEB Liability. The net OPEB liability was measured as of June 30, 2023 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2022, and rolled forward to the measurement date of June 30, 2023. The School Board's proportion of the net OPEB liability was based on the School Board's actuarially determined employer contributions to the Plan for the year ended June 30, 2023 relative to the total of the actuarially determined employer contributions for all participating employers. The School Board's proportion was 1.54% as of June 30, 2023 as compared to 1.55% at June 30, 2022.

Political Subdivision HIC Program

At June 30, 2024, the School Board's net Health Insurance Credit OPEB liability of \$0.4 million was measured as of June 30, 2023. The total Health Insurance Credit 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 liabilities were based on actuarial valuations 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.

| Plan Actuarial Assumptions | | |
|--|--|---|
| | Political Subdivision | Teacher Plan |
| Assumptions used in calculations: | | |
| Inflation | 2.50% | 2.50% |
| Salary increases, including inflation | 3.50% - 5.35% | 3.50% - 5.95% |
| Investment rate of return | 6.75%, net of plan investment expenses, including inflation | |
| Mortality tables: | | |
| 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. | Pub-2010 Amount Weighted Teachers Employee Rates projected generationally; 110% of rates for males. |
| 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. | Pub-2010 Amount Weighted Teachers Healthy Retiree Rates projected generationally; males set forward 1 year; 105% of rates for females. |
| Post-Disability | 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. | Pub-2010 Amount Weighted Teachers Disabled Rates projected generationally; 110% of rates for males and females. |
| Beneficiaries and Survivors | Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years. | Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally. |
| Mortality Improvement Scale | <ul style="list-style-type: none">• Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates. | <ul style="list-style-type: none">• Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates. |
| Changes to 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. | <ul style="list-style-type: none">• Mortality rates updated to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.• Retirement rates adjusted to better fit experience for Plan 1; set | <ul style="list-style-type: none">• Mortality Rates update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020 |

| | | |
|--|--|--|
| | separate rates based on experience for Plan2/Hybrid; changed final retirement age from 75 to 80 for all • Withdrawal rates adjusted to better fit experience at each age and service decrement through 9 years of service. • Disability rates no change • Discount rate no change | • 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 to better fit experience at each year age and service through 9 years of service • Disability rates no change • Discount rate no change |
|--|--|--|

The actuarial assumptions used in the June 30, 2022 valuations were based on the results of an actuarial experience study for the four-year period from July 1, 2016 through June 30, 2020 except for the change in the discount rate, which is based on VRS Board action effective as of July 1, 2021.

Long-Term Expected Rate of Return

The long-term expected rate of return on VRS 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:

| Target Asset Allocation | | | |
|--------------------------------|-----------------------------------|--|-----------------------------------|
| Asset Class (Strategy) | Long-Term Target Asset Allocation | Arithmetic Long-term Expected Rate of Return | 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% |
| Multi-Asset Public Strategies | 4.00% | 4.50% | 0.18% |
| 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% |

Discount Rate

Teacher Employee HIC Program

The discount rate used to measure the total Teacher Employee HIC OPEB liability was 6.75%. The projection of cash flow 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 ending June 30, 2023, the rate contributed by each school division 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 contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the 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.

Political Subdivision HIC Program

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 ending June 30, 2023, the rate contributed by entity for the HIC OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 100% of the actuarially determined contribution rate. For 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.

Change in the Political Subdivision Net HIC OPEB Liability

The following table represents the change in net OPEB liability through the Plan's measurement date of June 30, 2023.

| School Board - Changes in the Political Subdivision Net HIC OPEB Liability | | | |
|--|--------------------------------|---------------------------------------|----------------------------------|
| | Increase (Decrease) | | |
| | Total OPEB Liability (a) | Plan Fiduciary Net Position (b) | Net OPEB Liability (a)-(b) |
| Balances at June 30, 2022 | \$ 696,376 | \$ 84,391 | \$ 611,985 |
| Changes for the year: | | | |
| Service cost | 10,163 | - | 10,163 |
| Interest | 46,985 | - | 46,985 |
| Change in benefit terms | - | - | - |
| Changes in assumptions | - | - | - |
| Difference between expected and actual experience | (164,149) | - | (164,149) |
| Contributions - employer | - | 71,069 | (71,069) |
| Contributions - employee | - | - | - |
| Net investment income | - | 7,608 | (7,608) |
| Benefit payments, including refunds of employee contributions | (20,909) | (20,909) | - |
| Administrative expense | - | (217) | 217 |
| Other changes | - | 39 | (39) |
| Net changes | (127,910) | 57,590 | (185,500) |
| Balances at June 30, 2023 | \$ 568,466 | \$ 141,981 | \$ 426,485 |

* Table excludes data for the VRS Teacher Employee HIC program, a cost-sharing pension plan.

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

The following presents the net OPEB liability of the School Board's Political Subdivision HIC agent plan and the Teacher Employee HIC cost-sharing plan, calculated using each Plan's current discount rate, as well as what the respective Plan's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

| | 1.00% Lower (5.75%) | Current Discount Rate (6.75%) | 1.00% Higher (7.75%) |
|----------------------------------|------------------------|----------------------------------|-------------------------|
| HIC - School Board Teacher Plan* | \$ 21,086,478 | \$ 18,642,260 | \$ 16,570,998 |
| HIC - Political Subdivision Plan | \$ 492,628 | \$ 426,485 | \$ 370,669 |

*Represents the School Board's proportionate share of the VRS Teacher Employee HIC Program

OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Other Postemployment Benefits

For the year ended June 30, 2024, the School Board recognized Political Subdivision HIC Program and Teacher Employee HIC Program OPEB expense of \$34,285 and \$1,292,797, respectively. Since there was a change in proportionate share between measurement dates, a portion of the Teacher Employee HIC program OPEB expense was related to deferred amounts from changes in proportion.

At June 30, 2024, the School Board's reported deferred inflows of resources and deferred outflows of resources related to the School Board's Health Insurance Credit Program the following sources:

| Deferred Inflows and Outflows of Resources Related to OPEB | | | | | |
|--|-----------------------------------|---|---------------------|------------------------------|-------------------------------------|
| | Component unit - School Board | | | | |
| | Political Subdivision HIC Program | | | Teacher Employee HIC Program | Total Component unit - School Board |
| | School Board | Internal Service Fund Fleet Services | Total | | |
| Deferred outflows - OPEB contributions: | | | | | |
| Employer contributions subsequent to the measurement date | \$ 69,178 | \$ 5,119 | \$ 74,297 | \$ 2,021,013 | \$ 2,095,310 |
| Deferred outflows - actuarial differences: | | | | | |
| Changes of assumptions | \$ 51,342 | \$ 3,799 | \$ 55,141 | \$ 433,960 | \$ 489,101 |
| Net difference between expected and actual experience | 9,670 | 715 | 10,385 | - | 10,385 |
| Net difference between projected and actual earnings on plan investments | 833 | 62 | 895 | 9,355 | 10,250 |
| Changes in proportion and differences between the employer's contributions and the employer's proportionate share of contributions | - | - | - | 69,414 | 69,414 |
| Total deferred outflows - actuarial differences: | \$ 61,845 | \$ 4,576 | \$ 66,421 | \$ 512,729 | \$ 579,150 |
| Deferred inflows - actuarial differences: | | | | | |
| Changes of assumptions | \$ - | \$ - | \$ - | \$ (18,786) | \$ (18,786) |
| Net difference between expected and actual experience | (119,248) | (8,824) | (128,072) | (820,540) | (948,612) |
| Changes in proportion and differences between the employer's contributions and the employer's proportionate share of contributions | - | - | - | (427,119) | (427,119) |
| Total deferred inflows - actuarial differences | \$ (119,248) | \$ (8,824) | \$ (128,072) | \$ (1,266,445) | \$ (1,394,517) |

Contributions subsequent to the measurement date will be recognized as a reduction of the respective net OPEB liabilities in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense in future reporting periods as follows:

| Deferred Inflows and Outflows of Resources Related to OPEB | | | | | | |
|--|-----------------------------------|-------------------|--------------------|------------------------------------|---------------------|--|
| | Component unit - School Board | | | | | Total Component unit School Board |
| | Political Subdivision HIC Program | | | Teacher Employee HIC Program | | |
| | Internal Service Fund | | Total | | | |
| | School Board | Fleet Services | | | | |
| | | | | | | |
| Fiscal year ended June 30, | | | | | | |
| 2025 | \$ (14,580) | \$ (1,079) | \$ (15,659) | \$ (215,498) | \$ (231,157) | |
| 2026 | (14,578) | \$ (1,079) | (15,657) | (154,634) | (170,291) | |
| 2027 | (14,840) | (1,098) | (15,938) | (78,620) | (94,558) | |
| 2028 | (13,405) | (992) | (14,397) | (149,996) | (164,393) | |
| 2029 | - | - | - | (109,241) | (109,241) | |
| Thereafter | - | - | - | (45,727) | (45,727) | |
| | <u>\$ (57,403)</u> | <u>\$ (4,248)</u> | <u>\$ (61,651)</u> | <u>\$ (753,716)</u> | <u>\$ (815,367)</u> | |
| OPEB actuarial differences: | | | | | | |
| Total deferred outflows | \$ 61,845 | \$ 4,576 | \$ 66,421 | \$ 512,729 | \$ 579,150 | |
| Total deferred inflows | (119,248) | (8,824) | (128,072) | (1,266,445) | (1,394,517) | |
| | <u>\$ (57,403)</u> | <u>\$ (4,248)</u> | <u>\$ (61,651)</u> | <u>\$ (753,716)</u> | <u>\$ (815,367)</u> | |

Payables to the HIC OPEB Plans

The School Board reported the following payables for the outstanding amount of contributions to its OPEB Plans required for the year ended June 30, 2024.

| | |
|--|------------------|
| HIC - School Board Cost-Sharing Teacher Plan | \$ 48,043 |
| HIC - Political Subdivision Agent Plan | 2,727 |
| | <u>\$ 50,770</u> |

Note 8

Fund Balance

Governmental fund balance allocations for the year ended June 30, 2024 are as follows:

| Fund Balance Classification | | | | |
|---|-----------------------|----------------------|--------------------------|--------------------------|
| | General Fund | Capital Projects | Other Governmental Funds | Total Governmental Funds |
| Non-spendable for: | | | | |
| Leases | \$ 79,946 | \$ - | \$ - | \$ 79,946 |
| Total non-spendable fund balance | \$ 79,946 | \$ - | \$ - | \$ 79,946 |
| Restricted for: | | | | |
| Special service district transportation | \$ - | \$ - | \$ 1,673,718 | \$ 1,673,718 |
| PRTC transportation funds | - | - | 8,096,611 | 8,096,611 |
| Transient occupancy - tourism | 1,322,758 | - | - | 1,322,758 |
| County match for Schools Textbook Fund | 1,131,369 | - | - | 1,131,369 |
| Unexpended bond interest | - | 3,176,033 | - | 3,176,033 |
| Available bond proceeds: | | | | |
| Transportation | - | 22,940,105 | - | 22,940,105 |
| Fire & Rescue | - | 12,193,717 | - | 12,193,717 |
| Other | - | 846,026 | - | 846,026 |
| Grant and other contributions: | | | | |
| Forfeiture & seizure - drug enforcement | 1,280,425 | - | - | 1,280,425 |
| Fire & rescue equipment & personnel | 2,316,176 | - | - | 2,316,176 |
| Opioid settlement | 872,238 | - | - | 872,238 |
| ARPA interest restricted for Motts Run | 1,347,832 | - | - | 1,347,832 |
| Other | 503,558 | 46,616 | - | 550,174 |
| Total restricted fund balance | \$ 8,774,356 | \$ 39,202,497 | \$ 9,770,329 | \$ 57,747,182 |
| Committed for: | | | | |
| Fiscal stability reserve | \$ 66,770,734 | \$ - | \$ - | \$ 66,770,734 |
| School health insurance reserve | 16,468,082 | - | - | 16,468,082 |
| County OPEB reserve | 15,562,887 | 98,845 | 2,378,854 | 18,040,586 |
| County health insurance reserve | 6,082,937 | - | - | 6,082,937 |
| Future fiscal stability reserve | 4,000,000 | - | - | 4,000,000 |
| LOSAP Benefits | 2,040,475 | - | - | 2,040,475 |
| Future community center reservation | 629,800 | - | - | 629,800 |
| Public safety line of duty benefits | 500,000 | - | - | 500,000 |
| Information technology | - | 9,215,140 | - | 9,215,140 |
| Fire & rescue facilities, equipment & service | - | 5,228,235 | 601,576 | 5,829,811 |
| Facility maintenance & improvements | - | 4,238,839 | - | 4,238,839 |
| Transportation | - | 4,163,862 | 7,056,158 | 11,220,020 |
| Solid waste | - | 8,874,063 | - | 8,874,063 |
| Code compliance services | - | - | 8,360,282 | 8,360,282 |
| Capital projects - various other | - | 5,569,787 | - | 5,569,787 |
| Capital projects - future budget | - | 4,395,216 | - | 4,395,216 |
| Total committed fund balance: | \$ 112,054,915 | \$ 41,783,987 | \$ 18,396,870 | \$ 172,235,772 |

| Fund Balance Classification continued | | | | |
|--|-----------------------|----------------------|--------------------------|--------------------------|
| | General Fund | Capital Projects | Other Governmental Funds | Total Governmental Funds |
| Assigned to: | | | | |
| Carryover & FY25 use of fund balance: | | | | |
| Education | \$ 3,380,669 | \$ - | \$ - | \$ 3,380,669 |
| Public safety | 1,340,754 | - | - | 1,340,754 |
| General government | 991,500 | - | - | 991,500 |
| Economic development | - | 1,538,453 | - | 1,538,453 |
| Transportation | 3,187,324 | - | - | 3,187,324 |
| Transfer to Capital Projects | 8,280,285 | - | - | 8,280,285 |
| Various other | 895,876 | - | 657,222 | 1,553,098 |
| Capital projects - future | - | 989,652 | 170,000 | 1,159,652 |
| Capital projects - future cash funding | 27,540,460 | - | - | 27,540,460 |
| ARPA interest | 619,966 | - | - | 619,966 |
| Loss contingencies | 2,865,000 | - | - | 2,865,000 |
| Kalahari incentive | 1,200,000 | - | - | 1,200,000 |
| Economic opportunities reserve | 2,000,000 | - | - | 2,000,000 |
| Total assigned fund balance: | \$ 52,301,834 | \$ 2,528,105 | \$ 827,222 | \$ 55,657,161 |
| Unassigned*: | \$ 5,000,000 | \$ - | \$ - | \$ 5,000,000 |
| Total fund balance: | \$ 178,211,051 | \$ 83,514,589 | \$ 28,994,421 | \$ 290,720,061 |

* includes \$5 million in budget stabilization funds, a minimum fund balance established by the Board.

Note 9

Commitments and Contingencies

9.01 COMMITMENTS

The County has various contracts for general government and utility capital projects approximating \$11.0 million and \$194.1 million, respectively, at June 30, 2024. The School Board has construction project commitments of \$31.2 million at June 30, 2024.

Bonds authorized at June 30, 2024 but not issued are as follows:

| | |
|----------------|-----------------------|
| Public safety | \$ 41,441,115 |
| Schools | 158,816,960 |
| Transportation | 132,216,459 |
| | <u>\$ 332,474,534</u> |

9.02 CONTINGENCIES

Grants

The County participates in various federal grant programs, the principal of which are subject to program compliance audits pursuant to the Uniform Guidance as amended. Accordingly, the County's compliance with applicable grant requirements will be established at a future date. The amount of expenditures, which may be disallowed by the granting agencies, cannot be determined at this time, although the County anticipates such amounts, if any, will be immaterial.

Litigation

The County, including its component units, is subject to a variety of pending and threatened litigation, claims, and assessments. Although the outcome is not presently determinable, in the opinion of legal counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the County or School Board.

Note 10

Tax Incentives

In coordination with Economic Development Authority of the County of Spotsylvania, Virginia, the County enters into various tax incentive agreements, as authorized by Section 15.2-953 of the Code, to attract, retain and facilitate expansion of high quality business and industry resulting in a stable, diverse local economy and an improved standard of living for the citizens of the County. All payments are subject to annual appropriation by the County's Board of Supervisors.

For fiscal year ended June 30, 2024, the County reimbursed various business taxes totaling \$.6 million, including the following agreements that individually exceeded \$500,000 in total tax expected to be refunded over the life of the agreement:

- On January 26, 2017, the County entered into an incentive agreement with a local engineering firm to expand its operational footprint over the next 10 years by entering into a new facility lease and expanding its number of full-time employees. As part of this agreement, the County has committed to reimbursing the firm up to \$900,000 in personal property, and Business, Professional and Occupational License (BPOL) taxes in annual not to exceed installments of \$90,000. In the event of non-compliance, all payments are subject to recapture. For the year ending June 30, 2024, the County reimbursed \$37,433.
- On July 22, 2015, the County entered into an agreement to induce an international grocery chain to make a \$125.0 million capital investment and create 200 new jobs in the County to be maintained over a period of seventeen years. As part of this agreement, the County has committed to reimbursing the company up to \$7.5 million in personal property and local sales taxes. Various levels of non-compliance and recapture are in place to protect the County's investment. For the year ending June 30, 2024, the County reimbursed \$302,132.
- On June 8, 2006, the County entered into an agreement with a local developer to facilitate the development of an \$80.0 million first-class retail center. As part of this agreement the County has agreed to reimburse the developer up to \$17.1 million in new local sales tax generated over a twenty-year period. Because taxes are abated after the qualifying spending has taken place, there are no provisions for recapturing abated taxes. For the year ending June 30, 2024, the County reimbursed \$192,083.
- On May 24, 2022, the County entered into an agreement with an entertainment company to incentivize the construction of a family resort and convention center with approximately 1.38 million square feet of commercial space to include a 900-room hotel; 156,278-square foot convention center; 267,429-square foot indoor waterpark & family entertainment center; multiple restaurant and retail facilities; and a 10-acre outdoor resort pool/waterpark; creating more than 1,000 local jobs. The property is located in a growth-designated area with a focus on tourism. Once the waterpark opens, it is expected to generate nearly \$ 7 million a year in tax revenue in excess of the tax incentives for Spotsylvania County. At build out, Kalahari Resort is projected to be the single largest taxpayer in the county.

As part of this agreement the County has agreed to reimburse the developer 100% of business tangible property taxes, 3% of meals taxes collected, 100% of business license fees, and 5% of transient occupancy tax collected over a twenty-year period. The twenty-year period will begin when the occupancy permit has been issued. Various levels of non-compliance and recapture are in place to protect the County's investment. The project is expected to open no

later than June 30, 2028. The County's early projections estimate approximately \$150.9 million in incentives will be paid out over the twenty year period. For the year ended June 20, 2024, there were no qualifying reimbursements.

Note 11

Risk Management

The County, including its component units, are exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. These risks are mitigated through the purchase of commercial insurance and participation in public entity risk pools. During the last three fiscal years, settled claims from these risks have not exceeded commercial coverage.

Health Insurance Plan

The County and School Board are self-insured for its medical and dental benefits for employees up to \$200,000 per employee, per year. Claims in excess of the limitation are covered by third-party insurance. Expenditures are charged to the fund to which the employees' payroll expenditure is charged. Claims processing and payments are made through a third-party administrator and billed weekly. No funds are held by the administrator at year-end.

The County and School Board have reserved \$6.1 million and \$16.5 million, respectively, of fund balance at June 30, 2024 to ensure adequate funds are available to cover unusual claim fluctuations and incurred but not reported claims (IBNR). Self-insurance liabilities, including IBNR, are estimated based on information provided by the third-party administrator and recognized as a long-term liability due within one year in the Statement of Net Position. Changes in self-insurance liabilities for the past two fiscal years can be found in the following table.

| Change in Self-funded Health and Dental Insurance Claim Liabilities | | | | |
|---|--|--|-------------------|---|
| Fiscal Year | Insurance Claim Liability Beginning | Claims and Other Charges Processed | Claim Payments | Insurance Claim Liability Ending |
| <i>Primary Government</i> | | | | |
| 2024 | \$ 2,106,300 | \$ 17,275,880 | \$ 16,946,537 | \$ 2,435,643 |
| 2023 | 1,846,169 | 16,639,579 | 16,379,448 | 2,106,300 |
| <i>Component unit - School Board</i> | | | | |
| 2024 | \$ 4,813,944 | \$ 44,811,340 | \$ 44,838,326 | \$ 4,786,958 |
| 2023 | 5,045,905 | 44,824,178 | 45,056,139 | 4,813,944 |

Primary Government:

| | |
|---------------|---------------------|
| Governmental | \$ 2,218,395 |
| Business-type | 217,248 |
| | <u>\$ 2,435,643</u> |

Property and Casualty*Spotsylvania County & School Board*

The County and School Board participate in Virginia Group Self-Insurance Risk Pools providing coverage for commercial general liability, property, automobile and workers' compensation. In the case of a loss deficit and depletion of all assets and available insurance in the pool, the pool 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.

Line of Duty Benefits*Spotsylvania County*

The Line of Duty Act (LODA) provides important benefits to public safety officers and public safety volunteers and their beneficiaries due to death or disability resulting from performance of their duties. The County has contracted with VACorp to administer the Plan and is charged a minimal premium to cover the risk of any claims above the \$500,000 deductible. The amount of the deductible has been allocated as committed fund balance in the General Fund as of June 30, 2024.

Note 12**Interjurisdictional Agreements**

The County shares an agreement with the City of Fredericksburg, Virginia (City) for joint provisions of water and sewer services. Neither party to the agreement holds any influence to the counterpart's treatment systems.

Joint-Use Water Facilities

In 1995, an agreement between the City and the County provided for the development of a shared water treatment plant at the Motts Run Reservoir. The Motts Run Plant, which is operated by the County, has a treatment capacity of 15 MGD. The City has reserved capacity of 5 MGD. The City is obligated under the agreement to cover their share of the daily operational and maintenance costs associated with the production of potable water. The County bills the City based on their proportionate share of water consumed and records as operating revenues in the County's Water and Sewer fund. In addition, as part of the agreement, any related capital improvement costs are to be shared based on proportionate reserved capacity. The City is billed for their share as costs are incurred. The County recognizes the City's share as capital contribution revenues in its Water and Sewer fund.

Joint-Use Wastewater Facilities

Through agreement, the County and City share the Hazel Run Interceptor Line (Line), a line extending from the County's existing Hazel Run Lift Station to the City's existing Hazel Run Gravity Line. The purpose of the Line, which is maintained by the City, is to provide the transportation of County and City sewage originating in the Hazel Run Watershed to the City Wastewater Treatment Facility, and/or the County's FMC Wastewater Treatment Facility. Costs of necessary capital improvements to the Line are borne between the County and City on a pro-rata basis, established using actual sewage flow. Any capital improvement costs paid by the County are reported as purchased capacity. Through these capital payments, the County maintains exclusive entitlement to flow capacities within the Line.

Furthermore, the County has agreed to provide wastewater treatment capacity to the City of 1.5 MGD at the FMC facility. City wastewater treated at the FMC facility is billed to the City based on their proportionate share of wastewater treated. Amounts received by the County are treated as operating revenues in the County's Water and Sewer fund. Similar to the joint water facility agreement, any related capital improvement costs to the FMC facility are to be shared based on proportionate reserved capacity. The City is billed for their share as costs are incurred. The County recognizes the City's share as capital contribution revenues in its Water and Sewer fund.

Note 13

Joint Ventures

13.01 POTOMAC AND RAPPAHANNOCK TRANSPORTATION COMMISSION

On August 18, 2009, the County of Spotsylvania entered into agreement with the Potomac and Rappahannock Transportation Commission (PRTC) effective February 15, 2010. The PRTC was created in fiscal year 1987 to levy a 2% Motor Fuel Tax authorized by the Commonwealth. The PRTC is a joint venture of the contiguous jurisdictions of Prince William, Stafford, Manassas, Manassas Park, Fredericksburg, and Spotsylvania and was established to improve transportation systems, composed of transit facilities, public highways and other modes of transport. While each jurisdiction effectively controls PRTC's use of motor fuel tax proceeds from that jurisdiction, they do not have an explicit, measurable equity interest in the PRTC.

The governing body of each member jurisdiction appoints, from among its members, its representatives to act as Commissioners. The Commission has fifteen members, including three from the General Assembly and one ex-officio representative from the Virginia Department of Transportation. Each Commission member, including the Virginia Department of Transportation, is entitled to one vote in all matters requiring action by the Commission. No jurisdiction holds more than 50% membership in the Commission.

The County is required to fund its share of administrative expenses and subsidies, which includes both the existing VRE related debt service and any new VRE related debt service as authorized by the County. For fiscal year 2024, the County received \$7.6 million in Motor Fuel Tax and paid \$2.0 million in subsidies. As of June 30, 2024, the PRTC holds \$8.1 million in County fuel tax receipts available for future transportation project appropriations.

Copies of PRTC's financial statements may be obtained by writing to PRTC Finance Division, 14700 Potomac Mills Road, Woodbridge, Virginia 22192.

13.02 RAPPAHANNOCK REGIONAL JAIL AUTHORITY

The Rappahannock Regional Jail Authority (Authority) was created in January 1995 to share the cost of operating the existing security center and constructing, equipping, maintaining and operating a new regional facility. Member jurisdictions include the City of Fredericksburg, and the Counties of Spotsylvania, Stafford and King George. A twelve-member board consisting of three representatives from each of the member jurisdictions governs the Authority.

In accordance with the Authority agreement, member jurisdictions pay operating (per diem) and debt service costs based on the percentage of inmate population. Due to this requirement of the Agreement, the County retains an ongoing financial responsibility for the joint venture. The County's payments for the year ended June 30, 2024 totaled \$7.6 million.

Copies of Rappahannock Regional Jail Authority's financial statements may be obtained by writing to the Director of Support Services, Rappahannock Regional Jail, P.O. Box 3300, Stafford, VA 22554.

13.03 RAPPAHANNOCK JUVENILE CENTER

The Rappahannock Juvenile Center (RJC) operates under the direction of the Rappahannock Juvenile Detention Commission in accordance with Section 16.1-315 of the Code. The primary mission of RJC is to provide secure detention for youths found to be in need of such placement by a court within the participating jurisdictions. RJC originally opened in the fall of 1972 in Fredericksburg, Virginia. In the winter of 2000, located just 7 miles north in Stafford, a new facility was built covering 59,000 square feet with an 80 bed capacity; serving the City of Fredericksburg, and the Counties of

Spotsylvania, Louisa, Madison, Orange, King George, and Stafford. The County retains an ongoing financial responsibility and made payments for the year ended June 30, 2024 of \$2.4 million.

Copies of Rappahannock Juvenile Center's financial statements may be obtained by writing to Finance, Rappahannock Juvenile Center, 275 Wyche Road, Stafford, VA 22555.

Note 14

Jointly Governed Organizations

14.01 CENTRAL RAPPAHANNOCK REGIONAL LIBRARY

The Central Rappahannock Regional Library (Library) was organized July 1, 1971, pursuant to the provisions of Title 42.1 of the Code, as amended. Member jurisdictions are the City of Fredericksburg and the Counties of Spotsylvania, Stafford, and Westmoreland. It provides library and related services to the participating jurisdictions. The Library operates under the Regional Library Board consisting of one representative from the County of Westmoreland and two representatives each from the remaining jurisdictions. The Regional Library Board is empowered to budget and expend funds and to execute contracts. For the year ended June 30, 2024, the County's appropriation to the Library was \$4.5 million.

Note 15

Subsequent Events

On September 5, 2024, the County issued \$42.1 million in General Obligation Public Improvement Bonds, Series 2024 with a fixed interest rate of 5%. The bonds are to be repaid in various installments beginning January 15, 2025 until final maturity on January 15, 2044. Net bond proceeds of \$46.9 million (adjusted for premium of \$5.0 million and payment of \$0.3 million in issuance costs) will be used to reimburse the County for costs related to the school, public safety, and transportation projects to be financed with such proceeds.

On September 18, 2024, the County issued \$25.7 million in Economic Development Authority Revenue Bonds, Series 2024 with fixed interest rates ranging from 3.90% to 5.05%. The bonds are to be repaid in various installments beginning June 1, 2026 until final maturity on June 1, 2049. Net bond proceeds of \$25.3 million (adjusted for payment of \$0.4 million in issuance costs) will be used to reimburse the County for costs related to the purchase and renovation of an existing building to be used for governmental purposes and the rehabilitation of an existing County building to be financed with such proceeds.

On November 12, 2024, the County issued \$31.8 million in Water and Sewer Revenue Bonds, Series 2024, with fixed interest rates ranging from 3.1% to 5.0%. The bonds are to be repaid in various installments beginning December 1, 2025 until final maturity on December 1, 2049. Net bond proceeds of \$32.8 million (adjusted for premium of \$1.6 million and payment of \$0.6 million in issuance costs) will be used to reimburse the County for costs related to water and sewer infrastructure projects to be financed with such proceeds.

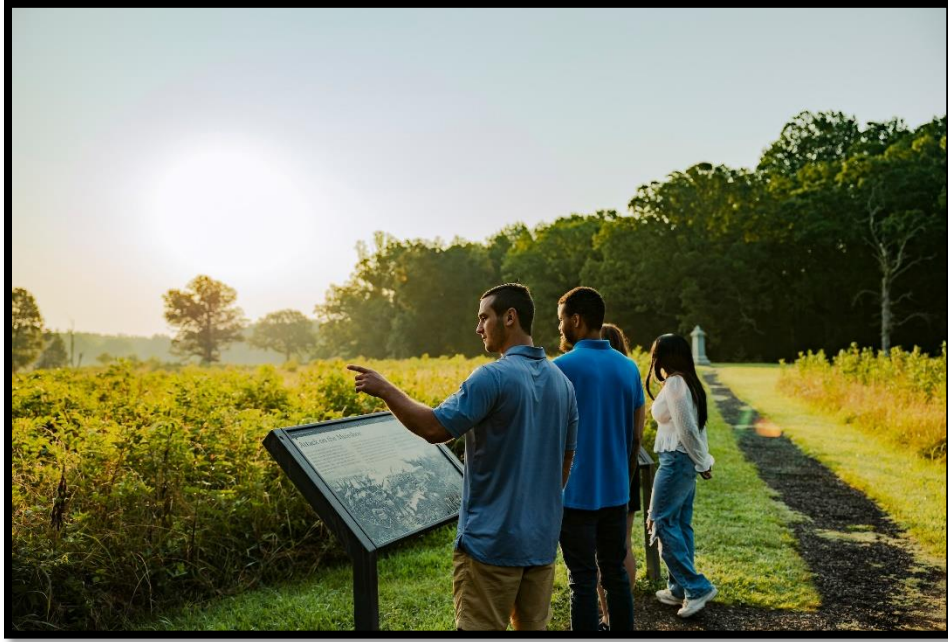
Note 16

Implementation of New Accounting Pronouncements

In April 2022, GASB issued Statement No. 99, Omnibus 2022. The primary objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements effective for June 30, 2022 were

adopted as previously outlined in the New Accounting Pronouncement section. The County implemented the requirements related to leases, PPPs, and SBITAs in the fiscal year ended June 30, 2023. The County analyzed the requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 for adoption in the fiscal year ending June 30, 2024. This Statement has no significant impact for the County for the fiscal year ending June 30, 2024.

In June 2022, GASB issued Statement No. 100, Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting—understandability, reliability, relevance, timeliness, consistency, and comparability. This Statement also addresses corrections of errors in previously issued financial statements. This Statement has no significant impact for the County for the fiscal year ending June 30, 2024.



All Rights Reserved 2023-2024 Spotsylvania County.



REQUIRED SUPPLEMENTARY INFORMATION

COUNTY OF SPOTSYLVANIA, VIRGINIA

Required Supplementary Information - Budgetary Comparison Schedule - General Fund (Budgetary Basis)

For the Year Ended June 30, 2024

Schedule 1 - Page 1

| | Original Budget | Budget as Amended | Actual | Variance from Amended Budget |
|---|------------------------|------------------------|------------------------|------------------------------|
| REVENUES | | | | |
| General property taxes | \$ 220,078,422 | \$ 220,108,422 | \$ 224,616,762 | \$ 4,508,340 |
| Other local taxes | 74,714,894 | 74,714,894 | 72,918,803 | (1,796,091) |
| Permits, fees and regulatory licenses | 228,200 | 228,200 | 273,764 | 45,564 |
| Fines and forfeitures | 395,500 | 395,500 | 557,485 | 161,985 |
| From use of money and property | 908,490 | 1,285,393 | 11,376,302 | 10,090,909 |
| Charges for services | 6,068,290 | 6,068,290 | 6,842,820 | 774,530 |
| Gifts and donations | 41,425 | 44,425 | 150,702 | 106,277 |
| Miscellaneous | 92,500 | 102,500 | 845,564 | 743,064 |
| Intergovernmental | 46,120,065 | 47,692,595 | 48,008,897 | 316,302 |
| Total revenues | \$ 348,647,786 | \$ 350,640,219 | \$ 365,591,099 | \$ 14,950,880 |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | \$ 23,718,592 | \$ 24,318,647 | \$ 21,038,090 | \$ 3,280,557 |
| Judicial administration | 12,483,429 | 13,034,314 | 11,490,513 | 1,543,801 |
| Public safety | 84,931,611 | 89,473,774 | 82,977,291 | 6,496,483 |
| Public works | 12,750,095 | 12,760,095 | 12,090,310 | 669,785 |
| Health and human services | 33,815,614 | 33,841,589 | 30,281,365 | 3,560,224 |
| Education | 149,752,695 | 153,797,945 | 149,285,907 | 4,512,038 |
| Parks, recreation and cultural | 9,272,871 | 9,190,935 | 8,999,761 | 191,174 |
| Community development | 5,163,513 | 5,443,513 | 4,537,590 | 905,923 |
| Non-departmental | 2,358,900 | 2,358,900 | 2,647,717 | (288,817) |
| Debt service: | | | | |
| Bonded debt: | | | | |
| Principal retirement | 7,516,501 | 7,391,782 | 7,391,782 | - |
| Interest and other fiscal charges | 2,281,559 | 2,139,819 | 2,139,431 | 388 |
| Right to use assets: | | | | |
| Principal retirement | - | - | 1,779,045 | (1,779,045) |
| Interest and other fiscal charges | - | - | 149,350 | (149,350) |
| Total expenditures | \$ 344,045,380 | \$ 353,751,313 | \$ 334,808,152 | \$ 18,943,161 |
| Excess of revenues over expenditures | \$ 4,602,406 | \$ (3,111,094) | \$ 30,782,947 | \$ 33,894,041 |
| Other financing uses: | | | | |
| Transfers in | \$ 4,813,258 | \$ 4,813,258 | \$ 4,899,190 | \$ 85,932 |
| Transfers out | (17,732,033) | (18,056,074) | (18,107,295) | (51,221) |
| Lease liabilities issued | - | - | 66,838 | 66,838 |
| Subscription liabilities issued | - | - | 2,174,246 | 2,174,246 |
| Total other financing uses | \$ (12,918,775) | \$ (13,242,816) | \$ (10,967,021) | \$ 2,275,795 |
| Net change in fund balances | \$ (8,316,369) | \$ (16,353,910) | \$ 19,815,926 | \$ 36,169,836 |
| Fund balance, beginning | 8,316,369 | 16,353,910 | 156,354,650 | 140,000,740 |
| Fund balance, ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 176,170,576</u> | <u>\$ 176,170,576</u> |

COUNTY OF SPOTSYLVANIA, VIRGINIA

Required Supplementary Information - Notes to Budgetary Comparison Schedule - General Fund

For the Year Ended June 30, 2024

Schedule 1 - Page 2

The General Fund Budget Comparison Schedule is prepared on the modified accrual basis of accounting, with the following exceptions:

1 - Under Virginia state law, school boards may not incur debt. Rather, the local government incurs debt on behalf of the local school board, resulting in any debt obligation and its associated debt service being reported under the Primary Government. In comparison, the County's legally adopted budget does not reflect this debt activity as these funds have already been budgeted and appropriated under the component unit - School Board.

2 - Adjustments are required to remove activity related to the County's Length of Service Award Program (LOSAP) which has been consolidated with the General Fund for financial reporting purposes. As a revocable trust, Plan assets of the LOSAP no longer meet the requirements to be reported separately within a fiduciary fund and are not part of the legally adopted budget of the General Fund.

| | Budgetary Basis (Sch 1) | School Debt Service (1) | LOSAP Trust (2) | GAAP Basis (Exh IV) |
|--|----------------------------|----------------------------|-----------------------|---------------------------|
| REVENUES | | | | |
| From use of money and property | \$ 11,376,302 | \$ - | \$ 78,811 | \$ 11,455,113 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public safety | 82,977,291 | - | 75,633 | 83,052,924 |
| Education | 149,285,907 | 16,676,399 | - | 165,962,306 |
| Debt service: | | | | |
| Principal retirement | 7,391,782 | 21,208,388 | - | 28,600,170 |
| Interest and other charges | 2,139,431 | 7,176,288 | - | 9,315,719 |
| Bond issuance costs | - | 239,453 | - | 239,453 |
| Other financing sources (uses): | | | | |
| Issuance of bonds | - | 41,275,000 | - | 41,275,000 |
| Premium on bonds issued | - | 4,025,528 | - | 4,025,528 |
| Total reconciling adjustments: | | \$ - | \$ 3,178 | |

| | | | | |
|--|-----------------------|-------------|---------------------|-----------------------|
| Net change in fund balances (Sch 1 & Exh IV): | \$ 19,815,926 | \$ - | \$ 3,178 | \$ 19,819,104 |
| Fund balance, beginning (Sch 1 & Exh IV) | 156,354,650 | - | 2,037,297 | 158,391,947 |
| Fund balance, ending (Sch 1 & Exh IV) | <u>\$ 176,170,576</u> | <u>\$ -</u> | <u>\$ 2,040,475</u> | <u>\$ 178,211,051</u> |

COUNTY OF SPOTSYLVANIA, VIRGINIA

Schedule of Changes in Net Pension Liability and Related Ratios - County

Last Ten Fiscal Years

Schedule 2 - Page 1

(Amounts in thousands)

| Measurement date - June 30, | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Total pension liability | | | | | | | | | | |
| Service cost | \$ 9,293 | \$ 8,354 | \$ 7,209 | \$ 6,468 | \$ 5,931 | \$ 5,549 | \$ 5,654 | \$ 5,450 | \$ 5,405 | \$ 5,123 |
| Interest | 18,163 | 17,301 | 14,387 | 13,530 | 12,564 | 11,745 | 11,029 | 10,191 | 9,544 | 8,849 |
| Differences between actual and expected experience | 411 | (4,724) | 10,686 | 286 | 3,054 | 864 | 707 | 1,873 | (766) | - |
| Changes of assumptions | - | - | 10,644 | - | 6,513 | - | (1,373) | - | - | - |
| Benefit payments, including refunds of employee contributions | (9,744) | (8,461) | (7,740) | (7,430) | (6,781) | (6,142) | (5,462) | (5,605) | (4,263) | (3,827) |
| Net change in total pension liability | 18,123 | 12,470 | 35,186 | 12,854 | 21,281 | 12,016 | 10,555 | 11,909 | 9,920 | 10,145 |
| Total pension liability - beginning | 264,662 | 252,192 | 217,006 | 204,152 | 182,871 | 170,855 | 160,300 | 148,391 | 138,471 | 128,326 |
| Total pension liability - ending | <u>\$ 282,785</u> | <u>\$ 264,662</u> | <u>\$ 252,192</u> | <u>\$ 217,006</u> | <u>\$ 204,152</u> | <u>\$ 182,871</u> | <u>\$ 170,855</u> | <u>\$ 160,300</u> | <u>\$ 148,391</u> | <u>\$ 138,471</u> |
| Plan fiduciary net position | | | | | | | | | | |
| Contributions - employer | \$ 9,784 | \$ 7,025 | \$ 6,466 | \$ 5,337 | \$ 4,991 | \$ 4,680 | \$ 4,437 | \$ 4,762 | \$ 4,631 | \$ 4,736 |
| Contributions - employee | 3,553 | 3,270 | 3,028 | 2,824 | 2,721 | 2,507 | 2,443 | 2,303 | 2,246 | 2,165 |
| Net investment income | 15,850 | (418) | 51,290 | 3,506 | 11,453 | 11,629 | 17,039 | 2,399 | 5,869 | 17,024 |
| Benefit payments, including refunds of employee contributions | (9,744) | (8,461) | (7,740) | (7,430) | (6,781) | (6,142) | (5,462) | (5,605) | (4,262) | (3,827) |
| Administrative expense | (150) | (146) | (122) | (115) | (108) | (97) | (95) | (82) | (76) | (88) |
| Other | 6 | 6 | 5 | (4) | (7) | (10) | (15) | (1) | (1) | 1 |
| Net change in plan fiduciary net position | 19,299 | 1,276 | 52,927 | 4,118 | 12,269 | 12,567 | 18,347 | 3,776 | 8,407 | 20,011 |
| Plan fiduciary net position - beginning | 239,691 | 238,415 | 185,488 | 181,370 | 169,101 | 156,534 | 138,187 | 134,411 | 126,004 | 105,993 |
| Plan fiduciary net position - ending | <u>\$ 258,990</u> | <u>\$ 239,691</u> | <u>\$ 238,415</u> | <u>\$ 185,488</u> | <u>\$ 181,370</u> | <u>\$ 169,101</u> | <u>\$ 156,534</u> | <u>\$ 138,187</u> | <u>\$ 134,411</u> | <u>\$ 126,004</u> |
| County's net pension liability-ending | <u>\$ 23,795</u> | <u>\$ 24,971</u> | <u>\$ 13,777</u> | <u>\$ 31,518</u> | <u>\$ 22,782</u> | <u>\$ 13,770</u> | <u>\$ 14,321</u> | <u>\$ 22,113</u> | <u>\$ 13,980</u> | <u>\$ 12,467</u> |
| Plan fiduciary net position as a % of the total pension liability | 91.6% | 90.6% | 94.5% | 85.5% | 88.8% | 92.5% | 91.6% | 86.2% | 90.6% | 91.0% |
| Covered payroll | \$ 74,496 | \$ 68,128 | \$ 62,479 | \$ 58,248 | \$ 53,936 | \$ 50,613 | \$ 47,488 | \$ 45,430 | \$ 43,942 | \$ 43,592 |
| County's net pension liability as a % of covered payroll | 31.9% | 36.7% | 22.1% | 54.1% | 42.2% | 27.2% | 30.2% | 48.7% | 31.8% | 28.6% |

COUNTY OF SPOTSYLVANIA, VIRGINIA

Schedule of Changes in Net Pension Liability and Related Ratios - County

Last Ten Fiscal Years

Schedule 2 - Page 2

Notes to Schedule

Changes in 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 are as follows:

| | | |
|--|---|---|
| Non-Largest Ten Locality Employers - General Employees | Mortality Rates (Pre-retirement, post-retirement healthy, and disabled) | Updated to PUB2010 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 Plan2/Hybrid; changed final retirement age. |
| | Withdrawal Rates | Adjusted rates to better fit experience at each year age and service 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) | Updated to PUB2010 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 |
| | Line of Duty Disability | No change |
| | Salary Scale | No change |
| | Discount Rate | No change |

COUNTY OF SPOTSYLVANIA, VIRGINIA

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios - School Board

Last Ten Fiscal Years

Schedule 3 - Page 1

(Amounts in thousands)

| Measurement date - June 30, | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|---|-------------------|-------------------|-------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Service cost | \$ 1,042 | \$ 857 | \$ 950 | \$ 973 | \$ 937 | \$ 954 | \$ 948 | \$ 993 | \$ 1,024 | \$ 1,057 |
| Interest | 2,548 | 2,507 | 2,266 | 2,136 | 2,065 | 1,972 | 1,906 | 1,846 | 1,760 | 1,662 |
| Difference between expected and actual experience | 125 | (1,145) | 257 | 510 | (112) | (59) | (148) | (454) | (156) | - |
| Change in assumptions | - | - | 978 | - | 862 | - | (213) | - | - | - |
| Benefit payments, including refunds of employee contributions | (1,836) | (1,755) | (1,725) | (1,640) | (1,575) | (1,508) | (1,595) | (1,467) | (1,321) | (1,315) |
| Net change in total pension liability | 1,879 | 464 | 2,726 | 1,979 | 2,177 | 1,359 | 898 | 918 | 1,307 | 1,404 |
| Total pension liability - beginning | 37,629 | 37,165 | 34,439 | 32,460 | 30,283 | 28,924 | 28,026 | 27,108 | 25,801 | 24,397 |
| Total pension liability - ending | <u>\$ 39,508</u> | <u>\$ 37,629</u> | <u>\$ 37,165</u> | <u>\$ 34,439</u> | <u>\$ 32,460</u> | <u>\$ 30,283</u> | <u>\$ 28,924</u> | <u>\$ 28,026</u> | <u>\$ 27,108</u> | <u>\$ 25,801</u> |
| Plan fiduciary net position | | | | | | | | | | |
| Contributions - employer | \$ 631 | \$ 580 | \$ 588 | \$ 597 | \$ 574 | \$ 587 | \$ 584 | \$ 729 | \$ 762 | \$ 872 |
| Contributions - employee | 522 | 447 | 451 | 483 | 460 | 446 | 446 | 443 | 448 | 444 |
| Net investment income | 2,499 | (41) | 8,627 | 607 | 2,004 | 2,097 | 3,135 | 447 | 1,128 | 3,363 |
| Benefit payments, including refunds of employee contributions | (1,836) | (1,755) | (1,725) | (1,640) | (1,575) | (1,508) | (1,595) | (1,467) | (1,321) | (1,315) |
| Administrative expense | (25) | (25) | (22) | (21) | (20) | (18) | (18) | (16) | (16) | (18) |
| Other | 1 | 1 | 1 | (1) | (1) | (2) | (3) | - | - | - |
| Net change in plan fiduciary net position | 1,792 | (793) | 7,920 | 25 | 1,442 | 1,602 | 2,549 | 136 | 1,001 | 3,346 |
| Plan fiduciary net position - beginning | 38,763 | 39,556 | 31,636 | 31,611 | 30,169 | 28,567 | 26,018 | 25,882 | 24,881 | 21,535 |
| Plan fiduciary net position - ending | <u>\$ 40,555</u> | <u>\$ 38,763</u> | <u>\$ 39,556</u> | <u>\$ 31,636</u> | <u>\$ 31,611</u> | <u>\$ 30,169</u> | <u>\$ 28,567</u> | <u>\$ 26,018</u> | <u>\$ 25,882</u> | <u>\$ 24,881</u> |
| School Board's net pension liability (asset) - ending | <u>\$ (1,047)</u> | <u>\$ (1,134)</u> | <u>\$ (2,391)</u> | <u>\$ 2,803</u> | <u>\$ 849</u> | <u>\$ 114</u> | <u>\$ 357</u> | <u>\$ 2,008</u> | <u>\$ 1,226</u> | <u>\$ 920</u> |
| Plan fiduciary net position as a % of the total pension liability | 102.65% | 103.01% | 106.43% | 91.86% | 97.38% | 99.62% | 98.77% | 92.84% | 95.48% | 96.43% |
| Covered payroll | \$ 11,462 | \$ 10,131 | \$ 9,833 | \$ 10,300 | \$ 9,705 | \$ 9,307 | \$ 9,163 | \$ 9,075 | \$ 9,042 | \$ 8,922 |
| School Board's net pension liability (asset) as a % of covered payroll | (9.13%) | (11.19%) | (24.32%) | 27.21% | 8.75% | 1.22% | 3.90% | 22.13% | 13.56% | 10.31% |

COUNTY OF SPOTSYLVANIA, VIRGINIA

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios - School Board

Last Ten Fiscal Years

Schedule 3 - Page 2

Notes to Schedule

Changes in 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 are as follows:

| | | |
|---|---|---|
| Non-Largest Ten Locality Employers - General Employees | Mortality Rates (Pre-retirement, post-retirement healthy, and disabled) | Updated to PUB2010 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 Plan2/Hybrid; changed final retirement age. |
| | Withdrawal Rates | Adjusted rates to better fit experience at each year age and service 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 SPOTSYLVANIA, VIRGINIA

Schedule of Employer's Share of Net Pension Liability - Teacher Retirement Plan

Last Ten Fiscal Years

Schedule 4 - Page 1

(Amounts in thousands)

| Measurement date - June30, | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|---|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Proportion of the net pension liability | 1.53896% | 1.54509% | 1.54457% | 1.57287% | 1.58065% | 1.56580% | 1.59753% | 1.62648% | 1.62945% | 1.62056% |
| Proportionate share of the net pension liability | \$ 155,502 | \$ 146,947 | \$ 119,866 | \$ 228,939 | \$ 208,023 | \$ 184,137 | \$ 196,464 | \$ 227,937 | \$ 205,089 | \$ 195,840 |
| Covered payroll | \$ 153,443 | \$ 143,991 | \$ 136,600 | \$ 137,888 | \$ 132,344 | \$ 126,501 | \$ 125,768 | \$ 123,993 | \$ 121,089 | \$ 118,052 |
| Proportionate share of the net pension liability as a % of its covered payroll | 101.34% | 102.05% | 87.75% | 166.03% | 157.18% | 145.56% | 156.21% | 183.83% | 169.37% | 165.89% |
| Plan fiduciary net position as a % of the total pension liability | 82.45% | 82.61% | 85.46% | 71.47% | 73.51% | 74.81% | 72.92% | 68.28% | 70.68% | 70.88% |

COUNTY OF SPOTSYLVANIA, VIRGINIA

Schedule of Employer's Share of Net Pension Liability - Teacher Retirement Plan

Last Ten Fiscal Years

Schedule 4 - Page 2

Notes to Schedule

Changes in 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 are as follows:

| | | |
|---|---|--|
| Non-Largest Ten Locality Employers - General Employees | Mortality Rates (Pre-retirement, post-retirement healthy, and disabled) | Updated to PUB2010 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 Plan2/Hybrid; changed final retirement age from 75 to 80 for all. |
| | Withdrawal Rates | Adjusted rates to better fit experience at each year age and service through 9 years of service |
| | Disability Rates | No change |
| | Salary Scale | No change |
| | Discount Rate | No change |

COUNTY OF SPOTSYLVANIA, VIRGINIA
Schedule of Employer Contributions - Pensions
 Last Ten Fiscal Years

Schedule 5

(Amounts in thousands)

| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| County of Spotsylvania | | | | | | | | | | |
| Contractually required contribution | \$ 11,523 | \$ 10,221 | \$ 7,365 | \$ 6,754 | \$ 5,580 | \$ 5,167 | \$ 4,813 | \$ 4,516 | \$ 4,806 | \$ 4,649 |
| Contribution in relation to the contractually required contribution | (11,523) | (10,221) | (7,365) | (6,754) | (5,580) | (5,167) | (4,813) | (4,516) | (4,806) | (4,649) |
| Contribution deficiency (excess) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Covered payroll | \$ 83,989 | \$ 74,496 | \$ 68,128 | \$ 62,479 | \$ 58,248 | \$ 53,936 | \$ 50,613 | \$ 47,488 | \$ 45,430 | \$ 43,942 |
| Contributions as a percentage of covered payroll | 13.72% | 13.72% | 10.81% | 10.81% | 9.58% | 9.58% | 9.51% | 9.51% | 10.58% | 10.58% |
| Spotsylvania County School Board | | | | | | | | | | |
| Contractually required contribution | \$ 753 | \$ 720 | \$ 679 | \$ 659 | \$ 649 | \$ 611 | \$ 616 | \$ 607 | \$ 741 | \$ 739 |
| Contribution in relation to the contractually required contribution | (753) | (720) | (679) | (659) | (649) | (611) | (616) | (607) | (741) | (739) |
| Contribution deficiency (excess) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Covered payroll | \$ 11,983 | \$ 11,462 | \$ 10,131 | \$ 9,834 | \$ 10,300 | \$ 9,705 | \$ 9,307 | \$ 9,163 | \$ 9,075 | \$ 9,042 |
| Contributions as a percentage of covered payroll | 6.28% | 6.28% | 6.70% | 6.70% | 6.30% | 6.30% | 6.62% | 6.62% | 8.17% | 8.17% |
| Spotsylvania County School Board - Teacher Plan | | | | | | | | | | |
| Contractually required contribution | \$ 27,758 | \$ 25,502 | \$ 23,931 | \$ 22,703 | \$ 21,621 | \$ 20,751 | \$ 20,645 | \$ 18,438 | \$ 17,433 | \$ 17,558 |
| Contribution in relation to the contractually required contribution | (27,758) | (25,502) | (23,931) | (22,703) | (21,621) | (20,751) | (20,645) | (18,438) | (17,433) | (17,558) |
| Contribution deficiency (excess) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Covered payroll | \$ 167,015 | \$ 153,443 | \$ 143,991 | \$ 136,600 | \$ 137,888 | \$ 132,344 | \$ 126,501 | \$ 125,768 | \$ 123,993 | \$ 121,089 |
| Contributions as a percentage of covered payroll | 16.62% | 16.62% | 16.62% | 16.62% | 15.68% | 15.68% | 16.32% | 14.66% | 14.06% | 14.50% |

COUNTY OF SPOTSYLVANIA, VIRGINIA**Schedule of Employer's Share of Net OPEB Group Life Insurance Liability**

Last Ten Fiscal Years

Schedule 6 - Page 1

(Amounts in thousands)

| Measurement date - June 30, | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
|--|------------|------------|------------|------------|------------|------------|------------|
| County of Spotsylvania | | | | | | | |
| Proportion of the net OPEB GLI liability | 0.31661% | 0.31387% | 0.30311% | 0.28328% | 0.27529% | 0.26618% | 0.25793% |
| Proportionate share of the net OPEB GLI liability | \$ 3,797 | \$ 3,779 | \$ 3,529 | \$ 4,728 | \$ 4,480 | \$ 4,043 | \$ 3,881 |
| Covered payroll | \$ 74,578 | \$ 68,274 | \$ 62,581 | \$ 58,300 | \$ 53,966 | \$ 50,613 | \$ 47,576 |
| Proportionate share of the net OPEB GLI liability as a % of its covered payroll | 5.09% | 5.54% | 5.64% | 8.11% | 8.30% | 7.99% | 8.16% |
| Plan fiduciary net position as a % of the total OPEB GLI liability | 69.30% | 67.21% | 67.45% | 52.64% | 52.00% | 51.22% | 48.86% |
| Spotsylvania County School Board | | | | | | | |
| Proportion of the net OPEB GLI liability | 0.04897% | 0.04668% | 0.04780% | 0.05005% | 0.04959% | 0.04896% | 0.04992% |
| Proportionate share of the net OPEB GLI liability | \$ 587 | \$ 562 | \$ 557 | \$ 835 | \$ 807 | \$ 743 | \$ 751 |
| Covered payroll | \$ 11,535 | \$ 10,154 | \$ 9,869 | \$ 10,301 | \$ 9,721 | \$ 9,309 | \$ 9,208 |
| Proportionate share of the net OPEB GLI liability as a % of its covered payroll | 5.09% | 5.53% | 5.64% | 8.11% | 8.30% | 7.98% | 8.16% |
| Plan fiduciary net position as a % of the total OPEB GLI liability | 69.30% | 67.21% | 67.45% | 52.64% | 52.00% | 51.22% | 48.86% |
| Spotsylvania County School Board - Teacher Plan | | | | | | | |
| Proportion of the net OPEB GLI liability | 0.65206% | 0.66236% | 0.66226% | 0.67056% | 0.67560% | 0.66528% | 0.68283% |
| Proportionate share of the net OPEB GLI liability | \$ 7,820 | \$ 7,975 | \$ 7,711 | \$ 11,191 | \$ 10,994 | \$ 10,104 | \$ 10,276 |
| Covered payroll | \$ 153,594 | \$ 144,081 | \$ 136,732 | \$ 138,005 | \$ 132,441 | \$ 126,501 | \$ 125,950 |
| Proportionate share of the net OPEB GLI liability as a % of its covered payroll | 5.09% | 5.54% | 5.64% | 8.11% | 8.30% | 7.99% | 8.16% |
| Plan fiduciary net position as a % of the total OPEB GLI liability | 69.30% | 67.21% | 67.45% | 52.64% | 52.00% | 51.22% | 48.86% |

Schedule is intended to show information for 10 years. Since 2017 is the first year of this presentation, no other data is available.

COUNTY OF SPOTSYLVANIA, VIRGINIA

Schedule of Employer's Share of Net OPEB Group Life Insurance Liability

Last Ten Fiscal Years

Schedule 6 - Page 2

Notes to Schedule

Changes in 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 are as follows:

| | | |
|--|---|---|
| Non-Largest Ten Locality Employers - General Employees | Mortality Rates (Pre-retirement, post-retirement healthy, and disabled) | Updated to PUB2010 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 Plan2/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) | Updated to PUB2010 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 |
| | Line of Duty Disability | No change |
| | Salary Scale | No change |
| | Discount Rate | No change |
| Teachers | Mortality Rates (Pre-retirement, post-retirement healthy, and disabled) | Updated to PUB2010 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 Plan2/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 SPOTSYLVANIA, VIRGINIA**Schedule of Employer GLI Contributions**

Last Ten Fiscal Years

Schedule 7

(Amounts in thousands)

| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| County of Spotsylvania | | | | | | | | | | |
| Contractually required contribution | \$ 454 | \$ 403 | \$ 369 | \$ 338 | \$ 303 | \$ 281 | \$ 263 | \$ 247 | \$ 241 | \$ 233 |
| Contribution in relation to the contractually required contribution | <u>\$ (454)</u> | <u>\$ (403)</u> | <u>\$ (369)</u> | <u>\$ (338)</u> | <u>\$ (303)</u> | <u>\$ (281)</u> | <u>\$ (263)</u> | <u>\$ (247)</u> | <u>\$ (241)</u> | <u>\$ (233)</u> |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Employer's covered payroll | \$ 83,989 | \$ 74,578 | \$ 68,274 | \$ 62,581 | \$ 58,300 | \$ 53,966 | \$ 50,613 | \$ 47,576 | \$ 45,440 | \$ 43,948 |
| Contributions as a % of covered payroll | 0.54% | 0.54% | 0.54% | 0.54% | 0.52% | 0.52% | 0.52% | 0.52% | 0.48% | 0.48% |
| Spotsylvania County School Board | | | | | | | | | | |
| Contractually required contribution | \$ 65 | \$ 62 | \$ 55 | \$ 53 | \$ 54 | \$ 51 | \$ 48 | \$ 48 | \$ 48 | \$ 48 |
| Contribution in relation to the contractually required contribution | <u>\$ (65)</u> | <u>\$ (62)</u> | <u>\$ (55)</u> | <u>\$ (53)</u> | <u>\$ (54)</u> | <u>\$ (51)</u> | <u>\$ (48)</u> | <u>\$ (48)</u> | <u>\$ (48)</u> | <u>\$ (48)</u> |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Employer's covered payroll | \$ 12,023 | \$ 11,535 | \$ 10,154 | \$ 9,869 | \$ 10,301 | \$ 9,721 | \$ 9,309 | \$ 9,208 | \$ 9,092 | \$ 9,073 |
| Contributions as a % of covered payroll | 0.54% | 0.54% | 0.54% | 0.54% | 0.52% | 0.52% | 0.52% | 0.52% | 0.48% | 0.48% |
| Spotsylvania County School Board - Teacher Plan | | | | | | | | | | |
| Contractually required contribution | \$ 904 | \$ 829 | \$ 778 | \$ 738 | \$ 718 | \$ 689 | \$ 658 | \$ 655 | \$ 658 | \$ 643 |
| Contribution in relation to the contractually required contribution | <u>\$ (904)</u> | <u>\$ (829)</u> | <u>\$ (778)</u> | <u>\$ (738)</u> | <u>\$ (718)</u> | <u>\$ (689)</u> | <u>\$ (658)</u> | <u>\$ (655)</u> | <u>\$ (658)</u> | <u>\$ (643)</u> |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Employer's covered payroll | \$ 167,358 | \$ 153,594 | \$ 144,081 | \$ 136,732 | \$ 138,005 | \$ 132,440 | \$ 126,501 | \$ 125,950 | \$ 124,222 | \$ 121,231 |
| Contributions as a % of covered payroll | 0.54% | 0.54% | 0.54% | 0.54% | 0.52% | 0.52% | 0.52% | 0.52% | 0.48% | 0.48% |

COUNTY OF SPOTSYLVANIA, VIRGINIA

Schedule of Changes in Net HIC OPEB Liability and Related Ratios - School Board

Last Ten Fiscal Years

Schedule 8 - Page 1

(Amounts in thousands)

| Measurement date - June 30, | 2023 | 2022 | 2021 | 2020 |
|---|---------------|---------------|---------------|---------------|
| Total HIC OPEB liability | | | | |
| Service cost | \$ 10 | \$ 13 | \$ 14 | \$ - |
| Interest | 47 | 39 | 34 | - |
| Change in benefit terms | - | - | - | 505 |
| Differences between actual and expected experience | (164) | 17 | - | - |
| Changes of assumptions | - | 72 | 22 | - |
| Benefit payments | (21) | (19) | - | - |
| Net change in total HIC OPEB liability | (128) | 122 | 70 | 505 |
| Total HIC OPEB liability - beginning | 697 | 575 | 505 | - |
| Total HIC OPEB liability - ending | <u>\$ 569</u> | <u>\$ 697</u> | <u>\$ 575</u> | <u>\$ 505</u> |
| Plan fiduciary net position | | | | |
| Contributions - employer | \$ 71 | \$ 50 | \$ 47 | \$ - |
| Contributions - employee | - | - | - | - |
| Net investment income | 8 | (1) | 7 | - |
| Benefit payments | (21) | (19) | - | - |
| Administrative expense | - | - | - | - |
| Other | - | 1 | - | - |
| Net change in plan fiduciary net position | 58 | 31 | 54 | - |
| Plan fiduciary net position - beginning | 85 | 54 | - | - |
| Plan fiduciary net position - ending | <u>\$ 143</u> | <u>\$ 85</u> | <u>\$ 54</u> | <u>\$ -</u> |
| School Board's net HIC OPEB liability-ending | <u>\$ 426</u> | <u>\$ 612</u> | <u>\$ 521</u> | <u>\$ 505</u> |
| Plan fiduciary net position as a % of the total HIC OPEB liability | 25.13 % | 12.20 % | 9.39 % | - |
| Covered payroll | \$ 11,462 | \$ 10,131 | \$ 9,833 | \$ 10,301 |
| School Board's net HIC OPEB liability as a % of covered payroll | 3.72% | 6.04% | 5.30% | 4.90% |

Schedule is intended to show information for 10 years. Since 2023 is the fourth year for this presentation, there are only four years available.

COUNTY OF SPOTSYLVANIA, VIRGINIA

Schedule of Changes in Net HIC OPEB Liability and Related Ratios - School Board

Last Ten Fiscal Years

Schedule 8 - Page 2

Notes to Schedule

Changes in 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 are as follows:

| | | |
|---|---|--|
| Non-Largest Ten Locality Employers - General Employees | Mortality Rates (Pre-retirement, post-retirement healthy, and disabled) | Updated to PUB2010 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 Plan2/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 SPOTSYLVANIA, VIRGINIA**Schedule of Employer's Share of Net HIC OPEB Liability - Teacher Plan**

Last Ten Fiscal Years

Schedule 9

(Amounts in thousands)

| Measurement date - June 30, | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
|--|------------|------------|------------|------------|------------|------------|------------|
| Proportion of the net HIC OPEB liability | 1.53888% | 1.54494% | 1.54456% | 1.57285% | 1.57784% | 1.56262% | 1.59468% |
| Proportionate share of the net HIC OPEB liability | \$ 18,642 | \$ 19,297 | \$ 19,826 | \$ 20,518 | \$ 20,655 | \$ 19,841 | \$ 20,231 |
| Covered payroll | \$ 153,443 | \$ 143,991 | \$ 136,600 | \$ 137,888 | \$ 132,344 | \$ 126,375 | \$ 125,852 |
| Proportionate share of the net HIC OPEB liability as a % of its covered payroll | 12.15% | 13.40% | 14.51% | 14.88% | 15.61% | 15.70% | 16.08% |
| Plan fiduciary net position as a % of the total HIC OPEB liability | 17.90% | 15.08% | 13.15% | 9.95% | 8.97% | 8.08% | 7.04% |

Schedule is intended to show information for 10 years. Since 2017 is the first year of this presentation, no other data is available.

Notes to Schedule:

Changes in 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 are as follows:

| | |
|---|--|
| Mortality Rates (Pre-retirement, post-retirement healthy, and disabled) | Updated to PUB2010 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 Plan2/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 SPOTSYLVANIA, VIRGINIA

Schedule of Employer Health Insurance Credit Contributions

Last Ten Fiscal Years

Schedule 10

(Amounts in thousands)

| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Spotsylvania County School Board Plan | | | | | | | | | | |
| Contractually required contribution | \$ 74 | \$ 71 | \$ 49 | \$ 47 | | | | | | |
| Contribution in relation to contractually required contribution | <u>(74)</u> | <u>(71)</u> | <u>(49)</u> | <u>(47)</u> | | | | | | |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | | | | | | |
| Employer's covered payroll | \$ 11,983 | \$ 11,462 | \$ 10,131 | \$ 9,833 | | | | | | |
| Contributions as a % of covered payroll | 0.62% | 0.62% | 0.48% | 0.48% | | | | | | |
| Spotsylvania County School Board - Teacher Plan | | | | | | | | | | |
| Contractually required contribution | \$ 2,021 | \$ 1,857 | \$ 1,742 | \$ 1,653 | \$ 1,655 | \$ 1,588 | \$ 1,554 | \$ 1,548 | \$ 1,463 | \$ 1,430 |
| Contribution in relation to contractually required contribution | <u>(2,021)</u> | <u>(1,857)</u> | <u>(1,742)</u> | <u>(1,653)</u> | <u>(1,655)</u> | <u>(1,588)</u> | <u>(1,554)</u> | <u>(1,548)</u> | <u>(1,463)</u> | <u>(1,430)</u> |
| Contribution (deficiency)/excess | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Employer's covered payroll | \$ 167,015 | \$ 153,443 | \$ 143,991 | \$ 136,600 | \$ 137,888 | \$ 132,344 | \$ 126,375 | \$ 125,852 | \$ 124,013 | \$ 121,149 |
| Contributions as a % of covered payroll | 1.21% | 1.21% | 1.21% | 1.21% | 1.20% | 1.20% | 1.23% | 1.11% | 1.06% | 1.06% |

Schedule is intended to show information for 10 years. Contributions for the Spotsylvania School Board Plan is the fourth year of presentation, no other data is available.

COUNTY OF SPOTSYLVANIA, VIRGINIA

Schedule of Changes in Total OPEB Liability - Retiree Healthcare and Related Ratios - County

Last Ten Fiscal Years

Schedule 11

(Amounts in thousands)

| Measurement Date - June 30, | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 |
|---|-------------------|------------------|------------------|------------------|-------------------|------------------|-------------------|
| Total OPEB liability | | | | | | | |
| Service cost | \$ 2,403 | \$ 2,307 | \$ 3,423 | \$ 3,308 | \$ 2,903 | \$ 4,623 | \$ 4,412 |
| Interest | 3,009 | 2,871 | 2,170 | 2,547 | 3,230 | 5,285 | 4,451 |
| Changes of benefit items | 22,749 | - | - | - | - | (32,422) | - |
| Changes of assumptions | (3,006) | (1,446) | (21,664) | (304) | 18,204 | (18,446) | (9,319) |
| Differences between actual and expected experience | - | - | - | (18,796) | - | 11,850 | - |
| Benefit payments | (2,797) | (2,219) | (2,117) | (1,490) | (1,757) | (2,270) | (1,454) |
| Net change in total OPEB liability | 22,358 | 1,513 | (18,188) | (14,735) | 22,580 | (31,380) | (1,910) |
| Total OPEB liability - beginning | 81,412 | 79,899 | 98,087 | 112,822 | 90,242 | 121,622 | 123,532 |
| Total OPEB liability - ending | \$ 103,770 | \$ 81,412 | \$ 79,899 | \$ 98,087 | \$ 112,822 | \$ 90,242 | \$ 121,622 |
| Covered-employee payroll | \$ 93,793 | \$ 86,669 | \$ 76,951 | \$ 69,498 | \$ 64,777 | \$ 60,082 | \$ 55,194 |
| County's total OPEB liability as a % of covered-employee payroll | 110.64% | 93.93% | 103.83% | 141.14% | 174.17% | 150.20% | 220.35% |

Schedule is intended to show information for 10 years. Since 2018 is the first year of this presentation, no other data is available.

Notes to Schedule:

Benefits provided through the OPEB Retiree Healthcare Plan are not administered through a trust or equivalent arrangement as defined by GASB 75.

Changes in benefit terms - Effective January 1, 2019, the county began providing HRAs to eligible post-65 retirees. Post-65 retirees hired before September 25, 2018 may elect to enroll in an HRA or the County's health plan. Post-65 retirees hired on or after September 25, 2018 may only elect to enroll in an HRA. The liability decrease associated with this plan change of about 32.4 million has been recognized per GASB 75 in the FY19 OPEB expense. In FY24, the \$22.7 million liability increase was primarily due to unfavorable healthcare cost experience.

Changes in plan experience - No change.

Changes in assumptions

The June 30, 2024 actuarial valuation resulted in a \$3.0 million decrease in liability due to the increase in the discount rate from 3.65% to 3.93%.

| | | | | | | | |
|-------------------------|-------|-------|-------|-------|-------|-------|-------|
| Change in discount rate | 3.93% | 3.65% | 3.54% | 2.16% | 2.21% | 3.50% | 3.87% |
|-------------------------|-------|-------|-------|-------|-------|-------|-------|

COUNTY OF SPOTSYLVANIA, VIRGINIA

Schedule of Changes in Net OPEB Liability - Retiree Healthcare and Related Ratios - School Board

Last Ten Fiscal Years

Schedule 12

(Amounts in thousands)

| Measurement date - June 30, | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Total OPEB liability | | | | | | | | |
| Service cost | \$ 2,100 | \$ 5,049 | \$ 7,770 | \$ 10,378 | \$ 8,673 | \$ 9,447 | \$ 9,179 | \$10,523 |
| Interest | 6,442 | 5,720 | 3,566 | 7,273 | 8,207 | 8,743 | 8,413 | 7,155 |
| Difference between expected and actual experience | (154) | (12,826) | (1,985) | (135,177) | (2,827) | (20,301) | (2,920) | - |
| Changes of assumptions | - | (40,511) | (48,299) | 8,991 | 25,218 | 27,701 | (3,475) | (27,679) |
| Benefit payments | (5,875) | (5,144) | (3,251) | (3,733) | (4,481) | (5,049) | (4,688) | (4,496) |
| Net change in total OPEB liability | 2,513 | (47,712) | (42,199) | (112,268) | 34,790 | 20,541 | 6,509 | (14,497) |
| Total OPEB liability - beginning | 98,466 | 146,178 | 188,377 | 300,645 | 265,855 | 245,314 | 238,805 | 253,805 |
| Total OPEB liability - ending | \$ 100,979 | \$ 98,466 | \$ 146,178 | \$ 188,377 | \$ 300,645 | \$ 265,855 | \$ 245,314 | \$ 238,805 |
| Plan fiduciary net position | | | | | | | | |
| Contributions - employer | \$ 6,670 | \$ 5,144 | \$ 6,171 | \$ 10,017 | \$ 4,481 | \$ 5,478 | \$ 4,688 | \$ 4,496 |
| Net investment income | 1,373 | 1,022 | (1,227) | 1,269 | 124 | 208 | 299 | 357 |
| Benefit payments | (5,875) | (5,144) | (3,251) | (3,733) | (4,481) | (5,049) | (4,688) | (4,496) |
| Administrative expense | (1) | (14) | (12) | (5) | (5) | (4) | (4) | (3) |
| Net change in plan fiduciary net position | 2,167 | 1,008 | 1,681 | 7,548 | 119 | 633 | 295 | 354 |
| Plan fiduciary net position - beginning | 14,416 | 13,408 | 11,727 | 4,179 | 4,060 | 3,427 | 3,132 | 2,778 |
| Plan fiduciary net position - ending | \$ 16,583 | \$ 14,416 | \$ 13,408 | \$ 11,727 | \$ 4,179 | \$ 4,060 | \$ 3,427 | \$ 3,132 |
| School Board's net OPEB liability-ending | \$ 84,396 | \$ 84,050 | \$ 132,770 | \$ 176,650 | \$ 296,466 | \$ 261,795 | \$ 241,887 | \$ 235,673 |
| Plan fiduciary net position as a % of the total OPEB liability | 16.42% | 14.64% | 9.17% | 6.23% | 1.39% | 1.53% | 1.40% | 1.31% |
| Covered-employee payroll | \$ 179,677 | \$ 164,829 | \$ 154,116 | \$ 146,426 | \$ 148,123 | \$ 141,996 | \$ 135,808 | \$ 134,931 |
| School Board's net OPEB liability as a % of covered-employee payroll | 46.97% | 50.99% | 86.15% | 120.64% | 200.15% | 184.37% | 178.11% | 174.66% |

Notes to Schedule:

Information presented in this schedule is in accordance with GASB 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans.

Total OPEB Liability - Retiree Healthcare, as reported on Exhibits I & II in accordance with GASB 75, is presented having a 2023 measurement date.

Changes in experience - No change.

Changes in assumptions: The June 30, 2024 actuarial valuation resulted in no change to the liability, primarily due to the same discount rate of 6.75%.

| | | | | | | | | |
|--------------------------|-------|-------|-------|-------|-------|-------|-------|-------|
| Change in Discount Rate: | 6.75% | 6.75% | 3.99% | 1.92% | 2.45% | 3.13% | 3.62% | 3.58% |
|--------------------------|-------|-------|-------|-------|-------|-------|-------|-------|

Schedule is intended to show information for 10 years. Since 2017 is the first year of presentation, no other data is available.

COUNTY OF SPOTSYLVANIA, VIRGINIA

Schedule of OPEB - Retiree Healthcare Investment Returns - School Board

Last Ten Fiscal Years

Schedule 13

| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
|--|-------|-------|----------|--------|-------|-------|-------|--------|
| Annual money-weighted rate of return, net of investment expense | 9.26% | 7.52% | (10.21%) | 27.82% | 3.06% | 5.78% | 9.58% | 12.88% |

Schedule is intended to show information for 10 years. Since 2017 is the first year of this presentation, no other data is available.

COUNTY OF SPOTSYLVANIA, VIRGINIA

Schedule of Changes in Total OPEB Liability - LODA and Related Ratios

Last Ten Fiscal Years

Schedule 14

(Amounts in thousands)

| Measurement date - June 30, | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Total OPEB liability | | | | | | | |
| Service cost | \$ 827 | \$ 814 | \$ 945 | \$ 840 | \$ 1,020 | \$ 908 | \$ 880 |
| Interest | 251 | 215 | 143 | 152 | 284 | 274 | 240 |
| Changes in benefit terms | 5 | - | - | - | - | - | - |
| Differences between expected and actual experience | 34 | 128 | (1,728) | 14 | (3,752) | (29) | (39) |
| Changes of assumptions | 132 | (124) | (756) | 481 | (261) | 555 | (40) |
| Benefit payments | <u>(259)</u> | <u>(345)</u> | <u>(228)</u> | <u>(214)</u> | <u>(203)</u> | <u>(193)</u> | <u>(181)</u> |
| Net change in total OPEB liability | 990 | 688 | (1,624) | 1,273 | (2,912) | 1,515 | 860 |
| Total OPEB liability - beginning | <u>6,631</u> | <u>5,943</u> | <u>7,567</u> | <u>6,294</u> | <u>9,206</u> | <u>7,691</u> | <u>6,831</u> |
| Total OPEB liability - ending | <u>\$ 7,621</u> | <u>\$ 6,631</u> | <u>\$ 5,943</u> | <u>\$ 7,567</u> | <u>\$ 6,294</u> | <u>\$ 9,206</u> | <u>\$ 7,691</u> |
| Covered-employee payroll | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| County's total OPEB liability as a % of covered-employee payroll | N/A | N/A | N/A | N/A | N/A | N/A | N/A |

Schedule is intended to show information for 10 years. Since 2018 is the first year of this presentation, no other data is available.

Notes to Schedule:

There are no actuarially significant changes to benefit provisions.

Changes to Assumptions

| | | | | | | | |
|---------------------------|-------|-------|-------|-------|-------|-------|-------|
| Changes in discount rate: | 3.97% | 3.86% | 3.69% | 1.92% | 2.45% | 3.13% | 3.62% |
|---------------------------|-------|-------|-------|-------|-------|-------|-------|

COUNTY OF SPOTSYLVANIA, VIRGINIA

Schedule of Changes in Length of Service Award Program (LOSAP) Total Pension Liability and Related Ratios

Last Ten Fiscal Years

Schedule 15

(Amounts in thousands)

| Measurement date - June 30, | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
|---|----------|----------|----------|----------|----------|----------|----------|----------|
| Total pension liability | | | | | | | | |
| Service cost | \$ 51 | \$ 86 | \$ 128 | \$ 90 | \$ 85 | \$ 93 | \$ 147 | \$ 109 |
| Interest | 127 | 96 | 106 | 128 | 131 | 119 | 102 | 114 |
| Differences between actual and expected experience | (288) | (93) | (276) | 10 | (74) | (5) | 46 | 6 |
| Change in assumptions | (40) | (992) | (238) | 1,020 | 216 | (43) | (469) | 446 |
| Benefit payments, including refunds of employee contributions | (98) | (91) | (106) | (79) | (118) | (79) | (77) | (70) |
| Net change in total pension liability | (248) | (994) | (386) | 1,169 | 240 | 85 | (251) | 605 |
| Total pension liability - beginning | 3,490 | 4,484 | 4,870 | 3,701 | 3,461 | 3,376 | 3,627 | 3,022 |
| Total pension liability - ending | \$ 3,242 | \$ 3,490 | \$ 4,484 | \$ 4,870 | \$ 3,701 | \$ 3,461 | \$ 3,376 | \$ 3,627 |
| Covered-employee payroll | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Total pension liability as a % of covered-employee payroll | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |

Schedule is intended to show information for 10 years. Since 2016 is the first year of this presentation, no other data is available.

Notes to Schedule:

Benefits provided through the Length of Service Award Pension Program are not administered through a trust or equivalent arrangement as defined by GASB.

Change in discount rate: 3.86% 3.69% 2.16% 2.21% 3.50% 3.87% 3.58% 2.85%

There is no covered employee payroll since this plan provides benefits for volunteers. Projected inflation is used in place of the projected rate of change in salary. Inflation rate projection as of June 30, 2023 decreased from 4% to 2.30%.

Mortality Table - RP 2014 Combined - Projected to 2023

OTHER SUPPLEMENTARY INFORMATION

CAPITAL PROJECTS FUND

The Capital Projects Fund is used to account for the development, modernization and replacement of County infrastructure not financed by the proprietary fund.

COUNTY OF SPOTSYLVANIA, VIRGINIA

Budgetary Comparison Schedule - Capital Projects Fund

For the Year Ended June 30, 2024

Schedule A

| | <u>Original Budget</u> | <u>Budget as Amended</u> | <u>Actual</u> | <u>Variance from Amended Budget</u> |
|--|------------------------|--------------------------|------------------------|-------------------------------------|
| REVENUES | | | | |
| General property taxes | \$ 25,200 | \$ 25,200 | \$ 32,266 | \$ 7,066 |
| From use of money and property | 200,000 | 200,000 | 3,801,920 | 3,601,920 |
| Contributions | 1,176,791 | 2,064,562 | 174,350 | (1,890,212) |
| Miscellaneous | 4,442,358 | 4,442,358 | - | (4,442,358) |
| Intergovernmental | <u>1,666,412</u> | <u>13,051,520</u> | <u>1,016,071</u> | <u>(12,035,449)</u> |
| Total revenues | <u>\$ 7,510,761</u> | <u>\$ 19,783,640</u> | <u>\$ 5,024,607</u> | <u>\$ (14,759,033)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | \$ 216,119 | \$ 245,034 | \$ 130,236 | \$ 114,798 |
| Capital projects | 29,445,977 | 117,790,953 | 22,165,218 | 95,625,735 |
| Debt service: | | | | |
| Bond issuance costs | <u>-</u> | <u>99,263</u> | <u>84,997</u> | <u>14,266</u> |
| Total expenditures | <u>\$ 29,662,096</u> | <u>\$ 118,135,250</u> | <u>\$ 22,380,451</u> | <u>\$ 95,754,799</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>\$ (22,151,335)</u> | <u>\$ (98,351,610)</u> | <u>\$ (17,355,844)</u> | <u>\$ 80,995,766</u> |
| Other financing sources (uses): | | | | |
| Transfers in | \$ 14,844,680 | \$ 16,513,930 | \$ 15,600,421 | \$ (913,509) |
| Transfers out | (81,412) | (81,412) | (16,412) | 65,000 |
| Issuance of bonds | - | 17,030,000 | 17,030,000 | - |
| Premium on bonds issued | <u>-</u> | <u>1,786,749</u> | <u>1,786,749</u> | <u>-</u> |
| Total other financing sources | <u>\$ 14,763,268</u> | <u>\$ 35,249,267</u> | <u>\$ 34,400,758</u> | <u>\$ (848,509)</u> |
| Net change in fund balances | <u>\$ (7,388,067)</u> | <u>\$ (63,102,343)</u> | <u>\$ 17,044,914</u> | <u>\$ 80,147,257</u> |
| Fund balance, beginning | <u>7,388,067</u> | <u>63,102,343</u> | <u>66,469,675</u> | <u>3,367,332</u> |
| Fund balance, ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 83,514,589</u> | <u>\$ 83,514,589</u> |

This page left intentionally blank

OTHER GOVERNMENTAL FUNDS

Nonmajor funds:

The fire/EMS service fee fund is used to account for the revenue recovery program established by county code section 9-39, authorizing charges for services to cover emergency medical support provided by the County. Fees received are used to defray the cost of fire and emergency management services in the county.

The code compliance fund is used to account for revenues and expenditures associated with the enforcement of building and zoning codes enacted by authority of the Commonwealth of Virginia.

The transportation fund is used to cover costs associated with the planning and oversight of transportation projects, funding for the Fredericksburg Regional Transit (FRED) local bus system, and debt service.

COUNTY OF SPOTSYLVANIA, VIRGINIA

Combining Balance Sheet - Other Governmental Funds

June 30, 2024

Schedule B-1

| | Fire/EMS Service Fee Fund | Code Compliance Fund | Transportation Fund | Total Other Governmental Funds |
|--|------------------------------|-------------------------|------------------------|--------------------------------------|
| ASSETS | | | | |
| Cash and investments - pooled equity | \$ 89,968 | \$ 13,607,933 | \$ 9,493,799 | \$ 23,191,700 |
| Receivables, net | 511,952 | 18 | 8,693,073 | 9,205,043 |
| Restricted cash and investments | - | - | 1,673,718 | 1,673,718 |
| Total assets | <u>\$ 601,920</u> | <u>\$ 13,607,951</u> | <u>\$ 19,860,590</u> | <u>\$ 34,070,461</u> |
| LIABILITIES | | | | |
| Accounts payable | \$ 344 | \$ 181,289 | \$ 10,252 | \$ 191,885 |
| Accrued salaries and benefits | - | 65,712 | 8,707 | 74,419 |
| Other accrued liabilities | - | 7,638 | - | 7,638 |
| Deposits | - | 2,202,623 | 1,997,774 | 4,200,397 |
| Total liabilities | <u>\$ 344</u> | <u>\$ 2,457,262</u> | <u>\$ 2,016,733</u> | <u>\$ 4,474,339</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Unavailable revenue: | | | | |
| Property taxes | \$ - | \$ - | \$ 601,701 | \$ 601,701 |
| Total deferred inflows of resources | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 601,701</u> | <u>\$ 601,701</u> |
| FUND BALANCE | | | | |
| Restricted | \$ - | \$ - | \$ 9,770,329 | \$ 9,770,329 |
| Committed | 601,576 | 10,468,861 | 7,326,433 | 18,396,870 |
| Assigned | - | 681,828 | 145,394 | 827,222 |
| Total fund balances | <u>\$ 601,576</u> | <u>\$ 11,150,689</u> | <u>\$ 17,242,156</u> | <u>\$ 28,994,421</u> |
| Total liabilities, deferred inflows of resources, and fund balances | <u>\$ 601,920</u> | <u>\$ 13,607,951</u> | <u>\$ 19,860,590</u> | <u>\$ 34,070,461</u> |

COUNTY OF SPOTSYLVANIA, VIRGINIA

Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Other Governmental Funds

For the Year Ended June 30, 2024

Schedule B-2

| | Fire / EMS Service Fee Fund | Code Compliance Fund | Transportation Fund | Total Other Governmental Funds |
|--|--------------------------------|----------------------------|------------------------|--------------------------------------|
| REVENUES | | | | |
| General property taxes | \$ - | \$ - | \$ 1,110,042 | \$ 1,110,042 |
| Other local taxes | - | - | 7,630,525 | 7,630,525 |
| Permits, fees and regulatory licenses | - | 8,205,317 | 77,505 | 8,282,822 |
| From use of money and property | - | 99,605 | 395,451 | 495,056 |
| Charges for services | 3,917,905 | 412,469 | - | 4,330,374 |
| Total revenues | <u>\$ 3,917,905</u> | <u>\$ 8,717,391</u> | <u>\$ 9,213,523</u> | <u>\$ 21,848,819</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public safety | \$ - | \$ 3,281,558 | \$ - | \$ 3,281,558 |
| Public works | - | - | 1,223 | 1,223 |
| Community development | - | 2,614,453 | 2,846,770 | 5,461,223 |
| Debt service: | | | | |
| Bonded debt: | | | | |
| Principal retirement | - | - | 3,794,830 | 3,794,830 |
| Interest and other fiscal charges | - | - | 1,803,629 | 1,803,629 |
| Right to use assets: | | | | |
| Principal retirement | - | 5,758 | - | 5,758 |
| Interest and other charges | - | 17 | - | 17 |
| Total expenditures | <u>\$ -</u> | <u>\$ 5,901,786</u> | <u>\$ 8,446,452</u> | <u>\$ 14,348,238</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>\$ 3,917,905</u> | <u>\$ 2,815,605</u> | <u>\$ 767,071</u> | <u>\$ 7,500,581</u> |
| Other financing sources (uses): | | | | |
| Transfers in | \$ - | \$ 1,373,176 | \$ 2,541,509 | \$ 3,914,685 |
| Transfers out | (3,898,927) | (1,007,906) | (1,374,202) | (6,281,035) |
| Total other financing sources (uses), net | <u>\$ (3,898,927)</u> | <u>\$ 365,270</u> | <u>\$ 1,167,307</u> | <u>\$ (2,366,350)</u> |
| Net change in fund balances | <u>\$ 18,978</u> | <u>\$ 3,180,875</u> | <u>\$ 1,934,378</u> | <u>\$ 5,134,231</u> |
| Fund balance, beginning | 582,598 | 7,969,814 | 15,307,778 | 23,860,190 |
| Fund balance, ending | <u>\$ 601,576</u> | <u>\$ 11,150,689</u> | <u>\$ 17,242,156</u> | <u>\$ 28,994,421</u> |

COUNTY OF SPOTSYLVANIA, VIRGINIA

Budgetary Comparison Schedule - Fire/EMS Service Fee Fund

For the Year Ended June 30, 2024

Schedule B-3.1

| | Original Budget | Budget as Amended | Actual | Variance from Amended Budget |
|------------------------------------|-----------------------|-----------------------|--------------------------|------------------------------|
| REVENUES | | | | |
| Charges for services | \$ 3,395,000 | \$ 3,395,000 | \$ 3,917,905 | \$ 522,905 |
| Total revenues | <u>\$ 3,395,000</u> | <u>\$ 3,395,000</u> | <u>\$ 3,917,905</u> | <u>\$ 522,905</u> |
| Other financing uses: | | | | |
| Transfers out | \$ (3,395,000) | \$ (3,395,000) | \$ (3,898,927) | \$ (503,927) |
| Total other financing uses | <u>\$ (3,395,000)</u> | <u>\$ (3,395,000)</u> | <u>\$ (3,898,927)</u> | <u>\$ (503,927)</u> |
| Net change in fund balances | \$ - | \$ - | \$ 18,978 | \$ 18,978 |
| Fund balance, beginning | <u>-</u> | <u>-</u> | <u>582,598</u> | <u>582,598</u> |
| Fund balance, ending | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> | <u><u>\$ 601,576</u></u> | <u><u>\$ 601,576</u></u> |

COUNTY OF SPOTSYLVANIA, VIRGINIA

Budgetary Comparison Schedule - Code Compliance Fund

For the Year Ended June 30, 2024

Schedule B-3.2

| | <u>Original Budget</u> | <u>Budget as Amended</u> | <u>Actual</u> | <u>Variance from Amended Budget</u> |
|--|------------------------|--------------------------|----------------------|-------------------------------------|
| REVENUES | | | | |
| Permits, privilege fees and regulatory licenses | \$ 5,984,982 | \$ 6,000,629 | \$ 8,205,317 | \$ 2,204,688 |
| From use of money and property | - | - | 99,605 | 99,605 |
| Charges for services | 389,299 | 405,465 | 412,469 | 7,004 |
| Total revenues | <u>\$ 6,374,281</u> | <u>\$ 6,406,094</u> | <u>\$ 8,717,391</u> | <u>\$ 2,311,297</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public Safety | \$ 3,679,018 | \$ 3,710,831 | \$ 3,281,558 | \$ 429,273 |
| Community Development | 3,252,832 | 3,252,832 | 2,614,453 | 638,379 |
| Debt service: | | | | |
| Right to use assets: | | | | |
| Principal retirement | - | - | 5,758 | (5,758) |
| Interest and other charges | - | - | 17 | (17) |
| Total expenditures | <u>\$ 6,931,850</u> | <u>\$ 6,963,663</u> | <u>\$ 5,901,786</u> | <u>\$ 1,061,877</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>\$ (557,569)</u> | <u>\$ (557,569)</u> | <u>\$ 2,815,605</u> | <u>\$ 3,373,174</u> |
| Other financing sources (uses): | | | | |
| Transfers in | \$ 1,321,955 | \$ 1,321,955 | \$ 1,373,176 | \$ 51,221 |
| Transfers out | (2,038,258) | (2,038,258) | (1,007,906) | 1,030,352 |
| Total other financing sources (uses) | <u>\$ (716,303)</u> | <u>\$ (716,303)</u> | <u>\$ 365,270</u> | <u>\$ 1,081,573</u> |
| Net change in fund balances | <u>\$ (1,273,872)</u> | <u>\$ (1,273,872)</u> | <u>\$ 3,180,875</u> | <u>\$ 4,454,747</u> |
| Fund balance, beginning | <u>1,273,872</u> | <u>1,273,872</u> | <u>7,969,814</u> | <u>6,695,942</u> |
| Fund balance, ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 11,150,689</u> | <u>\$ 11,150,689</u> |

COUNTY OF SPOTSYLVANIA, VIRGINIA

Budgetary Comparison Schedule - Transportation Fund

For the Year Ended June 30, 2024

Schedule B-3.3

| | Original Budget | Budget as Amended | Actual | Variance from Amended Budget |
|---|-----------------------|----------------------|----------------------|---------------------------------|
| REVENUES | | | | |
| General property taxes | \$ 1,043,007 | \$ 1,043,007 | \$ 1,110,042 | \$ 67,035 |
| Other local taxes | 7,400,000 | 7,400,000 | 7,630,525 | 230,525 |
| Permits, fees and regulatory licenses | 50,000 | 50,000 | 77,505 | 27,505 |
| From use of money and property | 15,000 | 15,000 | 395,451 | 380,451 |
| Total revenues | <u>\$ 8,508,007</u> | <u>\$ 8,508,007</u> | <u>\$ 9,213,523</u> | <u>\$ 705,516</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public works | \$ 114,842 | \$ 114,842 | \$ 1,223 | \$ 113,619 |
| Community development | 3,004,154 | 3,221,490 | 2,846,770 | 374,720 |
| Debt service: | | | | |
| Principal retirement | 4,248,117 | 4,065,440 | 3,794,830 | 270,610 |
| Interest and other fiscal charges | 2,279,250 | 1,944,295 | 1,803,629 | 140,666 |
| Total expenditures | <u>\$ 9,646,363</u> | <u>\$ 9,346,067</u> | <u>\$ 8,446,452</u> | <u>\$ 899,615</u> |
| Excess of revenues over expenditures | <u>\$ (1,138,356)</u> | <u>\$ (838,060)</u> | <u>\$ 767,071</u> | <u>\$ 1,605,131</u> |
| Other financing sources (uses): | | | | |
| Transfers in | \$ 2,541,509 | \$ 2,541,509 | \$ 2,541,509 | \$ - |
| Transfers out | (234,699) | (984,699) | (1,374,202) | (389,503) |
| Total other financing sources (uses) | <u>\$ 2,306,810</u> | <u>\$ 1,556,810</u> | <u>\$ 1,167,307</u> | <u>\$ (389,503)</u> |
| Net change in fund balances | <u>\$ 1,168,454</u> | <u>\$ 718,750</u> | <u>\$ 1,934,378</u> | <u>\$ 1,215,628</u> |
| Fund balance, beginning | <u>(1,168,454)</u> | <u>(718,750)</u> | <u>15,307,778</u> | <u>16,026,528</u> |
| Fund balance, ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 17,242,156</u> | <u>\$ 17,242,156</u> |

DISCRETELY PRESENTED COMPONENT UNIT

SCHOOL BOARD

The Spotsylvania County School Board has been included as a component unit of the County. While the County does not appoint members to the Board, the County does approve the School Board's budget and any debt issued, and provides significant funding.

Governmental funds:

The school operating fund, also known as the School Board's General Fund, is used to account for education activities, instructional and student support programs, general and administrative expenditures, normal operations and maintenance, and other approved expenditures not specifically designated to be accounted for in any other fund.

The school cafeteria fund is used to record the financial activities of the school's food service program. This includes reporting revenues and expenditures associated with school breakfast, lunch and snack programs.

The school capital projects fund accounts for the accumulation of funds to be used for constructing, acquiring, and rehabilitating capital assets.

The school activity fund reflects funds held for students to use for educational, recreational, or cultural purposes.

Enterprise fund:

The fleet services fund is an internal service fund used to accumulate and charge costs of fleet management and maintenance to individual funds.

Fiduciary fund:

The school opeb trust fund is used for reporting resources set aside and held in an irrevocable trust arrangement for postemployment benefits.

COUNTY OF SPOTSYLVANIA, VIRGINIA

Combining Balance Sheet - Discretely Presented Component Unit - School Board

For the Year Ended June 30, 2024

Schedule C-1 - Page 1

| | Operating | Cafeteria | Capital Projects | School Activity (non-major) | Total |
|--|----------------------|----------------------|----------------------|--------------------------------|-----------------------|
| ASSETS | | | | | |
| Cash and investments - pooled equity | \$ 8,014,951 | \$ 22,272,707 | \$ - | \$ - | \$ 30,287,658 |
| Receivables, net | 13,713,323 | 246,603 | 93,060 | - | 14,052,986 |
| Due from Primary Government | 11,958,890 | | | | 11,958,890 |
| Restricted cash and investments | - | - | 53,903,097 | 3,019,820 | 56,922,917 |
| Total assets | <u>\$ 33,687,164</u> | <u>\$ 22,519,310</u> | <u>\$ 53,996,157</u> | <u>\$ 3,019,820</u> | <u>\$ 113,222,451</u> |
| LIABILITIES | | | | | |
| Accounts payable | \$ 3,481,981 | \$ 1,201,643 | \$ 6,910,929 | \$ - | \$ 11,594,553 |
| Retainage payable | - | - | 1,512,832 | - | 1,512,832 |
| Accrued salaries and benefits | 19,289,158 | 83,498 | - | - | 19,372,656 |
| Unearned revenue | 8,014,951 | - | - | - | 8,014,951 |
| Total liabilities | <u>\$ 30,786,090</u> | <u>\$ 1,285,141</u> | <u>\$ 8,423,761</u> | <u>\$ -</u> | <u>\$ 40,494,992</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Unavailable revenues | \$ 2,901,074 | \$ - | \$ - | \$ - | \$ 2,901,074 |
| FUND BALANCE | | | | | |
| Restricted for: | | | | | |
| Food service | \$ - | \$ 21,234,169 | \$ - | \$ - | \$ 21,234,169 |
| Capital projects | - | - | 45,572,396 | - | 45,572,396 |
| Student activities | - | - | - | 3,019,820 | 3,019,820 |
| Total fund balance | <u>\$ -</u> | <u>\$ 21,234,169</u> | <u>\$ 45,572,396</u> | <u>\$ 3,019,820</u> | <u>\$ 69,826,385</u> |
| Total liabilities, deferred inflows of resources and fund balance | <u>\$ 33,687,164</u> | <u>\$ 22,519,310</u> | <u>\$ 53,996,157</u> | <u>\$ 3,019,820</u> | <u>\$ 113,222,451</u> |

COUNTY OF SPOTSYLVANIA, VIRGINIA

Reconciliation of the Combining Balance Sheet - Discretely Presented Component Unit - School Board to the Statement of Net Position

For the Year Ended June 30, 2024

Schedule C-1 - Page 2

| | | | |
|--|----|----------------------|--------------------------|
| Total fund balances of the component unit - School Board (Schedule C-1) | | \$ | 69,826,385 |
| <i>Amounts reported for the Component Unit - School Board in the Statement of Net Position (Exhibit I) are different because:</i> | | | |
| Prepaid expenses use current resources and, therefore, are not reported in the governmental funds. | | | 2,688,343 |
| Capital assets, to include lease and subscription right to use assets, used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. | | | |
| Non-depreciable assets | \$ | 43,340,789 | |
| Depreciable assets, net | | <u>307,824,459</u> | |
| | | | 351,165,248 |
| Net pension assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. | | | 978,534 |
| Deferred outflows represent a consumption of net position that is applicable to a future reporting period. | | | |
| Pension contributions | \$ | 27,012,754 | |
| Pension actuarial differences | | 20,653,624 | |
| OPEB contributions | | 9,673,689 | |
| OPEB actuarial differences | | <u>26,299,324</u> | |
| | | | 83,639,391 |
| Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds. | | | |
| Other postemployment benefits | \$ | (155,502,378) | |
| Net pension liability | | (111,210,764) | |
| Lease liability | | (748,676) | |
| Subscription liability (includes accrued interest of \$74534) | | (5,623,481) | |
| Insurance claims | | (4,755,088) | |
| Compensated absences | | <u>(7,208,504)</u> | |
| | | | (285,048,891) |
| Revenue not considered available in governmental funds is susceptible to full accrual on the entity-wide statements. | | | 2,901,074 |
| Deferred inflows represent an acquisition of net position that is applicable to a future reporting period. | | | |
| Pension actuarial differences | \$ | (19,248,985) | |
| OPEB actuarial differences | | <u>(173,688,336)</u> | |
| | | | (192,937,321) |
| Internal service fund included in entity-wide statements (Sch D-1). | | | <u>6,732,955</u> |
| Total net position of the component unit - School Board (Exhibit I) | | \$ | <u><u>39,945,718</u></u> |

COUNTY OF SPOTSYLVANIA, VIRGINIA

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Discretely Presented Component Unit - School Board

For the Year Ended June 30, 2024

Schedule C-2 - Page 1

| | Operating | Cafeteria | Capital Projects | School Activity (non-major) | Total |
|--|-----------------------|----------------------|----------------------|--------------------------------|-----------------------|
| REVENUES | | | | | |
| From use of money and property | \$ 119,226 | \$ 150,027 | \$ 2,648,819 | \$ - | \$ 2,918,072 |
| Charges for services | 375,916 | 2,021,871 | - | - | 2,397,787 |
| Contributions | - | - | 786,306 | - | 786,306 |
| Miscellaneous | 2,196,320 | 331,022 | 152,859 | - | 2,680,201 |
| Intergovernmental | 220,962,973 | 10,904,073 | 7,506,882 | - | 239,373,928 |
| Student activity fees and contributions | - | - | - | 4,520,161 | 4,520,161 |
| Payments from Primary Government | 120,021,081 | - | 45,752,054 | - | 165,773,135 |
| Total revenues | <u>\$ 343,675,516</u> | <u>\$ 13,406,993</u> | <u>\$ 56,846,920</u> | <u>\$ 4,520,161</u> | <u>\$ 418,449,590</u> |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| Education | \$ 343,818,220 | \$ 13,590,308 | \$ - | \$ 4,286,923 | \$ 361,695,451 |
| Capital projects | - | - | 35,599,853 | - | 35,599,853 |
| Debt service: | | | | | |
| Right to use assets: | | | | | |
| Principal retirement | 1,558,816 | - | - | - | 1,558,816 |
| Interest and other charges | 78,936 | - | - | - | 78,936 |
| Total expenditures | <u>\$ 345,455,972</u> | <u>\$ 13,590,308</u> | <u>\$ 35,599,853</u> | <u>\$ 4,286,923</u> | <u>\$ 398,933,056</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>\$ (1,780,456)</u> | <u>\$ (183,315)</u> | <u>\$ 21,247,067</u> | <u>\$ 233,238</u> | <u>\$ 19,516,534</u> |
| Other financing sources (uses): | | | | | |
| Transfers in | \$ - | \$ - | \$ 3,176,554 | \$ - | \$ 3,176,554 |
| Transfers out | (3,253,450) | - | - | - | (3,253,450) |
| Lease liabilities issued | 891,531 | - | - | - | 891,531 |
| Subscription liabilities issued | 4,142,375 | - | - | - | 4,142,375 |
| Total other financing sources (uses), net | <u>\$ 1,780,456</u> | <u>\$ -</u> | <u>\$ 3,176,554</u> | <u>\$ -</u> | <u>\$ 4,957,010</u> |
| Net change in fund balances | \$ - | \$ (183,315) | \$ 24,423,621 | \$ 233,238 | \$ 24,473,544 |
| Fund balance, beginning | - | 21,417,484 | 21,148,775 | 2,786,582 | 45,352,841 |
| Fund balance, ending | <u>\$ -</u> | <u>\$ 21,234,169</u> | <u>\$ 45,572,396</u> | <u>\$ 3,019,820</u> | <u>\$ 69,826,385</u> |

COUNTY OF SPOTSYLVANIA, VIRGINIA

Reconciliation of the Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Discretely Presented

Component Unit - School Board - to the Statement of Activities

For the Year Ended June 30, 2024

Schedule C-2 - Page 2

Net change in fund balance of the component unit - School Board (Schedule C-2):

\$ 24,473,544

Amounts reported for the component unit - School Board in the Statement of Activities are different because:

Governmental funds report prepaids as expenditures. However, in the Statement of Activities, the cost is allocated over its service life and reported against the applicable functional expense.

(157,901)

Governmental funds report capital outlays, including lease and subscription right to use outlays, as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense.

| | |
|----------------------|---------------|
| Capital outlay | \$ 41,493,735 |
| Depreciation expense | (22,761,621) |

18,732,114

In the Statement of Activities, only the gain or loss on capital assets is reported, while in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of the capital assets sold.

(37,865)

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

| | |
|--|--------------|
| Proportionate share of the Commonwealth's contribution to the Virginia Retirement System's Teachers' Retirement Plan | \$ 2,401,049 |
| Sales tax revenues | 517,693 |

2,918,742

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal consumes the current financial resources of governmental funds. This amount is the net effect of these differences in the treatment of long-term debt and related items.

| | |
|---|----------------|
| Right to use liabilities issued | \$ (5,033,906) |
| Principal payments on right to use assets | 1,558,816 |

(3,475,090)

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.

| | |
|--|------------|
| Other postemployment benefits obligation | 29,626,448 |
| Pension benefits | 12,171,103 |
| Insurance claims | 28,528 |
| Accrued interest on right to use assets | (49,570) |
| Compensated absences | (359,688) |

41,416,821

Change in Internal Service Fund (Sch D-2) included in the entity-wide statements.

(65,430)

Change in net position of the component unit - School Board (Exhibit II)

\$ 83,804,935

COUNTY OF SPOTSYLVANIA, VIRGINIA

Combining Budgetary Comparison Schedule - Discretely Presented Component Unit - School Board

For the Year Ended June 30, 2024

Schedule C-3 - Page 1

| | Operating | | | | Cafeteria | | | |
|--|-----------------------|-----------------------|-----------------------|------------------------|-----------------------|-----------------------|----------------------|----------------------|
| | Budgeted Amounts | | Actual | Variance | Budgeted Amounts | | Actual | Variance |
| | Original | Final | | | Original | Final | | |
| Revenues | | | | | | | | |
| From use of money and property | \$ 190,000 | \$ 190,000 | \$ 119,226 | \$ (70,774) | \$ 32,000 | \$ 32,000 | \$ 150,027 | \$ 118,027 |
| Charges for services | 419,600 | 419,600 | 375,916 | (43,684) | 3,028,000 | 3,028,000 | 2,021,871 | (1,006,129) |
| Contributions | - | - | - | - | - | - | - | - |
| Miscellaneous | 2,033,496 | 2,033,496 | 2,196,320 | 162,824 | 37,500 | 37,500 | 331,022 | 293,522 |
| Intergovernmental | 227,018,904 | 242,019,282 | 220,962,973 | (21,056,309) | 7,055,544 | 7,055,544 | 10,904,073 | 3,848,529 |
| Payments from Primary Government | 148,872,545 | 152,917,795 | 148,405,757 | (4,512,038) | - | - | - | - |
| Total revenues | <u>\$ 378,534,545</u> | <u>\$ 397,580,173</u> | <u>\$ 372,060,192</u> | <u>\$ (25,519,981)</u> | <u>\$ 10,153,044</u> | <u>\$ 10,153,044</u> | <u>\$ 13,406,993</u> | <u>\$ 3,253,949</u> |
| Expenditures | | | | | | | | |
| Current: | | | | | | | | |
| Education | \$ 348,511,485 | \$ 364,380,559 | \$ 343,818,220 | \$ 20,562,339 | \$ 14,153,044 | \$ 14,153,044 | \$ 13,590,308 | \$ 562,736 |
| Capital projects | - | - | - | - | - | - | - | - |
| Debt service: | | | | | | | | |
| Bonded debt: | | | | | | | | |
| Principal | 21,798,238 | 21,798,238 | 21,208,388 | 589,850 | - | - | - | - |
| Interest and fiscal charges | 8,224,822 | 8,224,822 | 7,176,288 | 1,048,534 | - | - | - | - |
| Bond issuance costs | - | - | - | - | - | - | - | - |
| Right to use assets: | | | | | | | | |
| Principal | - | - | 1,558,816 | (1,558,816) | - | - | - | - |
| Interest and fiscal charges | - | - | 78,936 | (78,936) | - | - | - | - |
| Total expenditures | <u>\$ 378,534,545</u> | <u>\$ 394,403,619</u> | <u>\$ 373,840,648</u> | <u>\$ 20,562,971</u> | <u>\$ 14,153,044</u> | <u>\$ 14,153,044</u> | <u>\$ 13,590,308</u> | <u>\$ 562,736</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>\$ -</u> | <u>\$ 3,176,554</u> | <u>\$ (1,780,456)</u> | <u>\$ (4,957,010)</u> | <u>\$ (4,000,000)</u> | <u>\$ (4,000,000)</u> | <u>\$ (183,315)</u> | <u>\$ 3,816,685</u> |
| Other financing sources (uses): | | | | | | | | |
| Issuance of bonds | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Premium on bonds issued | - | - | - | - | - | - | - | - |
| Lease liabilities issued | - | - | 891,531 | 891,531 | - | - | - | - |
| Subscription liabilities issued | - | - | 4,142,375 | 4,142,375 | - | - | - | - |
| Transfers in | - | - | - | - | - | - | - | - |
| Transfers out | - | (3,176,554) | (3,253,450) | (76,896) | - | - | - | - |
| Total other financing sources (uses), net | <u>\$ -</u> | <u>\$ (3,176,554)</u> | <u>\$ 1,780,456</u> | <u>\$ 4,957,010</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Net change in fund balances | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (4,000,000)</u> | <u>\$ (4,000,000)</u> | <u>\$ (183,315)</u> | <u>\$ 3,816,685</u> |
| Fund balance, beginning | - | - | - | - | 4,000,000 | 4,000,000 | 21,417,484 | 17,417,484 |
| Fund balance, ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 21,234,169</u> | <u>\$ 21,234,169</u> |

Notes to the Combining Budgetary Comparison Schedule are an integral part of this schedule

COUNTY OF SPOTSYLVANIA, VIRGINIA

Combining Budgetary Comparison Schedule - Discretely Presented Component Unit - School Board

For the Year Ended June 30, 2024

Schedule C-3 - Page 2

| | Capital Projects | | | | Totals | | | |
|--|------------------------|------------------------|------------------------|----------------------|------------------------|------------------------|------------------------|------------------------|
| | Budgeted Amounts | | Actual | Variance | Budgeted Amounts | | Actual | Variance |
| | Original | Final | | | Original | Final | | |
| Revenues | | | | | | | | |
| From use of money and property | \$ - | \$ - | \$ 2,648,819 | \$ 2,648,819 | \$ 222,000 | \$ 222,000 | \$ 2,918,072 | \$ 2,696,072 |
| Charges for services | - | - | - | - | 3,447,600 | 3,447,600 | 2,397,787 | (1,049,813) |
| Contributions | 786,306 | 786,306 | 786,306 | - | 786,306 | 786,306 | 786,306 | - |
| Miscellaneous | - | - | 152,859 | 152,859 | 2,070,996 | 2,070,996 | 2,680,201 | 609,205 |
| Intergovernmental | - | 6,675,456 | 7,506,882 | 831,426 | 234,074,448 | 255,750,282 | 239,373,928 | (16,376,354) |
| Payments from Primary Government | 690,979 | 690,979 | 690,979 | - | 149,563,524 | 153,608,774 | 149,096,736 | (4,512,038) |
| Total revenues | <u>\$ 1,477,285</u> | <u>\$ 8,152,741</u> | <u>\$ 11,785,845</u> | <u>\$ 3,633,104</u> | <u>\$ 390,164,874</u> | <u>\$ 415,885,958</u> | <u>\$ 397,253,030</u> | <u>\$ (18,632,928)</u> |
| Expenditures | | | | | | | | |
| Current: | | | | | | | | |
| Education | \$ - | \$ - | \$ - | \$ - | \$ 362,664,529 | \$ 378,533,603 | \$ 357,408,528 | \$ 21,125,075 |
| Capital projects | 46,538,360 | 82,200,797 | 35,599,853 | 46,600,944 | 46,538,360 | 82,200,797 | 35,599,853 | 46,600,944 |
| Debt service: | | | | | | | | |
| Bonded debt: | | | | | | | | |
| Principal | - | - | - | - | 21,798,238 | 21,798,238 | 21,208,388 | 589,850 |
| Interest and fiscal charges | - | - | - | - | 8,224,822 | 8,224,822 | 7,176,288 | 1,048,534 |
| Bond issuance costs | - | 239,453 | 239,453 | - | - | 239,453 | 239,453 | - |
| Right to use assets: | | | | | | | | |
| Principal | - | - | - | - | - | - | 1,558,816 | (1,558,816) |
| Interest and fiscal charges | - | - | - | - | - | - | 78,936 | (78,936) |
| Total expenditures | <u>\$ 46,538,360</u> | <u>\$ 82,440,250</u> | <u>\$ 35,839,306</u> | <u>\$ 46,600,944</u> | <u>\$ 439,225,949</u> | <u>\$ 490,996,913</u> | <u>\$ 423,270,262</u> | <u>\$ 67,726,651</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>\$ (45,061,075)</u> | <u>\$ (74,287,509)</u> | <u>\$ (24,053,461)</u> | <u>\$ 50,234,048</u> | <u>\$ (49,061,075)</u> | <u>\$ (75,110,955)</u> | <u>\$ (26,017,232)</u> | <u>\$ 49,093,723</u> |
| Other financing sources (uses): | | | | | | | | |
| Issuance of bonds | \$ 45,061,075 | \$ 41,275,000 | \$ 41,275,000 | \$ - | \$ 45,061,075 | \$ 41,275,000 | \$ 41,275,000 | \$ - |
| Premium on bonds issued | - | 4,025,528 | 4,025,528 | - | - | 4,025,528 | 4,025,528 | - |
| Lease liabilities issued | - | - | - | - | - | - | 891,531 | 891,531 |
| Subscription liabilities issued | - | - | - | - | - | - | 4,142,375 | 4,142,375 |
| Transfers in | - | 3,176,554 | 3,176,554 | - | - | 3,176,554 | 3,176,554 | - |
| Transfers out | - | - | - | - | - | (3,176,554) | (3,253,450) | (76,896) |
| Total other financing sources (uses), net | <u>\$ 45,061,075</u> | <u>\$ 48,477,082</u> | <u>\$ 48,477,082</u> | <u>\$ -</u> | <u>\$ 45,061,075</u> | <u>\$ 45,300,528</u> | <u>\$ 50,257,538</u> | <u>\$ 4,957,010</u> |
| Net change in fund balances | <u>\$ -</u> | <u>\$ (25,810,427)</u> | <u>\$ 24,423,621</u> | <u>\$ 50,234,048</u> | <u>\$ (4,000,000)</u> | <u>\$ (29,810,427)</u> | <u>\$ 24,240,306</u> | <u>\$ 54,050,733</u> |
| Fund balance, beginning | - | 25,810,427 | 21,148,775 | (4,661,652) | 4,000,000 | 29,810,427 | 42,566,259 | 12,755,832 |
| Fund balance, ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 45,572,396</u> | <u>\$ 45,572,396</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 66,806,565</u> | <u>\$ 66,806,565</u> |

Notes to the Combining Budgetary Comparison Schedule are an integral part of this schedule

COUNTY OF SPOTSYLVANIA, VIRGINIA

Notes to Combining Budgetary Comparison Schedule

For the Year Ended June 30, 2024

Schedule C-3 - Page 3

The School Board's Combining Budgetary Comparison Schedule is prepared on the modified accrual basis of accounting, with the following exceptions:

1 - Under Virginia state law, school boards may not incur debt. Rather, the local government incurs debt on behalf of the local school board, resulting in any debt obligation and its associated debt service being reported under the Primary Government. In comparison, the School Board's legally adopted budget reflects the debt activity as these funds are budgeted and appropriated under the component unit - School Board.

| | | Reconciling Activity | | |
|--|------------------------------|----------------------|-------------------------|----------------------------|
| | Budgetary Basis (Sch C-3) | Operating (1) | Capital Projects (1) | GAAP Basis (Sch C-2) |
| REVENUES | | | | |
| Payments from Primary Government | \$ 149,096,736 | \$ (28,384,676) | \$ 45,061,075 | \$ 165,773,135 |
| EXPENDITURES | | | | |
| Debt service: | | | | |
| Bonded debt: | | | | |
| Principal retirement | 21,208,388 | (21,208,388) | - | - |
| Interest and other charges | 7,176,288 | (7,176,288) | - | - |
| Bond issuance costs | 239,453 | - | (239,453) | - |
| Other financing sources (uses): | | | | |
| Issuance of bonds | 41,275,000 | - | (41,275,000) | - |
| Premium on bonds issued | 4,025,528 | - | (4,025,528) | - |

This page left intentionally blank

COUNTY OF SPOTSYLVANIA, VIRGINIA

Statement of Net Position - Internal Service Fund - School Board

June 30, 2024

Schedule D-1

Fleet Services Fund**ASSETS**

Current assets:

| | |
|--------------------------------------|-------------------|
| Cash and investments - pooled equity | \$ 160,791 |
| Receivables, net | 1,338 |
| Inventory | 584,545 |
| Total current assets | <u>\$ 746,674</u> |

Noncurrent assets:

Capital assets, net:

| | |
|------------------------|-----------|
| Non-depreciable assets | \$ 94,400 |
| Depreciable assets | 7,186,022 |
| Net pension assets | 68,468 |

| | |
|-------------------------|---------------------|
| Total noncurrent assets | <u>\$ 7,348,890</u> |
|-------------------------|---------------------|

| | |
|---------------------|----------------------------|
| Total assets | <u>\$ 8,095,564</u> |
|---------------------|----------------------------|

DEFERRED OUTFLOWS OF RESOURCES

| | |
|---|--------------------------|
| Pension contributions | \$ 48,543 |
| Pension actuarial differences | 5,810 |
| OPEB contributions | 56,476 |
| OPEB actuarial differences | 170,929 |
| Total deferred outflows of resources | <u>\$ 281,758</u> |

LIABILITIES

Current liabilities:

| | |
|---|------------------|
| Accounts payable | \$ 23,783 |
| Accrued salaries and benefits | 3,195 |
| Current portion of insurance claims payable | 31,871 |
| Current portion of compensated absences | 6,059 |
| Total current liabilities | <u>\$ 64,908</u> |

Noncurrent liabilities:

| | |
|--|-------------------|
| Noncurrent portion of compensated absences | \$ 170,199 |
| Net OPEB benefits | 314,263 |
| Total noncurrent liabilities | <u>\$ 484,462</u> |

| | |
|--------------------------|--------------------------|
| Total liabilities | <u>\$ 549,370</u> |
|--------------------------|--------------------------|

DEFERRED INFLOWS OF RESOURCES

| | |
|--|----------------------------|
| Pension actuarial differences | \$ 62,583 |
| OPEB actuarial differences | 1,032,414 |
| Total deferred inflows of resources | <u>\$ 1,094,997</u> |

NET POSITION

| | |
|----------------------------------|----------------------------|
| Net investment in capital assets | \$ 7,280,422 |
| Net pension assets | 68,468 |
| Unrestricted | (615,935) |
| Total net position | <u>\$ 6,732,955</u> |

COUNTY OF SPOTSYLVANIA, VIRGINIA

Statement of Revenues, Expenditures and Changes in Net Position - Internal Service Fund - School Board

For the Year Ended June 30, 2024

Schedule D-2

| | <u>Fleet Services Fund</u> |
|---|----------------------------|
| OPERATING REVENUES | |
| Charges for services | \$ 3,250,996 |
| Other operating revenues | 2,101 |
| Total operating revenues | <u>\$ 3,253,097</u> |
| OPERATING EXPENSES | |
| Personnel and related benefits | \$ 1,576,223 |
| Contractual services | 232,704 |
| Materials and supplies | 1,175,042 |
| Depreciation | 304,432 |
| Other services and charges | 107,394 |
| Total operating expenses | <u>\$ 3,395,795</u> |
| Operating loss | <u>\$ (142,698)</u> |
| NON-OPERATING REVENUES (EXPENSES) | |
| Intergovernmental revenues | \$ 372 |
| Total non-operating revenues (expenses), net | <u>\$ 372</u> |
| Income (loss) before transfers | <u>\$ (142,326)</u> |
| Transfers from other funds | \$ 76,896 |
| Change in net position | <u>\$ (65,430)</u> |
| Net position, beginning | 6,798,385 |
| Net position, ending | <u><u>\$ 6,732,955</u></u> |

COUNTY OF SPOTSYLVANIA, VIRGINIA

Statement of Cash Flows - Internal Service Fund - School Board

For the Year Ended June 30, 2024

Schedule D-3

Fleet Services Fund**Cash flows from operating activities:**

| | |
|---|------------------|
| Receipts from internal customers | \$ 3,248,279 |
| Receipts from external customers | 2,498 |
| Receipts from miscellaneous revenue | 1,695 |
| Payments to suppliers and service providers | (1,551,021) |
| Payments to employees for salaries and benefits | (1,802,952) |
| Net cash used in operating activities | <u>(101,501)</u> |

Cash flows from non-capital financing activities:

| | |
|--|---------------|
| Intergovernmental | 372 |
| Transfers in | 76,896 |
| Net cash provided by non-capital financing activities | <u>77,268</u> |

Cash flows from capital and related financing activities:

| | |
|--|-----------------|
| Acquisition of capital assets | (75,265) |
| Net cash used in capital and related financing activities | <u>(75,265)</u> |

Net decrease in cash and cash equivalents (99,498)

Cash and cash equivalents:

| | |
|-----------|-------------------|
| Beginning | 260,289 |
| Ending | <u>\$ 160,791</u> |

Reconciliation of operating loss to net cash used in operating activities:

| | |
|--|---------------------|
| Operating loss | \$ (142,698) |
| Depreciation expense | 304,432 |
| Effect of changes in assets and liabilities | |
| Receivables | (625) |
| Inventory | 15,959 |
| Other Assets | 71,946 |
| Accounts payable | (51,840) |
| Employment related benefits | (298,675) |
| Net cash used in operating activities | <u>\$ (101,501)</u> |

This page left intentionally blank

COUNTY OF SPOTSYLVANIA, VIRGINIA

Statement of Net Position - Fiduciary Funds - School Board

June 30, 2024

Schedule E-1

| | <u>OPEB Trust Fund</u> |
|---|-----------------------------|
| ASSETS | |
| Investments: | |
| Common trust funds | \$ 15,767,731 |
| Money market funds | 811,666 |
| Total investments | <u>16,579,397</u> |
| Accrued Interest | 3,474 |
| Total assets | <u><u>\$ 16,582,871</u></u> |
| NET POSITION | |
| Net position restricted for postemployment benefits other than pensions | \$ 16,582,871 |
| Total net position | <u><u>\$ 16,582,871</u></u> |

COUNTY OF SPOTSYLVANIA, VIRGINIA

Statement of Changes in Net Position - Fiduciary Funds - School Board

For the Year Ended June 30, 2024

Schedule E-2

| | <u>OPEB Trust Fund</u> |
|---|------------------------|
| ADDITIONS | |
| Contributions: | |
| Employer contributions | \$ 7,462,606 |
| Investment earnings: | |
| Dividends | \$ 24,636 |
| Net increase in the fair value of investments | 1,363,242 |
| Total investment earnings | \$ 1,387,878 |
| Less investment costs | (1,064) |
| Net investment earnings | \$ 1,386,814 |
| Total additions | <u>\$ 8,849,420</u> |
| DEDUCTIONS | |
| Benefit payments | \$ 6,668,606 |
| Administrative fees | 14,590 |
| Total deductions | <u>\$ 6,683,196</u> |
| Net increase in fiduciary net position | \$ 2,166,224 |
| Net position restricted for postemployment benefits other than pensions | |
| Net position, beginning | 14,416,647 |
| Net position, ending | <u>\$ 16,582,871</u> |

This page left intentionally blank

DISCRETELY PRESENTED COMPONENT UNIT ECONOMIC DEVELOPMENT AUTHORITY (EDA)

The Spotsylvania Economic Development Authority has been included as a component unit of the County. The County appoints members to the Board, approves the EDA's budget and provides significant funding.

Governmental funds:

The EDA fund, is used to account for economic development activities of the County.

COUNTY OF SPOTSYLVANIA, VIRGINIA

Balance Sheet - Discretely Presented Component Unit - Economic Development Authority

June 30, 2024

Schedule F-1

| | Economic Development Authority |
|--|---|
| ASSETS | |
| Cash and investments - pooled equity | \$ 1,138,557 |
| Land held for investment | <u>1,292,100</u> |
| Total assets | <u><u>\$ 2,430,657</u></u> |
| LIABILITIES | |
| Accounts payable | \$ 498,560 |
| Other accrued liabilities | <u>398,201</u> |
| Total liabilities | <u>\$ 896,761</u> |
| FUND BALANCE | |
| Nonspendable - land held for investment | \$ 1,292,100 |
| Unassigned | <u>241,796</u> |
| Total fund balances | <u>\$ 1,533,896</u> |
| Total liabilities and fund balances | <u><u>\$ 2,430,657</u></u> |

COUNTY OF SPOTSYLVANIA, VIRGINIA

Statement of Revenues, Expenditures and Changes in Fund Balances - Discretely Presented Component Unit -

Economic Development Authority

For the Year Ended June 30, 2024

Schedule F-2

| | Economic Development Authority |
|--|---|
| REVENUES | |
| From use of money and property | \$ 70,365 |
| Payments from Primary Government | 3,173,037 |
| Total revenues | \$ 3,243,402 |
| EXPENDITURES | |
| Community development: | |
| Business incentive program | \$ 3,173,037 |
| Legal services | 36,000 |
| EDA member stipends | 2,300 |
| Total expenditures | \$ 3,211,337 |
| Excess (deficiency) of revenues over (under) expenditures | \$ 32,065 |
| Net change in fund balances | \$ 32,065 |
| Fund balance, beginning | 1,501,831 |
| Fund balance, ending | \$ 1,533,896 |

STATISTICAL SECTION

STATISTICAL SECTION

This part of the County of Spotsylvania's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health.

| Contents | Tables |
|--|--------------|
| Financial Trends Information | |
| These schedules contain trend information to help the reader understand how the County's financial performance has changed over time. | S-1 to S-6 |
| Revenue Capacity Information | |
| These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax. | S-7 to S-10 |
| Debt Capacity Information | |
| These schedules present information to help the reader assess the affordability of the County's current level of outstanding debt and its ability to issue additional debt in the future. | S-11 to S-12 |
| Demographic and Economic Information | |
| These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place and to help make comparisons over time and with other governments. | S-13 to S-14 |
| Operating Information | |
| These schedules contain information about the County's operations and resources to help the reader understand how the County's financial information relates to the services the County provides and the activities it performs. | S-15 to S-19 |

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

COUNTY OF SPOTSYLVANIA, VIRGINIA

Net Position by Component

Last Ten Fiscal Years

Table S-1

(Amounts in millions)

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|------------------|------------------|------------------|-------------------|-------------------|-------------------|-------------------|-------------------|------------------|-----------------|
| Governmental activities | | | | | | | | | | |
| Net investment in capital assets | \$ 60.8 | \$ 60.1 | \$ 71.0 | \$ 71.8 | \$ 82.3 | \$ 86.9 | \$ 90.5 | \$ 101.9 | \$ 113.1 | \$ 116.2 |
| Restricted | 9.5 | 10.9 | 8.8 | 9.5 | 11.4 | 6.8 | 9.3 | 14.4 | 14.7 | 18.9 |
| Unrestricted (deficit) | <u>(143.3)</u> | <u>(142.7)</u> | <u>(148.7)</u> | <u>(231.5)</u> | <u>(214.9)</u> | <u>(190.0)</u> | <u>(161.2)</u> | <u>(142.4)</u> | <u>(124.1)</u> | <u>(123.9)</u> |
| Total governmental activities net position | <u>\$ (73.0)</u> | <u>\$ (71.7)</u> | <u>\$ (68.9)</u> | <u>\$ (150.2)</u> | <u>\$ (121.2)</u> | <u>\$ (96.3)</u> | <u>\$ (61.4)</u> | <u>\$ (26.1)</u> | <u>\$ 3.7</u> | <u>\$ 11.2</u> |
| Business-type activities | | | | | | | | | | |
| Net investment in capital assets | \$ 177.0 | \$ 178.8 | \$ 187.2 | \$ 192.4 | \$ 200.7 | \$ 207.6 | \$ 222.5 | \$ 232.9 | \$ 258.6 | \$ 281.3 |
| Restricted | 6.1 | 0.9 | 2.7 | 2.8 | 2.9 | 3.6 | 2.5 | 2.6 | 3.0 | 7.9 |
| Unrestricted (deficit) | <u>61.9</u> | <u>73.1</u> | <u>72.2</u> | <u>65.5</u> | <u>70.5</u> | <u>84.9</u> | <u>83.3</u> | <u>87.2</u> | <u>90.1</u> | <u>102.1</u> |
| Total business-type activities net position | <u>\$ 245.0</u> | <u>\$ 252.8</u> | <u>\$ 262.1</u> | <u>\$ 260.7</u> | <u>\$ 274.1</u> | <u>\$ 296.1</u> | <u>\$ 308.3</u> | <u>\$ 322.7</u> | <u>\$ 351.7</u> | <u>\$ 391.3</u> |
| Primary Government | | | | | | | | | | |
| Net investment in capital assets | \$ 237.8 | \$ 238.9 | \$ 258.2 | \$ 264.2 | \$ 283.0 | \$ 294.5 | \$ 313.0 | \$ 334.8 | \$ 371.7 | \$ 397.5 |
| Restricted | 15.6 | 11.8 | 11.5 | 12.3 | 14.3 | 10.4 | 11.8 | 17.0 | 17.7 | 26.8 |
| Unrestricted (deficit) | <u>(81.4)</u> | <u>(69.6)</u> | <u>(76.5)</u> | <u>(166.0)</u> | <u>(144.4)</u> | <u>(105.1)</u> | <u>(77.9)</u> | <u>(55.2)</u> | <u>(34.0)</u> | <u>(21.8)</u> |
| Total Primary Government net position | <u>\$ 172.0</u> | <u>\$ 181.1</u> | <u>\$ 193.2</u> | <u>\$ 110.5</u> | <u>\$ 152.9</u> | <u>\$ 199.8</u> | <u>\$ 246.9</u> | <u>\$ 296.6</u> | <u>\$ 355.4</u> | <u>\$ 402.5</u> |
| Component unit - School Board (1) | | | | | | | | | | |
| Net investment in capital assets | \$ 306.9 | \$ 306.1 | \$ 310.8 | \$ 318.9 | \$ 339.7 | \$ 342.6 | \$ 335.5 | \$ 330.9 | \$ 338.6 | \$ 352.1 |
| Restricted | 5.6 | 4.8 | 0.7 | 4.3 | 1.4 | 7.4 | 11.8 | 17.2 | 24.2 | 47.6 |
| Unrestricted (deficit) | <u>(304.3)</u> | <u>(309.6)</u> | <u>(322.8)</u> | <u>(474.3)</u> | <u>(475.8)</u> | <u>(493.1)</u> | <u>(494.1)</u> | <u>(454.7)</u> | <u>(406.7)</u> | <u>(359.8)</u> |
| Total Component unit - School Board net position | <u>\$ 8.2</u> | <u>\$ 1.3</u> | <u>\$ (11.3)</u> | <u>\$ (151.1)</u> | <u>\$ (134.7)</u> | <u>\$ (143.1)</u> | <u>\$ (146.8)</u> | <u>\$ (106.6)</u> | <u>\$ (43.9)</u> | <u>\$ 39.9</u> |

(1) Component unit net position represents a significant portion of net position for the total reporting entity, and is therefore presented above.

COUNTY OF SPOTSYLVANIA, VIRGINIA

Changes in Net Position

Last Ten Fiscal Years

Table S-2 - Page 1

(Amounts in millions)

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Expenses | | | | | | | | | | |
| Governmental activities | | | | | | | | | | |
| General government | \$ 14.3 | \$ 15.3 | \$ 17.1 | \$ 17.4 | \$ 16.0 | \$ 18.8 | \$ 20.4 | \$ 20.8 | \$ 22.9 | \$ 27.3 |
| Judicial administration | 9.1 | 8.7 | 9.1 | 9.1 | 6.6 | 10.0 | 10.9 | 11.0 | 13.1 | 13.8 |
| Public safety | 47.3 | 49.0 | 56.9 | 60.8 | 49.3 | 72.5 | 76.4 | 77.7 | 85.5 | 94.6 |
| Public works | 10.5 | 12.3 | 10.0 | 11.9 | 10.3 | 10.3 | 11.3 | 12.7 | 16.1 | 15.8 |
| Health and welfare | 18.1 | 19.8 | 21.3 | 24.1 | 24.3 | 26.4 | 25.3 | 26.0 | 27.7 | 30.6 |
| Education | 102.1 | 114.7 | 120.5 | 124.4 | 124.6 | 122.8 | 113.7 | 125.7 | 139.9 | 166.0 |
| Parks, recreation & cultural | 8.0 | 7.9 | 8.2 | 8.4 | 8.1 | 8.7 | 8.1 | 8.5 | 9.2 | 9.9 |
| Community development | 14.6 | 18.8 | 12.2 | 13.3 | 19.0 | 11.9 | 15.1 | 11.0 | 12.4 | 17.6 |
| Interest on long-term debt | <u>10.6</u> | <u>10.4</u> | <u>10.1</u> | <u>9.9</u> | <u>10.0</u> | <u>9.4</u> | <u>8.3</u> | <u>7.5</u> | <u>8.1</u> | <u>10.5</u> |
| Total governmental activities expenses | <u>\$ 234.6</u> | <u>\$ 256.9</u> | <u>\$ 265.4</u> | <u>\$ 279.3</u> | <u>\$ 268.2</u> | <u>\$ 290.8</u> | <u>\$ 289.5</u> | <u>\$ 300.9</u> | <u>\$ 334.9</u> | <u>\$ 386.1</u> |
| Business-type activities | | | | | | | | | | |
| Water and sewer | <u>\$ 33.6</u> | <u>\$ 33.3</u> | <u>\$ 33.8</u> | <u>\$ 36.4</u> | <u>\$ 34.2</u> | <u>\$ 38.9</u> | <u>\$ 39.6</u> | <u>\$ 38.3</u> | <u>\$ 47.6</u> | <u>\$ 50.8</u> |
| Total business-type activities expenses | <u>\$ 33.6</u> | <u>\$ 33.3</u> | <u>\$ 33.8</u> | <u>\$ 36.4</u> | <u>\$ 34.2</u> | <u>\$ 38.9</u> | <u>\$ 39.6</u> | <u>\$ 38.3</u> | <u>\$ 47.6</u> | <u>\$ 50.8</u> |
| Total Primary Government expenses | <u>\$ 268.2</u> | <u>\$ 290.2</u> | <u>\$ 299.2</u> | <u>\$ 315.7</u> | <u>\$ 302.4</u> | <u>\$ 329.7</u> | <u>\$ 329.1</u> | <u>\$ 339.2</u> | <u>\$ 382.5</u> | <u>\$ 436.9</u> |
| Program revenues | | | | | | | | | | |
| Governmental activities | | | | | | | | | | |
| Charges for services | | | | | | | | | | |
| General government | \$ 0.3 | \$ 0.3 | \$ 0.3 | \$ 0.3 | \$ 0.3 | \$ 0.3 | \$ 0.3 | \$ 0.3 | \$ 0.3 | \$ 0.3 |
| Judicial administration | 0.9 | 0.7 | 0.9 | 0.8 | 0.8 | 0.7 | 0.8 | 0.7 | 0.6 | 0.7 |
| Public safety | 6.6 | 7.5 | 7.5 | 7.9 | 8.8 | 9.2 | 10.7 | 12.1 | 11.5 | 13.5 |
| Public works | 2.4 | 2.5 | 2.7 | 3.0 | 3.2 | 2.6 | 3.0 | 3.5 | 3.7 | 4.3 |
| Other | 1.7 | 1.5 | 1.6 | 1.6 | 1.6 | 1.1 | 1.2 | 1.3 | 1.6 | 1.7 |
| Operating grants & contributions | 17.8 | 19.3 | 20.5 | 22.5 | 24.8 | 34.9 | 37.3 | 26.9 | 29.8 | 31.8 |
| Capital grant & contributions | <u>3.5</u> | <u>4.2</u> | <u>2.8</u> | <u>2.8</u> | <u>2.4</u> | <u>3.3</u> | <u>0.4</u> | <u>0.5</u> | <u>3.8</u> | <u>0.3</u> |
| Total governmental activities program revenues | <u>\$ 33.2</u> | <u>\$ 36.0</u> | <u>\$ 36.3</u> | <u>\$ 38.9</u> | <u>\$ 41.9</u> | <u>\$ 52.1</u> | <u>\$ 53.7</u> | <u>\$ 45.3</u> | <u>\$ 51.3</u> | <u>\$ 52.6</u> |

COUNTY OF SPOTSYLVANIA, VIRGINIA

Changes in Net Position

Last Ten Fiscal Years

Table S-2 - Page 2

| (Amounts in millions) | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Business-type activities | | | | | | | | | | |
| Charges for services | | | | | | | | | | |
| Water and sewer | \$ 30.3 | \$ 31.8 | \$ 32.5 | \$ 33.4 | \$ 34.2 | \$ 36.8 | \$ 36.5 | \$ 38.8 | \$ 42.6 | \$ 47.9 |
| Operating grants & contributions | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.6 | 0.5 | 0.1 | 0.3 | - |
| Capital grants & contributions | 8.2 | 8.1 | 9.5 | 11.3 | 10.3 | 20.5 | 13.6 | 15.5 | 29.0 | 33.3 |
| Total business-type program revenues | <u>\$ 39.0</u> | <u>\$ 40.4</u> | <u>\$ 42.5</u> | <u>\$ 45.2</u> | <u>\$ 45.0</u> | <u>\$ 57.9</u> | <u>\$ 50.6</u> | <u>\$ 54.4</u> | <u>\$ 71.9</u> | <u>\$ 81.2</u> |
| Total Primary Government program revenues | <u>\$ 72.2</u> | <u>\$ 76.4</u> | <u>\$ 78.8</u> | <u>\$ 84.1</u> | <u>\$ 86.9</u> | <u>\$ 110.0</u> | <u>\$ 104.4</u> | <u>\$ 98.1</u> | <u>\$ 123.2</u> | <u>\$ 133.8</u> |
| Net expense | | | | | | | | | | |
| Governmental activities | \$ (201.4) | \$ (220.9) | \$ (229.3) | \$ (240.4) | \$ (225.2) | \$ (238.6) | \$ (235.8) | \$ (255.6) | \$ (283.6) | \$ (333.5) |
| Business-type activities | 5.4 | 7.1 | 8.7 | 8.8 | 10.8 | 19.0 | 11.0 | 16.1 | 24.3 | 30.4 |
| Total Primary Government net expenses | <u>\$ (196.0)</u> | <u>\$ (213.8)</u> | <u>\$ (220.6)</u> | <u>\$ (231.6)</u> | <u>\$ (214.4)</u> | <u>\$ (219.6)</u> | <u>\$ (224.8)</u> | <u>\$ (239.5)</u> | <u>\$ (259.3)</u> | <u>\$ (303.1)</u> |
| General revenues and other changes in net assets | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Property taxes | \$ 154.8 | \$ 161.8 | \$ 166.8 | \$ 172.1 | \$ 179.8 | \$ 186.1 | \$ 191.4 | \$ 202.1 | \$ 212.4 | \$ 225.9 |
| Other taxes | 48.2 | 48.1 | 45.6 | 47.2 | 49.7 | 53.0 | 59.5 | 69.5 | 73.6 | 80.6 |
| Grants and contributions not restricted | 15.4 | 15.6 | 20.2 | 20.1 | 19.8 | 19.8 | 19.9 | 19.8 | 19.5 | 19.3 |
| Interest and investment earnings | 0.5 | 1.2 | 0.6 | 1.1 | 4.0 | 4.1 | 0.4 | (1.5) | 7.4 | 14.8 |
| Gain on sale of property | - | - | - | - | - | - | - | - | - | - |
| Miscellaneous | 0.2 | 0.2 | 0.3 | 0.3 | 0.6 | 0.4 | 0.2 | 0.9 | 0.3 | 0.4 |
| Transfers | (0.2) | 0.2 | (0.1) | 0.6 | - | 0.3 | (0.7) | 0.1 | 0.1 | - |
| Special item | 0.6 | (2.0) | - | - | - | - | - | - | - | - |
| Total governmental activities | <u>\$ 219.5</u> | <u>\$ 225.1</u> | <u>\$ 233.4</u> | <u>\$ 241.4</u> | <u>\$ 253.9</u> | <u>\$ 263.7</u> | <u>\$ 270.7</u> | <u>\$ 290.9</u> | <u>\$ 313.3</u> | <u>\$ 341.0</u> |
| Business-type activities | | | | | | | | | | |
| Interest and investment earnings | 0.3 | 0.8 | 0.3 | 0.5 | 2.7 | 3.0 | 0.3 | (1.8) | 4.4 | 9.0 |
| Miscellaneous | - | 0.1 | 0.2 | 0.3 | 0.2 | 0.1 | 0.2 | 0.2 | 3.0 | 0.2 |
| Transfers | 0.2 | (0.2) | 0.1 | (0.6) | (0.3) | - | 0.7 | (0.1) | (0.1) | - |
| Total business-type activities | <u>\$ 0.5</u> | <u>\$ 0.7</u> | <u>\$ 0.6</u> | <u>\$ 0.2</u> | <u>\$ 2.6</u> | <u>\$ 3.1</u> | <u>\$ 1.2</u> | <u>\$ (1.7)</u> | <u>\$ 7.3</u> | <u>\$ 9.2</u> |
| Total Primary Government | <u>\$ 220.0</u> | <u>\$ 225.8</u> | <u>\$ 234.0</u> | <u>\$ 241.6</u> | <u>\$ 256.5</u> | <u>\$ 266.8</u> | <u>\$ 271.9</u> | <u>\$ 289.2</u> | <u>\$ 320.6</u> | <u>\$ 350.2</u> |
| Change in net position | | | | | | | | | | |
| Governmental activities | \$ 18.1 | \$ 4.2 | \$ 4.1 | \$ 1.1 | \$ 28.9 | \$ 24.9 | \$ 34.9 | \$ 35.3 | \$ 29.8 | \$ 7.5 |
| Business-type activities | 5.9 | 7.8 | 9.3 | 8.9 | 13.4 | 22.0 | 12.2 | 14.4 | 28.9 | 39.6 |
| Total Primary Government | <u>\$ 24.0</u> | <u>\$ 12.0</u> | <u>\$ 13.4</u> | <u>\$ 10.0</u> | <u>\$ 42.3</u> | <u>\$ 46.9</u> | <u>\$ 47.1</u> | <u>\$ 49.7</u> | <u>\$ 58.7</u> | <u>\$ 47.1</u> |

COUNTY OF SPOTSYLVANIA, VIRGINIA

Changes in Net Position

Last Ten Fiscal Years

Table S-2 - Page 3

(Amounts in millions)

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|------------------|------------------|------------------|
| Component unit - School Board (1) | | | | | | | | | | |
| Expenses | | | | | | | | | | |
| Education | \$ 264.6 | \$ 281.6 | \$ 288.4 | \$ 273.0 | \$ 276.0 | \$ 304.5 | \$ 323.0 | \$ 305.3 | \$ 315.5 | \$ 338.2 |
| Program revenues | | | | | | | | | | |
| Charges for services | \$ 7.9 | \$ 8.5 | \$ 8.5 | \$ 9.3 | \$ 8.1 | \$ 6.3 | \$ 0.9 | \$ 1.7 | \$ 3.5 | \$ 3.1 |
| Operating grants & contributions | 141.0 | 143.7 | 145.8 | 152.2 | 159.2 | 166.6 | 199.7 | 217.1 | 232.4 | 238.4 |
| Capital grants & contributions | 0.3 | 0.9 | 0.9 | 1.5 | 0.1 | - | 2.1 | - | 1.0 | 9.2 |
| Total Component unit - School Board program revenue | <u>149.2</u> | <u>153.1</u> | <u>155.2</u> | <u>163.0</u> | <u>167.4</u> | <u>172.9</u> | <u>202.7</u> | <u>218.8</u> | <u>236.9</u> | <u>250.7</u> |
| Total Component unit - School Board net expense | <u>\$ (115.4)</u> | <u>\$ (128.5)</u> | <u>\$ (133.2)</u> | <u>\$ (110.0)</u> | <u>\$ (108.6)</u> | <u>\$ (131.6)</u> | <u>\$ (120.3)</u> | <u>\$ (86.5)</u> | <u>\$ (78.6)</u> | <u>\$ (87.5)</u> |
| General revenues and other changes in net position | | | | | | | | | | |
| Payments from Primary Government | \$ 101.7 | \$ 114.5 | \$ 120.3 | \$ 124.1 | \$ 124.4 | \$ 122.6 | \$ 113.5 | \$ 125.6 | \$ 139.7 | \$ 165.8 |
| Interest and investment earnings | - | 0.1 | 0.1 | 0.3 | 0.4 | 0.5 | 0.1 | 0.2 | 1.3 | 2.9 |
| Miscellaneous | 0.3 | 0.5 | 0.2 | 0.1 | 0.1 | 0.1 | 0.5 | 0.9 | 0.3 | 2.6 |
| Total general revenues and transfers | <u>\$ 102.0</u> | <u>\$ 115.1</u> | <u>\$ 120.6</u> | <u>\$ 124.5</u> | <u>\$ 124.9</u> | <u>\$ 123.2</u> | <u>\$ 114.1</u> | <u>\$ 126.7</u> | <u>\$ 141.3</u> | <u>\$ 171.3</u> |
| Total Component unit - School Board change in net position | <u>\$ (13.4)</u> | <u>\$ (13.4)</u> | <u>\$ (12.6)</u> | <u>\$ 14.5</u> | <u>\$ 16.3</u> | <u>\$ (8.4)</u> | <u>\$ (6.2)</u> | <u>\$ 40.2</u> | <u>\$ 62.7</u> | <u>\$ 83.8</u> |

(1) Component unit net position components are included in this table due to the School Board being a significant portion of the County.

COUNTY OF SPOTSYLVANIA, VIRGINIA

Fund Balances of Governmental Funds

Last Ten Fiscal Years

Table S-3

(Amounts in millions)

| | Fiscal Year | | | | | | | | | |
|------------------------------------|----------------|----------------|----------------|----------------|----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
| General Fund: | | | | | | | | | | |
| Restricted | 2.1 | 2.7 | 2.7 | 2.7 | 3.1 | 2.7 | 3.1 | 4.0 | 6.8 | 8.8 |
| Committed (1) | 3.0 | 48.9 | 52.0 | 54.5 | 58.2 | 58.4 | 62.1 | 69.2 | 74.4 | 112.1 |
| Assigned (1) | 15.7 | 16.7 | 9.1 | 19.6 | 26.8 | 48.0 | 49.0 | 54.7 | 52.4 | 52.3 |
| Unassigned | 46.6 | 5.4 | 15.1 | 12.1 | 9.3 | 11.6 | 20.4 | 19.4 | 24.8 | 5.0 |
| Total General Fund | <u>\$ 67.4</u> | <u>\$ 73.7</u> | <u>\$ 78.9</u> | <u>\$ 88.9</u> | <u>\$ 97.4</u> | <u>\$ 120.7</u> | <u>\$ 134.6</u> | <u>\$ 147.3</u> | <u>\$ 158.4</u> | <u>\$ 178.2</u> |
| All other governmental funds: | | | | | | | | | | |
| Restricted | 34.8 | 34.2 | 34.1 | 30.3 | 24.2 | 19.1 | 14.2 | 26.9 | 28.9 | 49.0 |
| Committed | 22.4 | 27.3 | 27.8 | 29.6 | 35.1 | 38.7 | 47.2 | 44.2 | 47.9 | 60.1 |
| Assigned | 3.4 | 2.1 | 2.2 | 3.3 | 5.7 | 9.2 | 7.9 | 9.3 | 13.5 | 3.4 |
| Unassigned | - | - | - | - | - | - | - | - | - | - |
| Total all other governmental funds | <u>\$ 60.6</u> | <u>\$ 63.6</u> | <u>\$ 64.1</u> | <u>\$ 63.2</u> | <u>\$ 65.0</u> | <u>\$ 67.0</u> | <u>\$ 69.3</u> | <u>\$ 80.4</u> | <u>\$ 90.3</u> | <u>\$ 112.5</u> |

(1) Effective for fiscal year 2016, the Board of Supervisors amended the County's fiscal policy to increase the constraints over its fiscal stability reserve of \$42.4 million from unassigned to committed; and its health insurance reserve of \$3.5 million from assigned to committed.

COUNTY OF SPOTSYLVANIA, VIRGINIA

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

Table S-4 - Page 1

(Amounts in millions)

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Revenues | | | | | | | | | | |
| General Property Taxes | \$ 156.7 | \$ 161.7 | \$ 167.5 | \$ 172.3 | \$ 178.2 | \$ 186.1 | \$ 191.0 | \$ 199.8 | \$ 212.0 | \$ 225.8 |
| Other local taxes | 48.3 | 48.1 | 45.6 | 47.2 | 49.7 | 52.6 | 59.1 | 69.3 | 73.5 | 80.5 |
| Permits, privilege fees and regulatory licenses | 3.2 | 4.3 | 3.8 | 4.8 | 5.2 | 5.5 | 6.9 | 7.8 | 6.9 | 8.5 |
| Fines and forfeitures | 0.6 | 0.5 | 0.6 | 0.5 | 0.5 | 0.4 | 0.3 | 0.3 | 0.4 | 0.6 |
| Revenues from use of money and property | 1.2 | 1.9 | 1.5 | 2.0 | 4.9 | 4.9 | 1.1 | (0.8) | 8.1 | 15.7 |
| Charges for services | 7.6 | 7.0 | 7.8 | 7.9 | 8.7 | 7.9 | 8.6 | 9.6 | 10.1 | 11.2 |
| Miscellaneous | 0.5 | 1.2 | 0.9 | 1.8 | 2.2 | 2.7 | 0.6 | 1.5 | 1.3 | 1.2 |
| Intergovernmental | 39.0 | 38.4 | 40.4 | 44.3 | 45.4 | 53.5 | 58.0 | 44.1 | 48.4 | 49.0 |
| Total revenues | \$ 257.1 | \$ 263.1 | \$ 268.1 | \$ 280.8 | \$ 294.8 | \$ 313.6 | \$ 325.6 | \$ 331.6 | \$ 360.7 | \$ 392.5 |
| Expenditures | | | | | | | | | | |
| General government | \$ 11.9 | \$ 11.6 | \$ 12.8 | \$ 12.7 | \$ 13.3 | \$ 14.0 | \$ 15.3 | \$ 16.5 | \$ 17.1 | \$ 21.2 |
| Judicial administration | 7.0 | 7.3 | 7.0 | 7.5 | 7.7 | 7.9 | 8.9 | 10.0 | 10.9 | 11.5 |
| Public safety | 43.9 | 45.8 | 48.1 | 51.7 | 56.0 | 61.3 | 65.8 | 71.1 | 79.1 | 86.3 |
| Public works | 8.5 | 8.5 | 7.9 | 8.2 | 8.4 | 8.3 | 8.6 | 9.8 | 11.4 | 12.1 |
| Health and welfare | 18.0 | 19.6 | 20.7 | 23.8 | 26.5 | 25.7 | 24.6 | 26.0 | 27.7 | 30.3 |
| Education (2) | 101.9 | 114.7 | 120.5 | 124.4 | 124.6 | 122.8 | 113.7 | 125.7 | 139.9 | 166.0 |
| Parks, recreation and cultural | 6.8 | 6.8 | 7.1 | 7.5 | 8.0 | 7.3 | 7.1 | 7.5 | 8.3 | 9.0 |
| Community development | 6.3 | 8.4 | 7.3 | 7.6 | 8.2 | 7.9 | 9.9 | 9.7 | 8.9 | 10.0 |
| Non-departmental | 1.0 | 1.1 | 1.2 | 1.2 | 2.0 | 1.5 | 1.4 | 1.9 | 2.1 | 2.6 |
| Capital projects | 21.0 | 27.5 | 23.5 | 17.2 | 28.3 | 21.7 | 26.5 | 19.9 | 25.2 | 22.2 |
| Debt service: | | | | | | | | | | |
| Principal (1) | 23.2 | 25.4 | 27.8 | 28.4 | 27.6 | 31.2 | 30.8 | 32.1 | 34.1 | 34.2 |
| Interest (1) | 11.6 | 11.2 | 11.8 | 11.5 | 11.7 | 11.5 | 11.2 | 10.6 | 10.9 | 11.3 |
| Bond issuance costs | 0.9 | 0.3 | 0.3 | 0.2 | 0.3 | 0.3 | 0.2 | 0.6 | 0.3 | 0.3 |
| Total expenditures | \$ 262.0 | \$ 288.2 | \$ 296.0 | \$ 301.9 | \$ 322.6 | \$ 321.4 | \$ 324.0 | \$ 341.4 | \$ 375.9 | \$ 416.9 |
| Other financing sources (uses) | | | | | | | | | | |
| Issuance of bonds (1) | \$ 20.0 | \$ 34.2 | \$ 32.0 | \$ 29.5 | \$ 37.7 | \$ 34.6 | \$ 14.5 | \$ 32.9 | \$ 34.9 | \$ 64.1 |
| Refunding bond proceeds | 81.6 | 16.5 | - | - | - | 26.5 | 8.6 | 39.5 | - | - |
| Payment to escrow for refunded debt | (80.8) | (16.4) | - | - | - | (26.4) | (8.5) | (39.2) | - | - |
| Lease proceeds and extinguishments | - | - | - | - | - | - | - | 0.4 | 0.3 | 0.1 |

COUNTY OF SPOTSYLVANIA, VIRGINIA

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

Table S-4 - Page 2

| (Amounts in millions) | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|-----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Continued from page 1 | | | | | | | | | | |
| Subscription proceeds and extinguishments | - | - | - | - | - | - | - | - | 0.7 | 2.2 |
| Transfers in(out), net | (0.2) | 0.2 | (0.1) | 0.6 | 0.3 | - | - | 0.1 | 0.1 | - |
| Total other financing sources, net | \$ 20.6 | \$ 34.5 | \$ 31.8 | \$ 30.1 | \$ 38.0 | \$ 34.8 | \$ 14.6 | \$ 33.7 | \$ 36.0 | \$ 66.4 |
| Special Item | | | | | | | | | | |
| Proceeds from sale of land | \$ 0.6 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Net Change in Fund Balance | \$ (16.4) | \$ 9.4 | \$ 4.0 | \$ 9.2 | \$ 10.2 | \$ 26.9 | \$ 16.2 | \$ 23.9 | \$ 20.9 | \$ 42.0 |
| Debt Service as a Percentage of Noncapital Expenditures: (1) | | | | | | | | | | |
| Primary Government: | | | | | | | | | | |
| Total debt service | \$ 34.8 | \$ 36.6 | \$ 39.6 | \$ 39.9 | \$ 39.3 | \$ 42.7 | \$ 42.0 | \$ 42.7 | \$ 44.9 | \$ 45.4 |
| Total expenditures | 261.9 | 288.2 | 296.0 | 301.8 | 322.6 | 321.4 | 324.0 | 341.4 | 375.8 | 417.0 |
| Capital outlay Primary Government only (2) | 11.9 | 16.6 | 15.7 | 9.5 | 14.0 | 16.9 | 17.5 | 17.1 | 19.4 | 16.3 |
| Non-capital expenditures | 250.0 | 271.6 | 280.3 | 292.3 | 308.6 | 304.5 | 306.5 | 324.3 | 356.4 | 400.7 |
| Debt service as a percentage of non-capital expenditures: (Primary Government only) | 13.9% | 13.5% | 14.1% | 13.7% | 12.7% | 14.0% | 13.7% | 13.2% | 12.6% | 11.3% |
| Component unit - School Board: | | | | | | | | | | |
| Total debt service (3) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 0.1 | \$ 0.7 | \$ 1.6 |
| School expenditures excluding County contribution | 144.7 | 152.8 | 159.1 | 156.0 | 176.7 | 174.4 | 192.3 | 207.1 | 222.4 | 233.2 |
| Capital outlay component unit - School Board only (2) | 5.6 | 9.1 | 19.8 | 23.9 | 37.6 | 20.7 | 12.2 | 16.2 | 27.6 | 41.5 |
| Non-capital expenditures | 139.1 | 143.7 | 139.3 | 132.1 | 139.1 | 153.7 | 180.1 | 190.9 | 194.8 | 191.7 |
| Total Reporting Entity (1): | | | | | | | | | | |
| Total debt service | 34.8 | 36.6 | 39.6 | 39.9 | 39.3 | 42.7 | 42.0 | 42.8 | 45.6 | 47.0 |
| Total non-capital expenditures | \$ 389.1 | \$ 415.3 | \$ 419.6 | \$ 424.4 | \$ 447.7 | \$ 458.2 | \$ 486.6 | \$ 515.2 | \$ 551.2 | \$ 592.4 |
| Debt service as a percentage of non-capital expenditures: Total Reporting Entity | 8.9% | 8.8% | 9.4% | 9.4% | 8.8% | 9.3% | 8.6% | 8.3% | 8.3% | 7.9% |

- (1) In Virginia, the County issues debt to finance the construction of school facilities for the School Board because the School Board does not have borrowing or taxing authority; therefore, the debt service payments related to school facilities are presented as debt service of the Primary Government. Debt service as a percentage of non-capital expenditures for the Total Reporting Entity more appropriately reflects the unique Virginia school debt requirements.
- (2) The amount reported for "capital outlay Primary Government only" equals the reconciling item for capital outlay in the reconciliation between the government-wide Statement of Activities and the Statement of Revenues, Expenditures, and Changes in Fund Balance for governmental funds (Exhibit IV). The amount reported for "capital outlay component unit - School Board only" matches the reconciling item for capital outlay in the reconciliation between the government-wide Statement of Activities and the Statement of Revenues, Expenditures, and Changes in Fund Balance for the Discretely Presented Component Unit - School Board (Schedule C-2).
- (3) The amount reported for "total debt service" equals the amount reported on Schedule C-2, Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Discretely Presented Component Unit - School Board.

COUNTY OF SPOTSYLVANIA, VIRGINIA

Tax Revenues by Source Reported in the General Fund

Last Ten Fiscal Year

Table S-5

| Fiscal Year | General Property Taxes (1) | Other Local Taxes | | | Total Tax Revenues |
|------------------------------|-------------------------------|-------------------|-----------------|---------------|--------------------|
| | | Sales Taxes | Utilities Taxes | Other Taxes | |
| 2024 | \$ 224,044,012 | \$ 29,919,950 | \$ 2,834,646 | \$ 40,164,207 | \$ 296,962,815 |
| 2023 | 210,294,078 | 29,464,781 | 2,773,425 | 34,322,232 | 276,854,516 |
| 2022 | 197,973,776 | 27,699,091 | 2,827,741 | 32,508,440 | 261,009,048 |
| 2021 | 189,131,945 | 24,148,206 | 2,773,048 | 26,410,938 | 242,464,137 |
| 2020 | 184,127,074 | 20,731,314 | 2,624,828 | 23,606,936 | 231,090,152 |
| 2019 | 176,416,351 | 18,933,735 | 2,731,219 | 22,566,645 | 220,647,950 |
| 2018 | 170,465,838 | 18,105,300 | 2,518,953 | 22,278,770 | 213,368,861 |
| 2017 | 165,784,488 | 17,707,867 | 2,601,318 | 21,521,186 | 207,614,859 |
| 2016 | 160,136,405 | 17,123,500 | 2,547,905 | 20,491,125 | 200,298,935 |
| 2015 | 155,425,369 | 16,437,035 | 2,552,040 | 19,755,059 | 194,169,503 |
| % Change 2024/2023 | 6.5% | 1.5% | 2.2% | 17.0% | 7.3% |
| % Change 2024/2015 | 44.1% | 82.0% | 11.1% | 103.3% | 52.9% |
| Category % of Total Taxes | 75.4% | 10.1% | 1.0% | 13.5% | 100.0% |

(1) Excludes administrative collection fees reported within the General Fund's general property taxes on Exhibit IV.

COUNTY OF SPOTSYLVANIA, VIRGINIA

General Revenues by Source - All Governmental Funds and the Component Unit - School Board

Last Ten Fiscal Years

Table S-6

| Fiscal Year | General Property Taxes | Other Local Taxes | Permits, Fees, Licenses | Fines & Forfeitures | Use of Money & Property (1)(3) | Charges for Services (1) | Miscellaneous (1)(2) | Inter- governmental (1) | Total Revenues |
|--------------------|---------------------------|----------------------|----------------------------|------------------------|--------------------------------------|--------------------------------|-------------------------|-------------------------------|-------------------|
| 2024 | \$ 225,759,070 | \$ 80,549,328 | \$ 8,556,586 | \$ 557,485 | \$ 18,591,350 | \$ 13,570,981 | \$ 4,637,123 | \$ 288,398,896 | \$ 640,620,819 |
| 2023 | 211,974,409 | 73,476,669 | 6,870,101 | 403,721 | 9,417,739 | 12,919,762 | 2,097,068 | 270,677,101 | 587,836,570 |
| 2022 | 199,781,301 | 69,301,792 | 7,765,788 | 275,326 | (637,579) | 10,611,472 | 2,353,888 | 255,512,952 | 544,964,940 |
| 2021 | 190,977,802 | 59,052,597 | 6,881,956 | 327,313 | 1,138,605 | 8,946,338 | 1,331,405 | 257,898,395 | 526,554,411 |
| 2020 | 186,098,542 | 52,570,914 | 5,545,355 | 356,918 | 5,281,748 | 13,651,154 | 3,216,692 | 220,901,621 | 487,622,944 |
| 2019 | 178,186,133 | 49,731,885 | 5,166,301 | 549,846 | 5,259,056 | 16,245,358 | 2,494,332 | 204,969,764 | 462,602,675 |
| 2018 | 172,314,525 | 47,175,486 | 4,845,487 | 529,585 | 2,278,172 | 16,672,709 | 2,182,187 | 197,846,373 | 443,844,524 |
| 2017 | 167,521,135 | 45,574,161 | 3,781,794 | 558,004 | 1,573,898 | 15,870,501 | 1,210,728 | 187,046,968 | 423,137,189 |
| 2016 | 161,724,970 | 43,557,610 | 4,338,229 | 516,791 | 1,957,329 | 15,016,889 | 1,693,088 | 184,319,566 | 413,124,472 |
| 2015 | 156,655,140 | 43,526,116 | 3,184,983 | 634,822 | 1,172,402 | 15,049,360 | 1,051,706 | 184,768,422 | 406,042,951 |
| % Change 2024/2023 | 6.5% | 9.6% | 24.5% | 38.1% | 97.4% | 5.0% | 121.1% | 6.5% | 9.0% |
| % Change 2024/2015 | 44.1% | 85.1% | 168.7% | (12.2%) | 1485.7% | (9.8%) | 340.9% | 56.1% | 57.8% |

(1) Includes revenues as reported on Schedule C-2 Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Discretely Presented Component Unit - School Board with the exception of payments from Primary Government of \$165,773,135 and student activity fees and contributions of \$4,520,161.

(2) Includes revenues reported as contributions on the face of the financial statements.

(3) Excludes revenues attributable to the LOSAP Trust of \$78,811.

COUNTY OF SPOTSYLVANIA, VIRGINIA

Assessed Value and Actual Value of Taxable Property

Last Ten Fiscal Years

Table S-7

(Amounts in thousands)

| Calendar Year | Real Estate (2) | Mobile Home | Personal Property (3) | Machinery and Tools | Heavy Equipment | Public Service Corporation (4) | Total Assessed Value | Total Direct Tax Rate |
|---------------------------------|-----------------|-------------|-----------------------|---------------------|-----------------|--------------------------------|----------------------|-----------------------|
| 2024 | \$ 24,872,510 | \$ 20,221 | \$ 2,544,020 | \$ 38,144 | \$ 29,553 | \$ 515,177 | \$ 28,019,625 | \$ 0.91 |
| 2023 | 20,520,953 | 18,775 | 2,472,920 | 35,380 | 27,445 | 521,208 | 23,596,681 | 0.97 |
| 2022 | 20,036,651 | 20,386 | 2,581,255 | 34,624 | 24,137 | 462,810 | 23,159,863 | 0.96 |
| 2021 | 17,389,570 | 10,768 | 2,000,747 | 25,205 | 21,957 | 454,444 | 19,902,691 | 1.04 |
| 2020 | 17,043,131 | 11,232 | 1,862,180 | 30,504 | 21,881 | 413,003 | 19,381,931 | 1.05 |
| 2019 | 15,648,765 | 9,261 | 1,811,151 | 27,679 | 21,409 | 416,736 | 17,935,001 | 1.09 |
| 2018 | 15,358,064 | 8,792 | 1,737,814 | 27,943 | 17,157 | 383,376 | 17,533,146 | 1.07 |
| 2017 | 14,259,034 | 10,633 | 1,738,036 | 25,145 | 16,332 | 390,161 | 16,439,341 | 1.11 |
| 2016 | 13,920,390 | 11,283 | 1,685,432 | 28,975 | 15,116 | 352,055 | 16,013,251 | 1.11 |
| 2015 | 13,095,404 | 11,407 | 1,628,072 | 26,695 | 13,926 | 338,190 | 15,113,694 | 1.13 |
| % Change 2024/2023 | 21.2% | 7.7% | 2.9% | 7.8% | 7.7% | (1.2%) | 18.7% | |
| % Change 2024/2015 | 89.9% | 77.3% | 56.3% | 42.9% | 112.2% | 52.3% | 85.4% | |
| Category % of Total AV, CY 2024 | 88.8% | 0.1% | 9.1% | 0.1% | 0.1% | 1.8% | 100.0% | |

(1) Assessed values of all classes of property approximate market value as of assessment date, unless otherwise noted.

(2) Real property is assessed biennially on January 1, with the resulting taxes being payable in two equal installments annually, on June 5 and December 5.

(3) Full value of personal property is shown above. However, personal property is taxed at 50% of assessed value annually, while business furniture and fixtures are assessed at 20% to 50% of assessed value.

(4) The assessed values of Public Service Corporation real and personal property are determined by the State Corporation Commission.

Source: Commissioner of Revenue, Spotsylvania County, Virginia

COUNTY OF SPOTSYLVANIA, VIRGINIA
Property Tax Rates per \$100 of Assessed Value
 Last Ten Fiscal Years

Table S-8

| Calendar Year | Real Estate & Mobile Home | Personal Property (1) | Business Furniture & Fixtures | Data Center Equipment | Machinery & Tools | Heavy Construction Equipment |
|--------------------------|--|----------------------------------|--|----------------------------------|----------------------------------|---|
| 2024 | \$ 0.7343 | \$ 5.37 | \$ 4.55 | \$ 1.25 | \$ 1.90 | \$ 1.55 |
| 2023 | 0.7717 | 5.42 | 4.55 | 1.25 | 1.90 | 1.55 |
| 2022 | 0.7377 | 5.42 | 4.55 | 1.25 | 1.90 | 1.55 |
| 2021 | 0.8094 | 6.35 | 4.55 | 1.25 | 1.90 | 1.55 |
| 2020 | 0.8094 | 6.55 | 5.95 | 1.25 | 2.50 | 2.00 |
| 2019 | 0.8474 | 6.55 | 5.95 | 1.25 | 2.50 | 2.00 |
| 2018 | 0.8330 | 6.55 | 5.95 | n/a | 2.50 | 2.00 |
| 2017 | 0.8500 | 6.55 | 5.95 | n/a | 2.50 | 2.00 |
| 2016 | 0.8500 | 6.55 | 5.95 | n/a | 2.50 | 2.00 |
| 2015 | 0.8600 | 6.76 | 5.95 | n/a | 2.50 | 2.00 |

(1) Effective starting in 2015, boats and boat trailers are taxed at \$6.25. Effective starting tax year 2022, a separate rate of \$5.42 was established for automobiles, certain trucks, motorcycles, mopeds, all-terrain vehicles, off-road motorcycles, campers, and recreational vehicles. This rate was lowered to \$5.37 in tax year 2024. All other classes of property, with the exception of boats and boat trailers, are taxed at a rate of \$6.35.

Source: Commissioner of Revenue, Spotsylvania County, Virginia

COUNTY OF SPOTSYLVANIA, VIRGINIA

Principal Property Taxpayers

Current Year and Nine Years Ago

Table S-9

(Amounts in thousands)

| | Calendar Year 2023 | | | Calendar Year 2014 | | |
|-----------------------------------|--------------------|------|--|--------------------|------|--|
| | Assessed Value | Rank | % of Total County Taxable Assessed Value | Assessed Value | Rank | % of Total County Taxable Assessed Value |
| Dominion Virginia Power | \$ 188,954 | 1 | 1.03% | \$ 95,305 | 3 | 0.72% |
| Spotsylvania Towne Center | 179,569 | 2 | 0.97% | 192,900 | 1 | 1.45% |
| Lidl US Operations | 108,668 | 3 | 0.59% | - | | - |
| Spotsylvania Regional Medical Ctr | 82,646 | 4 | 0.45% | 80,261 | 2 | 0.60% |
| Rappahannock Electric Cooperative | 88,353 | 5 | 0.48% | 77,494 | 4 | 0.58% |
| Columbia Gas of Va | 58,562 | 6 | 0.32% | - | | - |
| Comcast | 9,153 | 7 | 0.05% | 7,960 | 6 | 0.06% |
| Allure 1, LLC | 48,998 | 8 | 0.27% | - | | - |
| Verizon VA | 40,490 | 9 | 0.22% | 52,161 | 5 | 0.39% |
| CVS VA Distribution | 6,923 | 10 | 0.04% | 7,556 | 7 | 0.06% |
| GLL BUK Prop LP | - | | - | 40,340 | 8 | 0.30% |
| Lee Property Harrison Crossing | - | | - | 34,831 | 9 | 0.26% |
| Station Square at Cosner's Corner | - | | - | 31,801 | 10 | 0.24% |
| | <u>\$ 812,316</u> | | <u>4.42%</u> | <u>\$ 620,609</u> | | <u>4.66%</u> |

Note: Assessed values include real and personal property. Schedule is ranked by tax paid. Due to varying rates for real and personal property, assessed values may appear to be out of order.

Source: Treasurer, Spotsylvania County, Virginia

COUNTY OF SPOTSYLVANIA, VIRGINIA

Property Tax Levies and Collections

Last Ten Fiscal Years

Table S-10

(Amounts in thousands)

| Fiscal Year | Taxes Levied for the Fiscal Year (2) | Collected within the Fiscal Year of Levy | | | Collections in Subsequent Years (1)(2) | Total Collections to Date | |
|-------------|---|--|---------------------------|--|--|---------------------------|---------------------------|
| | | Amount (2) | Percentage of Levy (3) | | | Amount | Percentage of Levy (3) |
| 2024 | \$ 220,176 | \$ 204,441 | 92.85% | | \$ - | \$ 204,441 | 92.85% |
| 2023 | 206,448 | 190,459 | 92.26% | | 8,682 | 199,141 | 96.46% |
| 2022 | 194,020 | 180,192 | 92.87% | | 8,515 | 188,707 | 97.26% |
| 2021 | 183,935 | 172,041 | 93.53% | | 8,163 | 180,204 | 97.97% |
| 2020 | 178,969 | 167,880 | 93.80% | | 7,531 | 175,411 | 98.01% |
| 2019 | 172,079 | 161,306 | 93.74% | | 7,181 | 168,487 | 97.91% |
| 2018 | 163,667 | 155,695 | 95.13% | | 6,421 | 162,116 | 99.05% |
| 2017 | 158,156 | 151,128 | 95.56% | | 6,743 | 157,871 | 99.82% |
| 2016 | 152,904 | 145,122 | 94.91% | | 7,117 | 152,238 | 99.56% |
| 2015 | 148,405 | 141,151 | 95.11% | | 7,259 | 148,410 | 100.00% |

(1) Does not include land redemptions.

(2) Exclusive of penalties and interest.

(3) Percentages are calculated using levy for fiscal year.

Source: Treasurer, Spotsylvania County, Virginia

COUNTY OF SPOTSYLVANIA, VIRGINIA

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

Table S-11 - Page 1

(Amounts in thousands, except per capita)

| Fiscal Year | Governmental Activities | | | | Business-type Activities | | Total Primary Government | Percentage of Personal Income | Per Capita |
|-------------|--------------------------|--|--------------------------|----------------------------------|--------------------------|----------------------------------|--------------------------|-------------------------------|------------|
| | General Obligation Bonds | Virginia Public School Authority Bonds | Public Improvement Bonds | Lease & Subscription Obligations | Revenue Bonds | Lease & Subscription Obligations | | | |
| 2024 | \$ 264,426 | \$ 465 | \$ 36,525 | \$ 7,383 | \$ 211,638 | \$ 945 | \$ 521,382 | 1.90% | \$ 3.45 |
| 2023 | 231,321 | 620 | 42,132 | 7,152 | 182,016 | 967 | 464,208 | 2.00% | 3.13 |
| 2022 | 226,655 | 1,378 | 47,753 | 329 | 121,909 | - | 398,024 | 2.28% | 2.75 |
| 2021 | 222,280 | 3,677 | 54,416 | - | 129,530 | - | 409,903 | 2.12% | 2.93 |
| 2020 | 233,250 | 6,369 | 59,890 | - | 124,742 | - | 424,251 | 1.70% | 3.06 |
| 2019 | 224,319 | 9,153 | 65,392 | - | 113,988 | - | 412,852 | 1.72% | 3.03 |
| 2018 | 207,123 | 13,295 | 70,691 | - | 120,172 | - | 411,281 | 1.65% | 3.06 |
| 2017 | 197,720 | 18,336 | 76,081 | - | 126,147 | - | 418,284 | 1.56% | 3.15 |
| 2016 | 184,864 | 23,701 | 81,364 | - | 131,894 | - | 421,823 | 1.48% | 3.21 |
| 2015 | 166,632 | 29,107 | 86,503 | - | 136,685 | - | 418,927 | 1.44% | 3.22 |

Details regarding the County's outstanding debt can be found in the notes to the financial statements.

COUNTY OF SPOTSYLVANIA, VIRGINIA

Ratios of General Bonded Debt Outstanding

Last Ten Fiscal Years

Table S-11 - Page 2

(Amounts in thousands, except per capita)

| General Obligation Bonded Debt Outstanding (1) | | | | | | | |
|---|-------------------------------------|---|-------------------------------------|-------------------------------------|---|-----------------------|--|
| Fiscal Year | General Obligation Bonds | Virginia Public School Authority Bonds | Public Improvement Bonds | Total Primary Government | Percentage of Assessed Value (2) | Per Capita (3) | |
| 2024 | \$ 264,426 | \$ 465 | \$ 36,625 | \$ 301,416 | 1.08% | \$ 2.00 | |
| 2023 | 231,321 | 620 | 42,132 | 274,073 | 1.16% | 1.85 | |
| 2022 | 226,655 | 1,378 | 47,753 | 275,786 | 1.19% | 1.90 | |
| 2021 | 222,280 | 3,677 | 54,416 | 280,373 | 1.41% | 1.95 | |
| 2020 | 233,250 | 6,369 | 59,890 | 299,509 | 1.55% | 2.13 | |
| 2019 | 224,319 | 9,153 | 65,392 | 298,864 | 1.67% | 2.19 | |
| 2018 | 207,123 | 13,295 | 70,691 | 291,109 | 1.66% | 2.17 | |
| 2017 | 197,720 | 18,336 | 76,081 | 292,137 | 1.78% | 2.20 | |
| 2016 | 184,864 | 23,701 | 81,364 | 289,929 | 1.81% | 2.21 | |
| 2015 | 166,632 | 29,107 | 86,503 | 282,242 | 1.87% | 2.17 | |

(1) Details regarding the County's outstanding debt can be found in the current financial statements. Includes all general obligation bonded debt issued on behalf of the School Board. Lease revenue bonds are issued for general government purposes and are paid by general government resources.

(2) See Schedule S-7 for the County's assessed value data.

(3) See Schedule S-13 for population data.

COUNTY OF SPOTSYLVANIA, VIRGINIA

Revenue Bond Coverage - Water and Sewer Revenue Bonds

Last Ten Fiscal Years

Table S-12

(Amounts in thousands)

| Fiscal Year | Gross Revenue (1) | Expenses (2) | Net Revenue Available for Debt Service | Debt Service Requirements | | | Times (4) |
|-------------|----------------------|--------------|--|---------------------------|--------------|-----------|-----------|
| | | | | Principal | Interest (3) | Total | |
| 2024 | \$ 65,923 | \$ 28,600 | \$ 37,322 | \$ 7,255 | \$ 7,839 | \$ 15,094 | 2.47 |
| 2023 | 56,263 | 25,636 | 30,627 | 6,770 | 6,059 | 12,829 | 2.39 |
| 2022 | 44,261 | 21,158 | 23,103 | 6,450 | 4,643 | 11,093 | 2.08 |
| 2021 | 44,281 | 20,165 | 24,116 | 4,290 | 4,861 | 9,151 | 2.64 |
| 2020 | 51,008 | 19,883 | 31,125 | 5,025 | 4,638 | 9,663 | 3.22 |
| 2019 | 44,285 | 19,049 | 25,236 | 5,680 | 4,471 | 10,151 | 2.49 |
| 2018 | 41,293 | 18,416 | 22,877 | 5,471 | 4,666 | 10,137 | 2.26 |
| 2017 | 38,989 | 17,683 | 21,306 | 5,242 | 4,846 | 10,088 | 2.11 |
| 2016 | 39,096 | 16,548 | 22,548 | 5,575 | 4,578 | 10,153 | 2.22 |
| 2015 | 34,783 | 16,535 | 18,248 | 4,557 | 5,645 | 10,202 | 1.79 |

(1) Total revenues exclude intergovernmental reimbursement of construction costs, contributions from developers, and compost production services.

(2) Total expenses exclude depreciation, amortization, interest, and compost production costs.

(3) Excludes BAB subsidy revenues and new debt proceeds used to subsidize debt service interest.

(4) Legal limit: minimum of 1.15

COUNTY OF SPOTSYLVANIA, VIRGINIA

Demographic and Economic Statistics

Last Ten Fiscal Years

Table S-13

| Fiscal Year | Population (1) | Total Personal Income (2) | Per Capita Income (2) | School Enrollment (3) | Unemployment Rate (4) |
|-------------|----------------|------------------------------|--------------------------|--------------------------|--------------------------|
| 2024 | 150,965 | \$ 9,901,784 | \$ 65,590 | 24,043 | 3.2% |
| 2023 | 148,192 | 9,279,324 | 62,617 | 24,263 | 2.9% |
| 2022 | 144,796 | 9,066,677 | 62,617 | 23,887 | 3.0% |
| 2021 | 139,971 | 8,706,055 | 60,595 | 23,087 | 4.4% |
| 2020 | 138,449 | 7,221,134 | 55,077 | 23,935 | 8.6% |
| 2019 | 136,447 | 7,116,715 | 52,157 | 23,674 | 2.9% |
| 2018 | 134,227 | 6,795,518 | 50,627 | 23,814 | 3.2% |
| 2017 | 132,889 | 6,505,098 | 48,951 | 23,592 | 3.7% |
| 2016 | 131,401 | 6,247,711 | 47,547 | 23,678 | 4.1% |
| 2015 | 130,042 | 6,024,994 | 46,331 | 23,817 | 4.7% |

(1) Estimated for July 1 of each year
2015 - 2023 U.S. Bureau of the Census
2024 Spotsylvania County Planning Department

(2) Personal and per capita income reported per the Bureau of Economic Analysis, U.S. Department of Commerce includes the City of Fredericksburg and have been adjusted to remove the estimated portion belonging to the City. Per Capita Personal Income is calculated by dividing Personal Income by the population estimate for each fiscal year income data for 2015 - 2023 (the last year available). Per Capita Personal Income for 2024 is assumed to be equal to 2023, the last year for which personal income data is available. Personal Income amounts for 2024 are calculated by multiplying the population estimate by the Per Capita Personal Income estimate for that year.

(3) As of October 1 of each fiscal year

(4) Local Area Unemployment Statistics (LAUS) and Bureau of Labor Statistics at fiscal year end

COUNTY OF SPOTSYLVANIA, VIRGINIA

Principal Employers

Current Year and Nine Years Ago

Table S-14

| Employer | FY 2024 | | | FY 2015 | | |
|-------------------------------------|---------------|------|--------------------------------|---------------|------|--------------------------------|
| | Employees | Rank | Percentage of Total Employment | Employees | Rank | Percentage of Total Employment |
| Spotsylvania County School Board | Over 1,000 | 1 | 9.8% | Over 1,000 | 1 | 9.0% |
| County of Spotsylvania | Over 1,000 | 2 | 3.5% | Over 1,000 | 2 | 3.0% |
| HCA Virginia Health System | 500 to 999 | 3 | 2.0% | 500 to 999 | 3 | 2.2% |
| Wal mart | 250 to 499 | 4 | 1.0% | 250 to 499 | 4 | 1.1% |
| CVS, Inc. | 250 to 499 | 5 | 1.0% | 250 to 499 | 6 | 1.1% |
| Lidl US Operations | 250 to 499 | 6 | 1.0% | -- | | |
| United Parcel Service | 250 to 499 | 7 | 1.0% | 250 to 499 | 9 | 1.1% |
| Germanna Community College | 250 to 499 | 8 | 1.0% | 250 to 499 | 8 | 1.1% |
| Weis Markets (previously Food Lion) | 250 to 499 | 9 | 1.0% | 250 to 499 | 5 | 1.1% |
| Kaeser Compressors | 250 to 499 | 10 | 1.0% | -- | | |
| A T Solutions, Inc. | -- | | | 250 to 499 | 7 | 1.1% |
| Carmax | -- | | | 100 to 249 | 10 | 0.5% |
| Giant Food | -- | | | 100 to 249 | 10 | 0.5% |
| Total employment | 36,877 | | | 32,965 | | |

Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages
 Percentage of total County employment based on the midpoint of the ranges given.

COUNTY OF SPOTSYLVANIA, VIRGINIA**Full-Time County Government Employees by Function**

Last Ten Fiscal Years

Table S-15

| Function/Program | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|--------------------------------|------|------|------|------|-------|-------|-------|-------|-------|-------|
| Governmental Activities: | | | | | | | | | | |
| General government | 128 | 127 | 132 | 137 | 140 | 140 | 143 | 148 | 155 | 161 |
| Judicial administration | 38 | 38 | 40 | 41 | 41 | 42 | 42 | 44 | 49 | 50 |
| Public safety | 438 | 452 | 470 | 497 | 536 | 540 | 543 | 568 | 587 | 605 |
| Public works | 49 | 50 | 50 | 50 | 54 | 53 | 53 | 56 | 74 | 74 |
| Health and welfare | 85 | 85 | 88 | 93 | 103 | 110 | 117 | 134 | 134 | 137 |
| Parks, recreation and cultural | 23 | 23 | 23 | 23 | 24 | 25 | 25 | 25 | 27 | 26 |
| Community development | 36 | 36 | 36 | 35 | 39 | 41 | 41 | 49 | 51 | 53 |
| Total governmental activities | 797 | 811 | 839 | 876 | 937 | 951 | 964 | 1,024 | 1,077 | 1,106 |
| Business-type activities: | | | | | | | | | | |
| Water and sewer | 117 | 118 | 119 | 120 | 122 | 122 | 122 | 125 | 131 | 131 |
| Total business-type activities | 117 | 118 | 119 | 120 | 122 | 122 | 122 | 125 | 131 | 131 |
| Total full-time employees | 914 | 929 | 958 | 996 | 1,059 | 1,073 | 1,086 | 1,149 | 1,208 | 1,237 |

Source: County approved budget documents.

COUNTY OF SPOTSYLVANIA, VIRGINIA

Operating Indicators by Function

Last Ten Fiscal Years

Table S-16 - Page 1

| Function/Program | Fiscal Year | | | | | | | | | |
|---|-------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
| General government | | | | | | | | | | |
| Commissioner of Revenue | | | | | | | | | | |
| Taxable real estate parcels (1) | 60,765 | 61,040 | 61,624 | 62,107 | 62,557 | 63,314 | 63,693 | 64,408 | 65,127 | 65,517 |
| Percentage of fair market value (2) | 85.40% | 92.00% | 83.30% | 91.40% | 86.80% | 91.20% | 80.70% | 74.10% | 71.60% | n/a |
| Treasurer | | | | | | | | | | |
| Real estate tax bills generated | 131,710 | 130,725 | 131,269 | 132,330 | 133,304 | 133,941 | 135,116 | 140,042 | 138,668 | 139,726 |
| Personal property tax bills generated (1) | 305,300 | 306,102 | 305,378 | 316,851 | 311,119 | 310,526 | 311,898 | 322,375 | 311,422 | 316,485 |
| Registrar | | | | | | | | | | |
| Number of registered voters | 83,220 | 84,754 | 86,200 | 88,465 | 90,920 | 94,799 | 101,500 | 103,220 | 106,119 | 112,542 |
| Judicial administration | | | | | | | | | | |
| Clerk of the Circuit Court | | | | | | | | | | |
| Number of deeds recorded (1) | 22,080 | 23,086 | 23,149 | 20,880 | 18,344 | 32,458 | 37,928 | 24,112 | 17,180 | n/a |
| Commonwealth Attorney | | | | | | | | | | |
| Average caseload per attorney (1) | 1,319 | 1,387 | 1,435 | 1,187 | 1,085 | 875 | 823 | 706 | 923 | n/a |
| Number of circuit court cases (1) | 2,076 | 2,694 | 3,352 | 3,113 | 2,923 | 2,705 | 3,010 | 2,933 | 3,813 | n/a |
| Number of General District Court cases (1) | 8,245 | 8,804 | 8,444 | 8,079 | 7,588 | 5,960 | 5,341 | 5,476 | 7,441 | n/a |
| Number of Juvenile & Domestic Relations Court cases (1) | 2,873 | 2,381 | 2,552 | 2,457 | 2,505 | 1,831 | 2,342 | 2,185 | 2,604 | n/a |
| Public Safety | | | | | | | | | | |
| Sheriff | | | | | | | | | | |
| Calls for service | 116,336 | 122,067 | 121,102 | 124,105 | 118,984 | 120,087 | 115,157 | 110,966 | 114,907 | 116,158 |
| Calls for service per road deputy | 1,615 | 1,695 | 1,681 | 1,477 | 1,416 | 1,412 | 1,439 | 1,305 | 1,473 | 1,591 |
| Civil process papers served | 42,149 | 43,441 | 40,817 | 44,490 | 40,428 | 40,308 | 34,889 | 20,548 | 43,348 | 46,259 |
| Warrants served | 10,714 | 10,917 | 11,146 | 11,151 | 10,780 | 10,703 | 10,062 | 8,654 | 9,326 | 9,867 |
| Emergency Communications | | | | | | | | | | |
| Total calls received | 179,219 | 183,563 | 185,097 | 187,792 | 194,092 | 190,168 | 196,668 | 189,000 | 191,700 | 218,030 |
| 911 calls received | 45,984 | 44,244 | 46,325 | 47,338 | 48,652 | 49,642 | 51,424 | 55,019 | 56,851 | 56,999 |
| Fire, Rescue and Emergency Management | | | | | | | | | | |
| Calls for service | 16,219 | 16,526 | 17,525 | 18,500 | 18,836 | 18,757 | 19,733 | 22,058 | 21,699 | 21,766 |
| Animal Control | | | | | | | | | | |
| Calls for service (all types) (4) | 8,084 | 8,803 | 8,925 | 9,453 | 12,246 | 11,543 | 9,577 | n/a | 9,639 | 9,804 |
| Public works | | | | | | | | | | |
| Refuse Disposal | | | | | | | | | | |
| Solid waste - tons (1) | 132,524 | 125,935 | 127,916 | 135,022 | 154,303 | 132,267 | 147,962 | 169,363 | 147,073 | 137,784 |
| Recycling | | | | | | | | | | |
| Recycled materials - tons | 20,000 | 21,000 | 20,000 | 22,578 | 24,667 | 23,921 | 18,784 | 17,398 | 13,308 | 13,888 |
| Sludge composted - tons | 19,945 | 19,596 | 20,280 | 15,703 | 17,693 | 17,333 | 18,696 | 18,725 | 19,394 | 20,250 |

COUNTY OF SPOTSYLVANIA, VIRGINIA

Operating Indicators by Function

Last Ten Fiscal Years

Table S-16 - Page 2

| Function/Program | Fiscal Year | | | | | | | | | |
|---|-------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
| Health and welfare | | | | | | | | | | |
| Social Services | | | | | | | | | | |
| SNAP applications | 4,658 | 4,319 | 4,038 | 4,037 | 4,240 | 4,737 | 4,777 | 5,144 | 5,813 | 6,105 |
| Medicaid applications | 4,833 | 4,033 | 4,025 | 5,233 | 6,460 | 6,568 | 5,089 | 5,039 | 4,971 | 5,555 |
| Medicaid (avg monthly ongoing caseload) | 7,651 | 8,298 | 8,287 | 9,266 | 10,546 | 12,825 | 14,740 | 16,743 | 18,800 | 19,011 |
| Foster care children (avg monthly county) | 78 | 88 | 97 | 141 | 157 | 133 | 93 | 86 | 65 | 66 |
| Parks, recreation and cultural | | | | | | | | | | |
| Parks and Recreation | | | | | | | | | | |
| Sports league participants | 7,037 | 6,466 | 6,607 | 6,744 | 6,458 | 5,911 | 1,644 | 4,939 | 5,447 | 5,737 |
| Special interest/leisure participants | 11,540 | 14,217 | 15,613 | 17,408 | 18,131 | 18,988 | 7,081 | 13,633 | 15,873 | 18,891 |
| Park visitors | 1,322,700 | 1,190,900 | 1,194,500 | 1,198,600 | 1,208,700 | 948,918 | 1,057,398 | 1,161,455 | 1,251,046 | 1,245,493 |
| Community Development | | | | | | | | | | |
| Planning | | | | | | | | | | |
| Final platted lots approved (1) | 252 | 550 | 499 | 400 | 677 | 357 | 591 | 670 | 331 | n/a |
| Economic Development | | | | | | | | | | |
| Average "annual" salary census of wages (Virginia Employment Commission) | \$ 34,341 | \$ 35,000 | \$ 35,773 | \$ 33,787 | \$ 41,236 | \$ 34,385 | \$ 35,656 | \$ 36,509 | \$ 36,877 | n/a |
| Extension Office (3) | | | | | | | | | | |
| Requests for educational information | 10,392 | 15,970 | 20,119 | 21,439 | 16,426 | 16,549 | 6,900 | 3,818 | 7,276 | 11,000 |
| Individuals participating in programs | 18,125 | 19,874 | 9,498 | 9,932 | 16,699 | 22,076 | 3,501 | 5,624 | 5,547 | 7,376 |
| Other funds | | | | | | | | | | |
| Code Compliance | | | | | | | | | | |
| Community development permits issued | 2,996 | 3,628 | 3,773 | 4,040 | 4,069 | 3,609 | 4,133 | 5,222 | 5,218 | 5,070 |
| Building inspections | 15,672 | 16,731 | 19,541 | 21,884 | 22,554 | 24,589 | 25,282 | 34,490 | 27,308 | 27,244 |
| Utilities | | | | | | | | | | |
| Average daily water consumption (mgd) | 9.70 | 9.90 | 10.10 | 10.20 | 10.50 | 10.70 | 10.90 | 11.30 | 11.50 | 12.09 |
| Average effluent flows (mgd) | 8.10 | 8.60 | 8.90 | 8.80 | 10.30 | 8.50 | 10.70 | 8.80 | 8.60 | 8.85 |
| Water customers | 29,658 | 30,104 | 30,628 | 31,160 | 31,622 | 32,216 | 32,790 | 33,616 | 34,352 | 34,673 |
| Sewer customers | 28,338 | 28,768 | 29,285 | 29,813 | 30,271 | 30,852 | 31,408 | 32,194 | 33,102 | 33,210 |

n/a Not available

(1) Reported on a calendar year basis

(2) Final 2023 State sales ratio will be issued late 2024

(3) Program participants include office visits, farm visits and similar one on one or small group interactions with staff. The requests for information are based on e-mail requests, phone requests and newsletters sent

(4) Due to a software implementation, data from 2022 is unavailable.

Source: Various County Departments

COUNTY OF SPOTSYLVANIA, VIRGINIA

Capital Asset Statistics by Function

Last Ten Fiscal Years

Table S-17

| Function/Program | Fiscal Year | | | | | | | | | |
|---|-------------|---------|---------|---------|---------|---------|---------|---------|---------|-----------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
| Public safety | | | | | | | | | | |
| Sheriff: | | | | | | | | | | |
| Stations | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Patrol units | 201 | 206 | 220 | 209 | 202 | 210 | 210 | 220 | 246 | 229 |
| Fire & Rescue: | | | | | | | | | | |
| Stations | 13 | 13 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 |
| Response units | 69 | 69 | 72 | 72 | 72 | 71 | 71 | 70 | 70 | 70 |
| Public works | | | | | | | | | | |
| Solid waste convenience centers | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 13 |
| Collection trucks | 16 | 16 | 16 | 16 | 16 | 16 | 16 | 16 | 16 | 16 |
| Landfills | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Square footage of buildings maintained | 649,721 | 649,721 | 649,721 | 709,706 | 709,849 | 709,549 | 720,369 | 764,369 | 835,974 | 1,008,743 |
| Parks, recreation and cultural | | | | | | | | | | |
| Parks | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 15 | 15 |
| Park acreage | 536 | 536 | 536 | 536 | 536 | 536 | 536 | 536 | 572 | 572 |
| Swimming pools | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Tennis courts | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 9 | 9 |
| Athletic fields maintained | 37 | 37 | 37 | 37 | 37 | 37 | 36 | 36 | 40 | 43 |
| Community centers | 6 | 6 | 6 | 6 | 5 | 5 | 5 | 5 | 5 | 5 |
| Public boat ramps | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Library facilities | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 3 | 3 | 3 |
| Museums | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Community development | | | | | | | | | | |
| Visitor centers | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Public utilities | | | | | | | | | | |
| Water mains (miles) | 542 | 553 | 562 | 563 | 561 | 567 | 575 | 585 | 593 | 601 |
| Water treatment plants | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Maximum daily capacity (thousands of gallons) | 21,000 | 21,000 | 21,000 | 21,000 | 21,000 | 21,000 | 21,000 | 21,000 | 21,000 | 21,000 |
| Sewer | | | | | | | | | | |
| Sanitary sewers (miles) | 500 | 552 | 552 | 553 | 551 | 556 | 565 | 570 | 578 | 581 |
| Wastewater treatment plants | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Maximum daily treatment capacity (thousands of gallons) | 13,700 | 13,700 | 13,700 | 13,700 | 13,745 | 13,745 | 13,745 | 13,745 | 13,745 | 13,745 |
| Reservoirs | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Pump stations | 52 | 50 | 50 | 46 | 48 | 48 | 46 | 46 | 46 | 46 |
| Fleet Management | | | | | | | | | | |
| Vehicles maintained | 1,070 | 1,061 | 1,075 | 1,090 | 1,059 | 1,066 | 1,055 | 1,120 | 1,132 | 1,137 |

COUNTY OF SPOTSYLVANIA, VIRGINIA**Summary of Certain School Statistics**

School Enrollment

Last Five Fiscal Years

Table S-18 - Page 1

| | 2020 | 2021 | 2022 | 2023 | 2024 |
|---------------------------------|---------------|---------------|---------------|---------------|---------------|
| Kindergarten | 1,623 | 1,379 | 1,646 | 1,607 | 1,656 |
| Elementary (grades 1-7) | 12,368 | 11,743 | 11,905 | 12,248 | 12,244 |
| Secondary (grades 8-12) | 9,482 | 9,582 | 9,853 | 9,959 | 9,623 |
| Pre-K/Headstart (SpEd) | 462 | 383 | 483 | 449 | 465 |
| Total Enrollment (1) | <u>23,935</u> | <u>23,087</u> | <u>23,887</u> | <u>24,263</u> | <u>23,988</u> |
| Teachers and Administrators | 2,032 | 2,032 | 2,046 | 2,129 | 2,164 |
| Other employees | 1,214 | 1,208 | 1,238 | 1,355 | 1,459 |
| Total employees (2) | <u>3,246</u> | <u>3,240</u> | <u>3,284</u> | <u>3,484</u> | <u>3,623</u> |
| Elementary and intermediate | 24 | 24 | 24 | 24 | 24 |
| Secondary (includes vocational) | 7 | 7 | 7 | 7 | 7 |
| Total buildings | <u>31</u> | <u>31</u> | <u>31</u> | <u>31</u> | <u>31</u> |

Source: Superintendent of Schools, Spotsylvania County, Virginia.

(1) As of September 30 of each school year.

(2) As budgeted.

COUNTY OF SPOTSYLVANIA, VIRGINIA

Summary of Certain School Statistics

Actual and Projected Average Daily Enrollment by Grade

Table S-18 - Page 2

| Grade | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 |
|----------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| K | 1,623 | 1,379 | 1,646 | 1,607 | 1,656 | 1,725 | 1,693 | 1,642 | 1,621 | 1,612 |
| 1 | 1,614 | 1,569 | 1,562 | 1,729 | 1,693 | 1,731 | 1,794 | 1,744 | 1,694 | 1,673 |
| 2 | 1,641 | 1,557 | 1,694 | 1,654 | 1,780 | 1,765 | 1,763 | 1,727 | 1,779 | 1,731 |
| 3 | 1,758 | 1,606 | 1,611 | 1,746 | 1,658 | 1,797 | 1,796 | 1,791 | 1,761 | 1,814 |
| 4 | 1,747 | 1,680 | 1,696 | 1,671 | 1,759 | 1,656 | 1,828 | 1,825 | 1,820 | 1,796 |
| 5 | 1,747 | 1,720 | 1,773 | 1,794 | 1,718 | 1,793 | 1,690 | 1,859 | 1,856 | 1,858 |
| 6 | 1,924 | 1,702 | 1,781 | 1,833 | 1,800 | 1,716 | 1,830 | 1,714 | 1,885 | 1,884 |
| 7 | 1,937 | 1,909 | 1,788 | 1,821 | 1,836 | 1,790 | 1,750 | 1,867 | 1,750 | 1,925 |
| 8 | 1,844 | 1,915 | 1,958 | 1,830 | 1,817 | 1,870 | 1,816 | 1,775 | 1,893 | 1,775 |
| 9 | 2,118 | 1,986 | 2,247 | 2,214 | 1,990 | 2,049 | 2,088 | 2,025 | 1,982 | 2,110 |
| 10 | 1,947 | 2,029 | 1,914 | 2,143 | 2,080 | 1,923 | 1,956 | 1,990 | 1,932 | 1,889 |
| 11 | 1,775 | 1,817 | 1,885 | 1,797 | 1,886 | 1,989 | 1,839 | 1,869 | 1,902 | 1,846 |
| 12 | 1,798 | 1,835 | 1,849 | 1,975 | 1,850 | 2,097 | 2,041 | 1,896 | 1,924 | 1,956 |
| Pre-K* | 462 | 383 | 483 | 449 | 465 | 483 | 483 | 483 | 483 | 483 |
| Total Enrollment (1) | <u>23,935</u> | <u>23,087</u> | <u>23,887</u> | <u>24,263</u> | <u>23,988</u> | <u>24,384</u> | <u>24,367</u> | <u>24,207</u> | <u>24,282</u> | <u>24,352</u> |

Source: Superintendent of Schools, Spotsylvania County, Virginia.

As of September 30 of each school year.

* Includes Head Start, Early Childhood Special Education, and Pre-Kindergarten

COUNTY OF SPOTSYLVANIA, VIRGINIA

Summary of Certain School Statistics

Data on Existing Public Schools

Table S-18 - Page 3

| School | Grade | Site Size | | Original Construction Date | Date of Additions | Institutional Capacity | 2023-2024 Enrollment |
|-------------------------|------------|-----------|-------|----------------------------|------------------------|------------------------|----------------------|
| Elementary: | | | | | | | |
| Battlefield | K-5 | 30.0 | Acres | 1,974 | 2,000 | 833 | 672 |
| Berkeley | K-5 | 17.0 | Acres | 1,961 | 1971, 1979, 2000, 2005 | 353 | 285 |
| Brock Road | K-5 | 24.4 | Acres | 1992 | 2004 | 907 | 691 |
| Cedar Forest | K-5 | 52.2 | Acres | 2008 | - | 936 | 783 |
| Chancellor | K-5 | 12.0 | Acres | 1940 | 1948, 1961, 2000 | 455 | 443 |
| Courthouse Road | K-5 | 25.0 | Acres | 1994 | 2005 | 907 | 771 |
| Courtland (1) | K-5 | - | Acres | 1989 | 2000 | 789 | 565 |
| Harrison Road (2) | K-5 | - | Acres | 2001 | 2006 | 936 | 728 |
| Lee Hill | K-5 | 21.0 | Acres | 1977 | 1990, 1999 | 807 | 686 |
| Livingston | K-5 | 15.5 | Acres | 1961 | 1971, 1992 | 504 | 449 |
| Parkside | K-5 | 26.8 | Acres | 1994 | 2007 | 936 | 929 |
| Riverview | K-5 | 25.0 | Acres | 1994 | 2005 | 907 | 676 |
| Salem | K-5 | 20.0 | Acres | 1979 | 1989, 1999 | 815 | 583 |
| Smith Station | K-5 | 23.0 | Acres | 1991 | 1999,2004 | 986 | 705 |
| Spotswood | K-5 | 20.0 | Acres | 1965 | 1971, 2000 | 641 | 524 |
| Spotsylvania | K-5 | 14.1 | Acres | 1952 | 1977 | 585 | 590 |
| Wilderness | K-5 | 25.0 | Acres | 1998 | 2003 | 936 | 649 |
| | | | | | | | 10,729 |
| Middle: | | | | | | | |
| Battlefield | 6-8 | 30.0 | Acres | 1978 | 2003 | 807 | 763 |
| Chancellor (2) | 6-8 | - | Acres | 1989 | - | 857 | 785 |
| Freedom | 6-8 | 76.7 | Acres | 2003 | - | 948 | 751 |
| Ni River | 6-8 | 75.0 | Acres | 1999 | - | 774 | 714 |
| Post Oak (3) | 6-8 | - | Acres | 2007 | - | 948 | 709 |
| Spotsylvania | 6-8 | 41.7 | Acres | 1968 | 1973 | 907 | 998 |
| Thornburg | 6-8 | 50.0 | Acres | 1994 | - | 790 | 734 |
| | | | | | | | 5,454 |
| Secondary: | | | | | | | |
| Chancellor | 9-12 | 100.0 | Acres | 1988 | - | 1,427 | 1,359 |
| Courtland | 9-12 | 100.0 | Acres | 1980 | 2019 | 1,565 | 1,488 |
| Massaponax | 9-12 | 100.0 | Acres | 1998 | 2005 | 1,830 | 1,680 |
| Riverbend | 9-12 | 90.7 | Acres | 2004 | - | 1,995 | 1,937 |
| Spotsylvania | 9-12 | 100.0 | Acres | 1994 | - | 1,611 | 1,307 |
| J.J. Wright Alternative | Pre K - 12 | 20.0 | Acres | 1952 | 1962, 1982, 2008 | 90 | 34 |
| Vocational Center (1) | - | - | - | 1980 | 1993 | - | N/A |
| | | | | | | | 7,809 |

Source: Superintendent of Schools, Spotsylvania County, Virginia.

(1) On same site as Courtland High School

(2) On same site as Chancellor High School

(3) On same site as Spotsylvania High School

COUNTY OF SPOTSYLVANIA, VIRGINIA

Summary of Certain School Statistics

Detail of School Activity Fund

Table S-19

| Schools | Fund Balance July 1, 2023 | Revenues | Expenditures | Fund Balance June 30, 2024 |
|----------------------------------|------------------------------|---------------------|-------------------------------|-------------------------------|
| Elementary: | | | | |
| Battlefield | \$ 39,991 | \$ 28,676 | \$ 31,264 | \$ 37,402 |
| Berkeley | 31,766 | 17,190 | 17,131 | 31,825 |
| Brock Road | 44,429 | 82,421 | 79,026 | 47,824 |
| Cedar Forest | 26,726 | 29,136 | 20,476 | 35,386 |
| Chancellor | 27,896 | 17,083 | 14,984 | 29,995 |
| Courthouse Road | 76,981 | 52,873 | 51,949 | 77,905 |
| Courtland | 16,189 | 20,147 | 22,732 | 13,603 |
| Harrison Road | 44,147 | 28,116 | 35,601 | 36,662 |
| Lee Hill | 13,697 | 41,294 | 30,419 | 24,572 |
| Livingston | 29,095 | 40,649 | 29,306 | 40,439 |
| Parkside | 25,145 | 37,103 | 40,128 | 22,119 |
| Riverview | 29,277 | 51,852 | 56,614 | 24,516 |
| Salem | 35,755 | 29,909 | 15,877 | 49,787 |
| Smith Station | 34,930 | 21,738 | 20,578 | 36,089 |
| Spotswood | 28,559 | 19,273 | 16,155 | 31,677 |
| Spotsylvania | 24,307 | 23,276 | 27,588 | 19,995 |
| Wilderness | 31,749 | 35,802 | 35,678 | 31,872 |
| Total Elementary Schools: | \$ 560,639 | \$ 576,536 | \$ 545,506 | \$ 591,668 |
| | | | 2023 - 2024 pupil enrollment: | 10,701 |
| | | | Per pupil fund balance: | \$ 55.29 |
| Middle: | | | | |
| Battlefield | 58,563 | 86,292 | 92,015 | 52,840 |
| Chancellor | 51,755 | 111,541 | 118,810 | 44,486 |
| Freedom | 58,130 | 155,540 | 144,493 | 69,176 |
| Ni River | 70,797 | 102,812 | 91,643 | 81,966 |
| Post Oak | 61,617 | 84,053 | 70,803 | 74,868 |
| Spotsylvania | 91,439 | 70,667 | 80,721 | 81,385 |
| Thornburg | 33,944 | 79,152 | 76,339 | 36,757 |
| Total Middle Schools: | \$ 426,245 | \$ 690,058 | \$ 674,824 | \$ 441,478 |
| | | | 2023 - 2024 pupil enrollment: | 5,475 |
| | | | Per pupil fund balance: | \$ 80.64 |
| High: | | | | |
| Chancellor | 168,777 | 465,105 | 498,168 | 135,714 |
| Courtland | 425,873 | 604,045 | 530,132 | 499,786 |
| Massaponax | 315,488 | 538,589 | 526,963 | 327,115 |
| Riverbend | 334,704 | 763,636 | 682,706 | 415,634 |
| Spotsylvania | 297,887 | 397,961 | 411,890 | 283,958 |
| Total High Schools: | \$ 1,542,729 | \$ 2,769,336 | \$ 2,649,858 | \$ 1,662,207 |
| | | | 2023 - 2024 pupil enrollment: | 7,867 |
| | | | Per pupil fund balance: | \$ 211.29 |
| Other: | | | | |
| J.J. Wright Alternative | 9,734 | 5,568 | 4,459 | 10,842 |
| School Board Office | 35,108 | 69,625 | 23,368 | 81,365 |
| Career and Technical Center | 171,436 | 327,719 | 302,233 | 196,923 |
| Commonwealth Governor's School | 40,694 | 81,320 | 86,674 | 35,340 |
| Total Other Schools: | \$ 256,972 | \$ 484,232 | \$ 416,734 | \$ 324,470 |
| Total All Schools: | \$ 2,786,582 | \$ 4,520,162 | \$ 4,286,922 | \$ 3,019,820 |

Source: Spotsylvania County Schools School Activity Fund 2024 Audit Report

