

COUNTY OF FAUQUIER, VIRGINIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2024





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December 12, 2024

To the Honorable Chairman and Members of the Fauquier County Board of Supervisors, Chairman and Members of the Fauquier County School Board, and Citizens of Fauquier County, Virginia:

We are pleased to present the Annual Comprehensive Financial Report (ACFR) for Fauquier County (the County) for the fiscal year ending June 30, 2024. The *Code of Virginia* mandates that all general-purpose local governments publish a complete set of audited financial statements within six months of the close of each fiscal year, adhering to generally accepted accounting principles in the United States (GAAP) established by the Governmental Accounting Standards Board (GASB).

This report reflects management's representations regarding the County's finances. Consequently, responsibility for the accuracy of the data, as well as the completeness and reliability of the information presented, rests with management. To support these representations, County Administration has established a comprehensive internal control framework designed to protect the County's assets from loss, theft, or misuse, while ensuring the compilation of reliable information for the preparation of financial statements in accordance with GAAP. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of controls should not exceed the benefits derived. To the best of our knowledge and belief, this financial report is complete and accurate in all material respects.

The County's financial statements have been audited by Robinson, Farmer, Cox Associates, a firm of licensed certified public accountants, as required by the *Code of Virginia*. The audit was conducted in accordance with generally accepted auditing standards and the Independent Auditors' Report is included as the first component in the Financial Section of this report. The goal of the independent audit was to provide reasonable assurance that the financial statements for the fiscal year ending June 30, 2024, are free of material misstatement. This process involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall presentation of financial statements. The independent auditors concluded that there was a reasonable basis for rendering an unmodified opinion that the County's financial statements are fairly presented in conformity with GAAP.

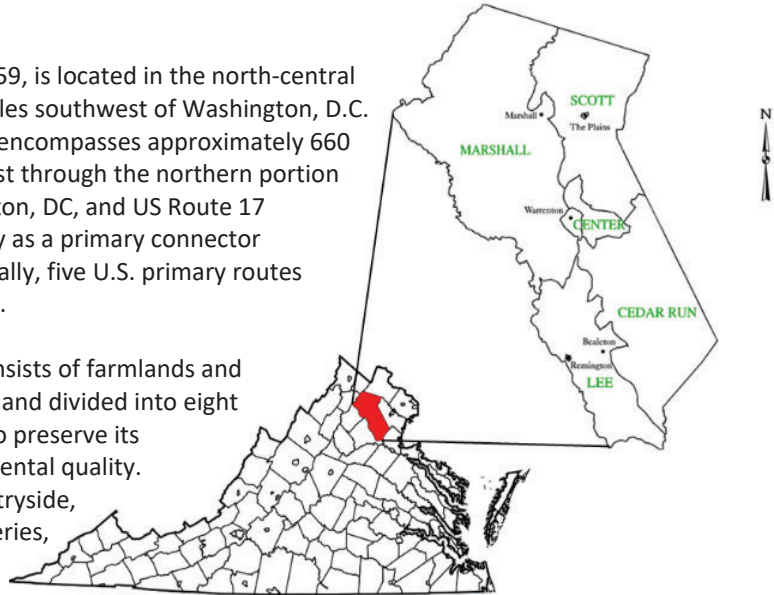
Additionally, the independent audit of the County's financial statements was part of a broader federally mandated "Single Audit," designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements but also on the County's internal controls and compliance with legal requirements, with particular emphasis on internal controls and legal requirements related to the administration of federal awards. The reports are included in the Compliance Section of this document.

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). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The County's MD&A is included in the Financial Section of this report, immediately following the Independent Auditors' Report.

Profile of Fauquier County, Virginia

Fauquier County (the County), incorporated in 1759, is located in the north-central Piedmont region of Virginia, approximately 40 miles southwest of Washington, D.C. or 95 miles northwest of Richmond, Virginia, and encompasses approximately 660 square miles. Interstate Highway 66 runs east-west through the northern portion of the County as a primary connector to Washington, DC, and US Route 17 runs north-south through the whole of the County as a primary connector between Interstate Highways 81 and 95. Additionally, five U.S. primary routes and two State primary routes traverse the County.

More than half of Fauquier County's land area consists of farmlands and woodlands, primarily reflecting its rural character and divided into eight distinct service districts. The County's mission is to preserve its physical beauty, historical heritage, and environmental quality. Fauquier County is renowned for its pristine countryside, international equestrian industry, wineries, breweries, and charming small-town tourist destinations.



As of July 1, 2023, the population of Fauquier County is estimated at 73,731, with an average annual growth rate of about 1.0% over the last 10 years with a slight decrease in the annual growth rate from 2023 and 2024.

The County seat is in the Town of Warrenton in central Fauquier County. In addition to Warrenton, Fauquier County includes the incorporated towns of Remington and The Plains. The County provides certain governmental services, such as public education, law enforcement, and fire and rescue services under a combined volunteer and career system, to the town residents pursuant to general provisions of the *Code of Virginia*. Properties in these towns are subject to both town and county taxation.

Government

Fauquier County operates under the County Board form of government, as defined under Virginia law. The governing body of the County is the Board of Supervisors, which establishes policies for the administration of the County. The Board of Supervisors consists of five members representing the five magisterial districts in the County: Cedar Run, Center, Lee, Marshall, and Scott, elected concurrently. The Chairman of the Board of Supervisors is elected from within the Board of Supervisors and serves generally for a term of one year in addition to being a District Supervisor. The Board of Supervisors appoints a County Administrator to serve as the administrative manager of the County. The County Administrator serves at the pleasure of the Board of Supervisors, carries out policies established by the Board of Supervisors, and directs the business and administrative operations of the County government. Similarly, the Board of Supervisors appoints a County Attorney to serve as general counsel to the Board of Supervisors, County departments and agencies enforce the County Code.

In addition to the elected Board of Supervisors, County residents elect five constitutional officers based on the Code of Virginia. These offices include the Sheriff, the Commonwealth's Attorney or prosecutor, the Clerk of the Circuit Court, the Treasurer and the Commissioner of the Revenue.

The County provides a full range of services to its residents including education, public safety, court services, solid waste disposal sites, community and economic development, parks and recreational activities, public libraries, social services, and general administration. All resources required to support these services are reflected in this report.

School Board

Fauquier County is financially accountable for a legally separate school district, which is reported separately within the financial statements as a component unit. Fauquier County Public Schools (FCPS) is the single largest service funded by the County taxpayers. The current School Board Adopted Strategic Plan (Aspirations 2.2) was originally established in 2010 and is reviewed each year as part of the annual budget process. All services and support for public education in Fauquier County are centered around three main areas of focus: Safety, Engagement, and Learning. These three areas of focus guide every story across the division because FCPS believes in its students and is committed to cultivating safe, engaging, and inclusive learning environments where all students can thrive.

The elected School Board is composed of five members who represent the five magisterial districts. The School Board members serve a term of four years, with the Chairman and Vice Chairman of the Board appointed annually by the members. In Virginia, the School Board oversees the operations of the public-school division but they hold no taxing authority, which resides with the County Board of Supervisors. Annually, the School Division presents a budget request for local tax support for its operations to the Board of Supervisors for consideration. Once the Board of Supervisors approves the School Division's annual funding appropriation, the School Division manages those appropriations.

The School Board appoints a Superintendent to administer the policies of the School Board. The school system is comprised of three high schools, four middle schools, eleven elementary schools, and one alternative school. In addition, FCPS participates with five other school divisions in the Mountain Vista Regional Governor's School, which was established in fiscal year 2007.

Budget

Virginia law requires the County to maintain a balanced budget in each fiscal year. The annual budget serves as the foundation for the County's financial planning and control. Prior to April 1st, public hearings are conducted to obtain citizen comments on the budget and annual tax rates. The budget and tax rates are legally enacted through passage of an Appropriations Resolution. The Appropriations Resolution places legal restrictions on expenditures at the fund level and sets budgetary limits for all departments. All budgets are adopted on a basis consistent with GAAP.

The *Code of Virginia* requires the appointed Superintendent of FCPS to submit a budget to the County Board of Supervisors with approval of the School Board. The County Board of Supervisors reviews the School Board's budget and determines the level of funding for the Schools, as part of the annual budget and tax rate setting process. If the level of funding determined by the County Board of Supervisors is different than requested, the School Board develops and adopts a revised budget. The approved budget is the basis for operating FCPS in the next fiscal year.

Factors Affecting Financial Condition

The information presented in the financial statements is best understood when it is considered from the broader perspective of the specific environment within which Fauquier County operates.

Fauquier County's Board of Supervisors has defined in the County's mission statement that the Board seeks, within the bounds of fiscal integrity, to preserve the physical beauty, historical heritage, and environmental quality of the County. Preserving the rural nature of the County has resulted in slower population growth and is reflective of the County's stabilizing focus on long-term planning through land use policies that have been in place since the 1960's.

The County manages growth by directing residential, commercial, and industrial development into eight service districts to preserve the rural agricultural nature of the County. The County's commitment to maintaining its rural character is captured in the Comprehensive Plan where the "industrial and commercial zoned" acreage amounts to slightly more than 1.0% of total county acreage. Given this land allocation for commercial and industrial uses, the ability of the Fauquier business community to provide over 20% of County revenue speaks well for the economic efficiency of this community.

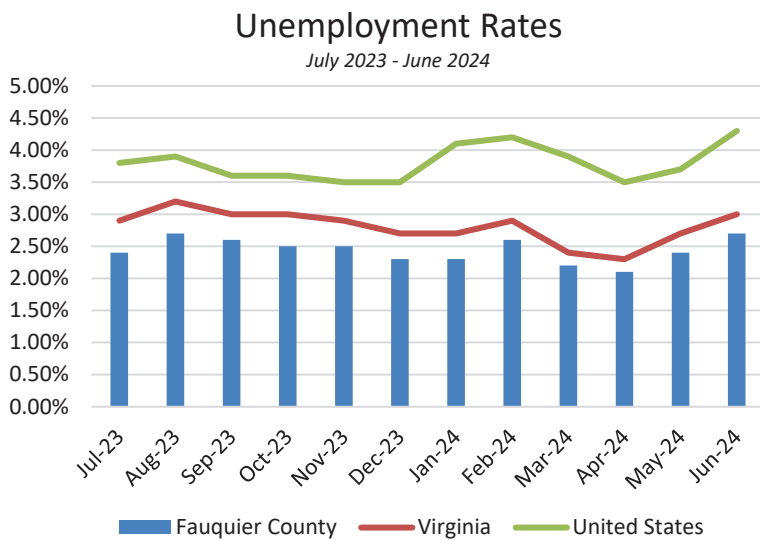
Factors Affecting Financial Condition (Continued)

The Board of Supervisors continues to promote preservation of the County’s rural heritage and associated rural lands. As a result, 121,119 acres or over 29% of the County’s land area is currently in some form of conservation easement or land protection program. Some of the management tools and incentives for the preservation of agricultural opportunities, and historic and environmental resources can be seen in the County’s zoning and subdivision regulations, land use taxation, permanent conservation easements, Purchase of Development Rights Program, and Agricultural and Forestal Districts. In addition to the Board holding permanent conservation easements on approximately 57,500 acres, they continue to support the work of conservation organizations, including the Virginia Outdoors Foundation, the Nature Conservancy, the Land Trust of Virginia and the Piedmont Environmental Council, in establishing and holding conservation easements and extinguishing residential development potential. The Board of Supervisors also continues to support the Purchase of Development Rights program through both County and grant funding as a voluntary farmland preservation tool. The County’s agricultural community includes dairy and beef cattle, crop and horse farms, as well as vineyards, wineries, orchards, and other horticultural uses.

Employment in Fauquier County has remained strong, with the unemployment rate in fiscal year 2024 averaging 2.7%. Unemployment in Fauquier County versus the surrounding areas has been very similar during the fiscal year.

Many localities across Virginia and the United States have experienced economic effects since COVID-19 with reductions in their more vulnerable revenues, however Fauquier County has not experienced as significant of an impact to revenue sources. Sales tax collections at the end of fiscal year 2024 trended positively with a 5.6% increase over collections in fiscal year 2023, with residents and visitors supporting not only traditional retailers but also our small local retailers that have seen opportunities for growth and expansion over the last several years. In fiscal year 2024, taxable sales in the county totaled \$1.05 billion, a 1.6% decrease compared to the prior fiscal year but remaining about \$1 billion.

In addition, real estate tax collections were relatively stable in fiscal year 2024 and collection rates have been in line with previous years’ collections. Real estate sales have slowed slightly due to higher mortgage interest rates and record high median sales prices in fiscal year 2024. New home construction permits in fiscal year 2024 increased 15.8% over the prior fiscal year.

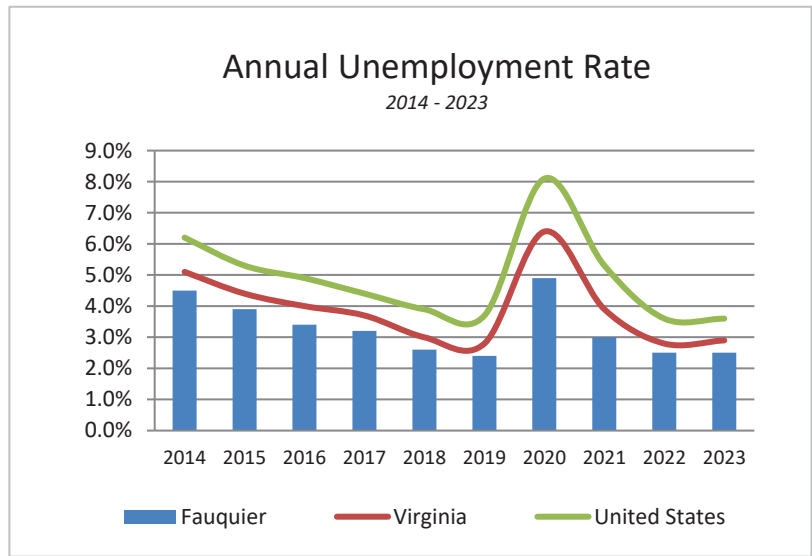


Unemployment rates across the United States continue to recover from the COVID-19 pandemic. Currently, Fauquier unemployment levels are below pre-pandemic levels. When compared to the Commonwealth of Virginia and the United States, the County’s unemployment rate is lower and has had only minor fluctuations throughout fiscal year 2024. The County looks to continue efforts and opportunities to maintain low unemployment trends and attract trained and qualified workforce for businesses.

Source: Virginia Employment Commission, Local Area Unemployment Statistics and Labor Force Statistics (not seasonally adjusted)

Factors Affecting Financial Condition (Continued)

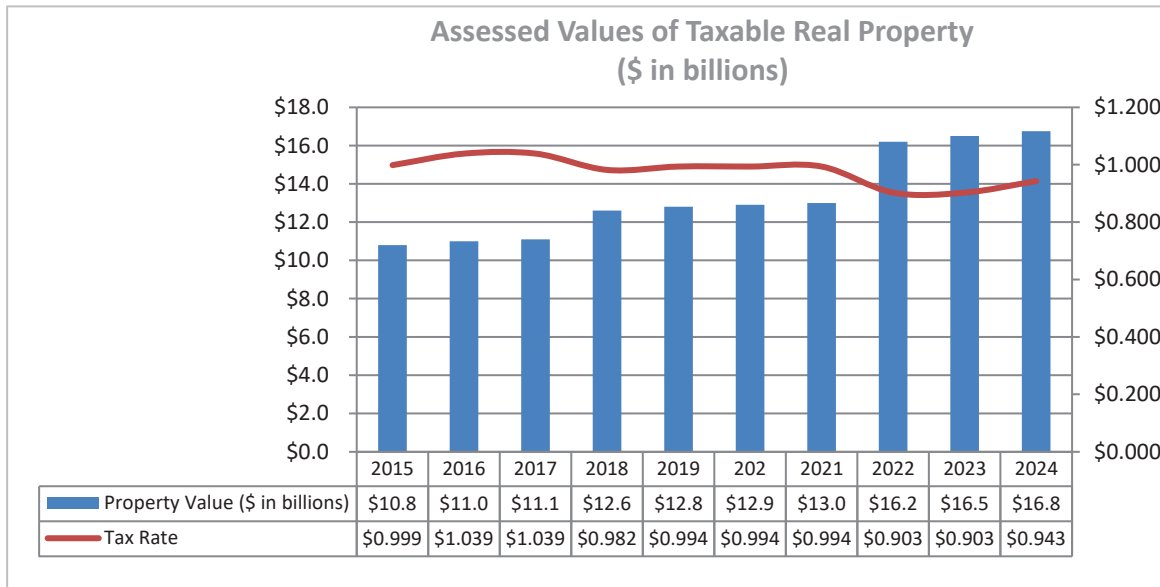
Unemployment rates from 2014 to 2019 had been steadily declining, with unemployment increasing significantly in 2020 due to shutdowns during the COVID-19 pandemic. Since 2020, the County’s unemployment rate has steadily recovered and now stabilized at pre-pandemic levels. The County’s proximity to the federal government, its affiliated contractor industries, growth of existing and new businesses, as well as partnerships with the State and local community college for workforce development has benefited the County and continues to provide employment opportunities to residents of Fauquier County. Based on current American Community Survey date, the County has a labor force participation rate of 82.7% for adults between the age of 20 and 64.



Source: U.S. Bureau of Labor Statistics (not seasonally adjusted)

The County’s real estate valuation is reassessed on a quadrennial basis. The most recent reassessment occurred in 2021 and became effective January 1, 2022. An overall increase of 23.76% resulted in assessed values from previous levels that year. The next general real property assessment process, to be completed by in-house assessors, will begin in 2025 with an effective date of January 1, 2026. The Commissioner of Revenue has completed hiring his staff and has begun the reassessment process as of July 2024.

The graph below shows varying property values and corresponding tax rates for the last ten years.



Source: Fauquier County Commissioner of Revenue

Factors Affecting Financial Condition (Continued)

The real property tax rate increased by \$.04 per \$100. The increase was mostly due to the increased needs for full-time staffing for Fire and Rescue Services. The need for more full-time Fire and Rescue staff is due to the decline of volunteers. The County utilized natural growth and proportional levels of development in assessments to meet increasing costs of services. The County has obtained a AAA Credit Rating which will benefit the taxpayers by saving money for upcoming capital projects for the County and the School Division and advancing compensation for market competitiveness. The collection rate for property tax levies within the fiscal year of the levy for tax year 2023 was 98.7%, compared to 98.54% in tax year 2022.

The local real estate housing market exhibited steady improvement over the last ten years with current assessed values trending upward for real property. The personal property values have begun to normalize from the higher values since 2022. Annual fluctuations occurred between reassessments for new construction and improvements. Additions and improvements increased residential values by 1.2% from the prior year. Commercial values increased by 0.91% and agricultural values increased by 1.48% over the previous year. Public service values increased by 1.04% in comparison to the prior year. However, public service valuation assessments are set by the State Corporation Commission and are not governed under the authority of the local jurisdiction.

The County's General Fund ended fiscal year 2024 with \$18.7 million in revenue over the amended budget. This is due to better than anticipated collection on personal property taxes (+\$8.7 million), business license taxes (+1.5 million), and better than anticipated revenue from use of money and property (+4.3 million). In addition, the General Fund achieved \$11.8 million in expenditure budget savings. This is due to the County's efforts to remain fiscally prudent, focusing spending on essential items, reviewing requests to hire for positions, and preparing for potential economic uncertainty due to supply chain interruptions and market changes related to inflation.

Economic and Community Development

The Department of Economic Development develops and implements programs designed to assist with the expansion of a balanced and prosperous economic base for Fauquier County. Core duties include business retention and expansion activities with our existing business base, recruitment of new businesses compatible with the Comprehensive Plan and workforce initiatives to provide the citizens of Fauquier County with employment and training opportunities to further their careers. Economic Development is the lead tourism development group in the County and works to market and promote tourism businesses and increase sales and meals taxes for the County and Towns. The Department also works to promote our core tourism sectors to increase jobs, wages, and the tax base.

The majority of businesses in Fauquier County are small, with 90% having fewer than 20 employees. The County's economic development program seeks to attract small to mid-sized companies to locate into eight service districts within the County, which include approved tourism, technology, green development and Defense Production Zones. In fiscal year 2024, there were 105 new startup firms in the County. The County has also entertained a limited number of larger prospects for which the economic potential and benefits for both the county and the prospective partner are beneficial. Targeted industries for the County include Information Technology, Cybertechnology, Advanced Manufacturing, Defense and Government Contractors, and Agribusiness and Food Production.

Additional highlights of economic development benefits during 2024 include the following:

- The Department of Economic Development continues to market Fauquier County to four target industries: Food and Beverage Production, IT/Cyber, Government/Defense Contracting and Advanced Manufacturing.
- The Department of Economic Development continues to identify ways to nurture entrepreneurship and small business development through close collaboration with the Small Business Development Center, which provides access to sources of business assistance, training and educational opportunities, and essential resources for business sustainability.

Economic and Community Development (Continued)

- The development of workforce training programs in cooperation with Laurel Ridge Community College expands job opportunities for residents of Fauquier County, assisting them with career advancement and supporting existing and new businesses with training for their workers. A partnership with Laurel Ridge Foundation and Community College facilitated the donation of land for the newly opened Fauquier County Skilled Trades Center, which has recently added welding, and fiber optic installer programs to its robust offerings.
- The Department of Economic Development continues its partnership with Virginia Economic Development Partnership (VEDP) to identify new prospects for locating in Fauquier County, aiming to maximize and increase the business tax base. VEDP has played a key role in attracting several business prospects, and interest continues to grow.
- The department continues to offer financing options for existing and new businesses through Technology, Tourism, and Façade Improvement grant programs, as well as the microloan program, which provides low-interest business loans to small businesses, with all existing loans performing at or beyond expectations. This program was established with funding support from the Economic Development Authority and five local banks for the purpose of available loans to local businesses. The programs continue to strengthen through partnership with the Town of Warrenton by increasing the amount of available funds used to attract and retain businesses in the Town.
- Economic Development is working closely with the Agricultural Development office to develop an abattoir at the Fauquier Livestock Exchange.
- The department continues to collaborate with the new Related Services Group, which includes Economic Development, Agricultural Development, GIS and Community Development.
- The department is working with GO VA Regional 9 on the Food Accelerator Grant to provide resources for Food and Beverage producers and is also collaborating on the Wine Cluster UP Implementation grant to enhance research and resources for wineries.
- The department continues to identify ways to support Economic Development within the Towns and Villages.
- In the Marshall Service District, the opening of the Whiting Road Rail Crossing is expected to be completed in the fall of 2024. With the recent completion of the water/sewer extensions, these projects will improve connectivity and infrastructure for commercial and industrial properties through the Route 17/Interstate 66 Business Park.
- The 17/66 Business Park continues to develop with plans for a new contractor's storage yard and an new industrial business.
- The department has received interest from site development companies looking to relocate from neighboring localities to the Marshall Service District, spurred by the release of available water taps by the Fauquier County Water and Sanitation Authority.
- A new business, Barrier Cable Systems, has finalized construction of industrial property in Midland with a capital investment of over \$2.5 million, creating jobs for 45 individuals.
- The Puller Veterans Care Center, a 128-bed facility located at Vint Hill, is designed to serve Virginia's Veterans. Due to construction delays, it will open in early 2025 and is expected to create approximately 220 jobs, which will spur the location of other medical-related services and offices at Vint Hill. This also presents opportunities for local businesses to contract with the State for goods, services, and other related services.
- The site plan for the Cyrus One Data Center is currently under review.
- Silver Branch Brewing has successfully relocated from Maryland to purchase the old Wort Hog building in Warrenton and has been operating for a year, achieving strong performance.

Economic and Community Development (Continued)

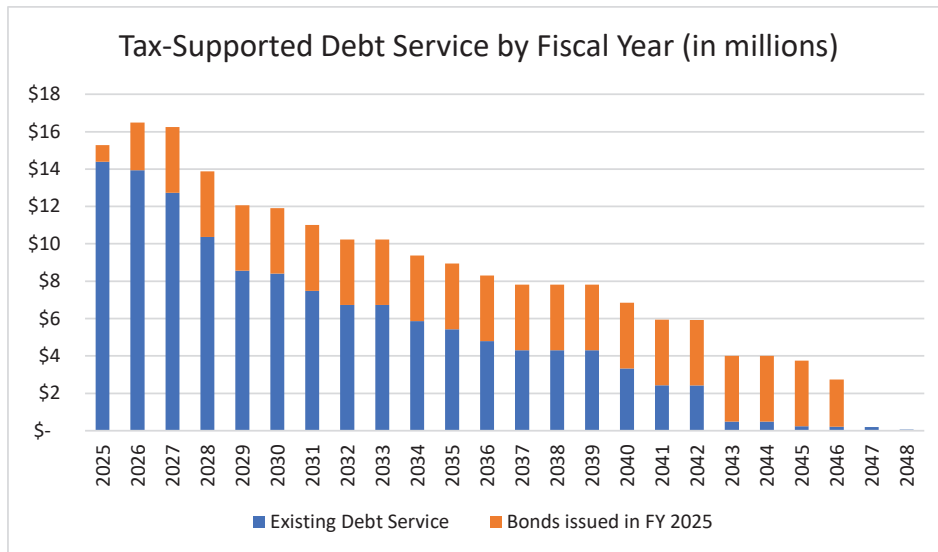
The Department of Community Development strives to develop the community in line with the priorities as established by the Strategic Plan with focus on preserving the County's natural resources, agricultural and rural character, and maintaining the County's transportation plan with a full understanding of current and projected transportation needs.

Highlights of community development accomplishments during fiscal year 2024 include the following:

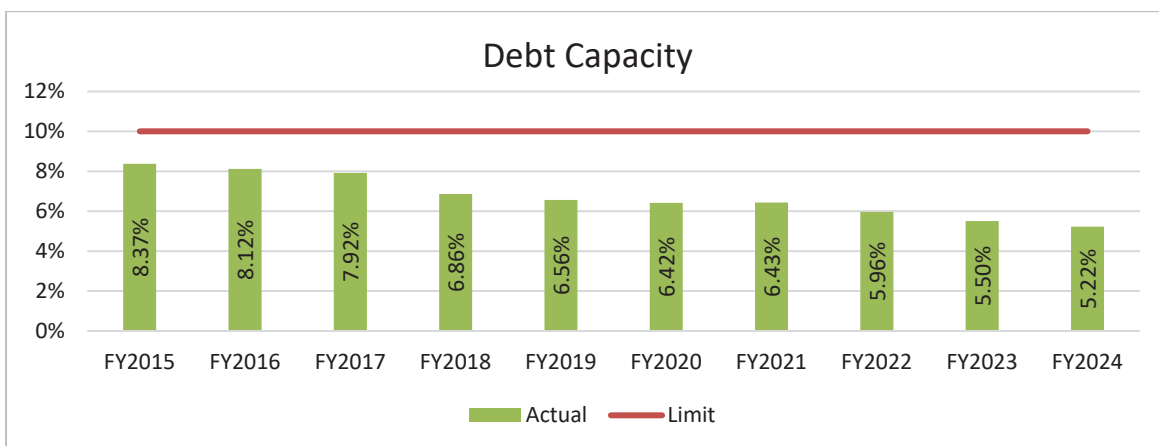
- In collaboration with the Agricultural and Forestal Advisory Committee, the Planning Commission and the Board of Supervisors, the Department of Community Development effectively evaluated and promoted Agricultural and Forestal Districts, as established by Virginia State Code for the conservation and protection of valuable agricultural and forestry lands.
- The County's Six-Year Plan for the construction of secondary roads (SSYP) was developed and maintained.
- The Virginia Department of Transportation (VDOT) completed the revenue share project for the extension of Salem Avenue in Marshall.
- Smart Scale projects for two intersections in the southern part of the County were prepared for submission to the Virginia Department of Transportation (VDOT). Smart Scale is Virginia's data driven prioritization process that funds transportation projects generating the greatest benefits for taxpayers.
- The County partnered with the Rappahannock Rapidan Regional Commission and surrounding jurisdictions to exchange ideas on emerging topics, including housing, transportation, solar energy, data centers, short term rental, and marijuana laws.
- In 2014, the Virginia Department of Environmental Quality (DEQ) issued Fauquier County a Municipal Separate Storm Sewer Systems (MS4) Permit, which regulates stormwater management on, or passing through, County-managed land within urbanized areas. The Department of Community Development oversees the County's MS-4 program, which include required annual reporting and testing, involving direct coordination with Fauquier County Schools, General Services, Parks and Recreation, and the Town of Warrenton, nearing the end of its second five-year cycle.
- The Federal Emergency Management Agency (FEMA) reassessed flood risk in Fauquier County, leading to updates to the Floodplain Ordinance and Flood Insurance Maps, effective April 25, 2024. Fauquier County regulates floodplains to enhance public safety, ensure development occurs without increasing off-site flooding, minimize negative environmental impacts on wetlands and buffer areas, comply with federal requirements, and enable county property owners to insure themselves against flood losses. The County also developed a hub site to assist landowners in understanding these impacts.
- An Ordinance to amend Chapter 11 of the Fauquier County Code and Chapter 2 of the Fauquier County Design Standards Manual was adopted by the Fauquier County Board of Supervisors on June 13, 2024, as required by the Commonwealth of Virginia's State Water Control Board.
- The Fauquier County Board of Supervisors updated the Zoning Ordinance concerning short term rentals, Planned Commercial Industrial Overlay Districts, collection of delinquent taxes and other liens prior to issuance of final approval of certain land use permits, and requirement of a special use permit for electrical substation distribution centers in Industrial Districts.
- The Board of Supervisors adopted a Data Center Development Policy on December 14, 2023.

Tax-Supported Debt

The County’s debt portfolio shows a continually improving debt picture with ample capacity to move forward with the adopted Capital Improvement Plan. Additionally, the County’s debt portfolio exhibits rapid amortization, with required debt service on current tax-supported debt and commitments dropping from \$14.4 million for FY 2025 to \$5.9 million in the next ten years (excluding Bonds issued in FY 2025). In September of 2024 (i.e. FY 2025) the County issued \$45.1 million of Public Facility Revenue Bonds in support of the Adopted Capital Improvement Program. Even after the issuance of the Public Facility Revenue Bonds, the County’s debt service decreases over the next five years.



While not statutorily imposed, the County adheres to a series of self-imposed debt policies. One of which is debt service versus revenues. The County’s debt service versus revenues policy limits tax-supported debt service payments to no more than 10% of the aggregate total of budgeted revenue in the General Fund, Fire and Rescue Levy Fund, and the Conservation Easement Service District Levy Fund. The County has maintained ample room in its self-imposed debt service versus revenues policy, which in FY 2024 was at 5.17%, down from the ten-year high of 8.37% in FY 2015. (See Table 12 of the Statistical Section of this report for further details). The peak years of the debt ratio (FY 2013 and FY 2014) saw increases which, while impacted by debt issuances, were also heavily influenced by lowered revenue due to the economic climate at the time.



Credit Rating

In August 2024, the County achieved the highest possible ratings from Fitch, Standard and Poor’s, and Moody’s. This is a first for the County and is testament to the strong financial standing and practices of the County.

Long-Term Financial Planning

County policies balance the need for public facilities, as expressed by the countywide land use plan, with the fiscal capabilities of the County to provide for those needs. The five-year Capital Improvement Program (CIP) submitted annually to the Board of Supervisors is the vehicle through which need for public facilities is analyzed against the County's ability to pay.

The CIP is a planning document intended to provide an analysis of potential long-range funding needs for the acquisition, construction or total replacement of physical facilities and other physical infrastructures. The fiscal year 2024-2028 capital budget totals approximately \$107.3 million, with \$155.6 million designated for future years. The projects within the plan years include:

- \$15.2 million for public safety projects including fire and rescue
- \$8.3 million for county-wide projects
- \$28.4 million for library projects
- \$39.3 million for school system projects
- \$6.0 million for parks and recreation projects
- \$7.6 million for utility projects including water system improvements
- \$2.5 million for other projects including environmental services and airport

The adopted CIP includes \$20.7 million in cash funding (19.4% of the total plan) reflecting the County's approach to a balanced capital financing plan. The current CIP defers expenditures where possible and recommends funding consistent with the Board of Supervisors' financial policies.

The Board of Supervisors and the Planning Commission of Fauquier County have in place a 20-year Comprehensive Plan to ensure adequate planning as the County continues to grow. The plan acknowledges the importance of balancing agriculture and conservation uses with planned residential, commercial and industrial growth.

Currently, the Department of Community Development has been focused on current planning versus long range planning. With the increase interest in data centers and utility scale solar uses over the past two years, the County will need to consider updating the Comprehensive Plan focusing on the Service Districts seeing the most pressure for these types of uses.

Relevant Financial Policies

The Board of Supervisors has adopted and maintains a Fund Balance Management policy for the County's General Fund, which sets the minimum level of unassigned fund balance required for the General Fund at not less than twelve percent (12%) of the following year's budgeted General Fund revenues, providing for enhanced financial planning and stability. Effective July 1, 2023, the Board of Supervisors adopted changes to the Fund Balance Management policy to include a Budget Stabilization Reserve which will be maintained at 3% of the total General Fund adopted budgeted revenue. In fiscal year 2024, using fiscal year 2023 carryover, \$6.4 million was set aside to fully fund the 3% Budget Stabilization Reserve.

Due to the potential effects on the County's credit rating, debt availability, tax rates, and the annual operating budget, the Board of Supervisors has established and maintains a Debt Management policy which sets self-imposed debt limitations and encourages public participation in the decision-making process relating to major construction projects. The policy stipulates that annual debt service payments may not exceed 10% of budgeted revenues, that total debt not exceed 3% of assessed value in the County, and that the County's total fixed-cost burden not exceed 25% of budgeted revenues. In addition, the Board of Supervisors adopted changes to the Debt Management policy effective April 11, 2024, which include the following measures:

- Removing a self-imposed referendum requirement on debt-issued projects exceeding \$36.0 million per issuance.

Relevant Financial Policies (Continued)

Investments of available funds are made according to a formal Investment Policy that seeks to safeguard principal, meet liquidity objectives, and seek fair value rates of return within the parameters of the *Code of Virginia*. Funds held for capital projects are invested in accordance with these objectives in addition to ensuring compliance with U.S. Treasury arbitrage regulations.

The County recognizes the need to monitor revenue estimates to identify any shortfalls and potential trends that would significantly affect the various revenue sources in the current budget. Revenue reports are provided throughout the fiscal year to the County Finance Committee to ensure a careful review of all revenue sources and to provide revenue estimates for budget development.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Fauquier County for its Annual Comprehensive Financial Report for the fiscal year ending June 30, 2023. This was the twenty-sixth consecutive year that the government has achieved 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. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one (1) year only. We believe our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement program requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

The GFOA has also awarded its Distinguished Budget Presentation Award to Fauquier County for fiscal year 2024. Fauquier County has received this award for twenty-six consecutive years.

Acknowledgements

This report was prepared by the professional staff of the Finance Department. Their hard work, dedication, and continuing efforts to improve the quality of this report directly benefit all who read and use it. We also acknowledge the cooperation and assistance of the staff of the School Board, County Treasurer, Commissioner of the Revenue, Office of Management and Budget, Department of Community Development, the Department of Economic Development, and the many other County departments and agencies that contributed to the preparation of this report.

The Annual Comprehensive Financial Report reflects the commitment of the Board of Supervisors and County administration to the citizens of Fauquier County and the financial community to provide information in conformance with the highest standards of financial accountability.

Respectfully submitted,



Janelle Downes
County Administrator



Belinda Deal
Financial Services Manager





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**County of Fauquier
Virginia**

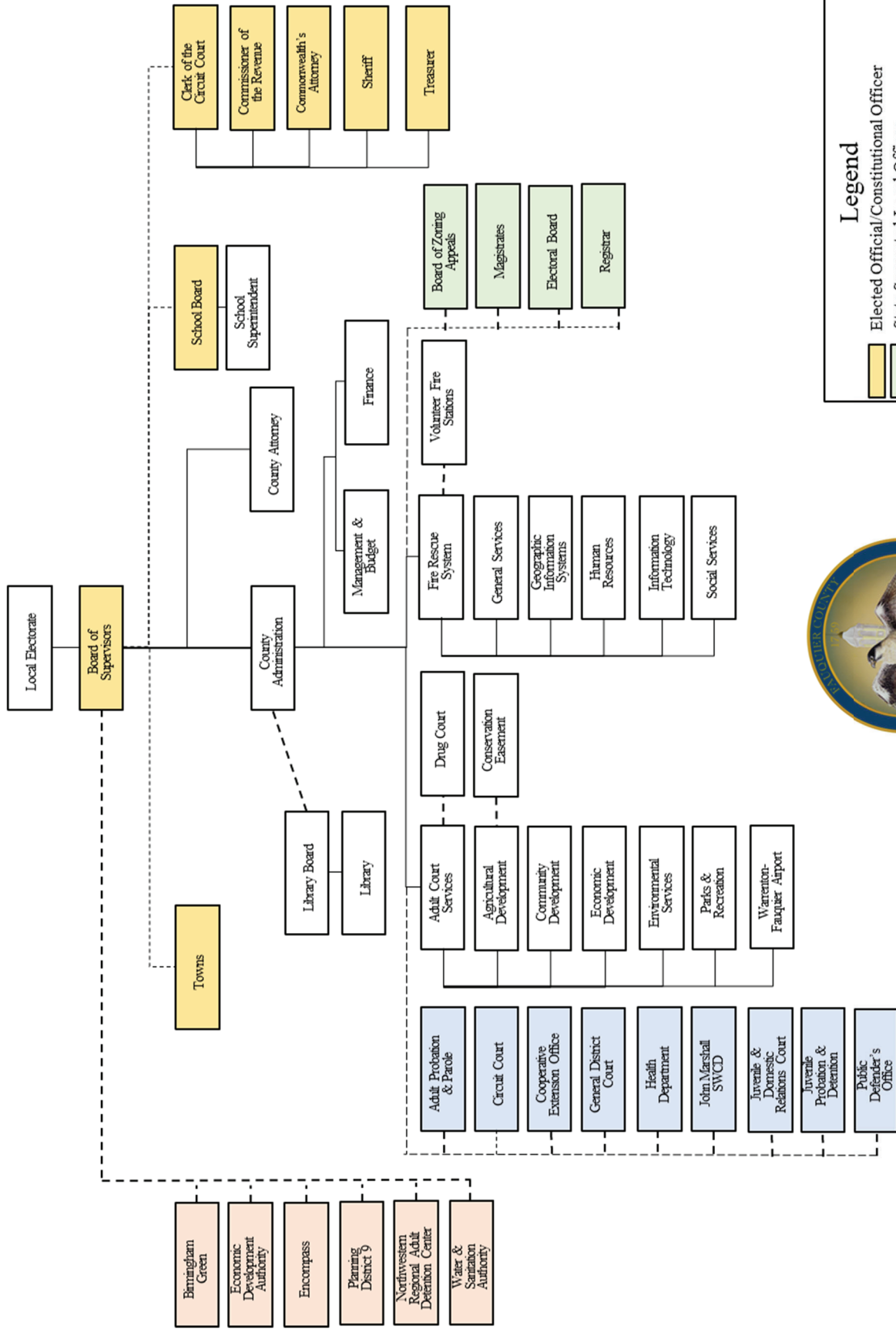
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morrill

Executive Director/CEO

County Organizational Chart



Legend

- Elected Official/Constitutional Officer
- State Supported Local Offices
- State Offices
- Regional/Political Subdivisions with BOS appointees or County ownership
- Liaison/Coordinates with department

**COUNTY OF FAUQUIER, VIRGINIA
PRINCIPAL OFFICIALS**

BOARD OF SUPERVISORS

Richard R. Gerhardt, Chairman
Kevin T. Carter, Vice Chairman
Edwin W. Broaddus
Daron L. Culbertson
A. Regan Washer

COUNTY ADMINISTRATION

Janelle Downes, County Administrator
Mallory Stribling, Deputy County Administrator

COUNTY SCHOOL BOARD

Susan Pauling, Chairman
Clay Campbell, Vice Chairman
Dr. Danielle Dean
Donna Grove
Steve Lewis

SCHOOL ADMINISTRATION

Dr. Major Warner, Ed.D., Superintendent
Meaghan Brill, Deputy Superintendent
Prashant Shrestha, Assistant Superintendent for Business and Planning
Nicholas Napolitano, Executive Director of Student Services and Special Education
David E. Graham, Jr., Assistant Superintendent of Administration

CONSTITUTIONAL OFFICERS

Clerk of the Circuit Court Gail H. Barb
Commissioner of the Revenue Eric J. Maybach
Sheriff Jeremy A. Falls
Treasurer Tanya Remson Wilcox
Commonwealth's Attorney Scott C. Hook

This Report Prepared By:

The Department of Finance
Accounting Division
320 Hospital Drive, Suite 32
Warrenton, VA. 20186
540-422-8332

Financial Services Manager – Belinda Deal
Katerina Emery • Abigail Heaney • Karen Newberry • Lorrie Newland • Melissa Pitts • Aubrey Terrant





Independent Auditors' Report

**To the Honorable Members of the Board of Supervisors
County of Fauquier, Virginia
Warrenton, 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 discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Fauquier, Virginia, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Fauquier, Virginia, as of and for the year ended June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and Fire and Rescue Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of County of Fauquier, Virginia, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

As described in Note 1 to the financial statements, in 2024, the County adopted new accounting guidance, GASB Statement No. 100, Accounting Changes and Error Corrections. Our opinions is not modified with respect to this matter.

Restatement of Beginning Balances

As described in Note 1 to the financial statements, in 2024, the County restated beginning balances to correct prior year grant accruals and to consolidate the School Grant Fund and the School General Fund. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of County of Fauquier, Virginia's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about County of Fauquier, Virginia's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise County of Fauquier, Virginia's basic financial statements. The accompanying combining and individual fund financial statements and schedules and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 29, 2024 on our consideration of County of Fauquier, Virginia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of County of Fauquier, Virginia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County of Fauquier, Virginia's internal control over financial reporting and compliance.

Robinson, Farmer, Cox Associates
Fredericksburg, Virginia
November 29, 2024



MANAGEMENT'S DISCUSSION AND ANALYSIS

The management of the County of Fauquier, Virginia presents the following discussion and analysis as an overview of the County of Fauquier's financial activities for the fiscal year ending June 30, 2024. We encourage readers to read this discussion and analysis in conjunction with the Letter of Transmittal in the Introductory Section of this report and the County's financial statements, which follow this discussion and analysis.

All amounts are expressed in millions and percentages are calculated based on the rounded numbers in millions.

FISCAL YEAR 2024 FINANCIAL HIGHLIGHTS

The reporting entity, which includes the School Board component unit, had positive net position of \$264.0 million at June 30, 2024, which represents an increase of 18.9% or \$41.9 million from net position at June 30, 2023 of \$222.1 million.

- The total cost of the County's programs for governmental activities, was \$231.7 million, an increase of \$1.4 million, or 0.6% from the prior year's cost of \$230.3 million. Total revenues for governmental activities increased \$3.0 million or 1.0% to \$273.3 million from the prior year.
- Net position of the County's governmental activities increased by \$33.1 million from the prior year, as compared to an increase of \$32.2 million in fiscal year 2023.
- At June 30, 2024, the primary government had \$142.3 million of long-term debt outstanding. This includes \$43.1 million of general obligation bonds and \$24.4 million of financing agreements, for governmental activities; \$16.5 million in revenue bonds and \$8.2 in financing agreements, for business-type activities. In addition, the primary government had lease and subscription liabilities of \$1.9 million and \$0.6 million in deferred charges on refunding.
- The County's business-type activities (the Airport, Landfill, and Sewer) had a combined positive net position of \$2.4 million, a decrease of \$0.8 million from the prior year. This is due mainly to the decreased revenues for the Catlett Calverton Sewer Fund in fiscal year 2024.
- The School Board component unit had positive net position of \$57.2 million at June 30, 2024, an increase of \$9.0 million, or 18.7% from the prior year. Revenues, including the County contribution, totaled \$184.3 million, an increase of \$3.9 million from the prior year, and expenses totaled \$175.3 million, an increase of \$0.3 million from prior year's expenses. The increase in expenses was due to increased spending of operating grants and contributions from the Commonwealth of Virginia and Federal sources.
- The Economic Development Authority (EDA) component unit had positive net position of \$0.6 million at June 30, 2024, an increase of \$0.4 million from the prior year. Revenues totaled \$0.5 million, an increase of \$0.5 million from the prior year, and expenses totaled \$0.03 million, an increase of \$0.01 million from the prior year.
- As of June 30, 2024, County governmental funds reported combined fund balances of \$129.6 million, an increase of \$11.3 million from the prior year. The County's General Fund had a total fund balance of \$71.5 million at June 30, 2024. Of the General Fund balance, \$43.5 million, or 61.0% was unassigned fund balance, \$12.2 million, or 17.0% was committed fund balance, and the remaining was restricted, assigned, and non-spendable fund balance. Refer to Note 14 for details regarding the various components of fund balance.
- General Fund revenues were \$18.7 million over the amended budget. Expenditures savings of \$11.8 million were the result of less than budgeted spending by various County Departments.

OVERVIEW OF THE FINANCIAL STATEMENTS

This Annual Comprehensive Financial Report (ACFR) consists of four sections: introductory, financial, statistical, and compliance.

- The Introductory Section includes the letter of transmittal, a copy of the fiscal year 2023 Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association, the County's organizational chart, and a list of principal officials.
- The Financial Section includes the Independent Auditors' Report, management's discussion and analysis (this section), the basic financial statements, required supplemental information, and the combining, and individual, fund statements and schedules.
- The Statistical Section includes selected financial and demographic data related to the County, generally presented on a multi-year basis.
- The Compliance Section is required under the provisions of the Single Audit Act of 1984 and the U.S. Office of Management and Budget guidance in Title 2 of the Code of Federal Regulations, Part 200 of the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, Subpart F and includes the auditors' reports on compliance and internal controls.

Financial Section Overview

This Management's Discussion and Analysis, which is preceded by the Independent Auditors' Report, is intended to serve as an introduction to the Financial Section of the Annual Comprehensive Financial Report. It is followed by three additional parts – the basic financial statements, required supplementary information, and the combining, and individual, fund statements and schedules.

The Independent Auditors' Report reflects the results of the external audit. The auditor expresses an opinion on whether the financial statements have been presented in conformity with Generally Accepted Accounting Principles (GAAP).

The basic financial statements are comprised of three components: (1) government-wide financial statements; (2) fund financial statements; and (3) notes to the financial statements. The government-wide financial statements and the fund financial statements present different views of the County. These two types of statements are discussed in more detail in the following sections.

The required supplementary information includes:

- this discussion and analysis
- the Schedule of Funding Progress and Employer Contributions – Fauquier County Other Postemployment Benefits Plans and Virginia Retirement System Pension and Other Postemployment Benefit Programs (Exhibit 14)
- the Schedule of Changes in the Net Pension Liability (Asset) and Related Ratios (Exhibit 15)
- the Schedule of Changes in the Net OPEB Liability and Related Ratios (Exhibit 16)
- the Schedule of the Proportionate Share of the Virginia Retirement System's Net Pension and OPEB Liability (Exhibit 17)

Financial Section Overview

Finally, the combining, and individual, fund statements and schedules are reported, which present individual statements for major funds other than the General Fund and combining statements for non-major governmental funds, internal service funds, fiduciary funds, and the component units as well as other supporting schedules.

Government-Wide Financial Statements

The government-wide financial statements (Exhibits 1 and 2) report information about the County as a whole using accounting methods similar to those found in the private sector. They also report the County's net position and how it has changed during the fiscal year. These statements provide both short-term and long-term information about the County's overall financial status.

The Statement of Net Position (Exhibit 1) presents information on all the County's assets, deferred outflows of resources, liabilities, and deferred inflows of resources for governmental activities, business-type activities, and activities of the County's component units, the Economic Development Authority and the School Board. Net position is the residual amount remaining after liabilities and deferred inflows of resources are deducted from the balance of assets and deferred outflows of resources and provides a measure of the County's overall financial health, or financial condition. Over time, changes in the net position may serve as an indicator of whether the County's financial condition is improving or deteriorating. Other non-financial factors will also need to be considered, such as changes in the County's property tax base and the condition of the County's facilities.

The Statement of Activities (Exhibit 2) presents information using the accrual basis of accounting and reflects how the County's net position changed during the fiscal year. All of the current year's revenues and expenses are shown in this statement, regardless of when cash is received or paid. The Statement of Activities presents expenses before revenues to emphasize that the government's revenues are generated for the express purpose of providing services.

In the government-wide financial statements, the County's activities are divided into three categories:

- **Governmental activities:** Most of the County's basic services are reported here, including general government administration, judicial administration, public safety, public works, health and welfare, education, parks, recreation and cultural, and community development. These activities are financed primarily by property taxes, other local taxes, and Federal and Commonwealth of Virginia grants. Governmental funds and internal service funds are included in the governmental activities.
- **Business-type activities:** The County charges fees to users to cover all, or a significant portion, of the costs associated with the provision of certain services. These business-type activities include the Airport, Landfill and Recycling, and Sewer activities.
- **Component units:** The County has two component units for which it is financially accountable, the Fauquier County Public Schools (School Board) and the Economic Development Authority (EDA). A primary government is accountable for an organization if the organization is fiscally dependent and the organization is capable of imposing financial benefits or burdens on the primary government. The County approves debt issuances to finance School Board assets and provides significant funding for their operations. The School Board and the EDA are legally separate entities and are discretely presented in this annual financial report. Additional information on the component units can be found in Note 1 of the Notes to Financial Statements section of this report.

Fund Financial Statements

These statements focus on individual parts of the County's government, reporting the County's operations in more detail than the government-wide statements. Funds are used to ensure compliance with finance-related legal requirements and are used to keep track of specific sources of revenues and expenditures for particular purposes. The County has three kinds of funds:

- Governmental Funds – Most of the County's basic services are reported in governmental funds, which focus on (1) inflows and outflows of cash and other financial assets that can be readily converted to cash and (2) the balances remaining at year-end that are available for spending. The governmental funds financial statements provide a detailed short-term view that helps the reader 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, additional information is provided with the fund financial statements to explain the relationship (or differences).

The County has the following four major funds:

- The General Fund is the main operating account of the County and therefore, the largest of the governmental funds.
- The Capital Projects Fund is used to account for major capital projects and assets, primarily construction related. It provides control over resources that have been segregated for specific capital projects.
- The Debt Service Fund accounts for financial resources accumulated for the payment of principal and interest.
- The Fire and Rescue Fund is used to account for and report the fire and rescue levy assessed on real estate to support fire and rescue activities and volunteer fire and rescue companies.

All other governmental funds, which include special revenue funds, are collectively referred to as non-major governmental funds.

- Proprietary Funds – The County's proprietary funds consist of three enterprise funds and two internal service funds, which operate in a manner similar to private business enterprises in which costs are recovered primarily through user charges or fees. Proprietary fund financial statements provide both short-term and long-term financial information.

The County's enterprise funds include the Airport Fund, the Landfill and Recycling Fund, and the Sewer Fund. The County's internal service funds include the Fleet Maintenance Fund and the Health Insurance Fund.

- Fiduciary Funds – Fiduciary funds are used to account for resources held by the County for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide statements because the funds are not available to support the County's programs.

The County's fiduciary funds consist of the Other Postemployment Benefits (OPEB) Plans fund and custodial funds. The funds are used to account for monies received, held, and disbursed on behalf of employees, retirees, external beneficiaries, detention center inmates, and certain other agencies and governments.

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

The Reporting Entity: The Commonwealth of Virginia requires that counties, as well as their financially dependent component units, be financed under a single taxing structure. This results in counties issuing debt to finance capital assets, such as public school buildings and renovations, for their component units. GASB Statement No. 14, *The Financial Reporting Entity*, requires that the primary government and its component units, which make up the total reporting entity, be accounted for separately on the face of the basic financial statements.

The total reporting entity, which includes the School Board and Economic Development Authority component units, had positive net position of \$264.0 million at June 30, 2024. Net position increased from the prior year by \$41.9 million, which reflects current year revenues exceeding expenses by this amount.

	Governmental Activities		Business-Type Activities		Total Primary Government		Total Reporting Entity Including Component Unit	
	2023	2024	2023	2024	2023	2024	2023	2024
Assets:								
Current and other assets	\$ 177.0	\$ 186.2	\$ 19.6	\$ 14.8	\$196.6	\$201.0	\$225.4	\$232.5
Capital assets, net	117.9	124.8	51.6	56.7	169.5	181.5	321.3	330.2
Net Pension/OPEB Asset	-	-	-	-	-	-	3.3	3.1
Total assets	294.9	311.0	71.2	71.5	366.1	382.5	550.0	565.8
Deferred outflows of resources:								
Total deferred outflows of resources	10.2	11.0	0.8	0.8	11.0	11.8	36.0	43.6
Liabilities:								
Other liabilities	35.5	33.1	3.0	4.5	38.5	37.6	157.3	162.7
Long-term obligations	89.3	78.9	63.5	63.4	152.8	142.3	167.5	156.5
Total liabilities	124.8	112.0	66.5	67.9	191.3	179.9	324.8	319.2
Deferred inflows of resources:								
Total deferred inflows of resources	9.8	6.4	2.3	2.0	12.1	8.4	39.1	26.2
Net position:								
Net investment in capital assets	90.4	100.2	36.2	36.4	126.6	136.6	216.1	231.1
Restricted	12.4	13.6	0.4	0.4	12.8	14.0	16.1	19.1
Unrestricted (deficit)	67.7	89.8	(33.4)	(34.4)	34.3	55.4	(10.1)	13.8
Total net position	\$ 170.5	\$ 203.6	\$ 3.2	\$ 2.4	\$173.7	\$206.0	\$222.1	\$264.0

Table 1 may differ from Exhibit 1 due to rounding.

The Primary Government: The primary government had net position of \$206.0 million at June 30, 2024, which reflects an increase of \$32.3 million from the prior year. The largest portion of net position, \$136.6 million, represents the County's other investment in capital assets (e.g., land, buildings, and equipment) less the depreciation and amortization and outstanding debt associated with asset acquisitions. The total restricted and unrestricted net position of the primary government combined was \$69.4 million.

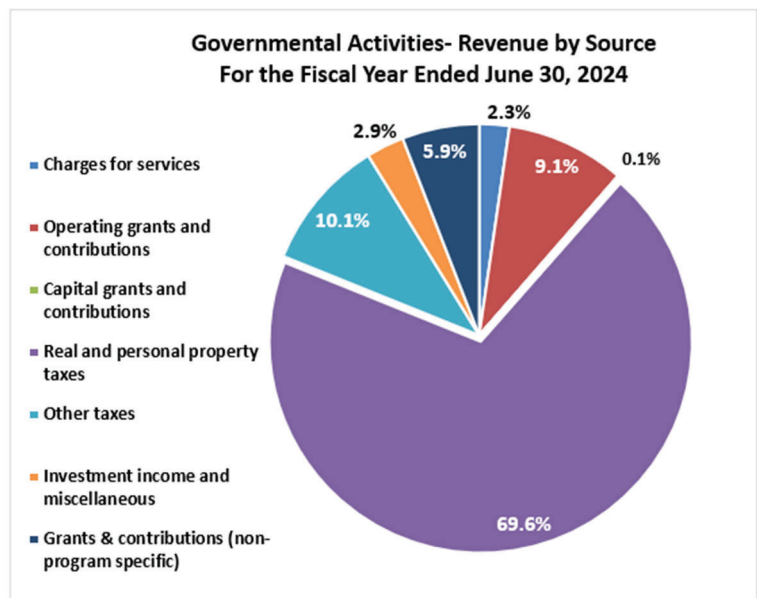
The County has long-term commitments related to the issuance of two financing agreements in support of utility projects undertaken and capitalized by the Fauquier Water and Sanitation Authority and debt the primary government has issued on behalf of the School Board component unit. Because these debts increase the primary government's liabilities with no corresponding asset, the effect is to increase the amount reported as unrestricted (deficit). The County's total of these debts and commitments at June 30, 2024 was \$46.3 million. Refer to Note 8 and Note 9 for further details regarding long-term obligations and commitments.

Business-Type Activities: Business-type activities had combined net position of \$2.4 million at June 30, 2024, which consisted of positive net position of \$25.3 million for the Airport Fund and negative net position of \$31.9 million for the Landfill and Recycling Fund, and positive net position of \$9.0 million for the Sewer Fund. The largest portion of net position, \$36.4 million, reflects investment in capital assets, net of depreciation and outstanding debt. The unrestricted net position for business-type activities at June 30, 2024 was a deficit of \$34.4 million, which reflects a 3.0% increase to the deficit of \$33.4 million from the prior year. The unrestricted deficit for business-type activities does not indicate that there were insufficient resources available to pay for operations; but that long-term commitments were greater than currently available resources. The commitment to the closure and post closure of the landfill is one example of these commitments.

CHANGE IN NET POSITION

Governmental Activities: Total governmental net position (before transfers) increased by \$41.6 million compared to an increase of \$40.0 million in fiscal year 2023.

Revenues from governmental activities for fiscal year 2024 totaled \$273.3 million, an increase of \$3.0 million from fiscal year 2023. Taxes comprised the largest source of revenues, totaling \$217.8 million or 79.7% of total revenues, of which general property taxes account for \$190.2 million. Program revenues (charges for services, operating and capital grants and contributions) generated a total of \$31.5 million, or 11.5% of total revenues, while investment income, miscellaneous revenues, and revenues from grants and contributions not restricted to specific programs totaled \$24.0 million, or 8.8% of revenues.



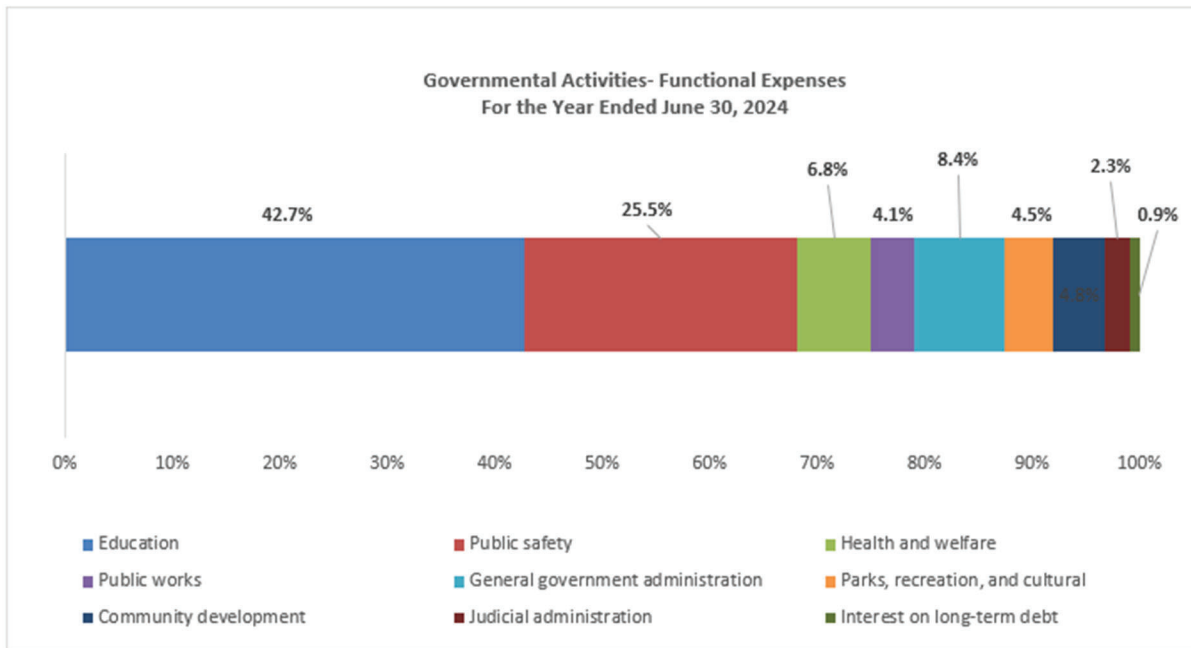
Real and personal property tax revenue increased by \$0.9 million, or 0.5% due to the steady growth the real estate market has been experiencing over the last ten years. Annual growth in real estate tax collection can be attributed to increased assessment values and new construction occurring across the County. Vehicle and personal property values continue to be at historic levels.

Local sales tax revenue increased by \$0.8 million or 5.6% from the prior year. Consumers’ utility taxes, business and professional tax revenue, taxes on recordation and wills, and other local taxes, collectively increased by \$0.9 million.

Table 2 summarizes the changes in net position from Exhibit 2 in the Financial Section for the primary government and its component unit at June 30, 2023 and 2024.

County of Fauquier Changes in Net Position (\$ in millions)									
	Governmental Activities		Business-Type Activities		Total Primary Government		Total Reporting Entity Including Component Unit		
	2023	2024	2023	2024	2023	2024	2023	2024	
Revenues									
Program revenues:									
Charges for services	\$ 6.3	\$ 6.3	\$ 5.3	\$ 3.7	\$ 11.6	\$ 10.0	\$ 14.3	\$ 13.1	
Operating grants and contributions	19.8	25.0	-	0.1	19.8	25.1	64.2	66.7	
Capital grants and contributions	8.2	0.2	0.3	0.2	8.5	0.4	13.2	0.5	
General revenues:									
Real and personal property taxes	189.1	190.2	-	-	189.1	190.2	189.1	190.2	
Other taxes	25.9	27.6	-	-	25.9	27.6	25.9	27.6	
Investment Income and miscellaneous	4.8	7.9	1.3	0.8	6.1	8.7	10.4	13.9	
Grants and contributions	16.2	16.1	-	-	16.2	16.1	49.4	55.5	
Contribution to schools	-	-	-	-	-	-	98.9	95.5	
Total revenues	<u>270.3</u>	<u>273.3</u>	<u>6.9</u>	<u>4.8</u>	<u>277.2</u>	<u>278.1</u>	<u>465.4</u>	<u>463.0</u>	
Expenses									
General government administration	21.6	19.4	-	-	21.6	19.4	21.6	19.4	
Judicial administration	5.1	5.3	-	-	5.1	5.3	5.1	5.3	
Public safety	53.9	59.1	-	-	53.9	59.1	53.9	59.1	
Public works	8.5	9.4	-	-	8.5	9.4	8.5	9.4	
Health and welfare	14.6	15.8	-	-	14.6	15.8	14.6	15.8	
Education	100.9	98.9	-	-	100.9	98.9	275.9	274.2	
Parks, recreation, and cultural	10.2	10.5	-	-	10.2	10.5	10.2	10.5	
Community development	13.0	11.1	-	-	13.0	11.1	13.0	11.1	
Interest on long-term debt	2.5	2.2	-	-	2.5	2.2	2.5	2.2	
Airport	-	-	2.0	2.0	2.0	2.0	2.0	2.0	
Landfill and recycling	-	-	12.2	11.7	12.2	11.7	12.2	11.7	
Sewer	-	-	0.3	0.5	0.3	0.5	0.3	0.5	
Total expenses	<u>230.3</u>	<u>231.7</u>	<u>14.5</u>	<u>14.2</u>	<u>244.8</u>	<u>245.9</u>	<u>419.8</u>	<u>421.2</u>	
Increase (decrease) in net position	40.0	41.6	(7.6)	(9.4)	32.4	32.2	45.6	41.8	
Transfers	<u>(7.8)</u>	<u>(8.5)</u>	<u>7.8</u>	<u>8.6</u>	<u>-</u>	<u>0.1</u>	<u>-</u>	<u>0.1</u>	
Change in net position	32.2	33.1	0.2	(0.8)	32.4	32.3	45.6	41.9	
Beginning net position, restated	138.3	170.5	3.0	3.2	141.3	173.7	176.5	222.1	
Ending net position	<u>\$ 170.5</u>	<u>\$ 203.6</u>	<u>\$ 3.2</u>	<u>\$ 2.4</u>	<u>\$173.7</u>	<u>\$206.0</u>	<u>\$222.1</u>	<u>\$264.0</u>	
<i>Table 2 may differ from Exhibit 2 due to rounding.</i>									

Total expenses for governmental activities for this fiscal year were \$231.7 million, an increase of \$1.4 million from \$230.3 million in fiscal year 2023.



Public safety expenses, which were 25.5% of expenses, increased \$5.2 million primarily due to increased expenses for Fire and Rescue.

Community development expenses decreased \$1.9 million primarily due to decreased ARPA expenses related to that function compared to the prior year.

Education continued to be the County’s largest program and highest priority accounting for \$98.9 million, or 42.7% of total expenses. Expenses include the county’s contribution to the School Board and support for grant related projects.

The School Board component unit incurred indirect expenses related to consolidated services provided by County departments to both County and Schools. Typically, school systems bear these costs directly, however with the consolidation of departments in Fauquier County, these costs were reported within the County’s governmental activities in the General Fund. These consolidated departments included Human Resources, Finance, the Independent Auditor, and General Services, which provides maintenance of buildings and grounds.

As shown in Exhibit 7 of the Financial Section of this report, these functions totaled approximately \$11.1 million in fiscal year 2024. Allocation of the cost of these consolidated functions associated with educational activities is approximately \$7.7 million based on the County’s latest cost allocation plan. Recognizing these costs as a function of education increases educational functional expenses to approximately 46% of total expenses.

Table 3 illustrates the net cost (total expenses less fees generated by the activities and program-specific governmental aid) for the County’s governmental activities. Fees, such as charges for services and program-specific aid from other governmental or outside entities, helped offset the cost of the government services, thereby lessening the burden on the County’s taxpayers. The County generated charges for services primarily from fees for certain court services, public safety fees, community development services, library fees, and parks and recreation activities. The County obtained operating grants and contributions primarily to support functions and programs for general government administration, judicial administration, public safety, public works, health and welfare, parks, recreation, and cultural, and community development. Net costs reflect the cost for which tax revenues support the services provided by the County government.

County of Fauquier				
Net Cost of Governmental Activities				
(\$ in millions)				
	Total Cost of Services		Net Cost of Services	
	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>
General government administration	\$ 21.6	\$ 19.4	\$ 19.9	\$ 18.1
Judicial administration	5.1	5.3	2.9	2.8
Public safety	53.9	59.1	44.7	48.5
Public works	8.5	9.4	7.7	9.2
Health and welfare	14.6	15.8	6.3	6.0
Education	100.9	98.9	97.5	98.9
Parks, recreation, and cultural	10.2	10.5	9.0	9.1
Community development	13.0	11.1	5.4	5.4
Interest on long-term debt	2.5	2.2	2.5	2.2
Total	<u><u>\$ 230.3</u></u>	<u><u>\$ 231.7</u></u>	<u><u>\$ 195.9</u></u>	<u><u>\$ 200.2</u></u>

Table 3 may differ from Exhibit 2 due to rounding.

After recognizing the effect of revenue from these fees, grants, and contributions of \$31.5 million, the net cost of governmental activities was \$200.2 million, compared to a total cost of \$231.7 million.

Business-type activities: Business-type activities are generally intended to be at least partially self-supporting, and fees are established to recover the cost of providing the services. Revenues for the County’s business activities, decreased by \$2.1 million, or 30.4% from the prior year to \$4.8 million. This net decrease is due primarily to a decrease in charges for services and a decrease in investment income and miscellaneous revenues from the prior year.

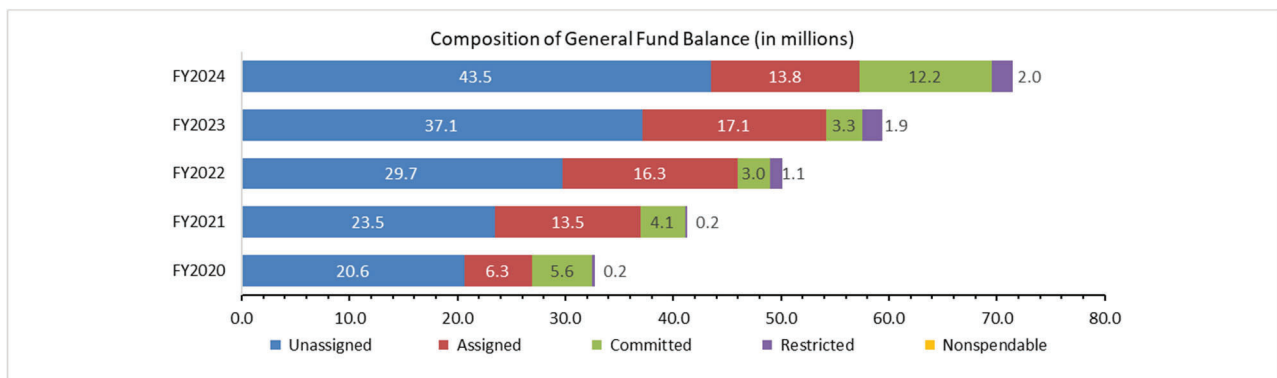
Total expenses for business-type activities were \$14.2 million, a decrease of 2.1%, or \$0.3 million, from the prior year. This decrease is due mainly to a decrease in landfill closure and post closure costs.

FINANCIAL ANALYSIS OF THE COUNTY’S FUNDS

Governmental Funds: As of June 30, 2024, the County’s governmental funds reported a combined ending fund balance of \$129.6 million, an increase of \$11.3 million in comparison with the prior year’s fund balance. This increase reflects the following activity in governmental funds:

- The Capital Projects Fund reported a total fund balance of \$38.1 million, a decrease of \$4.2 million from the prior year. Revenues decreased by \$5.0 million mainly due to decreased contributions from the School Board by \$2.9 million. Expenditures decreased by \$4.4 million mainly due to decreased spending in the Marshall Main Street project of \$3.4 million and in education expenses of \$3.7 million, which is offset mainly by an increased spending in capital outlay of \$3.2 million.
- The Debt Service Fund reported a total fund balance of \$2.7 million, a minimal change from the prior fiscal year. During fiscal year 2024, \$12.0 million in debt principal and interest payments were made, an increase of \$0.3 million from the prior year.
- The Fire and Rescue Fund reported a total fund balance of \$3.1 million, with an increase of \$2.0 million from the prior fiscal year. Revenues increased by \$3.1 million, from the prior year primarily due to an increase in General property tax revenues of \$3.5 million and offset primarily due to a decrease in recovered costs of \$0.6 million. Expenditures mainly increased \$2.0 million due to increased staffing and overtime costs.
- Other Non-major Governmental Funds reported combined total fund balances of \$14.2 million, an increase of \$1.3 million. Revenues increased by \$5.3 million, due to an increase in government grants of \$4.7 million and an increase of revenue from use of money and property of \$0.5 million. Expenditures increased by \$4.7 million due mainly to an increase of \$4.2 million in community development projects and an increase in general government administration expenses of \$0.9 million.
- The General Fund reported a total fund balance of \$71.5 million, an increase of 20.4%, or \$12.2 million from the prior year’s fund balance of \$59.4 million. Revenues increased by \$3.1 million, while expenditures increased by \$3.6 million mainly due to:
 - \$1.3 million increase in public safety expenditures due to increased expenditures for the jail and detention center.
 - \$0.9 million increase in health and welfare expenditures.
 - \$1.3 million increase in general government administration due to in part to increased expenditures for information technology.

The General Fund’s liquidity can be measured by comparing unassigned fund balance to total fund revenues. At the end of the current fiscal year, the General Fund had an unassigned fund balance of \$43.5 million (Exhibit 3). The chart below depicts the composition of the County’s General Fund balance for the last five fiscal years.

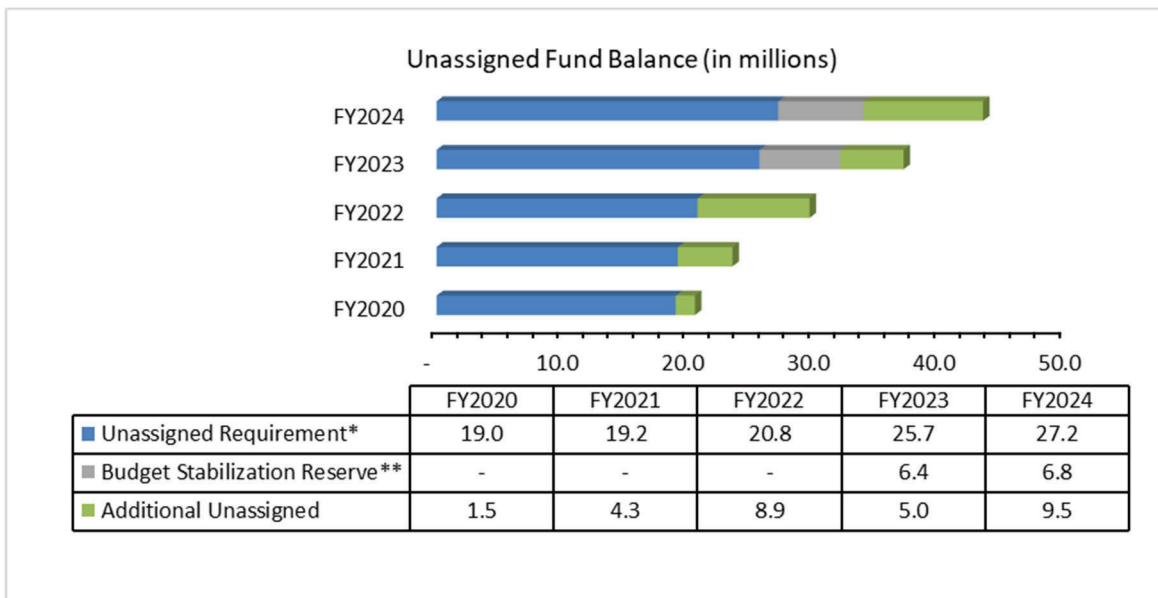


The Board of Supervisors has adopted a minimum unassigned fund balance requirement for the General Fund of 12.0% of the subsequent year’s General Fund revenues for fiscal year 2024. The minimum unassigned fund balance requirement was increased from 10% to 12% beginning with fiscal year 2023 as the Board of Supervisors adopted changes to the Fund Balance Management Policy. This 12.0% is identified as the minimum amount needed to safeguard the County’s financial stability and as one component in maintaining its bond ratings. This level, when combined with committed and assigned fund balances, provides the County with sufficient funds to operate approximately two months without interrupting service levels.

Changes to the Fund Balance Management policy also included the establishment of a Budget Stabilization Reserve of 3% of the total General Fund Adopted budgeted revenue (less any budgeted use of fund balance) as part of unassigned fund balance. The Budget Stabilization Reserve is to be used to offset any unexpected revenue shortfall or onetime expenditure variances during any fiscal year. The County allocated \$6.8 million to the Budget Stabilization Reserve and will continue to allocate funds over the next few fiscal years until the 3% target stipulated in the policy is met.

The minimum unassigned fund balance target for fiscal year 2024 was \$27.2 million. Amounts in excess of the 12.0% minimum and Budget Stabilization Reserve requirement may be available for future uses to be determined by the Board of Supervisors.

More information on the County’s governmental funds can be found on Exhibit 3 and 5 of the Financial Section of this report.



Note: The graph depicts the historical unassigned fund balance requirement of 10% for FY2019-FY2022. For FY2023 and forward the graph reflects the unassigned fund balance requirement at 12% and the establishment of the Budget Stabilization Reserve as adopted by the Board of Supervisors beginning in fiscal year 2024.

GENERAL FUND BUDGETARY HIGHLIGHTS

Table 4 provides a comparison of original budget, final amended budget, and actual revenues and expenditures in the General Fund.

County of Fauquier General Fund Budgetary Comparison For the Fiscal Year Ended June 30, 2024 (\$ in millions)			
	Original Budget	Amended Budget	Actual
<u>Revenues</u>			
Taxes	\$ 177.3	\$ 177.4	\$ 191.2
Other	4.8	5.1	10.3
Intergovernmental	31.5	32.8	32.5
Total revenues	213.6	215.3	234.0
<u>Expenditures</u>			
	189.1	196.2	184.4
Excess (deficiency) of revenues over (under) expenditures	24.5	19.1	49.6
<u>Other financing sources (uses)</u>			
Transfers in	0.4	9.7	9.7
Transfers out	(25.4)	(47.8)	(47.6)
Leases	-	0.1	0.1
Subscriptions	-	0.2	0.3
Total other financing sources (uses)	(25.0)	(37.8)	(37.5)
Change in fund balance	\$ (0.5)	\$ (18.7)	\$ 12.1
<i>Table 4 may differ from Exhibit 7 due to rounding.</i>			

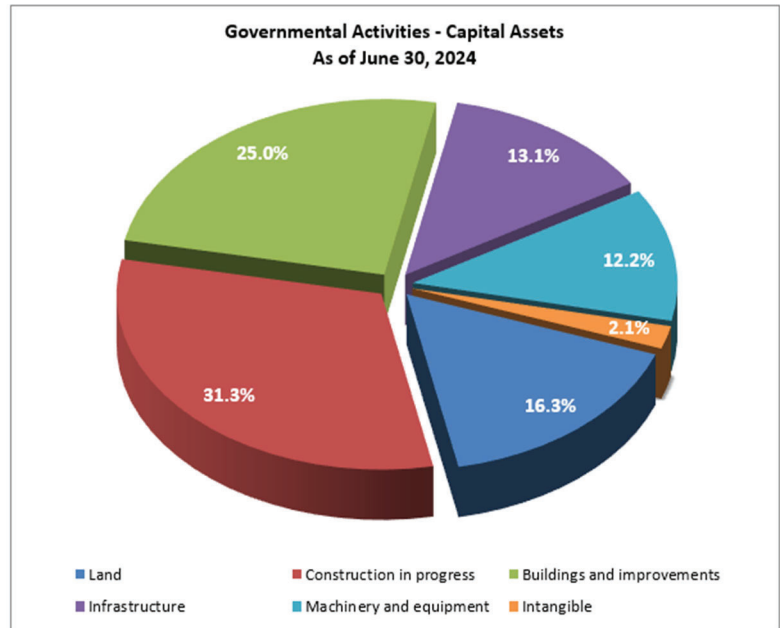
During the year, budget amendments approved by the Board of Supervisors could be classified in the following key categories:

- Amendments for operating and capital projects that were incomplete in the prior fiscal year and subsequently re-appropriated in the new fiscal year.
- Amendments for supplemental appropriation for new projects and/or change orders for prior approved projects.
- Amendments for supplemental appropriation for grants and other revenues.
- Amendments for transfers and adjustments to support revised priorities and account code restructuring.

Final amended budget revenues exceeded the original budget by \$1.7 million, primarily due to budget increases from the Commonwealth of Virginia. Actual revenues were \$18.7 million over the amended budget due mainly to favorable budgetary variances for general property taxes and revenue from the use of money and property. Actual expenditures for the General Fund totaled \$184.4 million or \$11.8 million less than the amended budget.

CAPITAL ASSETS

The County’s capital assets include purchased or rented for use in operations and the provisions of services to citizens. These assets include public safety, buildings (libraries, office buildings and space, schools, etc.), parks and recreation facilities, machinery, equipment, vehicles, infrastructure, and depreciable and non-depreciable intangible assets. Lease and subscription assets represent intangible right to use assets for assets leased and information technology subscriptions used in the course of business as noted in the graph.



The Capital Improvements Program Committee (Committee) receives project requests from departments, agencies, and the School Board component unit. Potential projects are evaluated in relation to each other to ensure that the highest priority projects receive public funding, while considering construction costs, impact on debt service, and operating expenses in subsequent years. Upon evaluation, the Committee prepares a recommended six-year program, which is then sent for action to the Planning Commission of the Board of Supervisors. For more details on the debt funding policy, refer to the section titled “Relevant Financial Policies” in the Letter of Transmittal.

	Governmental Activities		Business-Type Activities		Total Primary Government		Total Reporting Entity Including Component Unit	
	2023	2024	2023	2024	2023	2024	2023	2024
	Land	\$ 20.3	\$ 20.3	\$ 8.6	\$ 8.6	\$ 28.9	\$ 28.9	\$ 34.4
Construction In progress	31.1	38.9	6.3	13.3	37.4	52.2	38.6	52.9
Intangible assets (non-depreciable)	0.9	0.9	0.2	0.2	1.1	1.1	1.1	1.1
Buildings and improvements	63.7	64.3	29.7	26.8	93.4	91.1	350.2	351.6
Infrastructure	32.4	32.7	34.0	34.2	66.4	66.9	72.2	72.7
Machinery and equipment	36.3	39.4	3.4	3.1	39.7	42.5	81.3	85.8
Intangible assets (depreciable)	1.4	1.2	-	-	1.4	1.2	1.4	1.2
Intangible right to use assets (amortizable)	3.8	3.8	0.3	0.4	4.1	4.2	5.7	5.9
Total capital assets	189.9	201.5	82.5	86.6	272.4	288.1	584.9	605.6
Less: Accumulated depreciation/amortization	(72.0)	(76.7)	(30.9)	(29.9)	(102.9)	(106.6)	(263.6)	(275.6)
Net capital assets	\$ 117.9	\$ 124.8	\$ 51.6	\$ 56.7	\$169.5	\$181.5	\$321.3	\$330.0

Table 5 may differ from Note 7 due to rounding.

As of June 30, 2024, the total reporting entity had net capital assets of \$330.0 million, an increase of \$8.7 million from the prior year. This increase is primarily due to net additions of capital assets offset by additions of accumulated depreciation and amortization expense.

For governmental activities, the County’s investment in non-depreciable assets totaled \$60.1 million, while depreciable/amortizable assets totaled \$64.7 million (net of depreciation/amortization). Total capital assets for governmental activities increased by \$6.9 million, or 5.6% from the prior year to \$124.8 million. The increase is due to additions and deletions of capital assets for governmental activities exceeding depreciation/amortization expense in the current year. During the fiscal year, the following additions were made to assets:

- Governmental activity additions were approximately \$8.6 million in construction in progress, \$0.6 million in buildings and improvements, \$4.4 million in machinery and equipment, and \$0.7 million in intangible right to use assets.
- Business-type activity additions were approximately \$7.0 million in construction in progress and \$0.2 million in machinery and equipment, both related to landfill projects and \$0.1 million in airport projects.

More information capital assets can be found in Note 7 in the Notes to Financial Statements Section of this report.

LONG-TERM OBLIGATIONS

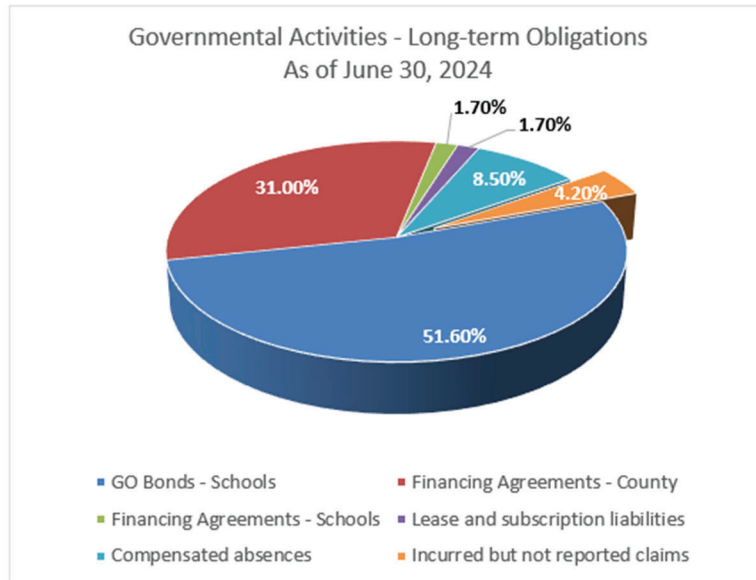
Table 6 provides an overview of the long-term obligations for the primary government.

County of Fauquier			
Summary of Changes in Long Term Obligations			
(\$ in millions)			
	<u>July 1, 2023</u>	<u>Net Increase (Decrease)</u>	<u>June 30, 2024</u>
<u>Governmental Activities:</u>			
Financing agreements	\$ 26.8	\$ (2.4)	\$ 24.4
General obligation bonds	50.4	(7.3)	43.1
Lease and subscription liabilities	<u>2.4</u>	<u>(0.7)</u>	<u>1.7</u>
Total debt	79.6	(10.4)	69.2
Compensated absences	6.5	0.1	6.6
Incurred but not reported claims (IBNR)	<u>3.2</u>	<u>(0.1)</u>	<u>3.1</u>
Total long-term obligations	89.3	(10.4)	78.9
<u>Business-Type Activities:</u>			
Financing agreements	8.8	(0.6)	8.2
Revenue bonds	17.3	(0.8)	16.5
Lease and subscription liabilities	<u>0.2</u>	<u>-</u>	<u>0.2</u>
Total debt	26.3	(1.4)	24.9
Compensated absences	0.2	-	0.2
Landfill closure and post closure	<u>37.0</u>	<u>1.3</u>	<u>38.3</u>
Total long-term obligations	63.5	(0.1)	63.4
 Total long-term obligations	 <u>\$ 152.8</u>	 <u>\$ (10.5)</u>	 <u>\$ 142.3</u>

Table 6 may differ from Note 8 due to rounding.

As of June 30, 2024, the County’s governmental activities had long-term obligations totaling \$78.9 million, of which \$69.2 million represents indebtedness related to general obligation bonds, financing agreements, and lease and subscription liabilities. The County did not issue or refund any debt during fiscal year 2024 (other than leases and subscriptions).

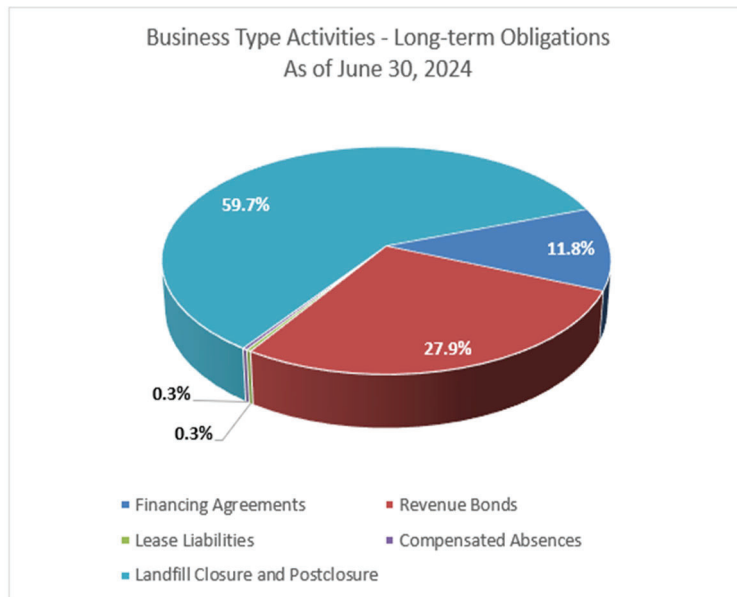
Long-term obligations for Governmental Activities are related general obligation debts for school infrastructure as well as financing agreements for County and school related infrastructure and equipment. The below chart summarizes the composition of the Governmental Activities long-term obligations at June 30, 2024.



Long-term obligations for governmental activities decreased \$10.4 million from the prior year. The net decrease is due primarily to the following activities during the fiscal year:

- The County retired \$9.7 million in principal and premium on outstanding debt.
- The County made \$1.3 million in payments on lease and subscription liabilities and entered into \$0.7 million in lease and subscription agreements.
- Liabilities related to compensated absences increased by \$0.1 million.
- Incurred but not reported claims related to employee health care decreased by \$0.1 million from the prior year.

As of June 30, 2024, the County’s business-type activities had long-term obligations totaling \$63.4 million, of which \$24.9 million represents indebtedness related to financing agreements, revenue bonds and lease liabilities. This represents a decrease of \$0.1 million from the prior fiscal year. The net decrease is due mainly to the following activities during the fiscal year:



- The Landfill closure and post closure liability increased by \$1.3 million from the prior year, due to updated materials and cost estimates by the engineering consultant.
- The Landfill Fund retired \$0.8 million of principal during the fiscal year.
- The Sewer Fund retired \$0.4 million of principal during the fiscal year.

More information on the County’s long-term obligations is presented in Note 8, Notes to Financial Statements Section of this report.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGET AND RATES

Economic Factors

- The average unemployment rate for the County of Fauquier in FY24 was 2.4%, which is 0.2% lower than in June FY23. Since August 2022, Fauquier County’s unemployment rate has remained below 3.0% and has stabilized at pre-pandemic levels. This compares favorably to the Commonwealth of Virginia’s average rate of 2.9% and the national average rate of 3.8%.
- According to the Weldon Cooper Center for Public Service, Fauquier County’s population was estimated to be 73,731, as of July 1, 2023.
- The enrollment in public schools increased in fiscal year 2024 by 1.6%. from 10,672 to 10,845.

- The latest available per capita personal income for Fauquier County was \$86,886 as of fiscal year 2023, as compared to \$81,932 as of fiscal year 2022, as reported by the U.S. Department of Commerce Bureau of Economic Analysis.
- The County Civilian Labor Force increased from 39,327 to 39,242 as of fiscal year 2024.

More information on the County’s economic factors for the last 10 years is provided in Table 13 of the Statistical Section of this report.

Fiscal Year 2025 Budget and Rates

- The fiscal year 2025 adopted budget for the General Fund is \$227.3 million, an increase of 6.0% from fiscal year 2024. The revenue budget is comprised of general property taxes (70.3%), local taxes (10.7%), permits, privilege fees and regulatory licenses (0.9%), charges for services (0.5%), revenues from the Commonwealth of Virginia (12.5%), revenues from the Federal government (1.7%), and other revenues (3.4%).
- For fiscal year 2025, the County’s contribution to and on behalf of the School Board component unit is \$113.4 million which includes the County’s contribution to the School Board’s operating fund of \$104.6 million and \$8.8 million contributed to the Debt Service Fund for school related debt. Support to the Schools represents 47.4% of the General Fund appropriations, not including the allocation of shared services which represents an additional 3.5% of local support. While General Fund appropriations supporting the School Division’s operating budget increase in FY 2025, decreases in the Debt Service Fund for the School Division account for a 0.8% decrease in overall appropriations from prior year. These percentages also do not include FY 2025 General Fund cash transfers to the capital projects fund for School projects.
- Public safety accounts for 11.2% of appropriations in fiscal year 2025, the second largest component of budgeted expenditures. Public safety volunteers are partially funded by a dedicated real property tax of \$0.1800 per \$100 of assessed value for tax year 2024. This tax partially supports County and volunteer fire and rescue operations.
- The tax rate for real property was \$0.9430 per \$100 of assessed value for tax year 2024 which is to support the first half of fiscal year 2025. Detail on tax rates is provided in Table 6, of the Statistical Section of this report.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of Fauquier County’s finances and to demonstrate the County’s accountability for the money it receives. Questions concerning this report or requests for additional information should be directed to: Director of Finance, County of Fauquier, 320 Hospital Drive, Suite 32, Warrenton, Virginia 20186, telephone (540) 422-8332, or visit the County’s web site at www.fauquiercounty.gov.



BASIC FINANCIAL STATEMENTS

The Basic Financial Statements include all funds, the discretely presented component units, and notes to provide an overview of the financial position and results of operations for the County as a whole. They also serve as an introduction to the more detailed statements and schedules that follow.



GOVERNMENT-WIDE FINANCIAL STATEMENTS

COUNTY OF FAUQUIER, VIRGINIA

Exhibit 1
Page 1 of 4

Statement of Net Position
June 30, 2024

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	\$ 138,542,724	\$ 4,561,768	\$ 143,104,492
Cash and cash equivalents - restricted	16,150,762	6,139,981	22,290,743
Cash and cash equivalents - activity funds	-	-	-
Receivables, net of allowance for uncollectibles:			
Taxes, including penalties	6,464,094	-	6,464,094
Accounts	5,804,743	2,180,664	7,985,407
Lease receivables	280,565	1,848,971	2,129,536
Loan receivable	-	-	-
Inventories	260,713	28,090	288,803
Prepaid items	871,128	-	871,128
Investment in direct financing agreement	12,016,225	-	12,016,225
Due from other governmental units	5,401,340	27,288	5,428,628
Note receivable	496,914	-	496,914
Net pension asset	-	-	-
Net OPEB asset	-	-	-
Capital assets (non-depreciable/non-amortizable):			
Land	20,331,081	8,616,667	28,947,748
Construction in progress	38,885,129	13,400,330	52,285,459
Intangible assets	853,884	228,836	1,082,720
Total capital assets (non-depreciable/non-amortizable)	60,070,094	22,245,833	82,315,927
Other capital assets			
Buildings and improvements	64,352,323	26,816,879	91,169,202
Infrastructure	32,650,259	33,997,806	66,648,065
Machinery and equipment	39,484,095	3,188,610	42,672,705
Intangible assets	1,175,427	-	1,175,427
Accumulated depreciation/amortization	(74,735,519)	(29,775,942)	(104,511,461)
Total other capital assets, net	62,926,585	34,227,353	97,153,938
Intangible right-to-use assets:			
Lease land	-	286,786	286,786
Lease buildings and improvements	1,057,834	-	1,057,834
Lease infrastructure	109,625	-	109,625
Lease machinery and equipment	426,078	67,953	494,031
Subscription assets	2,155,588	-	2,155,588
Accumulated amortization	(1,970,933)	(166,373)	(2,137,306)
Total intangible right-to-use assets, net	1,778,192	188,366	1,966,558
Total capital assets (depreciable/amortizable), net	64,704,777	34,415,719	99,120,496
Total capital assets, net	124,774,871	56,661,552	181,436,423
Total assets	311,064,079	71,448,314	382,512,393
Deferred outflows of resources			
Deferred charge on refundings	218,386	339,323	557,709
Items related to measurement of net pension liability	3,594,734	143,162	3,737,896
Pension contributions subsequent to measurement date	5,600,358	223,036	5,823,394
Items related to measurement of net OPEB liability	1,266,533	50,074	1,316,607
OPEB contributions subsequent to measurement date	277,795	11,004	288,799
Total deferred outflows of resources	10,957,806	766,599	11,724,405

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

Component Units			Reporting Entity		
Economic Development Authority	School Board	Reclassifications (See Note 1 - E.16)	Total		
\$ 547,815	\$ 19,741,336	\$ -	\$ 163,393,643		Assets
-	1,941,975	-	24,232,718		Cash and cash equivalents
-	2,018,943	-	2,018,943		Cash and cash equivalents - restricted
-	-	-	-		Cash and cash equivalents - activity funds
-	-	-	6,464,094		Receivables, net of allowance for uncollectibles:
-	249,020	-	8,234,427		Taxes, including penalties
-	-	-	2,129,536		Accounts
104,154	-	-	104,154		Lease receivables
-	203,157	-	491,960		Loan receivable
-	286,869	-	1,157,997		Inventories
-	-	-	12,016,225		Prepaid items
-	6,455,408	-	11,884,036		Investment in direct financing agreement
-	-	-	496,914		Due from other governmental units
-	2,934,934	-	2,934,934		Note receivable
-	177,863	-	177,863		Net pension asset
-	-	-	-		Net OPEB asset
-	5,543,520	-	34,491,268		Capital assets (non-depreciable/non-amortizable):
-	839,363	-	53,124,822		Land
-	-	-	1,082,720		Construction in progress
-	-	-	-		Intangible assets
-	6,382,883	-	88,698,810		Total capital assets (non-depreciable/non-amortizable)
-	260,424,555	-	351,593,757		Other capital assets
-	5,784,344	-	72,432,409		Buildings and improvements
-	43,184,340	-	85,857,045		Infrastructure
-	-	-	1,175,427		Machinery and equipment
-	(168,288,555)	-	(272,800,016)		Intangible assets
-	-	-	-		Accumulated depreciation/amortization
-	141,104,684	-	238,258,622		Total other capital assets, net
-	-	-	286,786		Intangible right-to-use assets:
-	-	-	1,057,834		Lease land
-	-	-	109,625		Lease buildings and improvements
-	1,365,675	-	1,859,706		Lease infrastructure
-	344,450	-	2,500,038		Lease machinery and equipment
-	(747,071)	-	(2,884,377)		Subscription assets
-	-	-	-		Accumulated amortization
-	963,054	-	2,929,612		Total intangible right-to-use assets, net
-	142,067,738	-	241,188,234		Total capital assets (depreciable/amortizable), net
-	148,450,621	-	329,887,044		Total capital assets, net
651,969	182,460,126	-	565,624,488		Total assets
-	-	-	557,709		Deferred outflows of resources
-	13,818,092	-	17,555,988		Deferred charge on refundings
-	14,414,817	-	20,238,211		Items related to measurement of net pension liability
-	1,905,159	-	3,221,766		Pension contributions subsequent to measurement date
-	1,707,141	-	1,995,940		Items related to measurement of net OPEB liability
-	-	-	-		OPEB contributions subsequent to measurement date
-	31,845,209	-	43,569,614		Total deferred outflows of resources

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

Statement of Net Position
June 30, 2024

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Liabilities			
Accounts payable	\$ 4,740,856	\$ 1,363,149	\$ 6,104,005
Accrued and other liabilities	5,533,272	108,044	5,641,316
Retainage	904,980	446,846	1,351,826
Accrued interest payable	883,947	150,088	1,034,035
Accrued interest payable - leases and subscriptions	20,030	18,288	38,318
Unearned revenue	6,602,736	1,319,299	7,922,035
Escrows	194,838	-	194,838
Noncurrent liabilities:			
Due within one year	11,459,509	1,435,414	12,894,923
Due in more than one year	67,469,031	61,951,825	129,420,856
Arbitrage liability	-	491,483	491,483
Net pension liability	8,598,633	342,443	8,941,076
Net OPEB liability	5,607,920	221,782	5,829,702
Total liabilities	112,015,752	67,848,661	179,864,413
Deferred inflows of resources			
Revenue advances	1,420,257	-	1,420,257
Leases	271,489	1,807,536	2,079,025
Items related to measurement of net pension liability	2,629,684	104,727	2,734,411
Items related to measurement of net OPEB liability	2,062,796	81,520	2,144,316
Total deferred inflows of resources	6,384,226	1,993,783	8,378,009
Net position			
Net investment in capital assets	100,171,488	36,399,719	136,571,207
Restricted for:			
General government administration	767,138	-	767,138
Health and welfare	2,886,426	-	2,886,426
Parks, recreation, and cultural	909,274	-	909,274
Public safety	2,030,131	-	2,030,131
Public works	793,580	-	793,580
Community development	236,306	-	236,306
Proffers	5,554,556	-	5,554,556
Capital projects	82,060	-	82,060
Pensions and OPEB	-	-	-
Other purposes	309,636	399,187	708,823
Unrestricted (deficit)	89,881,312	(34,426,437)	55,454,875
Total net position	\$ 203,621,907	\$ 2,372,469	\$ 205,994,376

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

Component Units			Reporting Entity		
Economic Development Authority	School Board	Reclassifications (See Note 1 - E.16)	Total		
\$ -	\$ 652,589	\$ -	\$ 6,756,594		Liabilities
2,295	13,819,947	-	19,463,558		Accounts payable
-	-	-	1,351,826		Accrued and other liabilities
-	74,332	-	1,108,367		Retainage
-	6,243	-	44,561		Accrued interest payable
-	150,657	-	8,072,692		Accrued interest payable - leases and subscriptions
-	-	-	194,838		Unearned revenue
-	-	-	-		Escrows
-	1,446,838	-	14,341,761		Noncurrent liabilities:
-	12,768,090	-	142,188,946		Due within one year
-	-	-	491,483		Due in more than one year
-	88,239,941	-	97,181,017		Arbitrage liability
-	22,164,324	-	27,994,026		Net pension liability
					Net OPEB liability
2,295	139,322,961	-	319,189,669		Total liabilities
					Deferred inflows of resources
-	-	-	1,420,257		Revenue advances
-	-	-	2,079,025		Leases
-	13,012,835	-	15,747,246		Items related to measurement of net pension liability
-	4,757,378	-	6,901,694		Items related to measurement of net OPEB liability
-	17,770,213	-	26,148,222		Total deferred inflows of resources
					Net position
-	138,423,160	(43,982,784)	231,011,583		Net investment in capital assets
					Restricted for:
-	-	-	767,138		General government administration
-	-	-	2,886,426		Health and welfare
-	-	-	909,274		Parks, recreation, and cultural
-	-	-	2,030,131		Public safety
-	-	-	793,580		Public works
-	-	-	236,306		Community development
-	-	-	5,554,556		Proffers
-	-	-	82,060		Capital projects
-	3,112,797	-	3,112,797		Pensions and OPEB
-	1,941,975	-	2,650,798		Other purposes
649,674	(86,265,771)	43,982,784	13,821,562		Unrestricted (deficit)
\$ 649,674	\$ 57,212,161	\$ -	\$ 263,856,211		Total net position

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

COUNTY OF FAUQUIER, VIRGINIA

Exhibit 2
Page 1 of 2

Statement of Activities
Fiscal Year Ended June 30, 2024

Functions/Programs	Program Revenues				Net (Expenses) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-Type Activities	
Primary government							
Governmental activities:							
General government administration	\$ 19,404,825	\$ 211,328	\$ 1,125,851	\$ -	\$ (18,067,646)	\$ -	\$ (18,067,646)
Judicial administration	5,327,499	668,204	1,850,363	-	(2,808,932)	-	(2,808,932)
Public safety	59,057,118	2,672,826	7,928,550	-	(48,455,742)	-	(48,455,742)
Public works	9,385,480	-	-	209,570	(9,175,910)	-	(9,175,910)
Health and welfare	15,782,115	28,345	9,706,247	-	(6,047,523)	-	(6,047,523)
Education	98,909,604	-	-	-	(98,909,604)	-	(98,909,604)
Parks, recreation, and cultural	10,459,988	932,378	422,308	8,764	(9,096,538)	-	(9,096,538)
Community development	11,103,811	1,766,913	3,963,336	-	(5,373,562)	-	(5,373,562)
Interest on long-term debt	2,221,827	-	-	-	(2,221,827)	-	(2,221,827)
Total governmental activities	<u>231,652,267</u>	<u>6,279,994</u>	<u>24,996,655</u>	<u>218,334</u>	<u>(200,157,284)</u>	<u>-</u>	<u>(200,157,284)</u>
Business-type activities:							
Airport	2,005,378	887,152	15,351	182,316	-	(920,559)	(920,559)
Landfill and recycling	11,699,357	2,610,679	47,241	-	-	(9,041,437)	(9,041,437)
Sewer	480,666	283,504	-	18,732	-	(178,430)	(178,430)
Total business-type activities	<u>14,185,401</u>	<u>3,781,335</u>	<u>62,592</u>	<u>201,048</u>	<u>-</u>	<u>(10,140,426)</u>	<u>(10,140,426)</u>
Total primary government	<u>245,837,668</u>	<u>10,061,329</u>	<u>25,059,247</u>	<u>419,382</u>	<u>(200,157,284)</u>	<u>(10,140,426)</u>	<u>(210,297,710)</u>
Component units							
Economic Development Authority	34,683	-	50,000	-	-	-	-
School Board	175,289,489	3,064,586	41,531,910	106,380	-	-	-
Total component units	<u>\$ 175,324,172</u>	<u>\$ 3,064,586</u>	<u>\$ 41,581,910</u>	<u>\$ 106,380</u>	-	-	-
General revenues:							
General property taxes	-	-	-	-	190,155,564	-	190,155,564
Local sales and use taxes	-	-	-	-	14,721,455	-	14,721,455
Consumers' utility taxes	-	-	-	-	1,939,266	-	1,939,266
Business and professional taxes	-	-	-	-	3,401,237	-	3,401,237
Taxes on recordation and wills	-	-	-	-	2,199,137	-	2,199,137
Other local taxes	-	-	-	-	5,365,434	-	5,365,434
Contribution from primary government	-	-	-	-	-	-	-
Investment income	-	-	-	-	7,557,373	803,804	8,361,177
Miscellaneous	-	-	-	-	362,752	5,597	368,349
Grants and contributions not restricted to specific programs	-	-	-	-	16,079,538	-	16,079,538
Transfers	-	-	-	-	(8,550,905)	8,550,905	-
Total general revenues and transfers	-	-	-	-	<u>233,230,851</u>	<u>9,360,306</u>	<u>242,591,157</u>
Change in net position	-	-	-	-	33,073,567	(780,120)	32,293,447
Net position - beginning, as previously reported	-	-	-	-	170,821,691	3,152,589	173,974,280
Restatements	-	-	-	-	(273,351)	-	(273,351)
Net position - beginning, as restated	-	-	-	-	<u>170,548,340</u>	<u>3,152,589</u>	<u>173,700,929</u>
Net position - ending	-	-	-	-	<u>\$ 203,621,907</u>	<u>\$ 2,372,469</u>	<u>\$ 205,994,376</u>

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

Net (Expenses) Revenue and Changes in Net Position				
Component Unit		Reporting Entity		
Economic Development Authority	School Board	Total		Functions/Programs
				Primary government
				Governmental activities:
\$ -	\$ -	\$ (18,067,646)		General government administration
-	-	(2,808,932)		Judicial administration
-	-	(48,455,742)		Public safety
-	-	(9,175,910)		Public works
-	-	(6,047,523)		Health and welfare
-	-	(98,909,604)		Education
-	-	(9,096,538)		Parks, recreation, and cultural
-	-	(5,373,562)		Community development
-	-	(2,221,827)		Interest on long-term debt
-	-	(200,157,284)		Total governmental activities
				Business-type activities:
-	-	(920,559)		Airport
-	-	(9,041,437)		Landfill and recycling
-	-	(178,430)		Sewer
-	-	(10,140,426)		Total business-type activities
-	-	(210,297,710)		Total primary government
				Component units
15,317	-	15,317		Economic Development Authority
-	(130,586,613)	(130,586,613)		School Board
15,317	(130,586,613)	(130,571,296)		Total component units
				General revenues:
-	-	190,155,564		General property taxes
-	-	14,721,455		Local sales and use taxes
-	-	1,939,266		Consumers' utility taxes
-	-	3,401,237		Business and professional taxes
-	-	2,199,137		Taxes on recordation and wills
-	-	5,365,434		Other local taxes
425,000	95,046,703	95,471,703		Contribution from primary government
10,830	272,959	8,644,966		Investment income
-	4,868,639	5,236,988		Miscellaneous
-	39,418,309	55,497,847		Grants and contributions not restricted to specific programs
-	-	-		Transfers
435,830	139,606,610	382,633,597		Total general revenues and transfers
451,147	9,019,997	41,764,591		Change in net position
198,527	48,206,594	222,379,401		Net position - beginning, as previously reported
-	(14,430)	(287,781)		Restatements
198,527	48,192,164	222,091,620		Net position - beginning, as restated
\$ 649,674	\$ 57,212,161	\$ 263,856,211		Net position - ending

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



FUND FINANCIAL STATEMENTS

Balance Sheet
Governmental Funds
June 30, 2024

	Primary Government					
	General Fund	Capital Projects Fund	Debt Service Fund	Fire and Rescue Fund	Other Governmental Funds	Total Governmental Funds
Assets						
Cash and cash equivalents	\$ 67,652,167	\$ 38,773,168	\$ 2,701,653	\$ 4,478,281	\$ 4,423,038	\$ 118,028,307
Cash and cash equivalents - restricted	2,075,875	1,343,035	-	-	12,731,852	16,150,762
Receivables, net of allowance for uncollectibles:						
Taxes, including penalties	5,202,222	-	-	1,233,725	28,147	6,464,094
Accounts	2,652,799	12,859	-	56,750	2,246,763	4,969,171
Lease receivables	172,648	-	-	107,917	-	280,565
Investment in direct financing agreement	-	-	12,016,225	-	-	12,016,225
Due from other governmental units	4,846,815	158,457	-	306,999	89,069	5,401,340
Note receivable	-	496,914	-	-	-	496,914
Total assets	82,602,526	40,784,433	14,717,878	6,183,672	19,518,869	163,807,378
Total assets and deferred outflows of resources	82,602,526	40,784,433	14,717,878	6,183,672	19,518,869	163,807,378
Liabilities						
Accounts payable	2,228,087	908,184	-	165,588	62,470	3,364,329
Accrued liabilities	2,850,309	-	-	1,538,240	10,238	4,398,787
Retainage	-	904,980	-	-	-	904,980
Other liabilities	714,306	387,663	-	-	-	1,101,969
Unearned revenue	455,078	108,421	2,926,225	2,299	3,110,713	6,602,736
Escrows	-	-	-	-	194,838	194,838
Total liabilities	6,247,780	2,309,248	2,926,225	1,706,127	3,378,259	16,567,639
Deferred inflows of resources						
Leases	169,861	-	-	101,628	-	271,489
Revenue advances	1,161,134	-	-	246,766	12,357	1,420,257
Unavailable revenue	3,511,002	388,493	9,090,000	1,013,620	1,933,284	15,936,399
Total deferred inflows of resources	4,841,997	388,493	9,090,000	1,362,014	1,945,641	17,628,145
Total liabilities and deferred inflows of resources	11,089,777	2,697,741	12,016,225	3,068,141	5,323,900	34,195,784
Fund balances						
Nonspendable	2,787	-	-	6,289	-	9,076
Restricted	2,024,917	438,055	-	-	9,600,669	12,063,641
Committed	12,179,377	37,648,637	-	3,109,242	4,594,300	57,531,556
Assigned	13,810,143	-	2,701,653	-	-	16,511,796
Unassigned	43,495,525	-	-	-	-	43,495,525
Total fund balances	71,512,749	38,086,692	2,701,653	3,115,531	14,194,969	129,611,594
Total liabilities, deferred inflows of resources, and fund balances	\$ 82,602,526	\$ 40,784,433	\$ 14,717,878	\$ 6,183,672	\$ 19,518,869	\$ 163,807,378

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

COUNTY OF FAUQUIER, VIRGINIA

Exhibit 4

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

Total fund balance - governmental funds		\$ 129,611,594
Amounts reported for governmental activities in the Statement of Net Position (Exhibit 1) are different because:		
Prepaid items are recorded as expenditures when purchased in governmental funds, but are recorded as assets and the expense is amortized over the period for which it relates in the government-wide statements (excludes \$203,801 for internal service funds)		667,327
Noncurrent assets and deferred outflows of resources are not current financial resources and therefore not reported in the governmental funds.		
Capital assets used in governmental activities (excludes \$189,884 for internal service funds)	124,584,987	
Losses on refunding of debt issuances	218,386	
Deferred outflows of resources related to pensions (excludes \$59,058 for internal service funds)	3,535,676	
Contributions to pension plans (excludes \$92,010 for internal service funds)	5,508,348	
Deferred outflows of resources related to OPEB (excludes \$20,716 for internal service funds)	1,245,817	
Contributions to OPEB plans (excludes \$4,563 for internal service funds)	<u>273,232</u>	135,366,446
Internal service funds are used by management to charge the costs of fleet maintenance and health insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.		17,239,349
Unavailable taxes, grant, proffer and EMS ambulance billing revenue represent amounts that were not available to fund current expenditures and therefore are not reported as revenue in the governmental funds.		15,936,399
Interest on long-term debt and lessee lease arrangements are not accrued in the governmental funds, but are recognized as expenditures when due.		(903,977)
Interest on lessor arrangement leases is not accrued in the governmental funds, but is recognized as revenue when earned.		219
Long-term liabilities and deferred inflows of resources are not due and payable in the current year and therefore are not reported as such in the governmental funds.		
Lease liabilities	(772,902)	
Subscription liabilities	(945,870)	
Compensated absences (excludes \$104,855 for internal service funds)	(6,473,573)	
Financing agreements	(22,893,544)	
General obligation bonds	(34,910,000)	
Direct bond	(6,285,000)	
Premium on bonds payable	(3,425,484)	
Net pension liability (excludes \$141,269 for internal service funds)	(8,457,364)	
Net OPEB liability (excludes \$91,781 for internal service funds)	(5,516,139)	
Deferred inflows of resources related to pensions (excludes \$43,204 for internal service funds)	(2,586,480)	
Deferred inflows of resources related to OPEB (excludes \$33,702 for internal service funds)	<u>(2,029,094)</u>	(94,295,450)
Net position of governmental activities		\$ <u>203,621,907</u>

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

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

	Primary Government						Total Governmental Funds
	General Fund	Capital Projects Fund	Debt Service Fund	Fire and Rescue Fund	Formerly Major Fund American Rescue Plan Fund	Other Governmental Funds	
Revenues							
General property taxes	\$ 163,531,040	\$ -	\$ -	\$ 25,822,152		\$ 1,078,243	\$ 190,431,435
Other local taxes	27,626,529	-	-	-		-	27,626,529
Permits, privilege fees, and regulatory licenses	1,721,467	-	-	-		-	1,721,467
Fines and forfeitures	477,391	-	-	-		52,420	529,811
Revenue from use of money and property	5,673,247	132,686	-	333,019		595,286	6,734,238
Charges for services	1,449,604	28,635	-	-		2,258,500	3,736,739
Gifts and donations	19,902	-	-	3,550		244,256	267,708
Recovered costs	529,976	101,900	-	53,086		9	684,971
Miscellaneous revenue	419,500	92,286	327,509	78,856		471,395	1,389,546
Intergovernmental:							
Contribution from School Board	-	35,000	382,429	-		-	417,429
Commonwealth of Virginia	28,283,421	167,768	-	381,794		37,633	28,870,616
Federal Government	4,234,019	8,764	401,957	1,360,093		4,736,821	10,741,654
Total revenues	233,966,096	567,039	1,111,895	28,032,550		9,474,563	273,152,143
Expenditures							
Current operating:							
General government administration	18,793,401	-	-	-		96,249	18,889,650
Judicial administration	5,074,369	5,466	-	-		-	5,079,835
Public safety	26,891,246	178,785	-	26,550,809		1,180,610	54,801,450
Public works	6,089,853	674,655	-	-		100,990	6,865,498
Health and welfare	15,482,015	-	-	-		134,968	15,616,983
Education	92,780,996	8,292,386	-	-		-	101,073,382
Parks, recreation, and cultural	9,043,847	367,404	-	-		49,064	9,460,315
Community development	6,988,984	99,399	-	-		4,429,566	11,517,949
Nondepartmental	1,713,676	-	-	-		28,387	1,742,063
Capital outlay	-	10,576,544	-	-		-	10,576,544
Capital outlay - leases	118,170	-	-	26,692		-	144,862
Capital outlay - subscriptions	348,003	8,277	-	192,034		-	548,314
Debt service:							
Lease principal	324,768	-	-	39,019		-	363,787
Lease interest	8,908	-	-	811		-	9,719
SBITA principal	689,741	4,200	-	54,707		-	748,648
SBITA interest	9,009	-	-	501		-	9,510
Principal retirement	-	-	9,146,807	-		-	9,146,807
Interest charges	-	-	2,838,728	-		-	2,838,728
Fiscal charges	-	-	4,650	-		-	4,650
Total expenditures	184,356,986	20,207,116	11,990,185	26,864,573		6,019,834	249,438,694
Excess (deficiency) of revenues over (under) expenditures	49,609,110	(19,640,077)	(10,878,290)	1,167,977		3,454,729	23,713,449
Other financing sources (uses)							
Transfers in	9,691,529	24,511,721	11,234,964	3,298,119		504,354	49,240,687
Transfers (out)	(47,610,490)	(9,047,792)	(355,140)	(2,695,941)		(2,687,676)	(62,397,039)
Leases	118,170	-	-	26,692		-	144,862
Subscriptions	348,003	8,277	-	192,034		-	548,314
Total other financing sources (uses)	(37,452,788)	15,472,206	10,879,824	820,904		(2,183,322)	(12,463,176)
Net change in fund balances	12,156,322	(4,167,871)	1,534	1,988,881	-	1,271,407	11,250,273
Fund balances - beginning, as previously reported	59,558,130	42,326,211	2,700,119	1,126,650	319,419	12,604,143	118,634,672
Restatements	(201,703)	(71,648)	-	-	-	-	(273,351)
Change within financial reporting entity (major to nonmajor fund)	-	-	-	-	(319,419)	319,419	-
Fund balances - beginning, as restated	59,356,427	42,254,563	2,700,119	1,126,650		12,923,562	118,361,321
Fund balances - ending	\$ 71,512,749	\$ 38,086,692	\$ 2,701,653	\$ 3,115,531		\$ 14,194,969	\$ 129,611,594

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

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

Net change in fund balance - total governmental funds \$ 11,250,273

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

Governmental funds report capital 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/amortization expense, which is not a use of current financial resources.

Capital outlays	14,324,857	
Depreciation/amortization expense (less \$40,323 for internal service funds)	<u>(6,529,762)</u>	7,795,095

In the Statement of Activities, only the gain (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 or non-depreciable assets disposed.

(912,459)

Prepaid items are recorded as expenditures when purchased in governmental funds, but are recorded as assets and the expense is amortized over the period for which it relates in the government-wide statements.

Add current year's prepaid items (excludes \$203,801 for internal service funds)	667,327	
Less prior year's prepaid items (excludes \$184,413 for internal service funds)	<u>(525,635)</u>	141,692

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

Add current year's unavailable revenue	15,936,399	
Less prior year's unavailable revenue	<u>(15,775,418)</u>	160,981

Internal service funds are used by management to charge the costs of fleet maintenance and health insurance to individual funds. The net revenue of certain activities of internal services is reported with governmental activities.

3,733,797

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.

Add debt principal repayment	9,146,807	
Add amortization of bond payable premiums	562,148	
Less amortization of deferred loss on refunding	<u>(114,742)</u>	9,594,213

Lessee leasing agreements and subscription agreements provide current financial resources to governmental funds, but increase long-term liabilities in the Statement of Net Position. Principal payments on lessee and subscription agreements are expenditures in the governmental funds, but reduce long-term liabilities in the Statement of Net Position.

Less lease additions	(144,862)	
Add lease principal repayment	456,416	
Less subscription additions	(548,314)	
Add subscription principal repayment	<u>875,994</u>	639,234

Interest on lessor agreements is recognized in governmental funds when received, but in the Statement of Net Position when earned.

Add current year's interest receivable on lessor agreements	219	
Less prior year's interest receivable on lessor agreements	<u>(1,191)</u>	(972)

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

Net change in fund balance - total governmental funds (continued)

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.

Less current year's compensated absences (excludes \$104,855 for internal service funds)	(6,473,573)	
Add prior year's compensated absences (excludes \$118,553 for internal service funds)	6,370,200	
Less current year's accrued interest payable	(903,977)	
Add prior year's accrued interest payable	<u>1,097,351</u>	90,001

Governmental funds do not report net pension and OPEB assets and liabilities and associated deferred outflow of resources and deferred inflow of resources related to pension and OPEB.

Add current year's deferred outflow related to pensions (excludes \$59,058 for internal service funds)	3,535,676	
Less prior year's deferred outflow related to pensions (excludes \$54,176 for internal service funds)	(3,087,069)	
Add current year's deferred outflow related to OPEB (excludes \$20,716 for internal service funds)	1,245,817	
Less prior year's deferred outflow related to OPEB (excludes \$20,259 for internal service funds)	(1,199,669)	
Less current year's net pension liability (excludes \$141,269 for internal service funds)	(8,457,364)	
Add prior year's net pension liability (excludes \$99,874 for internal service funds)	5,635,651	
Less current year's net OPEB liability (excludes \$91,781 for internal service funds)	(5,516,139)	
Add prior year's net OPEB liability (excludes \$89,500 for internal service funds)	5,260,042	
Less current year's deferred inflow related to pensions (excludes \$43,204 for internal service funds)	(2,586,480)	
Add prior year's deferred inflow related to pensions (excludes \$86,947 for internal service funds)	4,954,438	
Less current year's deferred inflow related to OPEB (excludes \$33,702 for internal service funds)	(2,029,094)	
Add prior year's deferred inflow related to OPEB (excludes \$41,585 for internal service funds)	<u>2,479,803</u>	235,612

Governmental funds report current year contributions to pension and OPEB plans as expenditures.

In the Statement of Activities, current year contributions are reported as deferred outflow of resources.

Add current year's pension contributions (excludes \$92,010 for internal service funds)	5,508,348	
Less prior year's pension contributions (excludes \$90,903 for internal service funds)	(5,179,849)	
Add current year's OPEB contributions (excludes \$4,563 for internal service funds)	273,232	
Less prior year's OPEB contributions (excludes \$4,487 for internal service funds)	<u>(255,631)</u>	<u>346,100</u>

Change in net position of governmental activities

\$ 33,073,567

COUNTY OF FAUQUIER, VIRGINIA

Exhibit 7

Statement of Revenues, Expenditures, and
Changes in Fund Balances – Budget and Actual
General Fund

Page 1 of 4

Fiscal Year Ended June 30, 2024

	Original Budget	Amended Budget	Actual	Variance From Amended Positive (Negative)
Revenues				
General property taxes	\$ 153,003,063	\$ 153,003,063	\$ 163,531,040	\$ 10,527,977
Other local taxes	24,306,975	24,306,975	27,626,529	3,319,554
Permits, privilege fees, and regulatory licenses	1,521,700	1,521,700	1,721,467	199,767
Fines and forfeitures	355,429	355,429	477,391	121,962
Revenue from use of money and property	1,194,526	1,371,043	5,673,247	4,302,204
Charges for services	1,041,008	1,047,127	1,449,604	402,477
Gifts and donations	12,552	37,248	19,902	(17,346)
Recovered costs	233,624	328,564	529,976	201,412
Miscellaneous revenue	432,117	467,737	419,500	(48,237)
Intergovernmental:				
Commonwealth of Virginia	27,704,779	29,031,148	28,283,421	(747,727)
Federal Government	3,757,350	3,809,948	4,234,019	424,071
Total revenues	<u>213,563,123</u>	<u>215,279,982</u>	<u>233,966,096</u>	<u>18,686,114</u>
Expenditures				
Current operating:				
General government administration:				
Legislative:				
Board of supervisors	<u>345,517</u>	<u>345,517</u>	<u>341,421</u>	<u>4,096</u>
General and financial administration:				
County administrator	1,011,175	1,032,071	1,032,071	-
General reassessment	322,721	595,321	453,605	141,716
County attorney	1,034,313	1,265,245	938,467	326,778
Independent auditor	206,455	272,682	272,682	-
Commissioner of the revenue	2,128,346	2,242,900	2,181,305	61,595
Treasurer	1,802,772	2,078,393	2,078,393	-
Information technology	5,381,484	4,971,690	4,853,245	118,445
Human resources	3,827,203	4,157,036	2,827,333	1,329,703
Finance	2,077,980	2,034,336	1,919,668	114,668
Office of management and budget	710,261	660,657	652,776	7,881
Geographic information systems	<u>443,721</u>	<u>573,611</u>	<u>460,235</u>	<u>113,376</u>
Total general and financial administration	<u>18,946,431</u>	<u>19,883,942</u>	<u>17,669,780</u>	<u>2,214,162</u>
Board of elections:				
Registrar	<u>714,274</u>	<u>782,203</u>	<u>782,200</u>	<u>3</u>
Total general government administration	<u>\$ 20,006,222</u>	<u>\$ 21,011,662</u>	<u>\$ 18,793,401</u>	<u>\$ 2,218,261</u>

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

Statement of Revenues, Expenditures, and
Changes in Fund Balances – Budget and Actual
General Fund
Fiscal Year Ended June 30, 2024

	Original Budget	Amended Budget	Actual	Variance From Amended Positive (Negative)
Expenditures (continued)				
Current operating: (continued)				
Judicial administration:				
Courts:				
Circuit court	\$ 151,486	\$ 151,486	\$ 123,188	\$ 28,298
General district court	24,900	27,400	25,086	2,314
Magistrates	89,107	89,107	8,380	80,727
Juvenile and domestic relations district court	9,266	15,137	15,137	-
Clerk of the circuit court	1,722,357	1,823,056	1,735,446	87,610
Adult court services	1,239,160	1,255,040	1,248,541	6,499
Public defenders	25,000	25,000	2,476	22,524
Commissioner of accounts	-	15,600	15,600	-
Total courts	<u>3,261,276</u>	<u>3,401,826</u>	<u>3,173,854</u>	<u>227,972</u>
Commonwealth's attorney:				
Commonwealth's attorney	<u>1,974,748</u>	<u>1,950,590</u>	<u>1,900,515</u>	<u>50,075</u>
Total judicial administration	<u>5,236,024</u>	<u>5,352,416</u>	<u>5,074,369</u>	<u>278,047</u>
Public safety:				
Law enforcement and traffic control:				
Sheriff	15,836,881	16,442,379	16,126,297	316,082
Joint communications	<u>3,608,880</u>	<u>3,622,719</u>	<u>3,529,863</u>	<u>92,856</u>
Total law enforcement and traffic control	<u>19,445,761</u>	<u>20,065,098</u>	<u>19,656,160</u>	<u>408,938</u>
Correction and detention:				
Detention center	4,004,687	4,342,879	4,325,089	17,790
Northwest regional jail	2,750,039	2,707,119	2,707,119	-
Probation office	4,359	9,576	8,833	743
Juvenile detention and crime control	<u>305,265</u>	<u>304,048</u>	<u>194,045</u>	<u>110,003</u>
Total correction and detention	<u>7,064,350</u>	<u>7,363,622</u>	<u>7,235,086</u>	<u>128,536</u>
Total public safety	<u>26,510,111</u>	<u>27,428,720</u>	<u>26,891,246</u>	<u>537,474</u>
Public works:				
General buildings and grounds maintenance:				
General services	<u>6,590,004</u>	<u>6,550,322</u>	<u>6,089,853</u>	<u>460,469</u>
Total public works	<u>\$ 6,590,004</u>	<u>\$ 6,550,322</u>	<u>\$ 6,089,853</u>	<u>\$ 460,469</u>

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

Statement of Revenues, Expenditures, and
Changes in Fund Balances – Budget and Actual
General Fund
Fiscal Year Ended June 30, 2024

	Original Budget	Amended Budget	Actual	Variance From Amended Positive (Negative)
Expenditures (continued)				
Current operating: (continued)				
Health and welfare:				
Health:				
Supplement of local health department	\$ 724,020	\$ 724,020	\$ 653,367	\$ 70,653
Welfare:				
Institutional care	968,949	968,949	968,949	-
Social services	9,463,722	9,199,626	8,688,198	511,428
Children's services act	4,128,163	5,176,520	5,171,501	5,019
Total welfare	14,560,834	15,345,095	14,828,648	516,447
Total health and welfare	15,284,854	16,069,115	15,482,015	587,100
Education:				
Contribution to component unit – School Board	95,857,591	96,223,160	92,697,731	3,525,429
Community colleges	83,265	83,265	83,265	-
Total education	95,940,856	96,306,425	92,780,996	3,525,429
Parks, recreation, and cultural:				
Parks and recreation:				
Parks and recreation	5,472,867	5,825,833	5,745,705	80,128
Library:				
Public library	3,261,477	3,314,134	3,298,142	15,992
Total parks, recreation, and cultural	8,734,344	9,139,967	9,043,847	96,120
Community development:				
Planning and community development:				
Community development	5,792,457	6,024,398	5,224,923	799,475
Planning	157,636	157,636	94,395	63,241
Economic development	825,462	829,859	746,216	83,643
Agriculture development	364,283	512,178	456,760	55,418
Total planning and community development	7,139,838	7,524,071	6,522,294	1,001,777
Environmental management:				
Soil and water conservation district	186,411	198,041	198,041	-
Cooperative extension program:				
VPI extension	286,576	296,401	268,649	27,752
Total community development	\$ 7,612,825	\$ 8,018,513	\$ 6,988,984	\$ 1,029,529

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

Statement of Revenues, Expenditures, and
Changes in Fund Balances – Budget and Actual
General Fund
Fiscal Year Ended June 30, 2024

	Original Budget	Amended Budget	Actual	Variance From Amended Positive (Negative)
Expenditures (continued)				
Current operating: (continued)				
Nondepartmental:				
Nondepartmental operations	\$ 2,685,999	\$ 4,704,097	\$ 1,713,676	\$ 2,990,421
Total current operating expenditures	188,601,239	194,581,237	182,858,387	11,722,850
Capital outlay - leases:				
General government administration	-	10,422	10,422	-
Judicial administration	-	33,472	33,472	-
Public safety	-	43,844	43,844	-
Public works	-	7,509	7,509	-
Parks, recreation, and cultural	-	16,855	16,855	-
Community development	-	6,068	6,068	-
Total capital outlay - leases	-	118,170	118,170	-
Capital outlay - subscriptions:				
General government administration	-	222,987	222,987	-
Public works	-	17,054	17,054	-
Parks, recreation, and cultural	-	107,028	107,028	-
Community development	-	934	934	-
Total capital outlay - subscriptions	-	348,003	348,003	-
Total capital outlay	-	466,173	466,173	-
Debt service:				
Lease principal	524,612	420,617	324,768	95,849
Lease interest	-	8,908	8,908	-
Subscription principal	-	689,741	689,741	-
Subscription interest	-	9,009	9,009	-
Total debt service	524,612	1,128,275	1,032,426	95,849
Total expenditures	189,125,851	196,175,685	184,356,986	11,818,699
Excess (deficiency) of revenues over (under) expenditures	24,437,272	19,104,297	49,609,110	30,504,813
Other financing sources (uses)				
Transfers in	358,657	9,691,529	9,691,529	-
Transfers (out)	(25,320,975)	(47,792,080)	(47,610,490)	181,590
Leases	-	106,069	118,170	12,101
Subscriptions	-	180,167	348,003	167,836
Total other financing sources (uses)	(24,962,318)	(37,814,315)	(37,452,788)	361,527
Net change in fund balances	(525,046)	(18,710,018)	12,156,322	30,866,340
Fund balances - beginning, as previously reported	59,558,130	59,558,130	59,558,130	-
Restatements	(201,703)	(201,703)	(201,703)	-
Fund balances - beginning, as restated	59,356,427	59,356,427	59,356,427	-
Fund balances - ending	\$ 58,831,381	\$ 40,646,409	\$ 71,512,749	\$ 30,866,340

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

COUNTY OF FAUQUIER, VIRGINIA

Exhibit 8

Statement of Revenues, Expenditures, and
Changes in Fund Balances – Budget and Actual
Fire and Rescue Fund
Fiscal Year Ended June 30, 2024

	Original Budget	Amended Budget	Actual	Variance From Amended Positive (Negative)
Revenues				
General property taxes	\$ 22,610,127	\$ 22,610,127	\$ 25,822,152	\$ 3,212,025
Revenue from use of money and property	36,529	36,529	333,019	296,490
Gifts and donations	-	25,000	3,550	(21,450)
Recovered costs	-	22,601	53,086	30,485
Miscellaneous revenue	5,000	68,178	78,856	10,678
Intergovernmental:				
Commonwealth of Virginia	307,000	307,000	381,794	74,794
Federal Government	1,658,187	1,658,187	1,360,093	(298,094)
Total revenues	24,616,843	24,727,622	28,032,550	3,304,928
Expenditures				
Current operating:				
Public safety	23,889,783	26,550,809	26,550,809	-
Total current operating expenditures	23,889,783	26,550,809	26,550,809	-
Capital outlay - leases:				
Public safety	-	26,692	26,692	-
Total capital outlay - leases	-	26,692	26,692	-
Capital outlay - subscriptions:				
Public safety	-	192,034	192,034	-
Total capital outlay - subscriptions	-	192,034	192,034	-
Total capital outlay	-	218,726	218,726	-
Debt Service:				
Lease principal	50,615	43,293	39,019	4,274
Lease interest	-	811	811	-
Subscriptions principal	-	54,707	54,707	-
Subscriptions interest	-	501	501	-
Total debt service	50,615	99,312	95,038	4,274
Total expenditures	23,940,398	26,868,847	26,864,573	4,274
Excess (deficiency) of revenues over (under) expenditures	676,445	(2,141,225)	1,167,977	3,309,202
Other financing sources (uses)				
Transfers in	1,365,803	3,298,119	3,298,119	-
Transfers (out)	(2,042,248)	(2,695,941)	(2,695,941)	-
Leases	-	26,692	26,692	-
Subscriptions	-	192,034	192,034	-
Total other financing sources (uses)	(676,445)	820,904	820,904	-
Net change in fund balances	-	(1,320,321)	1,988,881	3,309,202
Fund balances - beginning	1,126,650	1,126,650	1,126,650	-
Fund balances - ending	\$ 1,126,650	\$ (193,671)	\$ 3,115,531	\$ 3,309,202

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

Statement of Net Position
Proprietary Funds
June 30, 2024

	Business-Type Activities – Enterprise Funds				Governmental Activities
	Airport Fund	Landfill and Recycling Fund	Sewer Fund	Total	Internal Service Funds
Assets					
Current assets:					
Cash and cash equivalents	\$ 2,410,268	\$ 64,116	\$ 2,087,384	\$ 4,561,768	\$ 20,514,417
Cash and cash equivalents - restricted	44,047	5,740,794	355,140	6,139,981	-
Receivables, net of allowance for uncollectibles					
Accounts	153,718	165,650	1,861,296	2,180,664	835,353
Lease receivables	1,848,971	-	-	1,848,971	-
Inventories	28,090	-	-	28,090	260,713
Prepaid items	-	-	-	-	203,801
Due from other governmental units	27,288	-	-	27,288	-
Total current assets	4,512,382	5,970,560	4,303,820	14,786,762	21,814,284
Noncurrent assets:					
Capital assets (non-depreciable/non-amortizable):					
Land	6,612,678	1,446,449	557,540	8,616,667	-
Construction in progress	116,096	13,284,234	-	13,400,330	-
Intangible assets	228,836	-	-	228,836	-
Total capital assets (non-depreciable/non-amortizable)	6,957,610	14,730,683	557,540	22,245,833	-
Other capital assets:					
Buildings and improvements	7,968,873	18,848,006	-	26,816,879	349,000
Infrastructure	22,435,300	854,306	10,708,200	33,997,806	-
Machinery and equipment	492,402	2,677,476	18,732	3,188,610	850,716
Accumulated depreciation/amortization	(15,095,272)	(14,322,794)	(357,876)	(29,775,942)	(1,009,832)
Total other capital assets, net	15,801,303	8,056,994	10,369,056	34,227,353	189,884
Intangible right-to-use assets:					
Lease land	-	286,786	-	286,786	-
Lease buildings	-	-	-	-	-
Lease machinery and equipment	60,078	7,875	-	67,953	-
Accumulated amortization	(40,768)	(125,605)	-	(166,373)	-
Total intangible right-to-use assets, net	19,310	169,056	-	188,366	-
Total capital assets (depreciable/amortizable), net	15,820,613	8,226,050	10,369,056	34,415,719	189,884
Total capital assets, net	22,778,223	22,956,733	10,926,596	56,661,552	189,884
Total noncurrent assets	22,778,223	22,956,733	10,926,596	56,661,552	189,884
Total assets	27,290,605	28,927,293	15,230,416	71,448,314	22,004,168
Deferred outflows of resources					
Deferred charge on refunding	-	339,323	-	339,323	-
Items related to measurement of net pension liability	20,185	122,977	-	143,162	59,058
Pension contributions subsequent to measurement date	31,446	191,590	-	223,036	92,010
Items related to measurement of net OPEB liability	6,677	43,397	-	50,074	20,716
OPEB contributions subsequent to measurement date	1,560	9,444	-	11,004	4,563
Total deferred outflows of resources	59,868	706,731	-	766,599	176,347
Total assets and deferred outflows of resources	\$ 27,350,473	\$ 29,634,024	\$ 15,230,416	\$ 72,214,913	\$ 22,180,515

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

Statement of Net Position
Proprietary Funds
June 30, 2024

	Business-Type Activities – Enterprise Funds				Governmental
	Airport Fund	Landfill and Recycling Fund	Sewer Fund	Total	Internal Service Funds
Liabilities					
Current liabilities:					
Accounts payable	\$ 63,512	\$ 1,280,413	\$ 19,224	\$ 1,363,149	\$ 1,376,527
Accrued and other liabilities	14,512	93,532	-	108,044	32,516
Retainage	-	446,846	-	446,846	-
Accrued interest payable	-	150,088	-	150,088	-
Accrued interest payable - leases	12	18,276	-	18,288	-
Unearned revenue	34,378	-	1,284,921	1,319,299	-
Current portion of compensated absences	3,358	21,136	-	24,494	10,486
Current portion of incurred but not reported claims	-	-	-	-	779,328
Current portion of lease liabilities	12,874	54,943	-	67,817	-
Current portion of long-term bonds payable	-	987,963	355,140	1,343,103	-
Total current liabilities	128,646	3,053,197	1,659,285	4,841,128	2,198,857
Noncurrent liabilities:					
Accrued closure and postclosure liability	-	38,191,068	-	38,191,068	-
Noncurrent arbitrage liability	-	491,483	-	491,483	-
Noncurrent portion of compensated absences	30,217	190,225	-	220,442	94,369
Noncurrent portion of incurred but not reported claims	-	-	-	-	2,337,984
Noncurrent portion of lease liabilities	5,990	114,070	-	120,060	-
Noncurrent portion of long-term bonds payable	-	18,803,435	4,616,820	23,420,255	-
Net pension liability	48,282	294,161	-	342,443	141,269
Net OPEB liability	29,839	191,943	-	221,782	91,781
Total noncurrent liabilities	114,328	58,276,385	4,616,820	63,007,533	2,665,403
Total liabilities	242,974	61,329,582	6,276,105	67,848,661	4,864,260
Deferred inflows of resources					
Leases	1,807,536	-	-	1,807,536	-
Items related to measurement of pension liability	14,765	89,962	-	104,727	43,204
Items related to measurement of OPEB liability	10,685	70,835	-	81,520	33,702
Total deferred inflows of resources	1,832,986	160,797	-	1,993,783	76,906
Total liabilities and deferred inflows of resources	2,075,960	61,490,379	6,276,105	69,842,444	4,941,166
Net position					
Net investment in capital assets	22,759,359	7,685,724	5,954,636	36,399,719	189,884
Restricted for:					
Debt service	-	-	355,140	355,140	-
Donations	44,047	-	-	44,047	-
Unrestricted (deficit)	2,471,107	(39,542,079)	2,644,535	(34,426,437)	17,049,465
Total net position	25,274,513	(31,856,355)	8,954,311	2,372,469	17,239,349
Total liabilities, deferred inflows of resources, and net position	\$ 27,350,473	\$ 29,634,024	\$ 15,230,416	\$ 72,214,913	\$ 22,180,515

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

Statement of Revenues, Expenses, and Changes in Net Position
 Proprietary Funds
 Fiscal Year Ended June 30, 2024

	Business-Type Activities – Enterprise Funds				Governmental
	Airport Fund	Landfill and Recycling Fund	Catlett Calverton Sewer Fund	Total	Internal Service Funds
Operating revenues					
Charges for services	\$ 330,826	\$ 2,014,438	\$ 283,504	\$ 2,628,768	\$ 39,021,839
Recycling revenues	-	596,241	-	596,241	-
Recovered cost	-	27,611	-	27,611	858,507
Miscellaneous revenue	-	174	-	174	27,398
Contribution from School Board	-	-	-	-	2,000,000
Fuel	556,326	-	-	556,326	-
Total operating revenues	887,152	2,638,464	283,504	3,809,120	41,907,744
Operating expenses					
Cost of goods sold	408,072	-	-	408,072	-
Personal services	328,138	2,366,378	-	2,694,516	869,738
Fringe benefits	125,658	981,118	-	1,106,776	399,838
Claims and benefits paid	-	-	-	-	34,935,802
Premiums	-	-	-	-	205,365
Contractual services	109,905	4,662,341	229,933	5,002,179	4,282,900
Other operating expenses	123,823	251,418	11,837	387,078	3,126,887
Landfill closure and postclosure liability	-	1,237,573	-	1,237,573	-
Depreciation	898,001	842,126	238,896	1,979,023	26,705
Lease amortization	13,904	56,043	-	69,947	13,618
Pension and OPEB expense	(2,255)	(11,003)	-	(13,258)	(14,472)
Total operating expenses	2,005,246	10,385,994	480,666	12,871,906	43,846,381
Operating income (loss)	(1,118,094)	(7,747,530)	(197,162)	(9,062,786)	(1,938,637)
Nonoperating revenues (expenses)					
Interest income (expense)	188,953	(505,621)	200	(316,468)	1,066,987
Gain (loss) on disposal of capital asset	-	(220,834)	-	(220,834)	-
Insurance recoveries	-	5,423	-	5,423	-
Operating grants - Commonwealth of Virginia	15,351	47,241	-	62,592	-
Total nonoperating revenues (expenses)	204,304	(673,791)	200	(469,287)	1,066,987
Income (loss) before capital contributions, grants, and transfers	(913,790)	(8,421,321)	(196,962)	(9,532,073)	(871,650)
Capital contributions and grants					
Capital contributions	5,625	-	18,732	24,357	-
Capital grants - Commonwealth of Virginia	87,911	-	-	87,911	-
Capital grants - Federal Government	88,780	-	-	88,780	-
Total capital contributions and capital grants	182,316	-	18,732	201,048	-
Other financing sources (uses)					
Transfers in	1,153,420	7,514,052	355,140	9,022,612	6,605,447
Transfers (out)	-	(19,729)	(451,978)	(471,707)	(2,000,000)
Total financing sources (uses)	1,153,420	7,494,323	(96,838)	8,550,905	4,605,447
Change in net position	421,946	(926,998)	(275,068)	(780,120)	3,733,797
Net position - beginning	24,852,567	(30,929,357)	9,229,379	3,152,589	13,505,552
Net position - ending	\$ 25,274,513	\$ (31,856,355)	\$ 8,954,311	\$ 2,372,469	\$ 17,239,349

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

Statement of Cash Flows
Proprietary Funds
Fiscal Year Ended June 30, 2024

	Business-Type Activities – Enterprise Funds				Governmental
	Airport Fund	Landfill and Recycling Fund	Sewer Fund	Total	Internal Service Funds
Cash flow from operating activities					
Receipts from customers and users	\$ 1,115,072	\$ 2,614,912	\$ 395,831	\$ 4,125,815	\$ 1,071,722
Receipts from interfund services provided	-	-	-	-	40,360,950
Payments to suppliers and other operating activities	(591,585)	(4,395,357)	(239,034)	(5,225,976)	(42,160,110)
Payments to employees (including fringes)	(738,269)	(3,343,300)	-	(4,081,569)	(1,287,163)
Net cash provided by (used for) operating activities	(214,782)	(5,123,745)	156,797	(5,181,730)	(2,014,601)
Cash flow from noncapital financing activities					
Transfers in	1,153,420	7,514,052	355,140	9,022,612	6,605,447
Transfers (out)	-	(19,729)	(451,978)	(471,707)	(2,000,000)
Operating grants received	15,351	47,241	-	62,592	-
Net cash provided by noncapital financing activities	1,168,771	7,541,564	(96,838)	8,613,497	4,605,447
Cash flow from capital and related financing activities					
Acquisition and construction of capital assets	(135,237)	(6,935,574)	(11,096)	(7,081,907)	(54,960)
Proceeds from capital grants	670,145	-	-	670,145	-
Capital contribution	5,625	-	18,732	24,357	-
Principal paid on debt	-	(795,000)	(355,140)	(1,150,140)	-
Interest and other fiscal cost on debt	-	(624,034)	-	(624,034)	-
Principal and interest paid on leases	(14,271)	(55,579)	-	(69,850)	(16,746)
Interest on bond proceeds	-	432,022	-	432,022	-
Insurance recoveries	-	5,423	-	5,423	-
Net cash provided by (used for) capital and related financing activities	526,262	(7,972,742)	(347,504)	(7,793,984)	(71,706)
Cash flow from investing activities					
Interest income	189,085	182,497	200	371,782	1,066,987
Net cash provided by investing activities	189,085	182,497	200	371,782	1,066,987
Net increase (decrease) in cash and cash equivalents	1,669,336	(5,372,426)	(287,345)	(3,990,435)	3,586,127
Cash and cash equivalents - beginning of the year	784,979	11,177,336	2,729,869	14,692,184	16,928,290
Cash and cash equivalents - end of the year	\$ 2,454,315	\$ 5,804,910	\$ 2,442,524	\$ 10,701,749	\$ 20,514,417

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

Statement of Cash Flows
Proprietary Funds
Fiscal Year Ended June 30, 2024

	Business-Type Activities – Enterprise Funds				Governmental
	Airport Fund	Landfill and Recycling Fund	Sewer Fund	Total	Internal Service Funds
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities					
Cash flows from operations:					
Operating income (loss)	\$ (1,118,094)	\$ (7,747,530)	\$ (197,162)	\$ (9,062,786)	\$ (1,938,637)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation	898,001	842,126	238,896	1,979,023	26,705
Amortization of leases	13,904	56,043	-	69,947	13,618
Changes in operating assets and liabilities:					
(Increase) decrease in receivables	(49,356)	(23,552)	171,103	98,195	(475,072)
(Increase) decrease in lease receivables	277,279	-	-	277,279	-
(Increase) decrease in inventory	17,247	-	-	17,247	40,145
(Increase) decrease in prepaid items	-	-	-	-	(19,388)
(Increase) decrease in deferred outflows of resources	(4,116)	(38,043)	-	(42,159)	(6,522)
Increase (decrease) in accounts payable	32,968	518,402	2,736	554,106	479,070
Increase (decrease) in accrued liabilities	2,296	6,751	-	9,047	(3,889)
Increase (decrease) in unearned revenue	(3)	-	(58,776)	(58,779)	-
Increase (decrease) in incurred but not reported claims	-	-	-	-	(108,983)
Increase (decrease) in compensated absences	7,950	(2,555)	-	5,395	(13,698)
Increase (decrease) in landfill closure and postclosure liability	-	1,237,573	-	1,237,573	-
Increase (decrease) in net pension liability	20,653	101,468	-	122,121	41,395
Increase (decrease) in net OPEB liability	(1,074)	15,444	-	14,370	2,281
Increase (decrease) in deferred inflows of resources	(312,437)	(89,872)	-	(402,309)	(51,626)
Net cash provided by (used for) operating activities	\$ (214,782)	\$ (5,123,745)	\$ 156,797	\$ (5,181,730)	\$ (2,014,601)

Noncash, investing, capital, and financing activities:

The primary government contributed assets related to the construction of sewer infrastructure to the Sewer Fund during the fiscal year. The project costs were recorded in the Capital Projects Fund, and transferred to the Sewer Fund. This resulted in a non-cash capital and financing activity in the amount of \$18,732 for the assets related to the project. The net amount is reflected as a capital contribution on Exhibit 11.

Statement of Fiduciary Net Position
 Fiduciary Funds
 June 30, 2024

	Other Postemployment Benefit Plans Fund	Custodial Funds
Assets		
Cash and cash equivalents	\$ -	\$ 112,191
Cash in custody of others	-	158,066
Receivables, net of allowance for uncollectibles:		
Accounts	-	9,106
Loans	-	59,102
Investments at fair value:		
Investments at fair value	-	21,692,439
Investment in pooled funds	2,990,037	-
	<u>2,990,037</u>	<u>-</u>
Total assets	<u>2,990,037</u>	<u>22,030,904</u>
Liabilities		
Accounts payable	308,368	-
Accrued liabilities	-	53,401
	<u>308,368</u>	<u>53,401</u>
Total liabilities	<u>308,368</u>	<u>53,401</u>
Net position		
Restricted for:		
Postemployment benefits other than pensions	2,681,669	-
Individuals and organizations	-	21,977,503
	<u>2,681,669</u>	<u>21,977,503</u>
Total net position	<u>\$ 2,681,669</u>	<u>\$ 21,977,503</u>

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

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

	Other Postemployment Benefit Plans Fund	Custodial Funds
Additions		
Contributions		
For the benefit of employees	\$ 462,094	\$ -
Employees	-	1,989,192
Governments and organizations	-	593,636
On behalf of inmates	-	201,314
Total contributions	<u>462,094</u>	<u>2,784,142</u>
Investment income		
Net increase in the fair value of investments	217,883	2,054,073
Interest and dividends	4,151	732,239
Total investment income	<u>222,034</u>	<u>2,786,312</u>
Less: investment expenses	<u>-</u>	<u>(42,960)</u>
Net investment income	<u>222,034</u>	<u>2,743,352</u>
Miscellaneous revenue:		
Miscellaneous revenue	<u>-</u>	<u>37,471</u>
Total additions	<u>684,128</u>	<u>5,564,965</u>
Deductions		
Distributions	113,441	-
Payments on behalf of beneficiaries and participants	-	1,996,721
Administrative fees	3,168	-
Total deductions	<u>116,609</u>	<u>1,996,721</u>
Net increase (decrease) in net position	567,519	3,568,244
Net position - beginning	2,114,150	18,409,259
Net position - ending	<u>\$ 2,681,669</u>	<u>\$ 21,977,503</u>

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

COUNTY OF FAUQUIER, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the County of Fauquier have been prepared in conformity with generally accepted accounting principles (GAAP) applicable to governmental units promulgated by the Governmental Accounting Standards Board (GASB). The following is a summary of the County’s significant accounting principles and policies:

A. The financial reporting entity

The County of Fauquier, Virginia (the County) is organized under the traditional (modified) form of government. The governing body of the County is the Board of Supervisors (the Board), which establishes policies for the administration of the County. The Board appoints a County Administrator to serve as the administrative manager of the County.

The County has two discretely presented component units, the Economic Development Authority of Fauquier County (the Economic Development Authority) and the Fauquier County School Board (the School Board). The County has one blended component unit, the Fauquier County Broadband Authority (the Broadband Authority).

The Economic Development Authority is a political subdivision of the Commonwealth governed by seven directors appointed by the Fauquier County Board of Supervisors. The Economic Development Authority is empowered to acquire, own, lease, and dispose of properties, promote industry, develop trade in the County, and issue tax-exempt revenue bonds in accordance with the Virginia Industrial Development and Revenue Bond Act, Chapter 49, Title 15.2 of the Code of Virginia. As of June 30, 2024, the Economic Development Authority had outstanding industrial development revenue bonds of \$8,346,886. These obligations are considered conduit debt, neither the County nor the Economic Development Authority are obligated to pay the principal, interest, or any other costs associated with the bonds, and thus no associated assets, liabilities, revenues, or expenses with respect to these bonds are recognized in the financial statements. A financial benefit/burden relationship exists between the County and the Economic Development Authority and the County acts as fiscal agent for the Economic Development Authority.

The School Board is a legally separate entity for which the County has financial accountability. The School Board is responsible for the elementary and secondary education in the County. School Board members are elected by the voters by magisterial districts. The School Board does not have separate taxing authority and is therefore fiscally dependent upon the County. The County provides significant funding for school operating and capital needs, approves the School Board’s budget, levies taxes as necessary, and approves all debt issuances.

The School Board consists of the following governmental funds:

The *School General Fund* accounts for and reports financial resources to operate, maintain, and support the School Board programs. Its primary source of revenues is state and federal aid and contributions from the County’s General Fund.

The *School Asset Replacement Fund* accounts for and reports financial resources for major maintenance and systems replacement, renovations, and major asset replacements for the schools.

The *School Textbook Fund* accounts for and reports financial resources for the purchase of student textbooks supported by state revenue and transfers from the School General Fund.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The *School Nutrition Fund* accounts for and reports financial resources for the provision of student and adult breakfasts, snacks, and lunches. Its primary sources of revenue are state and federal aid and receipts from food sales.

The *School Activity Fund* accounts for and reports financial resources used to support co-curricular and extracurricular student activities. Its primary sources of revenue are from fundraising activities and gifts and donations.

The School Board *Fiduciary Funds* accounts for assets held by the School Board in a trustee capacity or as a custodian for individuals, private organizations, other governmental units, or other funds. The Crockett Scholarship Private Purpose Trust Fund, accounts for assets held in trust to provide scholarships for higher education for graduating Fauquier County students. Custodial funds include the Mountain Vista Regional Governor's School, a separate entity for which the School Board acts as a fiscal agent and custodian, the Mountain Vista Regional Governor's School, Activity Fund, the 457(b) Deferred Compensation Fund, and the 403(b) Deferred Compensation Fund.

The Economic Development Authority and School Board component units are discretely presented in a separate column in the government-wide statements to emphasize that they are legally and operationally separate from the government. Information regarding the Economic Development Authority and School Board are also reported in the other supplementary information section of this document. The Economic Development Authority and the School Board do not issue separate financial statements.

The Broadband Authority was established by ordinance of the Fauquier County Board of Supervisors in order to facilitate increased availability of affordable broadband internet services to citizens in Fauquier County. The Broadband Authority was established pursuant to the Virginia Wireless Service Authorities Act, Chapter 54.1, §§ 15.2-5431.1 and 15.2-5431.23 of the Code of Virginia, 1950 as amended, in order to provide qualifying communications services as authorized by Article 5.1 (§ 56-484.7:1 et seq.) of Chapter 15 of Title 56. The Broadband Authority is blended into the County's financial statements since the governing board of the Broadband Authority consists of the County Board of Supervisors and there are no separately issued financial statements. The governing board of the Broadband Authority serves four-year terms concurrent with the Board of Supervisor's term of office and the County has operational responsibility for the day-to-day operations of the Broadband Authority.

B. Government-wide and fund financial statements

Government-wide financial statements – The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all the non-fiduciary activities of the primary government and its component units. Eliminations have been made to avoid the double-counting of interfund activities. Interfund services provided and used are not eliminated during consolidation. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely significantly on fees and charges for support.

Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

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

Because the primary focus of government is to provide services to its citizens, the government-wide Statement of Activities reports expenses and revenues in a format that focuses on the cost of each of the government's functions. The expense of individual functions is compared to the revenues generated directly by the function (for instance, through user charges or intergovernmental grants). The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include:

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment; and 3) capital grants and contributions, including special assessments restricted to meeting operational or capital requirements of a particular function. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Taxes and other revenue, not specific to programs, are reported as general revenues.

Fund financial statements – The accounts of the reporting entity are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for in a set of self-balancing accounts comprised of assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance, revenue, and expenditures or expenses, as appropriate. The fund financial statements provide information about the County's funds, including its fiduciary funds. Separate financial statements are provided for each fund category (governmental funds, proprietary funds, and fiduciary funds). The emphasis of fund financial statements is on major governmental and enterprise fund categories with each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

C. Measurement focus, basis of accounting, and financial statement presentation

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers the availability period to be within sixty days of the end of the current fiscal period.

Property taxes, franchise taxes, licenses, 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. Accordingly, real and personal property taxes are recorded as revenues and receivables when billed, net of allowances for uncollectible amounts. Property taxes are considered to be available if they are collected within sixty days of the end of the current fiscal period; any property taxes not collected within this period end are reflected as unavailable revenues.

Sales and utility taxes, which are collected by the State or utilities and subsequently remitted to the County, are recognized as revenues and receivables upon collection by the State or utility, which is generally in the month preceding receipt by the County.

Licenses, permits, fines, and rents are recorded as revenues when received. Intergovernmental revenues, consisting primarily of federal, state, and other grants for the purpose of funding specific expenditures, are recognized when earned or at the time of the specific expenditure.

Revenues from general purpose grants are recognized in the period to which the grant applies. Revenues related to reimbursement type grants for which the government has a claim to during the availability period are considered to be available for revenue recognition purposes. All other revenue items are considered to be measurable and available only when cash is received by the government.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The County reports the following major fund types:

The *General Fund* is the government's primary operating fund. It accounts for and reports all financial resources not accounted for and reported in another fund.

The *Capital Projects Fund* accounts for and reports financial resources for capital outlays, except for those financed by proprietary funds or for assets held in trust for individuals, private organizations, or other governments.

The *Debt Service Fund* accounts for and reports financial resources for principal and interest. Debt service funds should also be used to report financial resources being accumulated for future debt service.

The *Fire and Rescue Fund* accounts for and reports the fire and rescue levy assessed on real estate to support the volunteer fire and rescue companies.

The *Enterprise Funds* are proprietary funds, which are used to account for and report the financing, construction, and operations of the Airport Fund, the Landfill and Recycling Fund, and the Sewer Fund.

The County reports the following nonmajor fund types:

The *Special Revenue Funds* accounts for and reports the proceeds of specific revenue sources for specified purposes other than debt service or capital projects. Special Revenue Funds consist of the Conservation Easement Service District Fund, the Ambulance Revenue Fund, the Social Services Fund, the Parks and Recreation Fund, the Library Fund, the Marshall Electric Light and Business Improvement District Fund, the Proffer Fund, the Stormwater Management Fund, the Vint Hill Community Enrichment Fund, the Vint Hill Transportation Fund, the Treasurer's E-Summons Fund, the Project Lifesaver Fund, the Working Together Committee Fund, the Fire and Rescue USDA Debt Service Fund, the Coronavirus Aid, Relief, the Economic Security (CARES) Fund, the American Rescue Plan Fund and the Opioid Abatement Fund.

The County reports the following additional fund types:

The *Proprietary Funds* include enterprise funds and internal service funds, and generally account for those operations that are financed and operated in a manner similar to private business enterprises. For proprietary funds, operating revenues generally include charges to customers for sales or services and expenses include cost of sales and service, administrative expenses, and depreciation, while revenues and expenses not meeting these definitions are classified as non-operating. The Internal Service Funds are used to account for goods and services provided to County departments on a cost reimbursement basis. Because the government itself is the primary customer, these funds are included in the governmental activities for government-wide reporting purposes. Any excess revenue over expenses for these funds is allocated to the appropriate functional activity. The operations of these funds are generally intended to be self-supporting.

The County's enterprise funds consist of the Airport Fund, the Landfill and Recycling Fund, and the Sewer Fund. The County's internal service funds consist of the Fleet Maintenance Fund, for the provision of vehicle services to County Departments, and the Health Insurance Fund for the provision of health benefits to County and School employees and/or retirees.

The *Fiduciary Funds* account for assets held by the government in a trustee capacity or as a custodian for individuals, private organizations, other governmental units, or other funds. The Other Postemployment Benefit Plans Fund accounts for assets held in trust by the County for the costs of health care and other non-pension benefits offered to retirees. Custodial funds include Volunteer Fire and Rescue Association Fund, Special Welfare Fund, Detention Center Fund, Service to Outside Agencies Fund, and the 457(b) Deferred Compensation Fund.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Stewardship, compliance, and accountability**1. Budgetary information**

Annual budgets are legally adopted for all governmental funds on a basis consistent with generally accepted accounting principles (GAAP) except for all custodial funds and the following Special Revenue funds: Social Services Fund, Opioid Abatement Fund, Parks and Recreation Fund, Library Fund, Marshall Electric Light and Business Improvement District Fund, Proffer Fund, Stormwater Management Fund, the Vint Hill Transportation Fund, Vint Hill Community Enrichment Fund, Treasurer’s E-Summons Fund, Project Lifesaver Fund, Working Together Committee Fund, and the Fire and Rescue USDA Debt Service Fund.

The County Administrator submits to the Board of Supervisors a proposed operating budget for the fiscal year commencing the following July 1st, as well as a five-year capital improvements and asset replacement plan with the related budget for the fiscal year commencing the following July 1st, with the proposed tax rates required to fund such matters. The budget is ordinarily proposed in the month of February of each calendar year, but no later than the first week of March. The operating and capital improvements budget includes proposed expenditures and the means of financing them. At least one public hearing is conducted to obtain citizen comments on the budget, capital improvements plan, and tax rates.

Prior to April 15th, the budget, capital improvements plan, and calendar year tax rates are adopted and appropriated by passage of a Resolution. The Resolution provides for the appropriation of funds either on a time or percentage-based allocation, if not in full, as deemed appropriate by the Board of Supervisors. This may be based on the date of the budget enactment for the Commonwealth of Virginia and other economic considerations whereby the Board of Supervisors may determine it to be fiscally responsible to appropriate the upcoming fiscal year’s budget on an allocation methodology other than in full, as allowable by the Code of Virginia. The Resolution places a legal level of budgetary control, the level at which expenditures may not legally exceed appropriations without additional formal action of the Board of Supervisors, at the department level for the General Fund or at the fund level for all other appropriated funds.

To address changes to the fiscal plan, the Board of Supervisors has adopted a policy for processing adjustments to the adopted budget. An intra-departmental transfer moves budget authority from one line item to another line item in the same department. The Office of Management and Budget approves all intra-departmental transfers. Departments must reconcile personnel, operations, and capital budgets with expenditures on a category basis.

An inter-departmental transfer moves budget authority between two departments or agencies in the same fund. The Office of Management and Budget has approval authority for inter-departmental transfers totaling less than \$50,000. The County Administrator has inter-departmental approval authority for transfers equal to or above \$50,000. Transfers between personnel and non-personnel categories are by exception, subject to Office of Management and Budget approval. The Board of Supervisors has approval authority for all transfer requests involving new positions, multi-year commitments, and contingency reserves, based on the recommendations of the Finance Committee, and/or the Personnel, Public Safety, and Facilities Planning Committee(s) specified in Section 15.2-2507 of the *Code of Virginia*.

Supplemental appropriations involve actions that increase or decrease the overall budget appropriation for the County Budget, or a fund contained therein. The County Administrator is provided the administrative authority to accept and appropriate adjustments for grants, insurance recoveries, and other non-reoccurring miscellaneous revenue that do not exceed \$50,000, with the following requirements for grants: 1) local match funding is available within a department’s existing budget; 2) the approved scope of the grant remains unchanged; and 3) no ongoing funding requirements are included in a grant acceptance. All requests for supplemental appropriations that do not meet the requirements require Board of Supervisors’ approval upon recommendation of the Finance Committee.

The School Board is authorized to transfer budgeted amounts within the School Division’s categories. Supplemental appropriations to the School Division and transfers between capital projects require the Board of Supervisors’ approval upon recommendation of the School Finance Committee and the County Finance Committee.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds subject to the Board of Supervisors' expenditure authority, and the Capital Projects Fund. The School Funds are integrated only at the level of legal adoption for the School General Fund, School Asset Replacement Fund, School Textbook Fund, and School Nutrition Fund. All budgetary data presented in the accompanying financial statements reflects the originally adopted budget and the amended budget compared to actual results as of June 30th.

2. Excess of expenditures over appropriations

For the year ended June 30, 2024, there were no departments in which expenditures exceeded appropriations.

3. Deficit fund balance/net position

As of June 30, 2024, the Landfill and Recycling Fund had a deficit net position.

E. Assets, liabilities, deferred outflows and inflows of resources, and fund balance or net position**1. Deposits and investments**

The government's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. The County maintains a single cash and investment pool for use by all funds and its component units, except for the Other Postemployment Benefit Plans Fund, the Working Together Fund, the Special Welfare Fund, the Fire and Rescue Volunteer USDA Debt Service Fund, the Volunteer Fire and Rescue Association Fund, the School Board Crockett Scholarship Private-Purpose Trust Fund, the School Board School Activity Fund, and the Economic Development Authority.

Investments for the government, as well as for its component units, are reported at fair value based on quoted market prices. Each fund participates on a dollar equivalent and daily transaction basis. Interest is distributed quarterly based on average daily balances of specific funds receiving interest income. A "zero balance account" mechanism provides for daily sweeps of deposits made to the County's checking accounts, resulting in an instantaneous transfer to the investment account. Hence, the majority of the County's funds are invested at all times. The State Treasurer's Local Government Investment Pool (LGIP) operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares. Bond proceeds are maintained to comply with the provisions of the Internal Revenue Tax Code and various bond indentures. Bond proceeds are deposited in the Virginia State Non-Arbitrage Program (SNAP). Values of shares in the SNAP and LGIP are reported at amortized cost in accordance with GASB 79.

Money market investments, participating interest-earning investment contracts (repurchase agreements) that have a remaining maturity at time of purchase of one year or less, nonparticipating interest-earning investment contracts (nonnegotiable certificates of deposit (CDs)), and external investment pools in accordance with GASB 79 are measured at amortized cost. All other investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The County maximizes the use of observable inputs and minimizes the use of unobservable inputs. Observable inputs are inputs that market participants would use in pricing the asset or liability based on market data obtained from independent sources. Unobservable inputs reflect assumptions that market participants would use in pricing the asset or liability based on the best information available in the circumstances. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels as follows:

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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 of the *Code of Virginia*. See Note 2 for further details on public deposits.

The County has three primary investment objectives: 1) Safety – investing funds to preserve principal and to minimize the potential risk of loss; 2) Liquidity – investing funds to ensure that monies are always available to meet the obligations of the County; and 3) Return – investing funds in an effort to provide a reasonable return within the constraints of the foregoing objectives.

2. Interfund receivables and payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the noncurrent portion of the interfund loans). Noncurrent portions of long-term interfund loans receivable and amounts due from other governments are included in nonspendable fund balance which indicates they do not constitute available expendable resources and therefore are not available for appropriation. All other outstanding balances between funds are reported as “due to/from other funds”. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”.

3. Inventory and prepaid items

In governmental funds, the purchases method is used to account for inventory and payments to vendors reflecting costs applicable to future accounting periods. Costs are recorded as expenditures when purchased, rather than consumed.

In the proprietary funds, inventories are valued at cost using the first-in, first-out method. These inventories consist of expendable supplies held for consumption. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. The consumption method is used to allocate asset costs to current and future periods.

4. Property taxes

Real property is assessed at its value on January 1. Unpaid taxes automatically constitute liens on real property which must be satisfied prior to sale or transfer. Real estate taxes are payable in two installments on June 5th and December 5th. Personal property is assessed at its value on January 1 or when it is acquired or brought into the County. Personal property taxes are due and collected annually on October 5th. The County bills and collects its own property taxes.

5. Allowance for uncollectible accounts

The County calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis.

6. Use of estimates

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

7. Restricted assets

Unspent proceeds of bond issuances are considered restricted for use for identified projects. When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

8. Lease receivables

For lease agreements for which the County or School Board is the lessor, lease receivables are recognized upon the commencement of the lease term unless the lease is a short-term lease, transfers ownership of the underlying asset, is an exception for leases of assets held as investments, or certain regulated leases in governmental fund statements. Lease receivables are measured at the present value of lease payments expected to be received during the lease term.

9. Capital assets

Capital assets, which include property, plant, equipment, intangible assets (e.g., easements, software licenses, and leases), and infrastructure assets (e.g., sidewalks, runways, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements.

The government defines capital assets, other than infrastructure assets, as assets with an initial, individual cost of at least \$10,000 per unit (amount not rounded) and an estimated useful life more than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

Capital projects are defined as acquisition and improvements of assets with an initial cost of at least \$50,000. Major outlays for capital assets and improvements are capitalized when completed. The cost of Infrastructure within the County (such as roads, streets, bridges, etc.) is owned and maintained by the Commonwealth of Virginia (Department of Transportation) and is not recorded in the County's financial statements. However, infrastructure that is within the County and is not owned by the Virginia Department of Transportation has been included, is capitalized, and reported in the government-wide financial statements at historical cost. This consists of items such as parks and recreational pathways, airport runways, and ballpark lighting.

Impaired capital assets are reported at the lower of carrying value or fair value. Currently, the County does not have any impaired capital assets. An asset is considered impaired if both (a) the decline in service utility of the capital asset is large in magnitude and (b) the event or change in circumstances is outside the normal life of the capital asset.

For lease agreements where the County or School Board is the lessee, intangible right to use lease assets and lease liabilities are recognized upon commencement of the lease term, unless the lease is a short-term lease, or it transfers ownership of the underlying asset in the government wide statements. Lease assets are measured at the amount of the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. Lease assets are amortized over the shorter of the lease term or useful life of the asset.

For subscription agreements, where the County or School Board is the lessee, intangible right to use subscription assets and subscription liabilities are recognized upon commencement of the subscription term, unless the subscription is a short-term subscription (twelve months or less), or it transfers ownership of the underlying asset in the government wide statements. Subscription assets are measured at the amount of the initial measurement of the subscription liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. Subscription assets are amortized over the shorter of the term or useful life of the asset.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, plant, equipment, intangible assets, and infrastructure of the primary government, as well as the component units, are depreciated / amortized using the straight-line method generally over the following estimated useful lives:

<u>Capital assets</u>	<u>Years</u>
Buildings and improvements	40-45
Lease buildings and improvements	40-45
Infrastructure	15-50
Lease infrastructure	15-50
Machinery and equipment	5-15
Lease machinery and equipment	5-15
Vehicles	3-12
Lease vehicles	3-12
Intangible assets	3-5
Subscription assets	3-5

Certain intangible assets with an indefinite useful life are not amortized.

10. Component unit – School Board capital assets

By law, the School Board does not have taxing authority. As such, it cannot incur debt through general obligation bonds to fund the acquisition of, construction of, or improvements to its capital assets. That responsibility lies with the local governing body, the County, who issues the debt on behalf of the School Board. The School Board holds title to the capital assets (buildings and equipment) and is responsible for maintenance and insurance. The book value of all school capital assets is reflected as an asset in the School Board Statement of Net Position, while the debt is reflected as a liability on the County's Statement of Net Position.

11. Compensated absences

It is the government's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. In governmental fund types, the cost of vacation and sick pay benefits (compensated absences) is recognized when payments are made to employees. A liability for these amounts is reported in governmental funds only if they have matured (become payable in the near term), for example, as a result of employee resignations and retirements.

A liability for governmental fund type vacation and sick pay benefits is recorded as a noncurrent liability in the governmental activities column of the government-wide Statement of Net Position. All vacation and sick pay are accrued when incurred in the government-wide and proprietary fund financial statements.

12. Long-term obligations

In the government-wide financial statements, debt and other long-term obligations are reported as liabilities in the applicable governmental activities or business-type activities column. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method and bonds payable is reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt and premiums on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses.

Lease liabilities are measured at present value of payments expected to be made during the lease term, less any lease incentives using the Incremental Borrowing Rate (IBR). The IBR is the interest rate that, at the beginning of the lease term or renewal date of the lease, the lessee would have incurred if the lessee borrowed, over a similar term, the funds necessary to purchase the lease asset. In governmental fund financial statements using the current financial resources focus, other financing source and outflow of resources are recognized upon commencement of the lease terms. Payments of lease principal and interest are recognized as an outflow of resources once paid. Lease extension and termination options are included in the lease term if, it is reasonably certain the renewal options will be exercised.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

13. Encumbrances

The County uses encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded to set aside that portion of the applicable appropriation. Encumbrances represent the estimated amount of expenditures ultimately to result if unperformed contracts and open purchase orders are completed. Encumbered amounts lapse at year-end, however, after review, they generally are re-appropriated as part of the following year's budget.

With the implementation of GASB Statement No. 54, encumbrances are no longer separately reported as a component of the fund balance of the fund statements. Significant encumbrances as of June 30, 2024 are:

Primary government

General Fund	\$	228,282
Capital Projects Fund		4,876,167
Fire and Rescue Fund		30,871
Other Governmental Funds		1,399,172
Airport Fund		104,252
Landfill and Recycling Fund		<u>1,209,751</u>
Total primary government encumbrances		<u><u>7,848,495</u></u>

Component unit - School Board

School Asset Replacement Fund		<u>2,505,603</u>
Total component unit - School Board encumbrances	\$	<u><u>2,505,603</u></u>

14. Deferred outflows/inflows of resources

In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. The County has four items that qualify for reporting in this category:

- Deferred charge on refunding reported in the government-wide Statement of Net Position. A 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 life of the refunded or refunding debt, whichever is shorter.
- Certain items related to measurement of the net pension and OPEB assets or liabilities. These can include differences between expected and actual experience and net difference between projected and actual earning pension plan and OPEB plan investments.
- Contributions to the pension and OPEB plans made during the current year and subsequent to the net pension and OPEB asset or liability measurement date, which will be recognized as a reduction of the net pension and OPEB asset or liability next fiscal year.

In addition to liabilities, the statement of financial position includes a separate section for deferred inflows of resources. This separate financial element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. The County has two items that qualify for reporting in this category:

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- Under a modified accrual basis of accounting, unavailable revenue representing property taxes receivable is reported in the governmental funds balance sheet. This amount is comprised of uncollected property taxes due prior to June 30 and amounts prepaid on the 2nd half installments. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available. Under the accrual basis, amounts prepaid on the 2nd half installments are reported as deferred inflows of resources.
- Certain items related to the measurement of the net pension and OPEB assets or liabilities are reported as deferred inflows of resources. These include differences between expected and actual experience, change in assumptions, and the net difference between projected and actual earnings on pension plan and OPEB plan investments.
- Deferred inflows related to the recognition of lease receivables at the inception of a lease agreement in which the County or School Board is the lessor. Deferred inflow of resources are measured at the value of the lease receivable plus any payments received at or before the commencement of the lease term that relate to future periods and recognized as inflow of resources in a systematic and rational manner over the term of the lease.

15. Fund balance

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

- *Nonspendable fund balance* - Amounts that cannot be spent because they are not in spendable form (e.g., inventory and prepaids) or are required to remain intact legally or contractually (e.g., corpus of a permanent fund).
- *Restricted fund balance* - Amounts constrained to a specific purpose by their providers (e.g., grantors, bond holders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- *Committed fund balance* - Amounts constrained to specific purposes by a government, using its highest level of decision-making authority (e.g., Board of Supervisors). To be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.
- *Assigned fund balance* - Amounts a government intends to use for a specific purpose. Intent can be expressed by the governing body itself or by an official, or body, to which the governing body delegates the authority.
- *Unassigned fund balance* - Amounts that are available for any purpose. Positive amounts are only reported in the General fund.

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

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

In the General Fund, the County sets a portion of unassigned fund balance equivalent to ten percent or 10% of general operating revenues. It is identified as the minimum amount needed to safeguard the County’s financial stability, and when combined with committed and assigned balances, provides the County with sufficient funds to operate in excess of two months without interrupting service levels. The remaining unassigned fund balance is for future uses to be determined by the Board of Supervisors.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

16. Net position

Net position is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources. Net position is comprised of three categories: net investment in capital assets, restricted, and unrestricted. The first category reflects the portion of net position which is 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. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position. Restricted net position relates to assets whose use is subject to constraints that are either externally imposed by creditors or imposed by law. Examples include proffers, grant funds, and contributions for a specific purpose. Net position which is neither restricted nor related to capital assets is reported as unrestricted net position.

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. The County reports this debt, whereas the School Board reports the related capital assets. As a result, in the Statement of Net Position (Exhibit 1), the debt reduces *unrestricted net position* for the primary government, while the capital assets are reported in *net investment in capital assets* for the School Board. Because this debt is related to capital assets of the reporting entity as a whole, the debt amount of \$43,982,784 is reclassified to present the total reporting entity column of Exhibit 1.

17. Flow assumption

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

18. Pensions and other postemployment benefits

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Virginia Retirement System (VRS) and additions to/deductions from VRS's fiduciary net position have been determined on the same basis as they are 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.

F. Governmental Accounting Standards Board (GASB) Statements**The County Implemented the following GASB Statement in fiscal year 2024:**

Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB No. 62*. The statement provides more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability for accounting changes and error corrections.

The County will implement the following GASB Statements in fiscal year 2025:

Statement No. 101, *Compensated Absences*, effective for the reporting periods beginning after December 15, 2023. The objective of this Statement is to provide and align the recognition and measurement guidance for Compensated Absences to be under one unified model of measurement. Establishing a unified recognition and measurement to more appropriately reflect an obligation will eliminate comparability issues as well as enhance relevance and reliability of the information concerning liabilities for compensated absences. The Statement requires that liabilities for compensated absences be recognized for leave that has not been used, leave used but not paid and the guidance the measurement of such liability. This Statement amends the existing requirement for compensated absences.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Beginning balance adjustments

Beginning balances were restated as follows:

	<u>Net Position</u>	<u>Fund Balance</u>	<u>Fund Balance</u>
	<u>Governmental</u>	<u>General Fund</u>	<u>Capital Projects</u>
	<u>Activities</u>	<u>Fund</u>	<u>Fund</u>
Balance as reported July 1, 2023	\$ 170,821,691	\$ 59,558,130	\$ 42,326,211
Restatement to unearned revenue	(201,703)	(201,703)	-
Restatement of grant accruals	<u>(71,648)</u>	<u>-</u>	<u>(71,648)</u>
Balance as restated July 1, 2023	<u>\$ 170,548,340</u>	<u>\$ 59,356,427</u>	<u>\$ 42,254,563</u>

	<u>Net Position</u>	<u>Fund Balance</u>	<u>Fund Balance</u>
	<u>Component Unit</u>	<u>School</u>	<u>School</u>
	<u>School Board</u>	<u>General Fund</u>	<u>School</u>
		<u>Grants Fund</u>	
Balance as reported July 1, 2023	\$ 48,206,594	\$ 152,494	\$ 341,647
Consolidation of funds	-	341,647	(341,647)
Restatement of grant accruals	<u>(14,430)</u>	<u>(14,430)</u>	<u>-</u>
Balance as restated July 1, 2023	<u>\$ 48,192,164</u>	<u>\$ 479,711</u>	<u>\$ -</u>

NOTE 2 – CASH, CASH EQUIVALENTS, AND INVESTMENTS

Deposits – Deposits with banks are covered by the Federal Depository Insurance Corporation (FDIC) and deposits, apart from deposits of the School Activity Funds, are collateralized in accordance with the Virginia Security for Public Deposits Act (the “Act”) Section 2.2-4400 of the *Code of Virginia*. Under the Act, banks and savings institutions holding public deposits in excess of the amount insured by the FDIC must pledge collateral to the Commonwealth of Virginia Treasury Board. Financial institutions may choose between two collateralization methodologies and, depending upon that choice, will pledge collateral that ranges in the amounts from 50% to 130% of excess deposits. Accordingly, all deposits are considered fully collateralized.

The Act provides for a pooling of collateral pledged with the Treasurer of Virginia to secure public deposits as a class. No specific collateral can be identified as security for any one public depositor and public depositors are prohibited from holding collateral in their name as security for deposits. The State Treasury Board is responsible for monitoring compliance with the collateralization and reporting requirements of the Act and notifying local governments of compliance by banks and savings and loan associations. A multiple financial institution collateral pool that provides for additional assessments is similar to depository insurance. If any member financial institution fails, the entire collateral pool becomes available to satisfy the claims of governmental entities. If the value of the pool’s collateral is inadequate to cover the loss, additional amounts would be assessed on a pro rata basis to the members of the pool.

Funds deposited in accordance with the requirements of the Act are considered fully secured and thus are not categorized below.

The School Board’s School Activity funds are deposited in bank accounts at the discretion of each school principal and are not under the control and management of the Fauquier County Treasurer.

Authorized investments – Statutes authorize the County to invest in obligations of the United States or agencies thereof, obligations of the Commonwealth of Virginia or political subdivisions thereof, obligations of other states not in default, obligations of the International Bank for Reconstruction and Development (World Bank), the Asian Development Bank, the African Development Bank, “prime quality” commercial paper and certain corporate notes, bankers’ acceptances, repurchase agreements, the State Treasurer’s Local Government Investment Pool (LGIP), and the Virginia State Non-Arbitrage Program (SNAP). SNAP is an external investment pool and is not SEC-registered. Bond proceeds subject to arbitrage rebate are invested in the SNAP (See Note 1). Proceeds from Financing Agreements are held in escrow and invested in money market funds.

NOTE 2 – CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

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 of Virginia*, the Treasury Board of the Commonwealth sponsors the LGIP and regulatory oversight of the pools rests with the Virginia State Treasury. The LGIP reports to the Treasury Board at their regularly scheduled meetings and the fair value of the position in the LGIP is the same as the value of the pool shares.

Investments authorized by the LGIP are the same as those authorized for local governments in Section 2.2-4500 et seq. of the *Code of Virginia*.

Other postemployment benefits (OPEB) – The primary government’s OPEB trust fund and the School Board component unit’s OPEB trust fund, through an agreement with the county, participate in the Virginia Pooled OPEB Trust. Funds of participating jurisdictions are pooled and invested in the name of the Virginia Pooled OPEB Trust. The County shares in this pool are reported on the face of the OPEB trust fund statements as found in Exhibit 13 of this report. The Board of Trustees of the Virginia Pooled OPEB Trust has adopted an investment policy to achieve a compounded annualized total rate of return over a market cycle, including current income and capital appreciation, in excess of 7.5% after inflation, consistent with prudent risk-taking. Investment decisions for the funds’ assets are made by the Board of Trustees.

The Board of Trustees establishes investment objectives, risk tolerance, and asset allocation policies in light of market and economic conditions, and generally prevailing prudent investment practices. The Board of Trustees also monitors the investments through the appointment and oversight of investment managers and ensures adherence to the adopted policies and guidelines. Specific investment information for the Virginia Pooled OPEB Trust can be obtained by writing to VML/VACo Finance Program, 1108 East Main Street, Richmond, Virginia 23219.

The County and its discretely presented component units’ investments are subject to interest rate, credit, concentration of credit, and custodial credit risk as described below.

Interest rate risk – As a means of limiting its exposure to fair value losses arising from decreasing interest rates, the County’s investment policy for non-restricted pooled cash and investments states that no security shall have a maturity exceeding seven years. The weighted average maturity for the portfolio shall be less than 180 days. The County’s investment policy for restricted accounts states that the securities will have a maximum maturity consistent with the nature of the restricted accounts.

The following reflects the fair value and the weighted average maturity (WAM) of the County’s investments as of June 30, 2024. WAM expresses investment time horizons, the time when investments become due and payable, weighted to reflect the dollar size of the individual investments within an investment type. The portfolio’s WAM is derived by dollar-weighting the WAM for each investment type. For purposes of the WAM calculation, the County assumes that all its investments will be held to maturity.

Fair value and weighted average maturity of investments at June 30, 2024:

	Measurement Method	Fair Value	Weighted Average Maturity (in years)
Money Market/Money Market Mutual Funds:			
Pooled Investments:			
U.S. Government Agency Securities	Fair Value (Level 1)	\$ 1,870,300	2.0000
Demand deposit account	Amortized Cost	<u>107,960,351</u>	0.0027
Other Investments:			
Virginia State Non-Arbitrage Program (SNAP)			
Debt-Related - Restricted Account	Amortized Cost	5,293,948	0.0027
Virginia Investment Pool (VIP)	Fair Value	10,891,923	0.0027
State Treasurer’s Local Government Investment Pool (LGIP)	Amortized Cost	<u>61,609,839</u>	0.0027
Total Investment		\$ <u><u>187,626,361</u></u>	0.0226

NOTE 2 – CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

Credit risk – State statutes authorize the County to invest in various instruments as described above. The County’s investment policy, however, does not provide for investments in obligations of other states and political subdivisions outside of the Commonwealth of Virginia. To minimize credit risk, the County’s investment policy seeks to diversify its portfolio by limiting the percentage of the portfolio that may be invested in any one type of instrument. It is the County’s policy to invest in time deposits and savings accounts in banks and savings and loan associations organized under the laws of Virginia approved for the deposit of other funds of the Commonwealth and of other political subdivisions doing business in and situated in the state. The Commonwealth’s approved list is partially based on a rating of A-1 by Standard and Poor’s and Aa by Moody’s Investor Services. The County will only invest in money market or mutual funds with a rating of AAA or equivalent by at least two nationally recognized statistical rating organizations pursuant to County practice. In addition, the County’s investment policy authorizes the purchase of “prime quality” commercial paper or “high quality” corporate notes of U.S. corporations having at least two of the following three ratings: A-1, P-1, and F-1, as rated by Standard & Poor’s, Moody’s and Fitch Investor’s Service rating services; banker’s acceptances that are eligible for purchase by the Federal Reserve Banks and have a letter of credit rating of AA or better; and tax exempt obligations of the state and its various local governments with a rating of A or less with insurance through MBIA or an equivalent company or issues rated A+ with or without insurance backing. The County’s policy exempts investments in the SNAP in which the County invests pursuant to bond documents from this rating requirement.

Concentration of credit risk – The County places a limit on the amount it may invest with any one issuer as follows: 25% certificates of deposit and municipal securities; 35% commercial paper; 40% bankers’ acceptances; 50% repurchase agreements; and up to 100% for state investment pools, US treasury bills and notes, and other U.S. Government agencies.

The County’s ratings and policy limits as of June 30, 2024, are as follows:

Investment Type	Investment Policy Limit	Credit Quality (Rating)	Credit Exposure as a % of Total Investment
Money Market/Money Market Mutual Funds:			
U.S. Government Agency Securities	100%	AAA	2%
Demand deposit account	50%	AAA	57%
Other Investments:			
Virginia State Non-Arbitrage Program (SNAP)	100%	AAAm	3%
Virginia Investment Pool (VIP)	100%	AAAm	6%
State Treasurer’s Local Government Investment Pool (LGIP)	100%	AAAm	32%
			100%

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 or collateral securities that are in the possession of an outside party. However, the County’s investment policy requires that all securities purchased by the County be properly and clearly labeled as an asset of Fauquier County and held in safekeeping by a third-party custodial bank or institution in compliance with Section 2.2-4514 of the *Code of Virginia*. Therefore, the County has no outside credit risk.

NOTE 2 – CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

Restricted cash and investments, consisting of amounts for restricted donations, bond covenants, arbitrage rebate, grant funding and unspent debt proceeds, required to be used for capital projects are as follows:

Restricted cash and investments at June 30, 2024:

Primary Government	
Governmental Activities:	
General Fund:	
Grant and contractual obligations	\$ 2,024,917
Restricted catastrophic fund	50,958
Total General Fund	<u>2,075,875</u>
Capital Projects Fund:	
Restricted donations	57,060
Performance bonds	355,995
Revenue share projects	25,000
Retainage	904,980
Total Capital Projects Fund	<u>1,343,035</u>
Other Governmental Funds:	
Social Services Board	48,616
Parks, Recreation, and Cultural donations	78,110
Library	450,714
Marshall Electric Light and Business Improvement District	185,828
Proffers	5,749,394
Stormwater Management	214,883
Federal funds for American Rescue Plan response	3,707,757
Vint Hill Community Enrichment	153,929
Vint Hill Transportation	372,597
Treasurer's E-Summons	246,449
Project Lifesaver	1,237
Working Together	48,365
Fire and Rescue USDA Debt Service	695,602
Opiod Abatement	778,371
Total Other Governmental Funds	<u>12,731,852</u>
Total Governmental Activities Restricted Cash and Investments	<u>16,150,762</u>
Business-Type Activities:	
Airport Fund:	
Restricted donations	44,047
Total Airport Fund	<u>44,047</u>
Landfill and Recycling Fund:	
Debt proceeds	5,293,948
Retainage	446,846
Total Landfill and Recycling Fund	<u>5,740,794</u>
Sewer Fund:	
Debt service reserve	355,140
Total Sewer Fund	<u>355,140</u>
Total Business-Type Activities Restricted Cash and Investments	<u>6,139,981</u>
Total Primary Government Restricted Cash and Investments	<u>\$ 22,290,743</u>
Component unit - School Board	
School General Fund:	
Grant funds	\$ 1,939,486
Total School General Fund	<u>1,939,486</u>
School Asset Replacement Fund:	
Grant funds	2,489
Total School Asset Replacement Fund	<u>2,489</u>
Total Component Unit - School Board	<u>1,941,975</u>
Total Restricted Cash and Investments	<u>\$ 24,232,718</u>

NOTE 3 – RECEIVABLES

Receivables at June 30, 2024 consist of the following:

Primary Government

	General Fund	Capital Projects Fund	Debt Service Fund	Fire and Rescue Fund	Nonmajor Governmental Funds	Business-Type Activities Enterprise Funds	Internal Services Funds	Total
Gross receivables:								
Property taxes	\$ 7,139,149	\$ -	\$ -	\$ 1,693,074	\$ 38,350	\$ -	\$ -	\$ 8,870,573
Accounts	2,652,799	12,859	-	56,750	2,496,970	4,000,469	835,353	10,055,200
Gross receivables	9,791,948	12,859	-	1,749,824	2,535,320	4,000,469	835,353	18,925,773
Allowance for uncollectibles:								
Property taxes	(1,936,927)	-	-	(459,349)	(10,203)	-	-	(2,406,479)
Accounts	-	-	-	-	(250,207)	(1,819,805)	-	(2,070,012)
Total allowance for uncollectibles	(1,936,927)	-	-	(459,349)	(260,410)	(1,819,805)	-	(4,476,491)
Net receivables	7,855,021	12,859	-	1,290,475	2,274,910	2,180,664	835,353	14,449,282
Lease receivable	172,648	-	-	107,917	-	1,848,971	-	2,129,536
Investment in direct financing agreement	-	-	12,016,225	-	-	-	-	12,016,225
Due from other governmental units	4,846,815	158,457	-	306,999	89,069	27,288	-	5,428,628
Note receivable	-	496,914	-	-	-	-	-	496,914
Total receivables	\$ 12,874,484	\$ 668,230	\$ 12,016,225	\$ 1,705,391	\$ 2,363,979	\$ 4,056,923	\$ 835,353	\$ 34,520,585

Governmental funds report unavailable revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. All funds also report unearned revenue in connection with resources that have been received, but not yet earned. Tax revenues received in advance of the due date are recorded as revenue advances. At the end of the current fiscal year, the various components of unavailable revenue, unearned revenue, and revenue advances of the primary government were as follows:

Receivables at June 30, 2024 consist of the following:

	Deferred inflow of resources				Total Deferred Inflow of Resources
	Unearned Revenue	Leases	Revenue Advances	Unavailable Revenue	
Governmental					
Tax revenue	\$ -	\$ -	\$ 1,420,257	\$ 4,546,855	\$ 5,967,112
Intergovernmental revenue	3,110,713	-	-	-	-
EMS ambulance billing revenue	-	-	-	49,590	49,590
Other revenue	243,529	-	-	-	-
Parks and recreation facility rentals	213,848	-	-	-	-
Investment in direct financing agreements	2,926,225	-	-	9,090,000	9,090,000
Note receivable	108,421	-	-	388,493	388,493
Opioid abatement settlement	-	-	-	1,861,461	1,861,461
Leases	-	271,489	-	-	271,489
Total governmental	6,602,736	271,489	1,420,257	15,936,399	17,628,145
Business-Type					
Airport hangar deposits	34,378	-	-	-	-
Airport leases	-	1,807,536	-	-	1,807,536
Sewer connection fee	1,284,921	-	-	-	-
Total business-type	1,319,299	1,807,536	-	-	1,807,536
Total	\$ 7,922,035	\$ 2,079,025	\$ 1,420,257	\$ 15,936,399	\$ 19,435,681

NOTE 3 – RECEIVABLES (CONTINUED)

A. Opioid abatement

In June 2022, Fauquier County adopted and joined the settlement allocation Memorandum of Understanding with the Commonwealth of Virginia’s Office of the Attorney General for distribution of funds resulting from settlement of lawsuits against pharmaceutical companies for harm caused to states and localities by licit and illicit opioid use and distribution. The County is expected to receive settlement payments as follows:

Scheduled Settlement Payments	
Fiscal Year	Expected Payment
2025	\$ 121,242
2026	158,300
2027	168,235
2028	128,172
2029	179,634
Thereafter	1,227,120
Total	\$ 1,982,703

Settlement payments are recorded as deferred inflow of resources and will be recognized as inflows in the fiscal year received.

GOVERNMENTAL ACTIVITIES:

B. Lease receivable

Fauquier County and the School Board enter various lessor arrangements with outside entities for rental of County owned property, including office space, infrastructure spaces for technology and communication. GASB Statement No 87, Leases requires lessors to measure and recognize lease receivables and deferred inflow of resources for these type agreements.

The following is a summary of lease receivables of the governmental activities for the year ended June 30, 2024:

	<u>Balance as of July 1, 2023</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance as of June 30, 2024</u>	<u>Amount Due Within One Year</u>
Lease Receivable:					
Buildings	\$ 941,065	\$ -	\$ 768,416	\$ 172,649	\$ 23,807
Infrastructure	94,160	53,371	39,615	107,916	38,508
Total lease receivables	\$ 1,035,225	\$ 53,371	\$ 808,031	\$ 280,565	\$ 62,315

The following shows the scheduled minimum payments due related to lessor lease agreements:

Scheduled Minimum Lease Payments at June 30, 2024			
Fiscal Year	Principal	Interest	Total
2025	\$ 62,315	\$ 2,553	\$ 64,868
2026	64,055	1,987	66,042
2027	53,812	1,417	55,229
2028	24,657	1,043	25,700
2029	24,947	753	25,700
2030-2034	50,779	621	51,400
Total	\$ 280,565	\$ 8,374	\$ 288,939

NOTE 3 – RECEIVABLES (CONTINUED)

Details of lease receivables are outlined below:

Lease Description	Governmental Activities		
	Discount	Lease	Deferred Inflow
	Rate	Receivable	of Resources
		June 30, 2024	June 30, 2024
330 Hospital Drive to Virginia Dept. of Health	1.170%	\$ 172,648	\$ 169,861
Upperville Station Tower Lease	0.833%	32,130	27,416
Upperville Station Tower Lease 2	0.686%	75,787	74,212
Total		<u>\$ 280,565</u>	<u>\$ 271,489</u>

C. Investment in direct financing agreements

The County has investments in direct financing agreements, consisting of financing arrangements with three volunteer fire and rescue companies operating within the County. Under the terms of these financing arrangements, the County obtained leasehold interests in specific property of the volunteer fire and rescue companies and used those leasehold interests as collateral to obtain debt-financing from the Virginia Resources Authority (VRA). The County used the proceeds from the VRA financings to either refund certain debts incurred during renovation projects for the improvement of volunteer fire and rescue stations, or to reimburse a volunteer fire and rescue company for capital expenses related to the construction of a new fire station. In separate-but-related agreements, the County subleased the original leasehold interests and any existing and future improvements back to the volunteer fire and rescue companies; the subleases contain a clause which transfers title of the properties, as well as any existing and future improvements to the properties, back to the volunteer fire and rescue companies at the time the debts are fully extinguished.

The following shows the net investment in direct financing agreements:

Note and Interest Receivable at June 30, 2024				
	Orlean	Catlett	Remington	Total
Total minimum payments to be received	\$ 4,954,409	\$ 4,007,863	\$ 3,053,953	\$ 12,016,225
Less: Unearned revenue	<u>1,229,409</u>	<u>962,863</u>	<u>733,953</u>	<u>2,926,225</u>
Net investment in direct financing agreements	<u>\$ 3,725,000</u>	<u>\$ 3,045,000</u>	<u>\$ 2,320,000</u>	<u>\$ 9,090,000</u>

The following shows the scheduled minimum payments due related to the direct financing agreements:

Scheduled Minimum Payments at June 30, 2024			
Fiscal Year	Principal	Interest	Total
2025	\$ 405,000	\$ 362,434	\$ 767,434
2026	430,000	341,038	771,038
2027	450,000	318,488	768,488
2028	480,000	294,656	774,656
2029	500,000	269,544	769,544
Thereafter	6,825,000	1,340,065	8,165,065
Total	\$ 9,090,000	\$ 2,926,225	\$ 12,016,225

NOTE 3 – RECEIVABLES (CONTINUED)

D. Note receivable

On May 22, 2020, the County issued a note to Rappahannock–Rapidan Community Service Board (RRCSB) in association with the County’s purchase of the North Hill Building, which will be used by both the County and the RRCSB. The note requires payments of principal and interest at a rate of 3.2% and is to be paid monthly beginning July 1, 2020 and continuing monthly thereafter until June 1, 2040. Payment in whole or in part at any time is without any penalty.

The following shows the note and interest receivable, unearned revenue with respect to the interest and the unavailable revenue as of June 30, 2024:

Note and Interest Receivable at June 30, 2024	
	RRCSB
Total principal and interest to be received	\$ 496,914
Less: Unearned revenue	<u>108,421</u>
Net note and interest receivable	<u>\$ 388,493</u>

The following shows the scheduled minimum note receivable payments due related to the note receivable:

Scheduled Minimum Note Receivable Payments at June 30, 2024			
Fiscal Year	Principal	Interest	Total
2025	\$ 18,900	\$ 12,156	\$ 31,056
2026	19,514	11,542	31,056
2027	20,147	10,909	31,056
2028	20,801	10,255	31,056
2029	21,477	9,579	31,056
Thereafter	287,654	53,980	341,634
Total	\$ 388,493	\$ 108,421	\$ 496,914

NOTE 3 – RECEIVABLES (CONTINUED)

BUSINESS-TYPE ACTIVITIES

The Warrenton-Fauquier Airport enters various lessor arrangements with outside entities for rental of hangars, tie down space for aircrafts, and for office and building space at the Airport.

The following is a summary of lease receivables of the business-type activities for the year ended June 30, 2024:

	<u>Balance as of</u> <u>July 1, 2023</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance as of</u> <u>June 30, 2024</u>	<u>Amount Due</u> <u>Within One</u> <u>Year</u>
Lease Receivable:					
Buildings	\$ 637,759	\$ 1,491,918	\$ 280,706	\$ 1,848,971	\$ 222,770
Infrastructure	<u>1,488,491</u>	<u>-</u>	<u>1,488,491</u>	<u>-</u>	<u>-</u>
Total lease receivables	<u>\$ 2,126,250</u>	<u>\$ 1,491,918</u>	<u>\$ 1,769,197</u>	<u>\$ 1,848,971</u>	<u>\$ 222,770</u>

The following shows the scheduled minimum payments due related to lessor lease agreements:

Scheduled Minimum Lease Payments at June 30, 2024			
Fiscal Year	Principal	Interest	Total
2025	\$ 222,770	\$ 39,880	\$ 262,650
2026	224,205	35,094	259,299
2027	226,263	30,185	256,448
2028	215,720	25,219	240,939
2029	214,509	20,190	234,699
2030-2034	745,504	30,716	776,220
Total	\$ 1,848,971	\$ 181,284	\$ 2,030,255

NOTE 3 – RECEIVABLES (CONTINUED)

Details of lease receivables are outlined below:

Lease Description	Business-Type Activities		
	Discount Rate	Lease	Deferred Inflow
		Receivable	of Resources
	June 30, 2024	June 30, 2024	
Airport Office Sp - Avaition ADV	0.4570%	\$ 92,560	\$ 91,966
Condo 60	2.9270%	29,924	29,170
Condo 62	3.5490%	31,037	30,194
Condo 63	2.9270%	29,924	29,170
Condo 64	2.9270%	29,924	29,170
Condo 65	2.9270%	29,924	29,170
Condo 66	2.9270%	29,924	29,170
Condo 67	2.9270%	29,924	29,170
Condo 68	2.9270%	29,924	29,170
Condo 69	2.9270%	30,200	28,976
Condo 70	2.9270%	29,924	29,170
Condo 71	2.9270%	29,924	29,170
Condo 72	2.9270%	29,924	29,170
Condo 73	2.9270%	29,924	29,170
Hanger 101-1	3.5490%	6,385	6,254
Hanger 201	0.5773%	15,237	15,020
Hanger 203	0.5773%	13,145	13,051
Hanger 208	2.9700%	24,708	24,086
Hanger 310	0.2178%	3,347	3,337
Soft Sided Hanger AUR4	2.9270%	12,824	12,501
Soft Sided Hanger AUR5	3.5490%	12,969	12,649
T-Hangar #1	0.7033%	47,992	47,132
T-Hangar #2	1.2173%	190,066	187,387
T-Hangar #3	1.2923%	160,032	156,423
T-Hangar #4	1.3270%	170,807	166,943
T-Hanger 102	3.5490%	25,628	25,101
T-Hanger 103	2.9270%	24,708	24,086
T-Hanger 104	2.9270%	24,708	24,086
T-Hanger 105	2.9270%	24,708	24,086
T-Hanger 106	2.9270%	24,708	24,086
T-Hanger 107 - 117	2.9270%	24,708	24,086
T-Hanger 202	2.9270%	24,708	24,086
T-Hanger 204	2.9270%	24,708	24,086
T-Hanger 206	2.9270%	24,708	24,086
T-Hanger 207	2.9270%	24,708	24,086
T-Hanger 210	2.9270%	28,641	27,920
T-Hanger 301	2.9270%	28,641	27,920
T-Hanger 302	2.9270%	24,708	24,086
T-Hanger 303	2.9270%	24,708	24,086
T-Hanger 304	2.9270%	24,708	24,086
T-Hanger 305	2.9270%	24,708	24,086
T-Hanger 307	2.9270%	24,708	24,086
T-Hanger 308	2.9270%	24,708	24,086
T-Hanger 309	2.9270%	24,708	24,086
T-Hanger 401	2.9270%	28,641	27,920
T-Hanger 402	3.5490%	24,987	24,370
T-Hanger 403	2.9270%	24,708	24,086
T-Hanger 405	2.9270%	24,708	24,086
T-Hanger 406	2.9270%	24,708	24,086
T-Hanger 408	2.9270%	24,708	24,086
T-Hanger 409	2.9270%	24,708	24,086
T-Hanger 410	2.9270%	28,641	27,920
Tie Down C21	2.9270%	6,156	6,001
Tie Down T03 - T04 - T05 - T06	2.9270%	18,295	17,789
		<u>\$ 1,848,971</u>	<u>\$ 1,807,536</u>

NOTE 3 – RECEIVABLES (CONTINUED)

DISCRETELY PRESENTED COMPONENT UNITS

	School Board						Total
	Economic Development Authority	School General Fund	School Asset Replacement Fund	School Textbook Fund	School Nutrition Fund	School Activity Fund	
Accounts	\$ -	\$ 139,571	\$ 12,792	\$ 57	\$ 58,423	\$ 38,177	\$ 249,020
Loans	104,154	-	-	-	-	-	-
Due from other funds	-	14,682	-	-	-	-	14,682
Due from other governmental units	-	6,418,677	-	-	36,731	-	6,455,408
Net receivables	<u>\$ 104,154</u>	<u>\$ 6,572,930</u>	<u>\$ 12,792</u>	<u>\$ 57</u>	<u>\$ 95,154</u>	<u>\$ 38,177</u>	<u>\$ 6,719,110</u>

The Economic Development Authority administers a microloan program for the purposes of making low interest, short term loans to businesses in the County to assist with startup and business initiatives, and to foster economic development within the County. This program was established with funding support from the Economic Development Authority along with five local banks.

The School Board’s receivables are all short-term. They are considered fully collectible and therefore an allowance for uncollectible accounts is not applicable to those receivables.

At the end of the current fiscal year, the various components of unearned revenue reported by component units were as follows:

	Unearned Revenue
School General Fund	\$ 1,702
School Nutrition Fund	148,955
Total	<u>\$ 150,657</u>

NOTE 4 – INTERFUND AND INTER-ENTITY RECEIVABLES AND PAYABLES

The following is a summary of interfund obligations as of June 30, 2024:

Current:

Due to / from other funds

Component Units

Receivable Fund	Payable Fund	Amount
School General Fund	School Activity Fund	\$ 14,682
Total		<u>\$ 14,682</u>

Interfund receivables and payables are recorded when funds overdraw their share of pooled cash. All amounts are considered short term receivables of the General Fund. Interfund receivables and payables are reported as internal balances on Exhibit 1.

NOTE 5 – INTERFUND TRANSFERS

The primary purpose of interfund transfers is to (1) move revenue from the fund that statute or budget requires to collect it to the fund that statute or budget requires to expend it and (2) use unassigned revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgeting authorization.

Routine transfers between County funds include:

- Transfers from the General Fund to the Capital Projects Fund to fund projects approved by the Board of Supervisors and to fund capital reserve.
- Transfers from the General Fund to the Debt Service Fund to fund the cost of debt service each fiscal year.
- Transfers from the General Fund to the Enterprise Funds to fund operational costs in the Landfill and Recycling Fund.
- Transfers from the Fire and Rescue Fund to the Debt Service Fund to fund the cost of debt service related to fire station projects in each fiscal year.
- Transfers from the Ambulance Recovery Fund to the Fire and Rescue Fund to fund the cost of fire personnel operating ambulance transports.

Routine transfers between School Board funds include transfers from the School General Fund to the Asset Replacement Fund to cover the cost of projects as approved by the School Board.

During the fiscal year ending June 30, 2024, the following significant and non-routine transfers were made between County funds:

- Transfer from the Fire and Rescue Fund to the Capital Projects Fund to fund fire related projects for which costs were incurred in the Capital Projects Fund.
- Transfer from the Debt Service Fund to the Enterprise Funds to fund the cost of debt service for debt related to the Catlett Calverton Sewer Project.

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

Primary Government	Transfers in:							
	General Fund	Capital Projects Fund	Debt Service Fund	Fire and Rescue Fund	Other Governmental Funds	Enterprise Funds	Internal Service Funds	Total
Transfers out:								
General Fund	\$ -	\$ 21,702,187	\$ 10,462,158	\$ 1,932,316	\$ 341	\$ 7,438,488	\$ 6,075,000	\$ 47,610,490
Capital Projects Fund	7,288,361	-	-	-	-	1,228,984	530,447	9,047,792
Debt Service Fund	-	-	-	-	-	355,140	-	355,140
Fire and Rescue Fund	40,064	1,392,974	772,806	-	490,097	-	-	2,695,941
Other Governmental Funds	363,104	944,853	-	1,365,803	13,916	-	-	2,687,676
Enterprise Funds	-	471,707	-	-	-	-	-	471,707
Internal Service Funds	2,000,000	-	-	-	-	-	-	2,000,000
Total	\$ 9,691,529	\$ 24,511,721	\$ 11,234,964	\$ 3,298,119	\$ 504,354	\$ 9,022,612	\$ 6,605,447	\$ 64,868,746

NOTE 5 – INTERFUND TRANSFERS (CONTINUED)

Component Units	Transfers in:				
	School General Fund	School Asset Replacement Fund	School Textbook Fund	School Activity Fund	Total
Transfers out:					
School General Fund	\$ -	\$ 2,406,132	\$ 821,203	\$ 16,575	\$ 3,243,910
School Asset Replacement Fund	<u>1,549,709</u>	-	-	-	<u>1,549,709</u>
Total	<u>\$ 1,549,709</u>	<u>\$ 2,406,132</u>	<u>\$ 821,203</u>	<u>\$ 16,575</u>	<u>\$ 4,793,619</u>

NOTE 6 – DUE FROM OTHER GOVERNMENTAL UNITS

The following is a summary of amounts due from other governmental units at June 30, 2024:

	Primary Government	Component Unit School Board
Commonwealth of Virginia:		
Local sales tax	\$ 2,536,909	\$ -
State sales tax	-	2,711,754
Shared expenses	557,061	-
Comprehensive services	983,603	-
Miscellaneous grants	568,121	851,075
Airport grants	2,228	-
Federal Government:		
School fund grants	-	2,892,579
Airport grants	25,060	-
Other federal grants	755,646	-
Total	<u>\$ 5,428,628</u>	<u>\$ 6,455,408</u>

NOTE 7 – CAPITAL ASSETS

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

	Balance June 30, 2023	Additions	Deletions	Transfers	Balance June 30, 2024
Primary government – governmental activities					
Capital assets (non-depreciable/non-amortizable):					
Land	\$ 20,331,081	\$ -	\$ -	\$ -	\$ 20,331,081
Construction in progress	31,063,676	8,575,431	(520,236)	(233,742)	38,885,129
Intangible assets	853,884	-	-	-	853,884
Total capital assets (non-depreciable/non-amortizable)	<u>52,248,641</u>	<u>8,575,431</u>	<u>(520,236)</u>	<u>(233,742)</u>	<u>60,070,094</u>
Other capital assets:					
Buildings and improvements	63,711,763	629,815	(24,755)	35,500	64,352,323
Infrastructure	32,362,017	90,000	-	198,242	32,650,259
Machinery and equipment	36,329,856	4,391,395	(1,237,156)	-	39,484,095
Intangible assets	1,460,946	-	(285,519)	-	1,175,427
Total other capital assets	<u>133,864,582</u>	<u>5,111,210</u>	<u>(1,547,430)</u>	<u>233,742</u>	<u>137,662,104</u>
Less accumulated depreciation/amortization for:					
Buildings and improvements	(31,321,009)	(1,781,763)	825	-	(33,101,947)
Infrastructure	(15,336,348)	(917,406)	-	-	(16,253,754)
Machinery and equipment	(22,572,517)	(2,806,227)	1,174,353	-	(24,204,391)
Intangible assets	(1,436,512)	(24,434)	285,519	-	(1,175,427)
Total accumulated depreciation/amortization	<u>(70,666,386)</u>	<u>(5,529,830)</u>	<u>1,460,697</u>	<u>-</u>	<u>(74,735,519)</u>
Total other capital assets, net	<u>63,198,196</u>	<u>(418,620)</u>	<u>(86,733)</u>	<u>233,742</u>	<u>62,926,585</u>
Intangible right-to-use assets:					
Lease buildings and improvements	1,328,488	6,487	(277,141)	-	1,057,834
Lease infrastructure	109,625	-	-	-	109,625
Lease machinery and equipment	443,329	138,375	(155,626)	-	426,078
Subscription assets	1,918,496	548,314	(311,222)	-	2,155,588
Total intangible right-to-use assets	<u>3,799,938</u>	<u>693,176</u>	<u>(743,989)</u>	<u>-</u>	<u>3,749,125</u>
Less accumulated amortization for:					
Lease buildings and improvements	(536,223)	(231,962)	203,176	-	(565,009)
Lease infrastructure	(41,670)	(20,835)	-	-	(62,505)
Lease machinery and equipment	(215,413)	(130,497)	134,557	-	(211,353)
Subscription assets	(573,147)	(656,961)	98,042	-	(1,132,066)
Total accumulated amortization	<u>(1,366,453)</u>	<u>(1,040,255)</u>	<u>435,775</u>	<u>-</u>	<u>(1,970,933)</u>
Total intangible right-to-use assets, net	<u>2,433,485</u>	<u>(347,079)</u>	<u>(308,214)</u>	<u>-</u>	<u>1,778,192</u>
Total capital assets (depreciable/amortizable), net	<u>65,631,681</u>	<u>(765,699)</u>	<u>(394,947)</u>	<u>233,742</u>	<u>64,704,777</u>
Governmental activities capital assets, net	<u>\$ 117,880,322</u>	<u>\$ 7,809,732</u>	<u>\$ (915,183)</u>	<u>\$ -</u>	<u>\$ 124,774,871</u>

NOTE 7 – CAPITAL ASSETS (CONTINUED)

	Balance June 30, 2023	Additions	Deletions	Transfers	Balance June 30, 2024
Primary government – business-type activities					
Airport Fund:					
Capital assets (non-depreciable/non-amortizable):					
Land	\$ 6,612,678	\$ -	\$ -	\$ -	\$ 6,612,678
Construction in progress	16,007	100,089	-	-	116,096
Intangible assets	228,836	-	-	-	228,836
Total capital assets (non-depreciable/non-amortizable)	<u>6,857,521</u>	<u>100,089</u>	<u>-</u>	<u>-</u>	<u>6,957,610</u>
Other capital assets:					
Buildings and improvements	7,933,725	35,148	-	-	7,968,873
Infrastructure	22,435,300	-	-	-	22,435,300
Machinery and equipment	510,902	-	(18,500)	-	492,402
Total other capital assets	<u>30,879,927</u>	<u>35,148</u>	<u>(18,500)</u>	<u>-</u>	<u>30,896,575</u>
Less accumulated depreciation/amortization for:					
Buildings and improvements	(2,441,586)	(318,579)	-	76,644	(2,683,521)
Infrastructure	(11,345,580)	(564,063)	-	(76,644)	(11,986,287)
Machinery and equipment	(428,605)	(15,359)	18,500	-	(425,464)
Total accumulated depreciation/amortization	<u>(14,215,771)</u>	<u>(898,001)</u>	<u>18,500</u>	<u>-</u>	<u>(15,095,272)</u>
Total other capital assets, net	<u>16,664,156</u>	<u>(862,853)</u>	<u>-</u>	<u>-</u>	<u>15,801,303</u>
Intangible right-to-use assets:					
Lease machinery and equipment	60,078	-	-	-	60,078
Total intangible right-to-use assets	<u>60,078</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>60,078</u>
Less accumulated amortization for:					
Lease machinery and equipment	(26,864)	(13,904)	-	-	(40,768)
Total accumulated depreciation/amortization	<u>(26,864)</u>	<u>(13,904)</u>	<u>-</u>	<u>-</u>	<u>(40,768)</u>
Total intangible right-to-use assets, net	<u>33,214</u>	<u>(13,904)</u>	<u>-</u>	<u>-</u>	<u>19,310</u>
Total capital assets (depreciable/amortizable), net	<u>16,697,370</u>	<u>(876,757)</u>	<u>-</u>	<u>-</u>	<u>15,820,613</u>
Airport Fund capital assets, net	<u>23,554,891</u>	<u>(776,668)</u>	<u>-</u>	<u>-</u>	<u>22,778,223</u>
Landfill and Recycling Fund:					
Capital assets (non-depreciable/non-amortizable):					
Landfill site	1,446,449	-	-	-	1,446,449
Construction in progress	6,271,755	7,012,479	-	-	13,284,234
Total capital assets (non-depreciable/non-amortizable)	<u>7,718,204</u>	<u>7,012,479</u>	<u>-</u>	<u>-</u>	<u>14,730,683</u>
Other capital assets:					
Buildings and improvements	21,741,354	-	(2,893,348)	-	18,848,006
Infrastructure	854,306	-	-	-	854,306
Machinery and equipment	2,917,063	225,132	(464,719)	-	2,677,476
Total other capital assets	<u>25,512,723</u>	<u>225,132</u>	<u>(3,358,067)</u>	<u>-</u>	<u>22,379,788</u>
Less accumulated depreciation/amortization for:					
Buildings and improvements	(13,693,860)	(693,409)	2,796,873	-	(11,590,396)
Infrastructure	(854,306)	-	-	-	(854,306)
Machinery and equipment	(1,957,863)	(148,717)	228,488	-	(1,878,092)
Total accumulated depreciation/amortization	<u>(16,506,029)</u>	<u>(842,126)</u>	<u>3,025,361</u>	<u>-</u>	<u>(14,322,794)</u>
Total other capital assets, net	<u>9,006,694</u>	<u>(616,994)</u>	<u>(332,706)</u>	<u>-</u>	<u>8,056,994</u>

NOTE 7 – CAPITAL ASSETS (CONTINUED)

	Balance June 30, 2023	Additions	Deletions	Transfers	Balance June 30, 2024
Primary government – business-type activities (continued)					
Intangible right-to-use assets:					
Lease land	\$ 225,350	\$ 61,436	\$ -	\$ -	\$ 286,786
Lease machinery and equipment	6,029	7,874	(6,028)	-	7,875
Total intangible right-to-use assets	<u>231,379</u>	<u>69,310</u>	<u>(6,028)</u>	<u>-</u>	<u>294,661</u>
Less accumulated amortization for:					
Lease land	(70,221)	(53,417)	-	-	(123,638)
Lease machinery and equipment	(5,267)	(2,626)	5,926	-	(1,967)
Total accumulated amortization	<u>(75,488)</u>	<u>(56,043)</u>	<u>5,926</u>	<u>-</u>	<u>(125,605)</u>
Total intangible right-to-use assets, net	<u>155,891</u>	<u>13,267</u>	<u>(102)</u>	<u>-</u>	<u>169,056</u>
Total capital assets (depreciable/amortizable), net	<u>9,162,585</u>	<u>(603,727)</u>	<u>(332,808)</u>	<u>-</u>	<u>8,226,050</u>
Landfill and Recycling Fund capital assets, net	<u>16,880,789</u>	<u>6,408,752</u>	<u>(332,808)</u>	<u>-</u>	<u>22,956,733</u>
Sewer Fund:					
Capital assets (non-depreciable/non-amortizable)					
Land	557,540	-	-	-	557,540
Construction in progress	7,636	-	(7,636)	-	-
Total capital assets (non-depreciable/non-amortizable)	<u>565,176</u>	<u>-</u>	<u>(7,636)</u>	<u>-</u>	<u>557,540</u>
Other capital assets:					
Infrastructure	10,708,200	-	-	-	10,708,200
Machinery and equipment	-	18,732	-	-	18,732
Total other capital assets, net	<u>10,708,200</u>	<u>18,732</u>	<u>-</u>	<u>-</u>	<u>10,726,932</u>
Less accumulated depreciation/amortization for:					
Infrastructure	(118,980)	(237,960)	-	-	(356,940)
Machinery and equipment	-	(936)	-	-	(936)
Total accumulated depreciation/amortization	<u>(118,980)</u>	<u>(238,896)</u>	<u>-</u>	<u>-</u>	<u>(357,876)</u>
Total capital assets (depreciable/amortizable), net	<u>10,589,220</u>	<u>(220,164)</u>	<u>-</u>	<u>-</u>	<u>10,369,056</u>
Sewer Fund capital assets, net	<u>11,154,396</u>	<u>(220,164)</u>	<u>(7,636)</u>	<u>-</u>	<u>10,926,596</u>
Total business-type activities capital assets, net	<u>\$ 51,590,076</u>	<u>\$ 5,411,920</u>	<u>\$ (340,444)</u>	<u>\$ -</u>	<u>\$ 56,661,552</u>

NOTE 7 – CAPITAL ASSETS (CONTINUED)

	Balance				Balance
	June 30, 2023	Additions	Deletions	Transfers	June 30, 2024
Component unit – School Board					
Capital assets (non-depreciable/non-amortizable):					
Land	\$ 5,543,520	\$ -	\$ -	\$ -	\$ 5,543,520
Construction in progress	1,176,657	969,537	-	(1,306,831)	839,363
Total capital assets (non-depreciable/non-amortizable)	6,720,177	969,537	-	(1,306,831)	6,382,883
Other capital assets:					
Buildings and improvements	256,755,545	2,381,729	(19,550)	1,306,831	260,424,555
Infrastructure	5,814,335	-	(29,991)	-	5,784,344
Machinery and equipment	41,585,825	2,771,453	(1,172,938)	-	43,184,340
Total other capital assets	304,155,705	5,153,182	(1,222,479)	1,306,831	309,393,239
Less accumulated depreciation/amortization for:					
Buildings and improvements	(131,364,869)	(6,512,998)	8,304	-	(137,869,563)
Infrastructure	(4,108,061)	(302,317)	29,991	-	(4,380,387)
Machinery and equipment	(24,504,412)	(2,588,758)	1,054,565	-	(26,038,605)
Total accumulated depreciation/amortization	(159,977,342)	(9,404,073)	1,092,860	-	(168,288,555)
Total other capital assets, net	144,178,363	(4,250,891)	(129,619)	1,306,831	141,104,684
Intangible right-to-use assets:					
Lease machinery and equipment	1,223,138	407,042	(264,505)	-	1,365,675
Subscription assets	425,652	245,682	(326,884)	-	344,450
Total intangible right-to-use assets	1,648,790	652,724	(591,389)	-	1,710,125
Less accumulated amortization for:					
Lease machinery and equipment	(506,474)	(352,362)	248,037	-	(610,799)
Subscription assets	(191,166)	(100,493)	155,387	-	(136,272)
Total accumulated amortization	(697,640)	(452,855)	403,424	-	(747,071)
Total intangible right-to-use assets, net	951,150	199,869	(187,965)	-	963,054
Total capital assets (depreciable/amortizable), net	145,129,513	(4,051,022)	(317,584)	1,306,831	142,067,738
School Board capital assets, net	\$ 151,849,690	\$ (3,081,485)	\$ (317,584)	\$ -	\$ 148,450,621

Lease amortization and depreciation expense was charged to functions/programs of the primary government and the Component Unit – School Board as follows:

	Amortization	Depreciation
Primary government – governmental activities		
General government administration	\$ 598,598	\$ 711,417
Judicial administration	30,153	252,391
Public safety	111,820	2,249,925
Public works	7,954	429,210
Health and welfare	25,055	41,739
Education	-	3,261
Parks, recreation, and cultural	119,797	1,723,371
Community development	146,878	118,516
Total governmental activities	1,040,255	5,529,830
Primary government – business-type activities		
Landfill and Recycling Fund	56,043	842,126
Airport Fund	13,904	898,001
Sewer Fund	-	238,896
Total business-type activities	69,947	1,979,023
Component unit – School Board	\$ 452,855	\$ 9,404,073

NOTE 7 – CAPITAL ASSETS (CONTINUED)

Net Investment in capital assets for the Primary Government and the Component Unit – School Board is calculated as follows:

Reconciliation of net investment in capital assets:

	Primary Government		Component Unit - School Board	Reporting Entity Total
	Governmental Activities	Business-Type Activities		
Total capital assets	\$ 124,774,871	\$ 56,661,552	\$ 148,450,621	\$ 329,887,044
Long-term obligations applicable to capital assets:				
General obligation bonds	-	-	34,910,000	34,910,000
Financing agreements	19,788,030	6,905,000	9,999,164	36,692,194
Revenue bonds	-	16,511,960	-	16,511,960
Direct bond	-	-	6,285,000	6,285,000
Premium/discount on bonds payable	1,283,417	1,346,398	1,962,185	4,592,000
Lease liabilities	772,902	187,877	766,244	1,727,023
Subscription liabilities	945,870	-	177,568	1,123,438
Deferred charge on refunding	-	(339,323)	(89,916)	(429,239)
Retainage and accounts payable	1,813,164	943,869	-	2,757,033
Less unspent proceeds as of June 30, 2024	-	(5,293,948)	-	(5,293,948)
Subtotal long-term obligations applicable to capital assets	24,603,383	20,261,833	54,010,245	98,875,461
Net investment in capital assets	\$ 100,171,488	\$ 36,399,719	\$ 94,440,376	\$ 231,011,583

Certain financing agreements reported in Note 8 for the primary government – governmental activities are not included in the above reconciliation because the financing agreements were issued in support of capital projects capitalized by other entities. Only a portion of the deferred amount on refunding from Note 8 is included in this reconciliation; the balance is related to the afore-mentioned financing agreements.

NOTE 8 – LONG-TERM OBLIGATIONS

The County issues general obligation bonds and financing agreements in order to provide funding for long-term capital improvements and acquisitions of capital assets. In most instances, the full faith and credit of the County are pledged to secure the debt, while leasehold interests in the property being financed act as security for financing agreements.

In addition, the County has long term obligations related to compensated absences which represent obligations to employees for unused leave balances and incurred, but not reported, claims related to employee utilization of the County’s health insurance program. General Fund revenues are used to liquidate compensated absence balances and other long-term obligations.

Section 15.2-2659 of the Code of Virginia outlines remedies with respect to events of default for localities in Virginia on general obligation bonds, including bonds issued through the Virginia Public School Authority and the Virginia Resources Authority.

NOTE 8 – LONG-TERM OBLIGATIONS (CONTINUED)

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. For those debts, for which collateral or a leasehold interest has been pledged, the most likely remedy in the event of default would be state aid intercept, though other possible remedies include acceleration of all unpaid payments on the debt, possession of pledged property by the debtor, writ of mandamus compelling the County to levy taxes to obtain the funds to meet the debt requirements, and any necessary legal actions against the County to cure the default.

In prior years, the County has refunded certain general obligation and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the refunded bonds. Accordingly, the trust account assets and the liability for the refunded bonds are not included in the County's financial statements. At June 30, 2024, \$18,485,000 of outstanding debt is considered defeased. Certain amounts that were paid during refunding are capitalized and amortized over the life of the debt and are reported as deferred amounts on refunding.

GOVERNMENTAL ACTIVITIES

The following is a summary of long-term obligations of the governmental activities for the year ended June 30, 2024:

	Balance July 1, 2023	Additions	Retirements	Balance June 30, 2024	Amount Due Within One Year
General long-term obligations:					
Financing agreements	\$ 25,060,351	\$ -	\$ 2,166,807	\$ 22,893,544	\$ 2,224,840
Direct placements:					
General obligation bonds	39,700,000	-	4,790,000	34,910,000	4,280,000
Direct bond	8,475,000	-	2,190,000	6,285,000	2,145,000
Premium/discount on bonds payable	3,987,632	-	562,148	3,425,484	510,547
Lease liabilities	1,101,202	144,862	473,162	772,902	255,333
Subscription liabilities	1,273,550	548,314	875,994	945,870	606,618
Compensated absences	6,488,754	5,035,314	4,945,640	6,578,428	657,843
Incurred but not reported claims	3,226,295	30,578,143	30,687,126	3,117,312	779,328
Total general long-term obligations	<u>\$ 89,312,784</u>	<u>\$ 36,306,633</u>	<u>\$ 46,690,877</u>	<u>\$ 78,928,540</u>	<u>\$ 11,459,509</u>
Deferred amount on refunding	<u>\$ (333,128)</u>	<u>\$ -</u>	<u>\$ (114,742)</u>	<u>\$ (218,386)</u>	<u>\$ (88,072)</u>

NOTE 8 – LONG-TERM OBLIGATIONS (CONTINUED)

Details of long-term obligations are outlined below. Unless otherwise noted, the full faith and credit of the County has been irrevocably pledged to secure the debt.

Direct borrowings:	<u>Amount Outstanding</u>	<u>Amount Due Within One Year</u>
<u>Financing agreements</u>		
\$806,659 School Bus financing agreement Series 2015, issued July 30, 2018, due in semiannual installments beginning January 30, 2019 through July 30, 2025, with interest payable quarterly at 3.030%. Eight school buses costing \$776,884 are pledged as security for the debt. \$	187,429	\$ 124,011
\$3,700,000 Public Safety Radio System financing agreement, Series 2016, issued on September 30, 2016 to fund upgrades to the public safety radio system, due in quarterly installments beginning December 30, 2016 through September 30, 2026, with interest payable quarterly at 1.644%. The radio system infrastructure and subscriber units are pledged as security for the debt.	886,213	389,836
\$865,400 School Bus financing agreement, Series 2015, issued July 19, 2019, due in semiannual installments beginning January 19, 2020 through July 19, 2026, with interest payable semiannually at 2.090%. Eight school buses costing \$747,131 are pledged as security for the debt.	323,625	127,435
\$782,232 School Bus financing agreement, Addendum to Series 2015, issued August 19, 2020, due in semiannual installments beginning February 19, 2021 through August 19, 2027, with interest payable semiannually at 1.9600%. Eight school buses costing \$782,235 are pledged as security for the debt.	404,461	112,757
\$2,820,000 Public Safety Radio System, financing agreement Series 2016, issued on August 9, 2019 to fund upgrades to the public safety radio system, due in semiannual installments beginning February 9, 2020 through August 9, 2029, with interest payable quarterly at 2.318%. The radio system infrastructure and subscriber units are pledged as security for the debt.	1,631,055	281,382
\$1,153,000 Public Safety Radio System, financing agreement Series 2016, issued on April 30, 2020 to fund upgrades to the public safety radio system, due in semiannual installments beginning October 30, 2020 through April 30, 2030, with interest payable semiannually at 1.382%. The radio system infrastructure and subscriber units are pledged as security for the debt.	710,761	114,419

NOTE 8 – LONG-TERM OBLIGATIONS (CONTINUED)

	Amount Outstanding	Amount Due Within One Year
Direct borrowings: (continued)		
\$2,775,000 Vint Hill 2016C Virginia Resources Authority Financing Lease, issued November 16, 2016, maturing annually beginning October 1, 2023 through October 1, 2029, with interest payable semiannually at a rate of 5.125%. A leasehold interest in the Vint Hill Sewer Treatment Plant, owned by Fauquier County Water and Sewer Authority secures the debt.	\$ 2,190,000	\$ 320,000
\$4,490,000 Virginia Resource Authority Financing Lease, Series 2018, issued on May 23, 2018, maturing semiannually from October 1, 2018 to October 1, 2038, with interest payable semiannually at rates from 3.125% to 5.125%. A volunteer fire facility is pledged as security for the debt.	3,725,000	175,000
\$9,000,000 Virginia Resource Authority Financing Lease, Series 2019A, issued on May 8, 2019, maturing semiannually from October 1, 2019 to April 1, 2039, with interest payable semiannually at rates from 2.862% to 5.125%. The Central Sports Complex is pledged as security for the debt.	7,470,000	350,000
\$3,620,000 Virginia Resource Authority Financing Lease, Series 2019A, issued on May 8, 2019, maturing semiannually from October 1, 2019 to April 1, 2040, with interest payable semiannually at rates from 2.869% to 5.125%. A leasehold interest in a volunteer fire facility is pledged as security for the debt.	3,045,000	130,000
\$2,760,000 Virginia Resource Authority Financing Lease, Series 2019A, issued on May 8, 2019, maturing semiannually from October 1, 2019 to April 1, 2040, with interest payable semiannually at rates from 2.871% to 5.125%. A leasehold interest in volunteer fire facility is pledged as security for the debt.	2,320,000	100,000
Total direct borrowings	22,893,544	2,224,840
Direct placements:		
<u>General obligation bonds</u>		
\$3,720,000 Virginia Public School Authority Bonds, Series 2004A, issued November 10, 2004, maturing annually from July 15, 2005 through July 15, 2024, with interest payable semiannually at rates from 4.10% to 5.60%.	185,000	185,000
\$11,540,000 Virginia Public School Authority Bonds, Series 2005A, issued November 10, 2005, maturing annually from July 15, 2006 through July 15, 2025, with interest payable semiannually at rates from 4.60% to 5.10%.	1,150,000	575,000
\$34,075,000 Virginia Public School Authority Bonds, Series 2007A, issued November 8, 2007, maturing annually from July 15, 2008 through July 15, 2027, with interest payable semiannually at rates from 4.35% to 5.10%. Acceleration of the debt can only occur with the County's consent.	6,800,000	1,700,000

NOTE 8 – LONG-TERM OBLIGATIONS (CONTINUED)

	Amount Outstanding	Amount Due Within One Year
Direct placements: (continued)		
\$10,000,000 Virginia Public School Authority Qualified School Construction Bonds, Series 2011-2, issued December 15, 2011, maturing annually from June 1, 2012 through December 1, 2030, with interest payable semiannually at 4.125%. Initially, 100% of the interest paid on the debt was to be refunded through a Federal Refundable Credit, however subsequent to the issuance of the debt, the federal government reduced the refundable credit for interest paid to 93.8%. \$	3,885,000	\$ 555,000
\$9,880,000 Virginia Public School Authority Bonds, Series 2012B, issued May 10, 2012, maturing annually from July 15, 2013 through July 15, 2032, with interest payable semiannually at rates from 2.55% to 5.05%.	5,615,000	525,000
\$3,305,000 Virginia Public School Authority Bonds, Series 2013A, issued April 29, 2013, maturing annually from January 15, 2014 through January 15, 2034, with interest payable semiannually at rates from 3.05% to 5.05%.	2,030,000	165,000
\$16,180,000 Virginia Public School Authority Bonds, Series 2021B, issued April 29, 2021, maturing annually from January 15, 2023 through January 15, 2042, with interest payable semiannually at rates from 1.925% to 5.05%.	15,245,000	575,000
<u>Direct bonds</u>		
\$8,805,000 JP Morgan Direct Bond, Series 2019, issued October 11, 2019, maturing semiannually from January 15, 2020 through January 15, 2026, with interest payable semiannually at 1.72%.	6,285,000	2,145,000
Total direct placements	41,195,000	6,425,000
Lease liabilities:		
Various leases secured by equipment payable through 2032 at discount rates ranging from .2177% to 3.7417%.	772,902	255,333
Subscription liabilities:		
Various subscriptions payable through 2028 at discount rates ranging from 2.1840% to 3.6310%	945,870	606,618
Premium/discount on bonds payable	3,425,484	510,547
Compensated absences	6,578,428	657,843
Incurred but not reported claims	3,117,312	779,328
Total governmental activities long-term obligations	\$ 78,928,540	\$ 11,459,509

NOTE 8 – LONG-TERM OBLIGATIONS (CONTINUED)

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

Fiscal Year	Direct Borrowings		Fiscal Year	Direct Placements			
	Financing Agreements			General Obligation Bonds		Direct Bond	
	Principal	Interest		Principal	Interest	Principal	Interest
2025	\$ 2,224,840	\$ 838,709	2025	\$ 4,280,000	\$ 1,597,134	\$ 2,145,000	\$ 89,655
2026	2,243,745	758,793	2026	4,155,000	1,413,613	2,095,000	53,191
2027	1,890,687	679,488	2027	3,640,000	1,250,960	2,045,000	17,587
2028	1,745,262	604,537	2028	3,705,000	1,101,351	-	-
2029	1,754,464	528,899	2029	2,075,000	986,984	-	-
2030-2034	6,119,546	1,697,055	2030-2034	9,070,000	2,352,652	-	-
2035-2039	6,480,000	613,882	2035-2039	4,825,000	624,166	-	-
2040-2042	435,000	6,794	2040-2042	3,160,000	110,053	-	-
Total	\$ 22,893,544	\$ 5,728,157	Total	\$ 34,910,000	\$ 9,436,913	\$ 6,285,000	\$ 160,433

Fiscal Year	Lease Liabilities		Subscription Liabilities	
	Principal	Interest	Principal	Interest
2025	\$ 255,333	\$ 8,491	\$ 606,618	\$ 23,224
2026	151,264	5,632	185,535	8,715
2027	108,730	3,713	124,786	3,661
2028	75,714	2,574	28,931	669
2029	77,297	1,630	-	-
2030-2034	104,564	854	-	-
Total	\$ 772,902	\$ 22,894	\$ 945,870	\$ 36,269

BUSINESS-TYPE ACTIVITIES

The following is a summary of long-term obligations of the business-type activities for the year ended June 30, 2024:

	Balance		Balance		Amount Due Within One Year
	July 1, 2023	Additions	Retirements	June 30, 2024	
Business-type activities long-term obligations:					
Direct borrowings:					
Financing agreements	\$ 7,290,000	\$ -	\$ 385,000	\$ 6,905,000	\$ 395,000
Direct placements:					
Revenue bonds	17,277,100	-	765,140	16,511,960	785,140
Premium/discount on bonds payable	1,520,975	-	174,577	1,346,398	162,963
Lease liabilities	185,198	69,311	66,632	187,877	67,817
Compensated absences	239,541	147,250	141,855	244,936	24,494
Landfill closure and postclosure liability	36,953,495	1,237,573	-	38,191,068	-
Total business-type activities long-term obligations	\$ 63,466,309	\$ 1,454,134	\$ 1,533,204	\$ 63,387,239	\$ 1,435,414
Deferred loss on refunding	\$ (369,118)	\$ -	\$ (29,795)	\$ (339,323)	\$ (29,127)

NOTE 8 – LONG-TERM OBLIGATIONS (CONTINUED)

Details of long-term obligations are outlined below. Unless otherwise noted, the full faith and credit of the County was pledged to secure the debt.

	<u>Amount Outstanding</u>	<u>Amount Due Within One Year</u>
Direct borrowings:		
<u>Financing agreements</u>		
\$7,130,000 Virginia Resources Authority Financing agreement, Series 2015A, issued May 28, 2015, maturing annually from October 1, 2015 through October 1, 2039, with interest payable semiannually at rates from 3.062% to 5.125%. An interest in the Alice Jane Childs administrative building is pledged as security for the debt.	\$ 1,725,000	\$ 245,000
\$5,500,000 Virginia Resources Authority Financing agreement, Series 2021A, issued May 13, 2021, maturing annually from October 1, 2021 through October 1, 2039, with interest payable semiannually at rates from .599% to 2.789%. An interest in the Alice Jane Childs administrative building is pledged as security for the debt.	5,180,000	150,000
Total direct borrowings	<u>6,905,000</u>	<u>395,000</u>
Direct placements:		
<u>Revenue bonds</u>		
\$7,102,800 Virginia Water Facilities Revolving Fund bond, issued on May 15, 2018, maturing annually from April 1, 2020 through April 1, 2039, with an interest rate of 0%.	4,971,960	355,140
\$12,340,000 Virginia Resources Authority Revenue bonds, Series 2021C, issued on November 7, 2021, maturing annually from October 1, 2022 through October 1, 2041, with interest payable semiannually at rates from 2.125% to 5.125%.	11,540,000	430,000
Total direct placements	<u>16,511,960</u>	<u>785,140</u>
Lease liabilities:		
Various leases secured by equipment payable through 2032 at discount rates ranging from .3147% to 3.6310%.	187,877	67,817
Premium/discount on bonds payable	1,346,398	162,963
Compensated absences	244,936	24,494
Landfill closure and postclosure liability	38,191,068	-
Total business-type activities long-term obligations	<u>\$ 63,387,239</u>	<u>\$ 1,435,414</u>

NOTE 8 – LONG-TERM OBLIGATIONS (CONTINUED)

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

Fiscal Year	Direct Borrowings		Direct Placements		Lease Liabilities	
	Financing Agreements		Revenue Bonds			
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 395,000	\$ 173,568	\$ 785,140	\$ 415,588	\$ 67,817	\$ 2,721
2026	410,000	159,274	805,140	393,038	53,309	1,766
2027	415,000	149,307	830,140	369,334	28,802	914
2028	430,000	141,168	855,140	344,350	9,067	219
2029	435,000	131,820	880,140	318,084	9,388	167
2030-2034	2,250,000	478,597	4,845,700	1,158,700	19,494	169
2035-2039	2,570,000	214,207	5,865,560	623,837	-	-
2040-2042	-	-	1,645,000	48,066	-	-
Total	\$ 6,905,000	\$ 1,447,941	\$ 16,511,960	\$ 3,670,997	\$ 187,877	\$ 5,956

DISCRETELY PRESENTED COMPONENT UNIT – SCHOOL BOARD

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

	Balance July 1, 2023	Additions	Retirements	Balance June 30, 2024	Amount Due Within One Year
Component unit long-term obligations:					
Direct borrowing:					
Financing agreements	\$ 9,723,231	\$ -	\$ 639,582	\$ 9,083,649	\$ 660,928
Lease liabilities	721,499	407,042	362,297	766,244	282,301
Subscription liabilities	227,425	245,682	295,539	177,568	84,862
Compensated absences	3,989,125	8,319,967	8,121,625	4,187,467	418,747
Total component unit long-term obligations	\$ 14,661,280	\$ 8,972,691	\$ 9,419,043	\$ 14,214,928	\$ 1,446,838

NOTE 8 – LONG-TERM OBLIGATIONS (CONTINUED)

Details of long-term obligations are outlined below:

	<u>Amount Outstanding</u>	<u>Amount Due Within One Year</u>
Direct borrowings:		
<u>Financing agreements</u>		
\$10,672,434 financing agreement, Series 2019, issued February 18, 2019 to fund energy saving projects across the school system, due in semiannual installments beginning April 1, 2021 through October 1, 2035, with interest payable semiannually at 3.31%. Equipment purchased for energy saving projects is pledged as security for the debt.	\$ 9,083,649	\$ 660,928
Total financing agreements	<u>9,083,649</u>	<u>660,928</u>
Lease liabilities:		
Various leases secured by equipment payable through 2031 at discount rates ranging from .0% to 3.7420%.	<u>766,244</u>	<u>282,301</u>
Subscription liabilities:		
Various subscriptions payable through 2030 at discount rates ranging from 1.7103% to 2.9010%	<u>177,568</u>	<u>84,862</u>
Compensated absences	<u>4,187,467</u>	<u>418,747</u>
Total component unit long-term obligations	<u>\$ 14,214,928</u>	<u>\$ 1,446,838</u>

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

Fiscal Year	<u>Direct Borrowing</u>		<u>Lease Liabilities</u>		<u>Subscription Liabilities</u>	
	<u>Financing Agreement</u>					
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 660,928	\$ 295,244	\$ 282,301	\$ 18,449	\$ 84,862	\$ 4,639
2026	682,986	273,187	217,917	11,291	53,387	2,588
2027	705,779	250,393	178,602	5,169	9,442	1,058
2028	729,334	226,838	75,319	888	9,696	804
2029	753,675	202,498	6,371	40	9,957	543
2030-2034	4,162,885	617,977	5,734	15	10,224	275
3035-2036	1,388,062	46,197	-	-	-	-
Total	<u>\$ 9,083,649</u>	<u>\$ 1,912,334</u>	<u>766,244</u>	<u>\$ 35,852</u>	<u>177,568</u>	<u>\$ 9,907</u>

NOTE 9 – COMMITMENTS

A. Long-term USDA

Fauquier County provides annual operating and capital contributions for nine separately incorporated Volunteer Fire and Rescue Companies through a special Fire and Rescue levy. Two volunteer fire and rescue facilities have outstanding loans through the United States Department of Agriculture Rural Development program (USDA) to fund construction and renovations. The County has provided USDA moral obligation letters guaranteeing funding support for each of the two volunteer fire and rescue companies. All assets are owned by the respective volunteer fire and rescue companies. Payment for annual debt service is made from the Fire and Rescue Fund as a contribution to the individual stations. The required debt service reserve of 10% annually for 10 years will accumulate in cash accounts in a fiduciary fund. The reserve may be used for capital improvements in the future if approved by USDA in accordance with the loan agreements.

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

	Balance			Balance	Amount
	July 1, 2023	Additions	Retirements	June 30, 2024	Due Within
					One Year
General long-term commitments:					
USDA Loans	\$ 7,193,019	\$ -	\$ 206,721	\$ 6,986,298	\$ 214,805

Details of long-term commitments are as follows:

	Amount	Amount Due
	Outstanding	Within One Year
USDA Loans:		
\$2,900,000 issued to Warrenton Volunteer Fire Company, Inc., on March 12, 2007, due in annual installments for principal and interest beginning March 12, 2010 through March 12, 2047, with interest payable annually at 4.125%.	\$ 2,236,395	\$ 60,202
\$985,000 issued to Warrenton Volunteer Fire Company, Inc., on February 20, 2008, due in annual installments for principal and interest beginning February 20, 2011 through February 20, 2048, with interest payable annually at 4.375%.	787,062	19,200
\$5,703,000 issued to New Baltimore Volunteer Fire and Rescue Company, Inc., on December 21, 2010, due in annual installments for principal and interest beginning December 21, 2013 through December 21, 2045, at 3.750%.	3,962,841	135,403
Total long-term commitments	\$ 6,986,298	\$ 214,805

NOTE 9 – COMMITMENTS (CONTINUED)

Annual requirements to amortize long-term commitments and related interest have been estimated according to information provided by USDA and are as follows:

Fiscal Year	Principal	Interest
2025	\$ 214,805	\$ 275,292
2026	223,206	266,891
2027	231,937	258,160
2028	241,010	249,087
2029	250,439	239,658
2030-2034	1,407,107	1,043,378
2035-2039	1,704,996	745,489
2040-2044	2,066,183	384,302
2045-2048	646,615	57,805
Total	<u>\$ 6,986,298</u>	<u>\$ 3,520,062</u>

B. Construction commitments

At June 30, 2024, the County had several major projects under construction which are summarized below:

Project Name	Contractor	Contract Amount	Expended to Date	Balance
Cedar Lee Middle School Expansion & Renovation	Taft Construction	\$ 18,291,390	\$ 18,099,622	\$ 191,768
Landfill 2020 GCCS Expansion Services	SCS Field Services	358,656	358,515	141
Landfill Leachate Evaporator Project	SCS Field Services	894,132	265,135	628,997
149 Landfill Closure Project	Harnden Group	8,671,781	8,671,781	-
Total		<u>\$ 28,215,959</u>	<u>\$ 27,395,053</u>	<u>\$ 820,906</u>

C. Commitments and contingent liabilities

Federal programs in which the County and School Board participate were audited in accordance with the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Title 2, Code of Federal Regulations, Part 200 (2 CFR 200)). Pursuant to the provisions of this circular, all major programs and certain other programs were tested for compliance with applicable grant requirements. While no matters of noncompliance were disclosed by the audit, the Federal Government may subject grant programs to additional compliance tests that may result in disallowed expenses. In the opinion of management, any future disallowance of current grant program expenditures, if any, would be immaterial.

NOTE 10 – TAX ABATEMENT DISCLOSURES

Fauquier County, in accordance with §58.1-3651 and §58.1-3651B of the Code of Virginia, sets forth the process and procedure by which a locality may designate property as tax exempt and that requires prior adoption of any Ordinance exempting property from local taxation, the Board of Supervisors shall hold a public hearing on any proposed application and, upon consideration, can determine that a proposed exemption from taxation can be granted.

Fauquier County, in accordance with §58.1-3506 of the Code of Virginia, abates personal property taxes on one motor vehicle owned or leased by members (including auxiliary members) of a volunteer emergency medical services agency or volunteer fire department operating within Fauquier County. The purpose of the abatement is to encourage and acknowledge service provided to the citizens of the County by members of the companies volunteer public safety programs they provide. In order to qualify for the abatement, members must regularly respond to emergency calls and auxiliary members must regularly perform duties for the emergency medical service agency or volunteer fire department, and the member must identify the motor vehicle regularly used for such purpose. Certification by the chief of the volunteer emergency medical services agency or volunteer fire department is made to the Commissioner of Revenue by January 31st of each year. Members and auxiliary members pay a reduced rate of \$0.25 per \$100 of assessed value on motor vehicles meeting the criteria noted above. The amount of reduced rate is determined by the County Board of Supervisors as a part of the annual budget adoption process.

Fauquier County enters into tax abatement agreements in accordance with §58.1-3850 through §58.1-3853, of the Code of Virginia which allows any city, county, or town to establish by ordinance, local technology, tourism, defense production zones, and incentives for green roofing and to grant tax incentives and regulatory flexibility in a zone. These zones are established within §8-113 through §8-128 of the Fauquier County Code. The purpose of these abatement agreements are to encourage economic development and growth by attracting and retaining businesses within the County.

Qualified local technology businesses in a local technology zone are businesses whose primary purpose is the design research, development, utilization or production of technology services, software, or products.

Qualified tourism businesses in tourism zones are businesses whose primary purpose is to establish a desirable destination to attract tourists from outside the community and create an environment for those visitors that will deliver a memorable experience or promote educational opportunities while increasing travel related revenue.

Qualified defense production businesses are businesses engaged in the design, development or production of materials, components, or equipment required to meet the needs of national defense, including any business that performs functions ancillary to or in support of the design, development, or production of such materials, components, or equipment. Defense contractors are businesses other than a defense production business that are primarily engaged in providing services of national defense including but not limited to logistics and technical support.

Abatements are granted to new or existing businesses within a zone who commit to the following arrangements:

- Capital investment of a minimum of \$500,000 for new businesses and \$250,000 for existing businesses in land, building and/or machinery unless otherwise authorized by the Board of Supervisors.
- The creation of ten (10) new full-time jobs for new businesses and three (3) new jobs for existing businesses. These jobs must have salaries at least 10% above the average county wage level as listed by the Virginia Employment Commission for the previous fiscal year and be created within the first calendar year of operation.

NOTE 10 – TAX ABATEMENT DISCLOSURES: (CONTINUED)

Qualified businesses receive tax incentives of rebates on business, professional, and occupational license tax, with the percentage rebated determined by the rebate schedule outlined in the terms of memorandum of understanding between the board and the qualifying business for the five-year incentive term. Qualified businesses will also receive tax incentives on tangible personal property and machinery and tools taxes imposed by the County, with the percentage rebated determined by the rebate schedule outlined in the terms of memorandum of understanding between the board and the qualifying business and shall decline by a fixed percentage each year for the five-year incentive term. There shall be a one hundred percent (100%) rebate of permit fees paid to the County for site plan, building, and zoning permits. Rebates are made at the end of each tax year on an annual basis and are rebated for only those taxes and fees that have actually been paid to the County. No interest is paid on any funds rebated.

Abatements within these zones apply for five (5) years from the later of:

- a) the date the business is determined to be a qualified business,
- b) the date the business commences operations, or
- c) the date an existing business completes a qualifying expansion.

In the event that a qualified technology business ceases to qualify as such, fails to comply with any provision of this article, fails to comply with any term of the memorandum of understanding between it and the board of supervisors, or removes itself from operation in the county during any year within ten (10) years from the effective date of the memorandum of understanding between it and the board of supervisors, it shall be required to repay the county the total amount of technology zone incentives received. Said repayment shall be made by the business to the county within thirty (30) days of the date on the written notice of disqualification sent by the director of economic development to the business. The notice shall be mailed via U.S. Mail, return receipt requested, to the address provided for the business in the memorandum of understanding between the board and the business.

For certain agreements, the County has committed to facilitate the entry of new businesses into the County by agreeing to finance and construct infrastructure such as public and private utility extensions for water, sewer, fiber optic and other technology infrastructure and to obtain state incentives to further support the economic development goals of the tax abatement agreement. The most significant agreement to date is the County's commitment to build fiber optic infrastructure at an estimated cost of \$1,000,000.

For fiscal year ended June 30, 2024, the County had tax abatements in the following category:

Category	Amount
Volunteer Emergency Services Agencies/Fire Departments	\$ <u>127,784</u>
Total	\$ <u>\$127,784</u>

NOTE 11 – LANDFILL CLOSURE AND POST-CLOSURE CARE COSTS

The County of Fauquier, Virginia owns and operates a landfill site. State and federal laws and regulations require the County to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and post-closure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and post-closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$38,191,068 reported as landfill closure/post-closure care liability at June 30, 2024, represents the cumulative amount reported based on the use of 100% of the estimated capacity of the old landfill, the use of 75.24% of the estimated capacity of the new landfill, and the closure costs for the Construction and Demolition Recycling facility, including Corrective Action, of \$98,405 and the Transfer Station of \$67,240. The County will recognize the remaining estimated cost of closure and post-closure care of \$3,520,693 on the new landfill as the remaining estimated capacity is used. These amounts are based on what it would cost to perform all closure and post-closure care in 2024.

The county is currently engaged in a capital project to close the old landfill, which has reached 100% capacity. The County completed construction of an additional cell to the new landfill, which added disposal capacity and deferred closure for a minimum of 10 years, but potentially up to 30+ years. In addition, the County has transitioned operations to a transfer station whereby residential and commercial waste is transported to another landfill entity outside of the County, which further defers closure of the new landfill.

The County demonstrated financial assurance requirements for closure and post-closure care costs through the submission of a local government Financial Test to the Virginia Department of Environment Quality, in accordance with Section 9VAC20-70 of the *Virginia Administrative Code*.

NOTE 12 – VIRGINIA RETIREMENT SYSTEM PENSION PLAN

A. Plan descriptions

Agent multiple employer retirement plan: The Virginia Retirement System (VRS) Political Subdivision Retirement Plan is a multi-employer, agent plan. All full-time, salaried, permanent employees of Fauquier County and non-professional salaried, permanent employees of the Fauquier County School Board are automatically covered by the VRS Retirement Plan upon employment.

Cost sharing retirement plan: The VRS Teacher Retirement Plan is a multiple employer, cost sharing plan. All full time, salaried permanent (professional) employees of public school divisions are automatically covered by the VRS Teacher Retirement Plan upon employment.

These plans are administered by the Virginia Retirement System (the System) along with plans for other employer groups in the Commonwealth of Virginia. The System issues a publicly available annual comprehensive financial report that includes financial statements and required supplementary information for VRS. A copy of the most recent report may be obtained from the VRS website at 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.

Members earn one month of service credit for each month they are employed and for which they and their employer pay contributions to VRS. Members are eligible to purchase prior public service, based on specific criteria as defined in the *Code of Virginia*, as amended. Eligible prior service that may be purchased includes prior public service, active-duty military service, certain periods of leave, and previously refunded service.

NOTE 12 – VIRGINIA RETIREMENT SYSTEM PENSION PLAN (CONTINUED)

The system administers three different benefit structures for covered employees – Plan 1, Plan 2, and Hybrid. Each of these benefit structures has a different eligibility criterion. The specific information for each plan and the eligibility for covered groups within each plan are set out in the following table:

About Plan 1	Plan 1 is a defined benefit plan. The retirement benefit is based on a member's age, service credit and average final compensation at retirement using a formula.
Eligible Members	Employees are in Plan 1 if their membership date is before July 1, 2010 and they were vested as of January 1, 2013, and they have not taken a refund.
Hybrid Opt-In Election	VRS non-hazardous duty covered Plan 1 members could make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014. The Hybrid Retirement Plan's effective date for eligible Plan 1 members who opted in was July 1, 2014. If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan. Members who were eligible for an optional retirement plan (ORP) and had prior service under Plan 1 were not eligible to elect the Hybrid Retirement Plan and remain as Plan 1 or ORP. <i>This does not apply to the VRS Teacher Retirement Plan.</i>
Retirement Contribution	Employees contribute 5% of their compensation each month to their member contribution account through a pre-tax 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.
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 was 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. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit.
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 service credit. Vesting means members are eligible to qualify for retirement if they meet the age and service requirements for their plan. Members also must be vested to receive a full refund of their member contribution account balance if they leave employment and request a refund. Members are always 100% vested in the contributions that they make.
Calculating the Benefit	The basic benefit is determined using the 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.
Average Final Compensation	A member's average final compensation is the average of the 36 consecutive months of highest compensation as a covered employee.

NOTE 12 – VIRGINIA RETIREMENT SYSTEM PENSION PLAN (CONTINUED)

Service Retirement Multiplier	<p>VRS: The retirement multiplier is a factor used in the formula to determine a final retirement benefit. The retirement multiplier for non-hazardous duty members is 1.70%.</p> <p>Sheriffs and regional jail superintendents: The retirement multiplier for sheriffs and regional jail superintendents is 1.85%.</p> <p>Political subdivision hazardous duty employees: The retirement multiplier of eligible political subdivision hazardous duty employees other than sheriffs and regional jail superintendents is 1.70% or 1.85% as elected by the employer.</p>
Normal Retirement Age	<p>VRS: Age 65.</p> <p>Political subdivisions hazardous duty employees: Age 60.</p>
Earliest Unreduced Retirement Eligibility	<p>VRS: Age 65 with at least five years (60 months) of service credit or age 50 with at least 30 years of service credit.</p> <p>Political subdivisions hazardous duty employees: Age 60 with at least five years (60 months) of service credit or age 50 with at least 25 years of service credit.</p>
Earliest Reduced Retirement Eligibility	<p>VRS: Age 55 with at least five years (60 months) of service credit or age 50 with at least 10 years of service credit.</p> <p>Political subdivisions hazardous duty employees: Age 50 with at least five years (60 months) of service credit.</p>
Cost-of-Living Adjustment (COLA) in Retirement	<p>The Cost-of-Living Adjustment (COLA) matches the first 3% increase in the Consumer Price Index for all Urban Consumers (CPI-U) and half of any additional increase (up to 4%) up to a maximum COLA of 5%.</p> <p>Eligibility: For members who retire with an unreduced benefit or with a reduced benefit with at least 20 years of service credit, the COLA will go into effect on July 1 after one full calendar year from the retirement date.</p> <p>For members who retire with a reduced benefit and who have less than 20 years of service credit, the COLA will go into effect on July 1 after one calendar year following the unreduced retirement eligibility date.</p> <p>Exceptions to COLA Effective Dates: The COLA is effective July 1 following one full calendar year (January 1 to December 31) under any of the following circumstances:</p> <ul style="list-style-type: none"> • The member is within five years of qualifying for an unreduced retirement benefit as of January 1, 2013. • The member retires on disability. • The member retires directly from short-term or long-term disability. • The member is involuntarily separated from employment for causes other than job performance or misconduct and is eligible to retire under the Workforce Transition Act or the Transitional Benefits Program. • The member dies in service and the member’s survivor or beneficiary is eligible for a monthly death-in-service benefit. The COLA will go into effect on July 1 following one full calendar year (January 1 to December 31) from the date the monthly benefit begins.
Disability Coverage	<p>Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.7% on all service, regardless of when it was earned, purchased or granted.</p>
Purchase of Prior Service	<p>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 service credit in their plan. Prior service credit counts toward vesting, eligibility for retirement and the health insurance credit. Only active members are eligible to purchase prior service. Members also may be eligible to purchase periods of leave without pay.</p>
About Plan 2	<p>Plan 2 is a defined benefit plan. The retirement benefit is based on a member’s age, service credit and average final compensation at retirement using a formula.</p>
Eligible Members	<p>Employees are in Plan 2 if their 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.</p>

NOTE 12 – VIRGINIA RETIREMENT SYSTEM PENSION PLAN (CONTINUED)

Hybrid Opt-In Election	<p>Eligible Plan 2 members could make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014. The Hybrid Retirement Plan’s effective date for eligible Plan 2 members who opted in was July 1, 2014.</p> <p>If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.</p> <p>Members who were eligible for an optional retirement plan (ORP) and have prior service under Plan 2 were not eligible to elect the Hybrid Retirement Plan and remain as Plan 2 or ORP. <i>This does not apply to the VRS Teacher Retirement Plan.</i></p>
Retirement Contributions	Same as Plan 1.
Service Credit	Same as Plan 1.
Vesting	Same as Plan 1.
Calculating the Benefit	See definition under Plan 1.
Average Final Compensation	A member’s average final compensation is the average of their 60 consecutive months of highest compensation as a covered employee.
Service Retirement Multiplier	<p>VRS: 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.</p> <p>Sheriffs and regional jail superintendents: Same as Plan 1.</p> <p>Political subdivision hazardous duty employees: Same as Plan 1.</p>
Normal Retirement Age	<p>VRS: Normal Social Security retirement age.</p> <p>Political subdivisions hazardous duty employees: Same as Plan 1.</p>
Earliest Unreduced Retirement Eligibility	<p>VRS: Normal Social Security retirement age with at least five years (60 months) of service credit or when their age and service equal 90.</p> <p>Political subdivisions hazardous duty employees: Same as Plan 1.</p>
Earliest Reduced Retirement Eligibility	<p>VRS: Age 60 with at least five years (60 months) of service credit.</p> <p>Political subdivisions hazardous duty employees: Same as Plan 1.</p>
Cost of Living Adjustment (COLA) in Retirement	<p>The Cost-of-Living Adjustment (COLA) matches the first 2% increase in the CPI-U and half of any additional increase (up to 2%), for a maximum COLA of 3%.</p> <p>Eligibility: Same as Plan 1.</p> <p>Exceptions to COLA Effective Dates: Same as Plan 1.</p>
Disability Coverage	Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.65% on all service, regardless of when it was earned, purchased or granted.
Purchase of Prior Service	Same as Plan 1.
About Hybrid Retirement Plan	<p>The Hybrid Retirement Plan combines the features of a defined benefit plan and a defined contribution plan.</p> <ul style="list-style-type: none"> • The defined benefit is based on a member’s age, service credit and average final compensation at retirement using a formula. • The benefit from the defined contribution component of the plan depends on the member and employer contributions made to the plan and the investment performance of those contributions. <p>In addition to the monthly benefit payment payable from the defined benefit plan at retirement, a member may start receiving distributions from the balance in the defined contribution account, reflecting the contributions, investment gains or losses, and any required fees.</p>

NOTE 12 – VIRGINIA RETIREMENT SYSTEM PENSION PLAN (CONTINUED)

Eligible Members	<p>Employees are in the Hybrid Retirement Plan if their membership date is on or after January 1, 2014. This includes:</p> <ul style="list-style-type: none"> • Political subdivision or school division employees. * • Members in Plan 1 or Plan 2 who elected to opt into the plan during the election window held January 1-April 30, 2014; the plan’s effective date for opt-in members was July 1, 2014. <p>*Some employees are not eligible to participate in the Hybrid Retirement Plan. They include:</p> <ul style="list-style-type: none"> • Political subdivision employees who are covered by enhanced benefits for hazardous duty employees. <p>Those employees eligible for an optional retirement plan (ORP) must elect the ORP plan or the Hybrid Retirement Plan. If these members have prior service under Plan 1 or Plan 2, they are not eligible to elect the Hybrid Retirement Plan and must select Plan 1 or Plan 2 (as applicable) or ORP. This does not apply to the VRS Teacher Retirement Plan.</p>
Retirement Contributions	<p>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.</p>
Service Credit	<p>Defined Benefit Component: Under the defined benefit component of the plan, 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 was 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. It also may count toward eligibility for the health insurance credit in retirement if the employer offers the health insurance credit.</p> <p>Defined Contributions Component: Under the defined contribution component, service credit is used to determine vesting for the employer contribution portion of the plan.</p>
Vesting	<p>Defined Benefit Component: Defined benefit vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members are vested under the defined benefit component of the Hybrid Retirement Plan when they reach five years (60 months) of service credit. Plan 1 or Plan 2 members with at least five years (60 months) of service credit who opted into the Hybrid Retirement Plan remain vested in the defined benefit component.</p> <p>Defined Contributions Component: 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.</p> <p>Members are always 100% vested in the contributions that they make.</p> <p>Upon retirement or leaving covered employment, a member is eligible to withdraw a percentage of employer contributions to the defined contribution component of the plan, based on service.</p> <ul style="list-style-type: none"> • After two years, a member is 50% vested and may withdraw 50% of employer contributions. • After three years, a member is 75% vested and may withdraw 75% of employer contributions. • After four or more years, a member is 100% vested and may withdraw 100% of employer contributions. <p>Distribution is not required, except as governed by law.</p>
Calculating the Benefit	<p>Defined Benefit Component: See definition under Plan 1.</p> <p>Defined Contribution Component: 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.</p>
Average Final Compensation	<p>Same as Plan 2. It is used in the retirement formula for the defined benefit component of the plan.</p>

NOTE 12 – VIRGINIA RETIREMENT SYSTEM PENSION PLAN (CONTINUED)

Service Retirement Multiplier	<p>Defined Benefit Component: VRS: The retirement multiplier for the defined benefit component is 1.00%.</p> <p>For members who opted into the Hybrid Retirement Plan from Plan 1 or Plan 2, the applicable multipliers for those plans will be used to calculate the retirement benefit for service credited in those plans.</p> <p>Sheriffs and regional jail superintendents: Not applicable.</p> <p>Political subdivision hazardous duty employees: Not applicable.</p> <p>Defined Contribution Component: Not applicable.</p>
Normal Retirement Age	<p>Defined Benefit Component: VRS: Same as Plan 2.</p> <p>Political subdivision hazardous duty employees: Not applicable.</p> <p>Defined Contribution Component: Members are eligible to receive distributions upon leaving employment, subject to restrictions.</p>
Earliest Unreduced Retirement Eligibility	<p>Defined Benefit Component: VRS: Normal Social Security retirement age and have at least five years (60 months) of service credit or when their age and service equal 90.</p> <p>Political subdivisions hazardous duty employees: Not applicable.</p> <p>Defined Contribution Component: Members are eligible to receive distributions upon leaving employment, subject to restrictions.</p>
Earliest Reduced Retirement Eligibility	<p>Defined Benefit Component: VRS: Age 60 with at least five years (60 months) of service credit.</p> <p>Political subdivisions hazardous duty employees: Not applicable.</p> <p>Defined Contribution Component: Members are eligible to receive distributions upon leaving employment, subject to restrictions.</p>
Cost of Living Adjustment (COLA) in Retirement	<p>Defined Benefit Component: Same as Plan 2.</p> <p>Defined Contribution Component: Not Applicable.</p> <p>Eligibility: Same as Plan 1 and Plan 2.</p> <p>Exceptions to COLA Effective Dates: Same as Plan 1 and Plan 2.</p>
Disability Coverage	<p>Employees of political subdivisions and school divisions (including Plan 1 and Plan 2 opt-ins) participate in the Virginia Local Disability Program (VLDP) unless their local governing body provides an employer-paid comparable program for its members.</p> <p>Hybrid members (including Plan 1 and Plan 2 opt-ins) covered under VLDP are subject to a one-year waiting period before becoming eligible for non-work-related disability benefits.</p>
Purchase of Prior Service	<p>Defined Benefit Component: Same as Plan 1, with the following exception:</p> <ul style="list-style-type: none"> Hybrid Retirement Plan members are ineligible for ported service. <p>Defined Contribution Component: Not applicable.</p>

B. Summary of significant accounting policies

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the VRS Political Subdivision and Teacher Retirement Plans, and the additions to/deductions from the plans' net fiduciary 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.

C. Actuarial assumptions

The net pension liabilities for Fauquier County and the Fauquier County School Board Retirement Plans were measured as of June 30, 2023. The total pension liability for the general employees, public safety employees, and non-professional employees of the School Board in the Political Subdivision Retirement Plan and professional employees of the School Board in the Teacher Retirement Plan used to calculate the net pension liability was determined 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.

NOTE 12 – VIRGINIA RETIREMENT SYSTEM PENSION PLAN (CONTINUED)

	County		School Board	
	General employees	Public safety employees	Non-professional employees	Professional employees
Inflation	2.5%			
Salary increases, including inflation	3.5% - 5.35%	3.5% - 4.75%	3.5% - 5.35%	3.5% - 5.95%
Investment rate of return	6.75%, net of pension plan investment expense, including inflation*			

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

A key demographic risk for all retirement systems is improvements in mortality (longevity) greater than anticipated. While the actuarial assumptions anticipate some improvements in mortality experience over time and these assumptions are refined every experience study, the risk arises because there is a possibility of some sudden shift, perhaps from a significant medical breakthrough that could quickly increase liabilities. Likewise, as we have recently seen with COVID-19, a public health crisis can result in a significant number of additional deaths in a short period of time, which can influence plan liabilities and future funding needs. While we have seen that either of these events could happen, it represents a smaller probability and thus represents much less risk than the volatility associated with investment returns.

Mortality Rates:

General and School Board non-professional employees

Largest 10 – Non-Hazardous Duty: 20% of deaths are assumed to be service-related

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

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

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

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

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

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

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

NOTE 12 – VIRGINIA RETIREMENT SYSTEM PENSION PLAN (CONTINUED)

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

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

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

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

Public safety employees with hazardous duty benefits

Largest 10 – Hazardous Duty: 70% of deaths are assumed to be service-related

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

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

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

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

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

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

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

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

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

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

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

NOTE 12 – VIRGINIA RETIREMENT SYSTEM PENSION PLAN (CONTINUED)

Teachers

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

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

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

Beneficiaries and Survivors: Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

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

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

General and School Board non-professional employeesLargest 10 – Non-Hazardous Duty:

Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020; Adjusted retirement 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; Adjusted withdrawal rates to better fit experience at each age and service through 9 years of service

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

Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020; Adjusted retirement 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; Adjusted withdrawal rates to better fit experience at each age and service through 9 years of service

Public safety employees with hazardous duty benefitsLargest 10 – Hazardous Duty:

Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020; Adjusted retirement rates to better fit experience and changed final retirement age from 65 to 70; Decreased withdrawal rates

All Others (Non 10 Largest) – Hazardous Duty:

Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020; Adjusted retirement rates to better fit experience and changed final retirement age from 65 to 70; Decreased withdrawal 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.

Teachers

Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020; Adjusted retirement rates to better fit experience for Plan 1: set separate rates based on experience for Plan 2/Hybrid; and changed final retirement age from 75 to 80 for all; Adjusted termination rates to better fit experience at each age and service through 9 years of service

NOTE 12 – VIRGINIA RETIREMENT SYSTEM PENSION PLAN (CONTINUED)

D. Long-term expected rate of return

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

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

* The above allocation provides a one-year return of 8.25%. However, one-year returns do not consider 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.

E. Discount rate

The discount rate used to measure the total pension liabilities was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between the 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, 2024, the alternate rate was the employer contribution rate used in FY2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2022, actuarial valuations, whichever was greater. From July 1, 2023 on, participating employers and School Boards are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net positions were 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 total pension liabilities.

NOTE 12 – VIRGINIA RETIREMENT SYSTEM PENSION PLAN (CONTINUED)

F. Employees covered by the benefit terms

As of the June 30, 2022 actuarial valuation, the following employees were covered by the benefit terms of the Fauquier County Plan and the School Board Non-professional Plan.

	Fauquier County Plan	School Board Non-professional Plan
Inactive members or their beneficiaries currently receiving benefits	428	228
Inactive members entitled to but not yet receiving benefits		
Vested	163	75
Non-vested	291	247
Long-term disability (LTD)		
Active elsewhere in the VRS	261	119
Total inactive members	<u>1,143</u>	<u>669</u>
Active members	<u>716</u>	<u>321</u>
Total	<u><u>1,859</u></u>	<u><u>990</u></u>

G. Contributions

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

Fauquier County: The County’s contractually required contribution rate for the year ended June 30, 2024 was 11.61% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021 and when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

School Board: The contractually required contribution rate for the year ended June 30, 2024 was 4.34% of covered employee compensation for Non-professional School Employee Retirement Plan.

For the VRS Teacher Retirement Plan, the contribution requirement for active employees is governed by §51.1-145 of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to school division by the Virginia General Assembly. Each school divisions’ contractually required contribution rate for the year ended June 30, 2024 was 16.62% of covered employee compensation. This was the General Assembly approved rate, which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

In June 2023, the Commonwealth made a special contribution of approximately \$147.5 million to the VRS Teacher Retirement Plan. This special payment was authorized by Chapter 2 of the Acts of Assembly of 2022, Special Session I, as amended by Chapter 769, 2023 Acts of Assembly Reconvened Session, and is classified as a non-employer contribution. The school division’s proportionate share is reflected in the financial statements.

NOTE 12 – VIRGINIA RETIREMENT SYSTEM PENSION PLAN (CONTINUED)

The chart below summarizes the contribution requirements for each plan:

	Government		School Board	
	Retirement Plan		Non-professional Retirement Plan	Teacher Retirement Plan
Annual Covered Payroll	\$ 53,356,651	\$	10,427,408	\$ 88,881,445
Employer contribution rates	11.61%		4.34%	16.62%
Employee contribution rates	5.00%		5.00%	5.00%
Total contribution rates	<u>16.61%</u>		<u>9.34%</u>	<u>21.62%</u>
Contributions recognized, June 30, 2024	5,823,394		342,744	14,072,073
Contributions recognized, June 30, 2023	5,476,106		331,202	13,781,376

H. Changes in the net pension liability and sensitivity of the net pension liability to changes in the discount rate

Fauquier County:

The following table presents the changes in the net pension liability and the sensitivity of the net pension liability to changes in the discount rate. The net pension liability uses a discount rate of 6.75% and the sensitivity calculates the net pension liability using a discount rate that is one percentage point lower or one percentage point higher than the current rate.

Schedule of Changes in the Net Pension Liability (Asset)			
Primary Government			
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balances at June 30, 2022	\$ 174,239,791	\$ 168,283,944	\$ 5,955,847
Changes for the Year			
Service cost	6,444,982	-	6,444,982
Interest	11,947,977	-	11,947,977
Changes of assumptions	-	-	-
Difference between expected and actual experience	3,371,745	-	3,371,745
Change in proportion impact	-	-	-
Contributions- employer	-	5,472,849	(5,472,849)
Contributions- employee	-	2,399,657	(2,399,657)
Net investment income	-	11,009,483	(11,009,483)
Benefit payments, including refunds of employee contributions	(7,355,422)	(7,355,422)	-
Administrative expense	-	(106,964)	106,964
Other changes	-	4,450	(4,450)
Net changes	<u>14,409,282</u>	<u>11,424,053</u>	<u>2,985,229</u>
Balances at June 30, 2023	<u>\$ 188,649,073</u>	<u>\$ 179,707,997</u>	<u>\$ 8,941,076</u>
Sensitivity of the Net Pension Liability to Changes in Discount Rate	1% Decrease 5.75%	Discount Rate 6.75%	1% increase 7.75%
	\$ 36,872,893	\$ 8,941,076	\$ (13,739,993)

NOTE 12 – VIRGINIA RETIREMENT SYSTEM PENSION PLAN (CONTINUED)

School Board:

The total pension liability is calculated by the System’s actuary and each plan’s fiduciary net positions is reported in the System’s financial statements. The net pension liability is disclosed with the requirements of GASB Statement No. 67 in the system’s notes to the financial statements and required supplementary information. 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 for the Teacher Retirement Plan was based on the School Board’s actuarially determined contributions to the pension plan for the year ended June 30, 2023 relative to the total of the actuarially determined contributions for all participating employers. At June 30, 2023, the School Board’s proportion was .87304% as compared to .84851% at June 30, 2022.

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

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

The following table presents the changes in the net pension liability and the sensitivity of the net pension liability to changes in the discount rate for Non-professional Retirement Plan and the School Board’s proportionate share of the total pension liability, plan fiduciary net position and the net pension liability of the Teacher Employee Retirement Plan.

**Schedule of Changes in the Net Pension Liability (Asset)
School Board (non-professional)**

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balances at June 30, 2022	\$ 30,539,836	\$ 33,797,942	\$ (3,258,106)
Changes for the Year			
Service cost	828,105	-	828,105
Interest	2,057,802	-	2,057,802
Changes of assumptions	-	-	-
Difference between expected and actual experience	341,309	-	341,309
Contributions- employer	-	331,159	(331,159)
Contributions- employee	-	435,114	(435,114)
Net investment income	-	2,158,685	(2,158,685)
Benefit payments, including refunds of employee contributions	(1,763,969)	(1,763,969)	-
Administrative expense	-	(21,778)	21,778
Other changes	-	864	(864)
Net changes	1,463,247	1,140,075	323,172
Balances at June 30, 2023	\$ 32,003,083	\$ 34,938,017	\$ (2,934,934)

NOTE 12 – VIRGINIA RETIREMENT SYSTEM PENSION PLAN (CONTINUED)

	<u>Net Pension Liability (Asset)</u>		
Teacher Cost Sharing Plan			
Proportionate share .84851% of the collective pension liability, fiduciary net position, and net pension liability			\$ <u>88,239,941</u>
	1% Decrease	Discount Rate	1% increase
	<u>5.75%</u>	<u>6.75%</u>	<u>7.75%</u>
Sensitivity of the Net Pension Liability to Changes in Discount Rate			
School Board (non-professional) net pension liability	\$ 865,601	\$ (2,934,934)	\$ (6,167,593)
School Board (teacher cost sharing pool) proportionate share of the collective net pension liability	\$ 156,417,942	\$ 88,239,941	\$ 32,192,016

I. 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 expense totaling \$5,480,421. For the Non-professional Retirement Plan, the School Board recognized pension expense of (\$189,818) and for the Teacher Retirement Plan the School Board recognized \$7,929,954 for its share of the total pension expense.

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

	<u>Primary Government</u>		<u>School Board</u>			
	<u>Retirement Plan</u>		<u>Non-professional Retirement Plan</u>		<u>Teacher Retirement Plan</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 2,621,423	\$ (213,023)	\$ 188,256	\$ (117,543)	\$ 7,579,886	\$ (3,443,500)
Net difference between projected and actual earnings on pension plan investments	-	(2,521,388)	-	(543,209)	-	(5,737,376)
Changes in assumptions	1,116,473	-	-	-	4,000,226	-
Changes in proportion and differences between employer contributions and the proportionate share of contributions	-	-	-	-	2,049,724	(3,171,207)
Contributions subsequent to the measurement date	<u>5,823,394</u>	<u>-</u>	<u>342,744</u>	<u>-</u>	<u>14,072,073</u>	<u>-</u>
Total	<u>\$ 9,561,290</u>	<u>\$ (2,734,411)</u>	<u>\$ 531,000</u>	<u>\$ (660,752)</u>	<u>\$ 27,701,909</u>	<u>\$ (12,352,083)</u>

NOTE 12 – VIRGINIA RETIREMENT SYSTEM PENSION PLAN (CONTINUED)

Contributions subsequent to the measurement date are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ended June 30:	Primary Government		School Board		Total
	Retirement Plan		Non-professional Retirement Plan	Teacher Retirement Plan	
2025	\$ 83,438	\$	(353,281)	\$ (2,330,611)	\$ (2,600,454)
2026	(2,110,225)		(623,754)	(5,731,858)	(8,465,837)
2027	2,957,537		486,881	7,212,524	10,656,942
2028	72,735		17,658	2,127,698	2,218,091
2029	-		-	-	-

Summary of Pension Items

	Deferred Outflows	Deferred Inflows	Net Pension Liability (Asset)	Pension Expense
Primary Government				
VRS Pension Plans:				
Primary Government	\$ 9,561,290	\$ 2,734,411	\$ 8,941,076	\$ 5,480,421
Totals	\$ 9,561,290	\$ 2,734,411	\$ 8,941,076	\$ 5,480,421
Component Unit School Board				
VRS Pension Plans:				
School Board Nonprofessional	\$ 531,000	\$ 660,752	\$ (2,934,934)	\$ (189,818)
School Board Professional	27,701,909	12,352,083	88,239,941	7,929,954
Totals	\$ 28,232,909	\$ 13,012,835	\$ 85,305,007	\$ 7,740,136

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS PROGRAM

A. Plan descriptions and provisions

Other Postemployment benefits consist of the following programs for Fauquier County and Fauquier County School Board:

Fauquier County

- Fauquier County and School Board Postretirement Medical Plan (“Continuation Plan”)
- Fauquier County and School Board Retirement Health Insurance Credit Plan (“Credit Plan”)
- Virginia Retirement System Group Life Insurance Program (“VRS GLI Program”)

Fauquier County School Board

- Fauquier County and School Board Postretirement Medical Plan (“Continuation Plan”)
- Fauquier County and School Board Retirement Health Insurance Credit Plan (“Credit Plan”)
- Fauquier County School Board Health Coverage Plan (“Health Coverage Plan”)
- Virginia Retirement System Group Life Insurance Program (“VRS GLI Program”)
- Virginia Retirement System Teacher Employee Health Insurance Credit Program (“VRS Teachers HIC Program”)
- Virginia Retirement System Non-Professional Health Insurance Credit Program (“VRS NP HIC Program”)

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS PROGRAM (CONTINUED)

Continuation plan: The Fauquier County and School Board Postretirement Medical Program (“Continuation Plan”) is a single-employer defined benefit healthcare plan which offers eligible retired employees the option to continue coverage as a member of the group along with active employees in accordance with §15.2-1517.C.1 of the Code of Virginia.

General and public safety employees are eligible to retire at age 50 with 15 years of service. School employees are eligible for retiree health benefits until Medicare eligibility once they meet Virginia Retirement System (VRS) pension eligibility requirements. VRS pension eligibility requirements are for those hired prior to July 1, 2010 and vested before January 1, 2013, earlier of age 55 with 5 years of service or age 50 with 10 years of service. For employees hired on/after July 1, 2010 and not vested before January 1, 2013, eligibility is the earlier of age 60 with 5 years of service; or sum of age plus years of service is at least 90. Spouses of retirees can remain on the plan as long as the retiree is alive. If the spouse is named beneficiary, they would receive life insurance payments and money from the VRS employee contribution amount.

The published insurance rates are based primarily on the healthcare usage of active employees. Retirees pay 100% of the published rates. Since it is generally assumed that retirees use healthcare at a rate much higher than active employees, using these blended rates creates a presumed subsidy for the retiree group. Employees who terminate prior to employment eligibility are not eligible to participate in the plan. Dependents, including surviving spouses, are permitted access to plan coverage. Disabilities must meet service retirement eligibilities to gain access to the plan.

The Continuation Plan is administered by Fauquier County and Fauquier County School Board and has no stand-alone financial report. The benefit terms are established and can be amended by the Fauquier County Board of Supervisors or the Fauquier County School Board.

Credit plan: The Credit Plan, effective January 1, 2018 and established by the Fauquier County Board of Supervisors, is a single-employer defined benefit healthcare plan which offers eligible retired employees the option to receive a cash payment (“credit”) to use to offset the cost of health and dental insurance costs during retirement in accordance with §15.2-1517.C.1 of the Code of Virginia. Benefits are available to Fauquier County employees who retire after January 1, 2018. The Fauquier County School Board adopted the plan for its employees in April 2022.

The Credit Plan is administered by the Fauquier County and School Board and has no separate financial report. The benefit terms are established and can be amended by the Fauquier County Board of Supervisors.

About the Credit Plan	
Eligible Members	<p>Eligible members include Fauquier County employees who:</p> <ul style="list-style-type: none"> • Attain age 50. • Participated in the County’s Health care program for the 5 years immediately prior to retirement. • Have 20 years of consecutive service with the County, except for grandfathered current employees (those hired prior to October 12, 2017) who had a break in service prior to the date of adoption of the program. • Retire with an unreduced benefit through VRS and not on VRS Medical Disability.
Benefit Amounts	<ul style="list-style-type: none"> • Pre-65: Portable monthly health credit of \$16.67 per year of service with Fauquier County up to 30 years (\$500 per month subsidy maximum). • Post-65: Portable monthly health credit of \$5.50 per year of service up to 30 years (\$165 per month subsidy maximum). • Retirees are not required to have health coverage with the County to receive the stated benefits. • All benefits are provided for the employee only (credit not provided for dependents).

Health coverage plan: The Health Coverage Plan, effective July 9, 2018 and established by the Fauquier County School Board, is a single employer defined benefit health care plan which provides health and dental coverage for retired administrative employees upon retirement from the Fauquier County Public Schools until Medicare eligibility is met. The entire cost of the coverage is born by the Fauquier County School Board. The Health Coverage Plan is closed to new entrants.

The benefit terms of the Health Coverage Plan are established and may be amended under authority of Fauquier County School Board. The Health Coverage Plan is administered by the Fauquier County School Board and the School Board determines the number of contributions to the OPEB trust with concurrence of the Fauquier County OPEB Trust Committee. The plan does not issue a stand-alone financial report.

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS PROGRAM (CONTINUED)

OPEB Trust Fund: Fauquier County and School Board participate in the Virginia Other Postemployment Benefits Program Trust Fund (Trust Fund), an irrevocable trust established for the purpose of accumulating assets to fund postemployment benefits other than pensions, in the form set forth in the Virginia Pooled OPEB Trust Fund Agreement. The Trust Fund is governed by a Board of Trustees composed of nine members who are elected by participants in the pooled trust, with votes weighted according to each participating employer's share of total fund assets.

The Trustees establish investment objectives, risk tolerance, and asset allocation policies for the Fund in light of the purposes of the Fund, market or economic conditions, and generally prevailing prudent investment practices. The Trustees monitor the Trust Fund to ensure adherence to the Investment Policy & Guidelines and review, monitor, and evaluate the performance of the Fund and its investment advisors in light of available investment opportunities, market conditions, and publicly available indices for the generally accepted evaluation and measurement of such performance. If necessary, the Trustees are responsible for making changes to achieve the objectives.

The investment objective of the Trust Fund is to maximize total long-term rate of return with reasonable risk by seeking capital appreciation and, secondarily, principal protection. The Trust Fund is segregated and managed as two distinct portfolios that are referred to as Portfolio I and Portfolio II. Portfolio I is structured to achieve a compound annualized total expected rate of return over a market cycle, including current income and capital appreciation, of 7.5%. Portfolio II is structured to achieve an expected rate of return of 6.5%. The investment performance of each Portfolio will be reviewed quarterly and compared on a rolling three-year basis and over other relevant time periods to the following: (a) a composite benchmark comprised of each asset classes' market index benchmarks, weighted by each Portfolio's long-term policy allocations, and (b) a peer group of other similar size fund sponsors.

The Trustees are responsible for setting each Portfolio's long-term asset allocation, after taking into consideration expectations for asset class returns and volatility, risk tolerance, and liquidity needs. The Trust Fund's assets are separately managed by professional investment managers or invested in professionally managed investment vehicles. Each Portfolio is invested in a broadly diversified manner by asset class, style, and capitalization, which will control volatility levels.

The Trustees monitor the asset allocation of each Portfolio on a quarterly basis to ensure that each Portfolio remains within the range of targeted asset allocations. Consideration will be given annually, or more often if deemed appropriate, to actively rebalance a Portfolio. Rebalancing is back to the neutral policy target unless otherwise directed by the Trustees.

The Trust Fund issues a separate report, which can be obtained by requesting a copy from the plan administrator, Virginia Municipal League (VML) at P.O. Box 12164, Richmond, Virginia 23241.

The Fauquier County OPEB Trust Finance Committee meets quarterly to monitor the OPEB Trust and the OPEB plan. The OPEB Trust Finance Committee consists of the County Administrator, Finance Director, Treasurer, Office of Management and Budget Director, and School Board Assistant Superintendent of Business and Planning, who each serve a two-year term.

VRS GLI program: The VRS GLI Program is a multiple employer, cost-sharing plan. It is a defined benefit plan that provides a basic group life insurance benefit for state employees, teachers, and employees of participating political subdivisions. The VRS GLI Program was established pursuant to §51.1-500 et seq. of the Code of Virginia, as amended, and which provides the authority under which benefit terms are established or may be amended.

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

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS PROGRAM (CONTINUED)

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 VRS GLI Program OPEB.

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

About the VRS GLI Program	
Eligible Employees	The VRS GLI Program was established July 1, 1960, for state employees, teachers and employees of political subdivisions that elect the program. 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 accumulated retirement member contributions and accrued interest.
Benefit Amounts	The benefits payable under the VRS GLI Program have several components. <ul style="list-style-type: none"> • Natural Death Benefit – The natural death benefit is equal to the employee’s covered compensation rounded to the next highest thousand and then doubled. • Accidental Death Benefit – The accidental death benefit is double the natural death benefit. • Other Benefit Provisions – 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 – Safety belt benefit – Repatriation benefit – Felonious assault benefit Accelerated death benefit option
Reduction in Benefit Amounts	The benefit amounts provided to members covered under the VRS 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.
Minimum Benefit Amount and Cost of Living Adjustment (COLA)	For covered members with at least 30 years of service credit, there is a minimum benefit payable under the VRS GLI Program. The minimum benefit was set at \$8,000 by statute. This amount is increased annually based on the VRS Plan 2 cost-of-living adjustment and was increased to \$9,254 effective June 30, 2024.

Detailed information about the VRS GLI Program’s Fiduciary Net Position is available in the separately issued VRS 2023 Annual Financial Report (AFR). A copy of the 2023 VRS AFR may be downloaded from the VRS website at 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.

VRS teachers HIC program: The VRS Teachers HIC Program is a multiple-employer, cost-sharing plan. It is a defined benefit plan that provides a credit toward the cost of health insurance coverage for retired teachers. The VRS Teachers HIC Program was established pursuant to §51.1-1400 et seq. of the *Code of Virginia*, as amended, and which provides the authority under which benefit terms are established or may be amended. The Teachers HIC is a defined benefit plan that provides a credit towards the cost of health insurance coverage for retired teachers.

All full-time, salaried permanent (professional) employees of public school divisions are automatically covered by the VRS Teachers’ HIC Program. This plan is administered by the VRS 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.

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS PROGRAM (CONTINUED)

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

About the VRS Teachers HIC Program	
Eligible Employees	The VRS Teachers HIC Program was established July 1, 1993 for retired Teacher Employees 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 VRS Teachers HIC Program provides the following benefits for eligible employees: <ul style="list-style-type: none"> • At Retirement – 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. • Disability Retirement – 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.
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.

Detailed information about the Teachers HIC Program’s Fiduciary Net Position is available in the separately issued VRS 2023 Annual Financial Report (AFR). A copy of the 2023 VRS AFR may be downloaded from the VRS website at 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.

VRS NP HIC program: The VRS NP HIC Program is a multiple-employer agent defined benefit plan that provides a credit toward the cost of health insurance coverage for retired non-professional employees of Fauquier County Public Schools. The VRS NP HIC Program was established pursuant to §51.1-1400 et seq. of the *Code of Virginia*, as amended, and which provides the authority under which benefit terms are established or may be amended.

All full-time, salaried permanent (non-professional) employees of Fauquier County Public Schools are automatically covered by the VRS NP HIC Program. This plan is administered by the VRS 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, excluding any portion covering the spouse or dependents. The credit cannot exceed the amount of the premiums and ends upon the retiree’s death.

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

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS PROGRAM (CONTINUED)

About the VRS Non-Professional HIC Program	
Eligible Employees	The VRS NP HIC Program was established July 1, 1993 for retired Non-Professional Employees covered under VRS who retire with at least 15 years of service credit. The School Board established its plan on July 1, 2020. Eligible employees are enrolled automatically upon employment. They include: <ul style="list-style-type: none"> • Full-time permanent (non-professional) salaried employees of Fauquier County Public School divisions covered under VRS.
Benefit Amounts	The VRS NP HIC Program provides the following benefits for eligible employees: <ul style="list-style-type: none"> • At Retirement – For NP school 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. • Disability Retirement – For NP school 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.
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. • No Health Insurance Credit for premiums paid and qualified under LODA; however, the employee may receive the credit premiums paid for other qualified health plans.

Detailed information about the Non-Professional HIC Program’s Fiduciary Net Position is available in the separately issued VRS 2023 Annual Financial Report (AFR). A copy of the 2023 VRS AFR may be downloaded from the VRS website at 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.

B. Summary of significant accounting policies

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB Plan and additions to/deductions from the OPEB Plan’s fiduciary net position have been determined on the same basis as they are reported by the OPEB Plan or by VRS. For this purpose, benefit payments are due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

C. Actuarial assumptions

Continuation, credit, and health coverage plans: The net OPEB liability for the Continuation, Credit, and Health Coverage Plans was measured as of June 30, 2024 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation performed on June 30, 2024, using the Entry Age Normal Level % of Salary method. The actuarial assumptions used in the June 30, 2024 valuation was based on the results of an actuarial experience study for the period July 1, 2021–June 30, 2022.

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS PROGRAM (CONTINUED)

The following assumptions, as applied to all periods included at the measurement date of June 30, 2023 are noted in the table below:

	Continuation Plan	Credit Plan	Health Coverage Plan
Inflation	2.50%	2.50%	N/A
Salary increases, including inflation	3.50%	3.50%	N/A
Investment rate of return	4.21%	7.50%	7.50%
Health care cost trend rates	8.00%, decreasing to an ultimate rate of 4.50%	8.00%, decreasing to an ultimate rate of 4.50%	N/A

Mortality rates for participants were based on the following:

Healthy general participants	SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2020.
Healthy Police participants	SOA Pub-2010 Public Safety Headcount Weighted Mortality Table fully generational using Scale MP-2020.
Disabled General Participants	SOA Pub-2010 Non–Safety Disabled Headcount Weighted Mortality Table fully generational using Scale MP-2020.
Disabled Police Participants	SOA Pub-2010 Public Safety Disabled Headcount Weighted Mortality Table fully generational using Scale MP-2020.
Surviving Spouses	SOA Pub-2010 Continuing Survivor Headcount Weighted Mortality Table fully generational using Scale MP-2020.

VRS GLI, teachers’ HIC and NP HIC programs: The total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation performed on 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.

	County		School Board	
	General employees	Public safety employees	Non-professional employees	Professional employees (Teachers)
Inflation	2.5%			
Salary increases, including inflation	3.5% - 5.35%	3.5% - 4.75%	3.5% - 5.35%	3.5% - 5.95%
Investment rate of return	6.75%, net of pension plan investment expense, including inflation*			

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

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS PROGRAM (CONTINUED)

Mortality rates:**General state employees**

Pre-Retirement: Pub-2010 Amount Weighted General Employee Rates projected generationally; females set forward 2 years

Post-Retirement: Pub-2010 Amount Weighted General Healthy Retiree Rates projected generationally; 110% of rates for females

Post-Disablement: Pub-2010 Amount Weighted General Disabled Rates projected generationally; males and females set forward 3 years

Beneficiaries and Survivors: Pub-2010 Amount Weighted General Contingent Annuitant Rates projected generationally; 110% of rates for males and females

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

Teachers

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

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

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

Beneficiaries and Survivors: Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

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

SPORS employees

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

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

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

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

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS PROGRAM (CONTINUED)

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

VaLORS employees

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

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

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

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

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

JRS employees

Pre-Retirement: Pub-2010 Amount Weighted General Employee Rates projected generationally; females set forward 2 years

Pub-2010 Amount Weighted General Healthy Retiree Rates projected generationally; 95% of rates for males and females set back 2 years

Post-Disablement: Pub-2010 Amount Weighted General Disabled Rates projected generationally

Beneficiaries and Survivors: Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally

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

General employeesLargest 10 Locality Employers

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

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

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

Beneficiaries and Survivors: Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally

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

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS PROGRAM (CONTINUED)

Non-Largest 10 Locality Employers

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

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

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

Beneficiaries and Survivors: Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally

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

Hazardous duty employees**Largest 10 Locality Employers**

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

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

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

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

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

Non-Largest 10 Locality Employers

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

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

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

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

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

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS PROGRAM (CONTINUED)

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

General state employees

Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020; Adjusted retirement 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; adjusted withdrawal rates to better fit experience at each year, age, and service through 9 years of service

Teachers

Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020; Adjusted retirement 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; adjusted withdrawal rates to better fit experience at each age and service decrement through 9 years of service

SPORS employees

Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020; Increased retirement rates for ages 55 to 61, 63, and 64 with 26 or more years of service; changed final retirement age from 65 to 70; Decreased withdrawal rate for 0 years of service and increased rates for 1 to 6 years of service

VaLORS employees

Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020; Increased retirement rates at some younger ages, decreased at age 62, and changed final retirement age from 65 to 70; Adjusted withdrawal rates to better fit experience at each year, age, and service through 9 years of service

JRS employees

Review separately from State employees because it exhibits fewer deaths. Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020; Decreased retirement rates for ages 60-66 and 70-72; Reduce salary scale increase across all ages by 0.50%

General employeesLargest 10 Locality Employers

Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020; Adjusted retirement 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; Adjusted withdrawal rates to better fit experience at each age and service decrement through 9 years of service

Non-Largest 10 Locality Employers

Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020; Adjusted retirement 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; Adjusted withdrawal rates to better fit experience at each age and service decrement through 9 years of service

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS PROGRAM (CONTINUED)

Hazardous duty employees

Largest 10 Locality Employers

Update to PUB2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP2020; Adjusted retirement rates to better fit experience and changed final retirement age from 65 to 70; Decreased withdrawal rates

Non-Largest 10 Locality Employers

Update to PUB2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP2020; Adjusted retirement rates to better fit experience and changed final retirement age from 65 to 70; Decreased withdrawal 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

D. Long term expected rate of return

Continuation and credit plans: The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB 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 allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class (Strategy)	Target	Long Term	Long Term	Long Term
	Allocation	Arithmetic Average Nominal Return ¹	Average Real Return ²	Arithmetic Average Weighted Average Real Return
Equity	65%	10.83%	2.75%	5.25%
Fixed Income	20%	5.62%	2.75%	0.57%
Real Assets	15%	10.24%	2.75%	1.12%
	100%			6.94%
		Inflation		2.75%
		Expected arithmetic nominal return		9.69%

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%.

The money-weighted rate of return on OPEB plan investments for the fiscal year ending June 30, 2024 was 6.95%. A money weighted rate of return expresses investment performance, net of OPEB plan investment expense, adjusted for the changing amounts invested.

VRS, GLI, teachers' HIC and the new VRS NP HIC: The long-term expected rate of return for the VRS, GLI, teachers HIC, and VRS NP HIC programs is the same as the long term expected rate of return for the VRS Pension Plans. Please refer to Section D, of Note 12, Virginia Retirement System Pension Plan for further information.

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS PROGRAM (CONTINUED)

E. Discount rate

Continuation, credit, and health coverage plans: For the current valuation, the discount rate used when the OPEB plan investments are insufficient to pay for future benefit payments is selected from the range of indices as shown in the table below, where the range is given as the spread between the lowest and highest rate shown.

The final equivalent single discount rate used for this year’s valuation is shown in the table below with the expectation that the County will continue paying the pay-go cost from the OPEB Trust until the Trust balance is exhausted. At that point, the plan will become unfunded (i.e., financed on a pay-as-you-go basis).

	Bond Buyer Go 20-Bond Municipal Index	S&P Municipal 20 Year High Grade Rate Index	Fidelity 20-Year Go Municipal Bond Index	Bond Index Range	Actual Discount Rate Used
Continuation Plan					
Yield as of July 1, 2023	3.65%	4.13%	3.86%	3.65-4.13%	4.13%
Yield as of June 30, 2024	3.93%	4.21%	3.97%	3.93-4.21%	4.21%
Credit Plan					
Yield as of July 1, 2023	3.65%	4.13%	3.86%	3.65-4.13%	4.13%
Yield as of June 30, 2024	3.93%	4.21%	3.97%	3.93-4.21%	7.50%
Health Coverage Plan					
Yield as of July 1, 2023	3.65%	4.13%	3.86%	3.65-4.13%	4.13%
Yield as of June 30, 2024	3.93%	4.21%	3.97%	3.93-4.21%	7.50%

VRS, GLI, teachers’ HIC, and VRS NP HIC programs: The discount rate used to measure the total GLI and HIC liabilities was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between 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 entity for the GLI and HIC OPEB will be subject to the portion of the VRS Board-Certified rates that are funded by the Virginia General Assembly which was 113% for GLI and 100% for HIC of the actuarially determined contribution rate. From July 1, 2023 on, participating employers and School Boards are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the GLI and HIC OPEB’s fiduciary net positions were 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 total GLI and HIC liabilities.

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS PROGRAM (CONTINUED)

F. Employees covered by the benefit

The following employees were covered by the benefit terms of the Continuation, Credit, and Health Coverage Plans:

	<u>Continuation Plan</u>	<u>Credit Plan</u>	<u>Health Coverage Plan</u>
Retiree's currently receiving benefit payments	43	9	-
Active employees	<u>2,314</u>	<u>767</u>	<u>-</u>
Total	<u><u>2,357</u></u>	<u><u>776</u></u>	<u><u>-</u></u>

G. Contributions

Continuation plan: Benefit levels, employee contributions, and employer contributions are governed by the County and may be amended by the County. The County establishes employer contribution rates for plan participants and determines annual funding for the plan as part of the budgetary process each year. For participating retirees and their dependents, including surviving spouses, the retiree contributes 100% of the published rates.

Because the nature of the Continuation Plan creates an implicit rate subsidy, the County Board of Supervisors and School Board have adopted a pay-as-you-go funding methodology and therefore, did not make any contributions to the Trust Fund for the Contribution Plan. Beginning in fiscal year 2018, assets that have been previously accumulated in the Trust Fund for the implicit rate subsidy are being used toward the OPEB liability Credit Plan.

Credit plan: Contributions for the Credit Plan were determined based on an actuarially determined contribution (ADC) from an actuarial valuation dated June 30, 2022. The ADC is the target or recommended contribution, which if paid on an ongoing basis, will provide sufficient resources to fund future costs for services to be earned and liabilities attributed to past services. The County contributed the ADC in the amount of \$114,812 in fiscal year 2024 and \$114,676 in fiscal year 2023.

Health coverage plan: Contributions for the Health Coverage Plan were determined based on an actuarially determined contribution (ADC) from an actuarial valuation dated June 30, 2022. The ADC is the target or recommended contribution, which if paid on an ongoing basis, will provide sufficient resources to fund future costs for services to be earned and liabilities attributed to past services. Fauquier County School Board contributed to the ADC in the amount of \$990 in fiscal year 2023.

VRS GLI program: The contribution requirements for the VRS GLI Program is governed by §51.1-506 and §51.1-508 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate 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 the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2024 was 0.54% of covered employee compensation. This rate was the final approved General Assembly rate, which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability.

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS PROGRAM (CONTINUED)

Fauquier County contributed \$288,299 and \$270,280 to the VRS GLI Program for the years ended June 30, 2024 and June 30, 2023, respectively. For the year ending June 30, 2023, Fauquier County School Board contributed \$469,674 for the teachers and \$52,968 for the non-professional employees to the VRS GLI program. For the year ending June 30, 2024, Fauquier County School Board contributed \$481,085 for the teachers and \$56,744 for the non-professional employees to the VRS GLI program.

VRS teachers HIC program: The contribution requirement for active employees is governed by §51.1-1401(E) of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Each school division’s contractually required employer contribution rate for the year ended June 30, 2024 was 1.21% of covered employee compensation for employees in the VRS Teacher Employee HIC Program. 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. Fauquier County School Board contributed \$1,075,465 and \$1,049,743 to the VRS Teachers HIC Program for the years ended June 30, 2024 and June 30, 2023, respectively.

VRS NP HIC program: The contribution requirement for active employees is governed by §51.1-1401(E) of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Each school division’s contractually required employer contribution rate for the year ended June 30, 2024 was 0.90% (includes .54% basic and .36% enhanced) of covered employee compensation for employees in the VRS Teacher Employee HIC Program. 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 non-professional employees during the year, with an additional amount to finance any unfunded accrued liability. Fauquier County Non-Professional Schools contributed \$93,847 and \$52,637 to the VRS NP HIC Program for the year ended June 30, 2024 and June 30, 2023, respectively.

H. Changes in the net OPEB liability - credit and continuation plans, and VRS NP HIC plan

The following table presents the changes in the net OPEB liability for the Continuation and Credit Plans:

	Schedule of Changes in the Net OPEB Liability					
	Primary Government					
	Continuation Plan			Credit Plan		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balances at June 30, 2023	\$ 2,546,735	\$ -	\$ 2,546,735	\$ 2,347,191	\$ 1,800,794	\$ 546,397
Changes for the Year						
Service cost	158,650	-	158,650	72,775	-	72,775
Interest	109,814	-	109,814	179,164	-	179,164
Changes in assumptions	192,018	-	192,018	-	-	-
Difference between expected and actual experience	(97,891)	-	(97,891)	14,816	-	14,816
Contributions- employer	-	93,854	(93,854)	-	178,178	(178,178)
Contributions- employee	-	-	-	-	-	-
Net investment income	-	-	-	-	171,427	(171,427)
Benefit payments, including refunds of employee contributions	(93,854)	(93,854)	-	(63,366)	(63,366)	-
Administrative expense	-	-	-	-	(2,262)	2,262
Net changes	268,737	-	268,737	203,389	283,977	(80,588)
Balances at June 30, 2024	\$ 2,815,472	\$ -	\$ 2,815,472	\$ 2,550,580	\$ 2,084,771	\$ 465,809

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS PROGRAM (CONTINUED)

	Schedule of Changes in the Net OPEB Liability								
	School Board								
	Continuation Plan			Credit Plan			Health Coverage Plan		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability / (Asset)
Balances at June 30, 2023	\$ 3,652,126	\$ -	\$ 3,652,126	\$ 3,818,618	\$ 345,217	\$ 3,473,401	\$ 145,846	\$ 163,067	\$ (17,221)
Changes for the Year									
Service cost	305,711	-	305,711	125,479	-	125,479	7,434	-	7,434
Interest	158,868	-	158,868	294,711	-	294,711	11,496	-	11,496
Changes in assumptions	288,565	-	288,565	-	-	-	-	-	-
Difference between expected and actual experience	(294,981)	-	(294,981)	(1,175,849)	-	(1,175,849)	(164,776)	-	(164,776)
Contributions - employer	-	224,592	(224,592)	-	377,036	(377,036)	-	-	-
Contributions - employee	-	-	-	-	-	-	-	-	-
Net investment income	-	-	-	-	35,189	(35,189)	-	15,417	(15,417)
Benefit payments, including refunds of employee contributions	(224,592)	(224,592)	-	(29,754)	(29,754)	-	-	-	-
Administrative expense	-	-	-	-	-	-	-	-	-
Other changes	-	-	-	-	(285)	285	-	(621)	621
Net changes	233,571	-	233,571	(785,413)	382,186	(1,167,599)	(145,846)	14,796	(160,642)
Balances at June 30, 2024	\$ 3,885,697	\$ -	\$ 3,885,697	\$ 3,033,205	\$ 727,403	\$ 2,305,802	\$ -	\$ 177,863	\$ (177,863)

	VRS NP HIC Program		
	Plan		
	Total OPEB Liability	Fiduciary Net Position	Net OPEB Liability
Balances at June 30, 2022	\$ 787,707	\$ 95,200	\$ 692,507
Changes for the Year			
Service Cost	14,306	-	14,306
Interest	53,416	-	53,416
Changes in assumptions	-	-	-
Change in Benefit Terms	-	-	-
Difference between expected and actual experience	(158,934)	-	(158,934)
Contributions - employer	-	87,728	(87,728)
Contributions- employee	-	-	-
Net investment income	-	8,897	(8,897)
Benefit payments, including refunds of employee contributions	(21,322)	(21,322)	-
Administrative expense	-	(254)	254
Other changes	-	17	(17)
Net changes	(112,534)	75,066	(187,600)
Balances at June 30, 2023	\$ 675,173	\$ 170,266	\$ 504,907

I. Net OPEB liability – VRS, GLI, teachers HIC, and VRS NP HIC programs

The net OPEB liability for the VRS, GLI, teachers HIC, and VRS NP HIC programs represent 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, net OPEB liability amounts for the programs are as follows (amounts expressed in thousands):

	VRS GLI Program	VRS Teachers HIC Program
Total OPEB Liability	\$ 3,907,052	\$ 1,475,471
Plan Fiduciary Net Position	2,707,739	264,054
Net GLI OPEB Liability	\$ 1,199,313	\$ 1,211,417
Plan Fiduciary Net Position as a percentage of Total OPEB Liability	69.30%	17.90%

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS PROGRAM (CONTINUED)

The total OPEB liability is calculated by VRS’s actuary, and each plan’s fiduciary net position is reported in VRS’s financial statements. The net 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.

The County and School Board’s proportionate shares of the VRS GLI Program and the VRS Teachers’ HIC Program net OPEB Liabilities were based on actuarially determined employer contributions to VRS for the year ended June 30, 2022, relative to the total of the actuarially determined employer contributions for all participating employers.

The table below outlines the proportionate share of the total OPEB liability, fiduciary net position and net OPEB liabilities for the VRS, GLI, teachers HIC, and VRS NP HIC programs at June 30, 2024 and 2023:

	June 30, 2024	June 30, 2023
VRS GLI Program		
Fauquier County proportionate share of the collective OPEB liability, fiduciary net position, and net OPEB liability	0.21249%	0.20462%
Fauquier County School Board (non-professional) proportionate share of the collective OPEB liability, fiduciary net position, and net OPEB liability	0.04164%	0.03909%
Fauquier County School Board (teachers) proportionate share of the collective OPEB liability, fiduciary net position, and net OPEB liability	0.36924%	0.36394%
VRS Teachers Retirement HIC Program		
Fauquier County School Board (teachers) proportionate share of the collective OPEB liability, fiduciary net position, and net OPEB liability	0.87010%	0.84591%

J. Sensitivity of the net OPEB liability to changes in the discount rate and in the healthcare cost trend

The following tables present the sensitivity of the net OPEB liability to changes in the discount rate and the healthcare cost trend rate using rates that are one percentage point lower and one percentage point higher than the current rate.

	<u>Credit Plan</u>			<u>Continuation Plan</u>		
	1% Decrease 6.50%	Current Rate 7.50%	1% Increase 8.50%	1% Decrease 3.21%	Current Rate 4.21%	1% Increase 5.21%
Primary Government						
Sensitivity of the Net OPEB Liability to changes in Discount Rate	\$ 815,822	\$ 465,809	\$ 170,207	\$ 3,109,589	\$ 2,815,472	\$ 2,547,664
				1% Decrease 7.00%	Current Rate 8.00%	1% Increase 9.00%
Sensitivity of the Net OPEB Liability to changes in Health Care Trend Rate				\$ 2,443,410	\$ 2,815,472	\$ 3,264,811

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS PROGRAM (CONTINUED)

K. OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB

	<u>Credit Plan</u>			<u>Continuation Plan</u>		
	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
School Board						
Sensitivity of the Net OPEB Liability to changes in Discount Rate	\$ 2,649,003	\$ 2,305,802	\$ 2,008,258	\$ 4,076,348	\$ 3,885,697	\$ 3,695,413
				<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
Sensitivity of the Net OPEB Liability to changes in Health Care Trend Rate				4.00%	8.00%	9.00%
	\$	\$	\$	\$ 3,529,345	\$ 3,885,697	\$ 4,292,813
	<u>VRS GLI Program</u>					
	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>			
	5.75%	6.75%	7.75%			
Primary Government						
Sensitivity of the Net OPEB Liability to changes in Discount Rate	\$ 3,777,556	\$ 2,548,421	\$ 1,554,657			
	<u>VRS GLI Program</u>			<u>VRS NP HIC Program</u>		
	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
	5.75%	6.75%	7.75%	5.75%	6.75%	7.75%
School Board						
Non Professional						
Sensitivity of the Net OPEB Liability to changes in Discount Rate	\$ 740,258	\$ 499,394	\$ 304,654	\$ 585,024	\$ 504,907	\$ 437,581
	<u>VRS GLI Program</u>			<u>VRS Teachers HIC Program</u>		
	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
	5.75%	6.75%	7.75%	5.75%	6.75%	7.75%
Teachers						
Sensitivity of the Net OPEB Liability to changes in Discount Rate	\$ 6,564,191	\$ 4,428,345	\$ 2,701,500	\$ 11,922,120	\$ 10,540,179	\$ 9,369,105

Since there are no participants in the Health Coverage Plan sensitivity results are not required.

For the year ended June 30, 2024, the County recognized OPEB expense as follows:

	<u>Continuation Plan</u>	<u>Credit Plan</u>	<u>Health Coverage Plan</u>	<u>VRS GLI Program</u>			<u>VRS HIC Program</u>		<u>Total</u>
				<u>General employees</u>	<u>Non-professional</u>	<u>Teachers</u>	<u>Non-professional</u>	<u>Teachers</u>	
Primary Government	\$ 117,556	\$ 13,338	\$ -	\$ 181,770	\$ -	\$ -	\$ -	\$ -	\$ 312,664
School Board	(60,548)	286,266	(161,482)	-	25,847	125,027	32,173	691,393	938,676
	\$ 57,008	\$ 299,604	\$ (161,482)	\$ 181,770	\$ 25,847	\$ 125,027	\$ 32,173	\$ 691,393	\$ 1,251,340

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS PROGRAM (CONTINUED)

At June 30, 2024, deferred outflows of resources and deferred inflows of resources related to OPEB were from the following sources:

	Primary Government		School Board	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Continuation Plan				
Differences between expected and actual experience	\$ 353,126	\$ (418,293)	\$ 163,999	\$ (1,036,297)
Changes in assumptions	463,020	(864,320)	441,095	(480,189)
Total	<u>\$ 816,146</u>	<u>\$ (1,282,613)</u>	<u>\$ 605,094</u>	<u>\$ (1,516,486)</u>

Credit Plan				
Differences between expected and actual experience	\$ 28,155	\$ (380,542)	\$ -	\$ (1,169,611)
Changes in assumptions	12,361	(123,493)	-	-
Net difference between projected and actual earnings on OPEB plan investments	5,718	-	9,646	-
Total	<u>\$ 46,234</u>	<u>\$ (504,035)</u>	<u>\$ 9,646</u>	<u>\$ (1,169,611)</u>

Health Coverage Plan				
Net difference between projected and actual earnings on OPEB plan investments			\$ 3,234	\$ -
Total			<u>\$ 3,234</u>	<u>\$ -</u>

	Primary Government		School Board			
	Deferred Outflows of Resources	Deferred Inflows of Resources	Non- Professional		Teachers	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
VRS GLI Program						
Differences between expected and actual experience	\$ 254,525	\$ (77,358)	\$ 49,877	\$ (15,159)	\$ 442,283	\$ (134,423)
Changes in assumptions	54,474	(176,565)	10,675	(34,600)	94,658	(306,813)
Net difference between projected and actual earnings on OPEB plan investments	-	(102,410)	-	(20,068)	-	(177,956)
Proportionate share impact	145,228	(1,335)	45,023	(21,458)	62,718	(189,544)
Contributions subsequent to the measurement date	288,799	-	56,744	-	481,085	-
Total	<u>\$ 743,026</u>	<u>\$ (357,668)</u>	<u>\$ 162,319</u>	<u>\$ (91,285)</u>	<u>\$ 1,080,744</u>	<u>\$ (808,736)</u>

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS PROGRAM (CONTINUED)

	School Board			
	Professional		Non-Professional	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
VRS HIC Program				
Differences between expected and actual experience	\$ -	\$ (463,926)	\$ -	\$ (165,569)
Changes in assumptions	245,358	(10,621)	67,662	-
Net difference between projected and actual earnings on OPEB plan investments	5,289	-	1,898	-
Proportionate share impact	261,744	(531,144)	-	-
Contributions subsequent to the measurement date	1,075,465	-	93,847	-
Total	\$ 1,587,856	\$ (1,005,691)	\$ 163,407	\$ (165,569)

Deferred outflows of resources related to the VRS GLI Program and the VRS Teachers’ HIC Program resulting from contributions subsequent to the measurement date will be recognized as a reduction of net OPEB liabilities in the fiscal year ending June 30, 2025.

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

Year ended June 30:	Continuation Plan	Credit Plan	VRS GLI Program	VRS GLI Program		VRS HIC Program		
Primary Government				Health Coverage Plan	Non-professional	Teachers	Non-professional	Teachers
2025	\$ (150,905)	\$ (107,754)	\$ 37,222	\$ 880	\$ 455	\$ (79,333)	\$ (27,127)	\$ (160,431)
2026	(56,264)	(53,637)	(72,798)	3,670	(18,002)	(221,437)	(27,127)	(122,501)
2027	(44,717)	(95,887)	66,724	(674)	11,890	37,220	(27,118)	(68,029)
2028	(38,851)	(96,249)	23,866	(642)	9,701	(283)	(14,637)	(100,054)
2029	(161,011)	(86,951)	41,545	-	10,246	54,756	-	(53,335)
Thereafter	(14,719)	(17,323)	-	-	-	-	-	11,050

Summary of OPEB Liabilities (Assets), Outflows and Inflows

	OPEB Plans:		
	Deferred Outflows	Deferred Inflows	Net OPEB (Asset) Liability
Primary Government			
GLI Plan	\$ 743,026	\$ 357,668	\$ 2,548,421
Continuation Plan	816,146	1,282,613	2,815,472
Credit Plan	46,234	504,035	465,809
Totals	\$ 1,605,406	\$ 2,144,316	\$ 5,829,702
Component Unit School Board			
GLI Plan - Professional	\$ 1,080,744	\$ 808,736	\$ 4,428,345
GLI Plan - Nonprofessional	162,319	91,285	499,394
HIC Plan - Nonprofessional	163,407	165,569	504,907
HIC Plan - Professional	1,587,856	1,005,691	10,540,179
Health Coverage Plan	3,234	-	(177,863)
Continuation Plan	605,094	1,516,486	3,885,697
Credit Plan	9,646	1,169,611	2,305,802
Totals	\$ 3,612,300	\$ 4,757,378	\$ 21,986,461

NOTE 14 – FUND BALANCES

The following is a summary of fund balances as of June 30, 2024:

Primary government	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Fire and Rescue Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Fund balances:						
Nonspendable:						
Leases	\$ 2,787	\$ -	\$ -	\$ 6,289	\$ -	\$ 9,076
Total nonspendable	<u>2,787</u>	<u>-</u>	<u>-</u>	<u>6,289</u>	<u>-</u>	<u>9,076</u>
Restricted:						
Public safety	-	-	-	-	1,599,721	1,599,721
Public works	-	-	-	-	556,940	556,940
Health and welfare	-	-	-	-	947,762	947,762
Parks, recreation, and cultural	-	-	-	-	528,824	528,824
Community development	-	-	-	-	210,460	210,460
Proffers	-	-	-	-	5,554,556	5,554,556
Grants	2,024,917	-	-	-	-	2,024,917
Capital projects	-	438,055	-	-	-	438,055
Other purposes	-	-	-	-	202,406	202,406
Total restricted	<u>2,024,917</u>	<u>438,055</u>	<u>-</u>	<u>-</u>	<u>9,600,669</u>	<u>12,063,641</u>
Committed:						
General government	205,991	-	-	-	-	205,991
Public safety	251,700	-	-	3,109,242	779,828	4,140,770
Public works	100,000	-	-	-	3,814,472	3,914,472
Budgeted use of fund balance	723,834	-	-	-	-	723,834
Budget stabilization	6,796,303	-	-	-	-	6,796,303
Capital projects	-	37,648,637	-	-	-	37,648,637
Other purposes	4,101,549	-	-	-	-	4,101,549
Total committed	<u>12,179,377</u>	<u>37,648,637</u>	<u>-</u>	<u>3,109,242</u>	<u>4,594,300</u>	<u>57,531,556</u>
Assigned:						
General government administration	10,410,313	-	-	-	-	10,410,313
Education	3,079,448	-	-	-	-	3,079,448
Fauquier education farm	100,000	-	-	-	-	100,000
Other purposes	220,382	-	2,701,653	-	-	2,922,035
Total assigned	<u>13,810,143</u>	<u>-</u>	<u>2,701,653</u>	<u>-</u>	<u>-</u>	<u>16,511,796</u>
Unassigned:	<u>43,495,525</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>43,495,525</u>
Total	<u>\$ 71,512,749</u>	<u>\$ 38,086,692</u>	<u>\$ 2,701,653</u>	<u>\$ 3,115,531</u>	<u>\$ 14,194,969</u>	<u>\$ 129,611,594</u>
Component unit – School Board	<u>School General Fund</u>	<u>School Asset Replacement Fund</u>	<u>School Textbook Fund</u>	<u>School Nutrition Fund</u>	<u>School Activity Fund</u>	<u>Total Component Unit School Board</u>
Fund Balances:						
Nonspendable:						
Inventories	\$ -	\$ -	\$ -	\$ 203,157	\$ -	\$ 203,157
Advances to other funds	14,682	-	-	-	-	14,682
Total nonspendable	<u>14,682</u>	<u>-</u>	<u>-</u>	<u>203,157</u>	<u>-</u>	<u>217,839</u>
Restricted:						
Grants	1,939,486	2,489	-	-	-	1,941,975
Assigned:						
Other purposes	845,588	7,233,086	1,366,868	2,374,456	2,006,834	13,826,832
Total	<u>\$ 2,799,756</u>	<u>\$ 7,235,575</u>	<u>\$ 1,366,868</u>	<u>\$ 2,577,613</u>	<u>\$ 2,006,834</u>	<u>\$ 15,986,646</u>

A. County government

The County is 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. The identification and analysis of exposures to risk, implementation of risk control techniques, and utilization of appropriate risk financing alternatives accomplish management of these risks.

The County Government is a member of the Virginia Association of Counties Risk Pool (VACoRP) insurance programs for its property, automobile, liability, public officials, and workers' compensation coverage. This pool is a non-profit, tax-exempt association. Each Association member jointly and severally agrees to assume, pay, and discharge any liability. The County pays VACoRP contributions and assessments based upon classifications and rates into a designated cash reserve fund out of which expenses of the Association and claims and awards are to be paid. In the event of a loss deficit and depletion of all available excess insurance, the Association may assess all members in the proportion which the premium of each bears to the total premiums of all members in the year in which such deficit occurs.

The County carries commercial insurance for all other risks of loss, including airport liability. During the last three fiscal years, settled claims from these risks have not exceeded commercial coverage.

B. Component unit – School Board

The School Board is a member of the Virginia Association of Counties Risk Pool (VACoRP) for its property, automobile, and workers' compensation coverage.

The public officials' liability coverage is provided through the Commonwealth of Virginia – VA Risk2 program. The School Board carries commercial insurance for the athletic accident policy and each high school is a member of the Virginia High School League for liability catastrophe insurance.

In the event the pool, VACoRP, incurs a loss deficit and depletion of all available excess insurance, 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.

C. Fire and Rescue Association

The Fire and Rescue Association (Association) contract administration is handled through the Department of Fire, Rescue, and Emergency Management. The Association carries commercial insurance for the property, automobile, and liability coverage. The Virginia Association of Counties Risk Pool (VACoRP) covers the workers' compensation policy and VFIS carries the accident and sickness policy.

D. Health and Dental Benefit Program

The group medical and dental insurance programs for the County and the School Board are combined into one overall funding program. Anthem Blue Cross Blue Shield administers the group health insurance program and Delta Dental administers the group dental insurance for employees, their dependents, and retirees.

The Anthem plans are self-insured by the County and the School Board. Payroll medical insurance deductions, and the employer's contribution, are deposited in the Health Insurance Fund. Anthem processes claims from the hospitals, doctors, and other health care providers. The employer is then billed for these paid claims and Anthem is reimbursed for these costs from the Health Insurance Fund. The program is a minimum premium design subject to an aggregate attachment point and a specific stop loss of \$150,000. The Prescription coverage is also administered by Anthem Blue Cross Blue Shield and prescription claims are also paid from the Health Insurance Fund.

NOTE 15 – RISK MANAGEMENT (CONTINUED)

The stop loss coverage was also carved out of the Anthem policy and is administered by Symetra. Symetra insures both medical and prescription claims that are in excess of \$150,000. Symetra reimburses the County or School Board for the amount. The premiums are based on covered employees at the rate of \$132.88 per person.

The Delta Dental Plans are fully insured by Delta Dental. Payroll dental insurance deductions, and the employer’s share of the premiums are deposited in the Health Insurance Fund. Delta Dental processes claims from dentists and other dental providers, and pays these claims. The employer is only responsible for the premiums set by Delta Dental.

Liabilities for unpaid claims and claim adjustment expenses are estimated based on the estimated ultimate cost of settling the claims, including the effects of trend factors including inflation and other societal and economic factors.

Changes in the balances of claims liability during the past two fiscal years are as follows:

	2023	2024
Unpaid claims, beginning of fiscal year	\$ 3,123,983	\$ 3,226,295
Incurred claims, (including IBNR)	31,314,018	30,578,143
Claim payments	<u>(31,211,706)</u>	<u>(30,687,126)</u>
Unpaid claims, end of fiscal year	<u>\$ 3,226,295</u>	<u>\$ 3,117,312</u>

NOTE 16– RELATED ORGANIZATIONS AND JOINTLY GOVERNED ORGANIZATIONS

Northwestern Regional Adult Detention Center

The Clarke-Fauquier-Frederick-Winchester Jail Board was created in 1987 to construct and operate the Clarke- Fauquier-Frederick-Winchester Regional Adult Detention Center, renamed the Northwestern Regional Adult Detention Center (Center) in fiscal year 2006. The Center charges, on an inmate per diem basis, other localities and the Federal Government for their prisoners placed in the jail. The fourteen-member board consists of four members from the County of Frederick and City of Winchester and three each from the Counties of Clarke and Fauquier. In fiscal year 2006, the Northwestern Regional Jail Authority was created for the purpose of issuing revenue bonds for the construction of a new facility. The County and other participants have no equity interest in the jail. The County made operating contributions for 17.47% of the regional jail’s operating expenses, including debt service, totaling \$2,707,119 in fiscal year 2024.

Additional information may be obtained by writing to the Northwestern Regional Adult Detention Center at 141 Fort Collier Road, Winchester, Virginia 22603 or visiting the website at www.nradc.com.

Fauquier County Water and Sanitation Authority

The Fauquier County Water and Sanitation Authority (Authority) is authorized under the Virginia Water and Waste Authorities Act, Section 15.2-5100 of the *Code of Virginia*. The Authority is governed by a five-member board appointed by the Fauquier County Board of Supervisors to serve a four-year term; however, the Board of Supervisors does not have the ability to direct the members of the Authority with respect to carrying out the Authority’s fiscal and management functions. The Authority is authorized to acquire, construct, operate, and maintain an integrated water and sewer system in the County and set the rates and charges for these services. User charges and bond issues principally finance the Authority’s operations and capital funds. The Authority is not fiscally dependent on the County and is solely responsible for all of its outstanding debt.

Additional information, including financial reports, may be obtained by writing to the Fauquier County Water and Sanitation Authority at 7172 Kennedy Drive, Warrenton, Virginia 20187 or visiting the website at www.fcwsa.org.

NOTE 16 – RELATED ORGANIZATIONS AND JOINTLY GOVERNED ORGANIZATIONS (CONTINUED)

Northern Virginia Health Center Commission

The Northern Virginia Health Center Commission (NVHCC) is a legal entity established in 1987 by five Northern Virginia jurisdictions (Fauquier County, Fairfax County, Prince William County, Loudoun County, and the City of Alexandria) to develop and operate a nursing facility. Each of the five jurisdictions contributes annually to Birmingham Green Nursing Center and Birmingham Green Assisted Living Unit based on budgeted utilization for a percentage of nursing home beds for low-income residents of each locality. In fiscal year 2024, Fauquier County contributed a total of \$205,990.

Additional information may be obtained by writing to the Northern Virginia Health Center Commission at 8605 Centreville Road, Manassas, Virginia 20110-8426 or visiting the website at www.birminghamgreen.org.

Birmingham Green Adult Care Residence

The Birmingham Green Adult Care Residence (Residence) was established in 1997 by five Virginia jurisdictions (Fauquier County, Fairfax County, Loudoun County, Prince William County, and the City of Alexandria) to provide housing and long-term care for the benefit of low-income persons. The Residence operates a sixty-four-bed assisted living facility. In fiscal year 2024, Fauquier County contributed a total of \$362,273.

Additional information may be obtained by writing to the Northern Virginia Health Center Commission at 8605 Centreville Road, Manassas, Virginia 20110-8426 or visiting the website at www.birminghamgreen.org.

Mountain Vista Regional Governor's School

The Mountain Vista Regional Governor's School was established in 2007. Currently seven divisions (Clarke County, Culpeper County, Fauquier County, Frederick County, Rappahannock County, Warren County, and the City of Winchester) jointly own and operate a regional Governor's School. The governing board has appointed Fauquier County to serve as fiscal agent of the governor's school. Each of the seven school divisions contribute annually based on the number of students each school board proposes to send to the governor's school. In fiscal year 2024, the Fauquier County School Board contributed a total of \$431,642, with \$827,315 contributed from the other participating counties.

Additional information may be obtained by writing to the Mountain Vista Regional Governor's School at Laurel Ridge Community College, 6480 College Street, Warrenton, Virginia 20187 or Laurel Ridge Community College, 173 Skirmisher Lane, Middletown, Virginia 22645 or visiting the website at www.mvgshome.org/mvgs.

Rappahannock-Rapidan Regional Commission

The Rappahannock-Rapidan Regional Commission was created by resolution pursuant to state statute and is considered a jointly governed organization. The County appoints two of the twenty-one board members; however, the County cannot impose its will on the board since it does not have the ability to modify or approve the budget or overrule or modify the decisions of the board. The board is fiscally independent and there is no financial benefit or burden relationship with the County. Therefore, it is not included in the County's financial statements.

Additional information may be obtained by writing to the Rappahannock-Rapidan Regional Commission at 420 Southridge Parkway, Suite 106, Culpeper, Virginia 22701 or visiting the website at www.rrregion.org.

NOTE 16 – RELATED ORGANIZATIONS AND JOINTLY GOVERNED ORGANIZATIONS (CONTINUED)

Rappahannock-Rapidan Community Services Board and Area Agency on Aging

The Rappahannock-Rapidan Community Services Board and Area Agency on Aging was created by resolution pursuant to state statute and is considered a jointly governed organization. The County appoints three of the fifteen board members; however, the County cannot impose its will on the board since it does not have the ability to modify or approve the budget or overrule or modify the decisions of the board. The board is fiscally independent and there is no financial benefit or burden relationship with the County. Therefore, it is not included in the County's financial statements.

Additional information, including financial reports, may be obtained by writing to the Rappahannock-Rapidan Community Services Board and Area Agency on Aging at P.O. Box 1568, Culpeper, Virginia 22701 or visiting the website at www.rrcsb.org.

NOTE 17 – SURETY BONDS

Commonwealth of Virginia Faithful Performance of Duty Bond Plan (Obligee) by and through
Travelers Casualty and Surety Company of America of Hartford, Connecticut – Surety

	<u>Amount</u>
Gail H. Barb, Clerk of the Circuit Court	\$ 480,000
Tanya Remson Wilcox, Treasurer	750,000
Eric Maybach, Commissioner of the Revenue	3,000
Jeremy Falls, Sheriff	30,000
Above constitutional officers' employees – blanket bond	500,000

Virginia Association of Counties Group Self Insurance Risk Pool – Public Employees Dishonesty
Coverage

All County employees and volunteers	\$ 500,000
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Virginia Association of Counties Group Self Insurance Risk Pool

All School employees including Clerk of the School Board	\$ 500,000
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NOTE 18 – CLAIMS AND LITIGATION

The County, in connection with the normal conduct of its affairs, is involved in various claims, judgments, and litigation. It is not known what liability, if any, the County faces.

NOTE 19 – SUBSEQUENT EVENTS

In September 2024, the County issued \$45,100,000 of Public Facility Revenue Bonds, Series 2024. The bond proceeds will be used to provide funds to assist the County in financing costs related to the Central Sports Complex, Opal Water System, Taylor Middle School (Phase 1) and other projects authorized in the County's capital improvement plan and to pay for the costs of issuing the bonds.



REQUIRED SUPPLEMENTARY INFORMATION



Schedule of Funding Progress and Employer Contributions
 Virginia Retirement System Pension and Other Postemployment Benefits Programs
 Fauquier County Other Postemployment Benefits Plans
 Fiscal Year Ended June 30, 2024

	Date	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a % of Covered Payroll
Virginia Retirement System						
Primary Government:						
<u>Retirement Plan</u>						
	June 30, 2024	\$ 5,823,394	\$ 5,823,394	\$ -	\$ 53,356,651	10.91%
	June 30, 2023	5,476,106	5,476,106	-	49,880,023	10.37%
	June 30, 2022	4,348,043	4,348,043	-	44,389,906	9.80%
	June 30, 2021	4,134,958	4,134,958	-	41,992,386	9.85%
	June 30, 2020	3,522,727	3,522,727	-	41,986,707	8.39%
	June 30, 2019	3,382,113	3,382,113	-	39,528,477	8.56%
	June 30, 2018	3,023,056	3,023,056	-	36,454,515	8.29%
	June 30, 2017	2,834,313	2,834,313	-	34,194,157	8.29%
	June 30, 2016	3,337,679	3,337,679	-	33,188,587	10.06%
	June 30, 2015	3,199,599	3,199,599	-	31,789,387	10.06%
<u>Group Life Insurance Program</u>						
	June 30, 2024	\$ 288,799	\$ 288,799	\$ -	\$ 53,481,286	0.54%
	June 30, 2023	270,280	270,280	-	50,051,912	0.54%
	June 30, 2022	240,350	240,350	-	44,509,270	0.54%
	June 30, 2021	227,537	227,537	-	42,136,454	0.54%
	June 30, 2020	216,120	216,120	-	41,561,614	0.52%
	June 30, 2019	205,987	205,987	-	39,612,916	0.52%
	June 30, 2018	190,027	190,027	-	36,543,557	0.52%
	June 30, 2017	178,438	178,438	-	34,315,054	0.52%
	June 30, 2016	159,225	159,225	-	33,171,876	0.48%
	June 30, 2015	153,056	153,056	-	31,886,605	0.48%
School Board:						
<u>Non-Professional Retirement Plan</u>						
	June 30, 2024	\$ 342,744	\$ 342,744	\$ -	\$ 10,427,408	3.29%
	June 30, 2023	331,202	331,202	-	9,747,612	3.40%
	June 30, 2022	361,832	361,832	-	8,468,533	4.27%
	June 30, 2021	330,784	330,784	-	7,662,372	4.32%
	June 30, 2020	325,377	325,377	-	8,077,614	4.03%
	June 30, 2019	334,943	334,943	-	7,932,127	4.22%
	June 30, 2018	370,305	370,305	-	7,450,252	4.97%
	June 30, 2017	369,812	369,812	-	7,425,942	4.98%
	June 30, 2016	450,349	450,349	-	6,978,640	6.45%
	June 30, 2015	428,328	428,328	-	6,626,519	6.46%
<u>Teacher Retirement Plan</u>						
	June 30, 2024	\$ 14,072,073	\$ 14,072,073	\$ -	\$ 88,881,445	15.83%
	June 30, 2023	13,781,376	13,781,376	-	86,755,601	16.62%
	June 30, 2022	12,605,268	12,605,268	-	78,840,487	15.99%
	June 30, 2021	12,296,392	12,296,392	-	76,644,277	16.04%
	June 30, 2020	11,960,052	11,960,052	-	78,772,804	15.18%
	June 30, 2019	11,554,803	11,554,803	-	75,619,472	15.28%
	June 30, 2018	11,676,725	11,676,725	-	72,884,547	16.02%
	June 30, 2017	10,507,620	10,507,620	-	72,875,794	14.42%
	June 30, 2016	10,108,697	10,108,697	-	72,441,305	13.95%
	June 30, 2015	10,199,271	10,199,271	-	70,248,727	14.52%

Schedule of Funding Progress and Employer Contributions
Virginia Retirement System Pension and Other Postemployment Benefits Programs
Fauquier County Other Postemployment Benefits Plans
Fiscal Year Ended June 30, 2024

	<u>Date</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to Contractually Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Employee Payroll</u>	<u>Contributions as a % of Covered Employee Payroll</u>
School Board (continued):						
Group Life Insurance Program						
<i>Non-Professional</i>						
	June 30, 2024	\$ 56,744	\$ 56,744	\$ -	\$ 10,508,238	0.54%
	June 30, 2023	52,968	52,968	-	9,808,834	0.54%
	June 30, 2022	45,916	45,916	-	8,502,934	0.54%
	June 30, 2021	42,108	42,108	-	7,797,838	0.54%
	June 30, 2020	42,442	42,442	-	8,161,958	0.52%
	June 30, 2019	41,600	41,600	-	8,000,043	0.52%
	June 30, 2018	38,884	38,884	-	7,477,675	0.52%
	June 30, 2017	38,836	38,836	-	7,468,390	0.52%
	June 30, 2016	34,034	34,034	-	7,090,446	0.48%
	June 30, 2015	31,957	31,957	-	6,657,743	0.48%
<i>Teachers</i>						
	June 30, 2024	\$ 481,085	\$ 481,085	\$ -	\$ 89,089,889	0.54%
	June 30, 2023	469,674	469,674	-	86,976,629	0.54%
	June 30, 2022	427,493	427,493	-	79,165,295	0.54%
	June 30, 2021	415,988	415,988	-	77,034,820	0.54%
	June 30, 2020	410,920	410,920	-	79,023,163	0.52%
	June 30, 2019	393,231	393,231	-	75,621,380	0.52%
	June 30, 2018	379,887	379,887	-	73,055,143	0.52%
	June 30, 2017	380,267	380,267	-	73,128,237	0.52%
	June 30, 2016	346,512	346,512	-	72,190,017	0.48%
	June 30, 2015	338,777	338,777	-	70,578,532	0.48%
Health Insurance Program						
<i>Non-Professional</i>						
	June 30, 2024	\$ 93,847	\$ 93,847	\$ -	\$ 10,427,408	0.90%
	June 30, 2023	52,637	52,637	-	9,747,612	0.54%
	June 30, 2022	43,190	43,190	-	8,468,533	0.51%
	June 30, 2021	39,078	39,078	-	7,662,372	0.51%
<i>Teachers</i>						
	June 30, 2024	\$ 1,075,465	\$ 1,075,465	\$ -	\$ 88,881,445	1.21%
	June 30, 2023	1,049,743	1,049,743	-	86,755,601	1.21%
	June 30, 2022	953,970	953,970	-	78,840,487	1.21%
	June 30, 2021	927,396	927,396	-	76,644,277	1.21%
	June 30, 2020	945,274	945,274	-	78,772,804	1.20%
	June 30, 2019	906,889	906,889	-	75,574,076	1.20%
	June 30, 2018	897,633	897,633	-	72,978,293	1.23%
	June 30, 2017	809,357	809,357	-	72,915,076	1.11%
	June 30, 2016	762,107	762,107	-	71,896,849	1.06%
	June 30, 2015	745,602	745,602	-	70,339,798	1.06%

Schedule is intended to show information for 10 years. Since the plan was new in fiscal year 2021, additional years will be included as the information becomes available.

Schedule of Funding Progress and Employer Contributions
Virginia Retirement System Pension and Other Postemployment Benefits Programs
Fauquier County Other Postemployment Benefits Plans
Fiscal Year Ended June 30, 2024

Date	Contractually Required Contribution	Contributions in Relation to		Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
		Contractually Required Contribution	Contractually Required Contribution			
Primary Government:						
<u>Continuation Plan</u>						
June 30, 2024	\$ -	\$ -	\$ -	\$ -	55,960,949	0.00%
June 30, 2023	-	-	-	-	51,431,836	0.00%
June 30, 2022	-	-	-	-	49,692,595	0.00%
June 30, 2021	-	-	-	-	42,362,379	0.00%
June 30, 2020	-	-	-	-	48,888,690	0.00%
June 30, 2019	-	-	-	-	42,074,311	0.00%
June 30, 2018	-	-	-	-	40,961,221	0.00%
June 30, 2017	96,604	-	-	96,604	39,576,059	0.00%
June 30, 2016	225,865	78,487	-	147,378	31,426,727	0.25%
June 30, 2015	277,095	277,095	-	-	32,415,086	0.85%

<u>Credit Plan</u>						
June 30, 2024	\$ 114,812	\$ 178,178	\$ (63,366)	\$ 55,960,949		0.3%
June 30, 2023	114,676	185,125	(70,449)	51,431,836		0.4%
June 30, 2022	107,632	107,632	-	49,692,595		0.2%
June 30, 2021	157,477	157,477	-	42,362,379		0.4%
June 30, 2020	152,361	152,361	-	48,888,690		0.3%
June 30, 2019	138,432	138,432	-	42,074,311		0.3%
June 30, 2018	132,797	715,474	(582,677)	40,961,221		1.7%

Schedule is intended to show information for 10 years. Since the plan was new in fiscal year 2018, additional years will be included as the information becomes available.

School Board:						
<u>Continuation Plan</u>						
June 30, 2024	\$ -	\$ -	\$ -	\$ -	86,096,049	0.00%
June 30, 2023	-	-	-	-	91,509,405	0.00%
June 30, 2022	-	-	-	-	88,414,884	0.00%
June 30, 2021	-	-	-	-	84,335,149	0.00%
June 30, 2020	-	-	-	-	89,642,029	0.00%
June 30, 2019	-	-	-	-	88,435,009	0.00%
June 30, 2018	-	-	-	-	81,301,110	0.00%
June 30, 2017	191,742	-	-	191,742	78,551,797	0.00%
June 30, 2016	448,359	155,804	-	292,555	62,384,399	0.25%
June 30, 2015	550,053	550,053	-	-	64,346,366	0.85%

<u>Health Coverage Plan</u>						
June 30, 2024	\$ -	\$ -	\$ -	\$ -	-	-
June 30, 2023	990	990	-	-	208,333	0.50%
June 30, 2022	41,795	41,795	-	-	201,288	20.8%
June 30, 2021	33,836	33,836	-	-	180,274	18.8%
June 30, 2020	34,468	34,468	-	-	186,584	18.5%
June 30, 2019	32,608	32,608	-	-	180,274	18.1%

Schedule is intended to show information for 10 years. Since the plan was new in fiscal year 2019, additional years will be included as the information becomes available.

Schedule of Funding Progress and Employer Contributions
Virginia Retirement System Pension and Other Postemployment Benefits Programs
Fauquier County Other Postemployment Benefits Plans
Fiscal Year Ended June 30, 2024

Virginia Retirement System:

Political Subdivision Pension Plan

Changes of benefit terms

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

Changes of assumptions

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

Largest 10 - Non-Hazardous Duty:

Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020; Adjusted retirement rates to better fit experience for Plan 1: set separate rates based on experience for Plan 2/Hybrid; changed final retirement age. Adjusted rates to better fit experience at each year, age and service through 9 years of service.

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

Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020; Adjusted retirement rates to better fit experience for Plan 1: set separate rates based on experience for Plan 2/Hybrid; changed final retirement age. Adjusted rates to better fit experience at each year, age and service through 9 years of service.

Largest 10 - Hazardous Duty:

Update to PUB2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020; Adjusted retirement rates to better fit experience and changed final retirement age from 65 to 70. Decreased withdrawal rates.

All Others (Non 10 Largest) - Hazardous Duty:

Update to PUB2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020; Adjusted retirement rates to better fit experience and changed final retirement age from 65 to 70; Decreased withdrawal 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.

Teacher Retirement Pension Plan

Changes of benefit terms

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

Changes of assumptions

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

Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020; Adjusted retirement rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; and changed final retirement age from 75 to 80 for all; Adjusted withdrawal rates to better fit experience at each year, age and service through 9 years of service.

Schedule of Funding Progress and Employer Contributions
Virginia Retirement System Pension and Other Postemployment Benefits Programs
Fauquier County Other Postemployment Benefits Plans
Fiscal Year Ended June 30, 2024

Group Life Insurance and Health Insurance Credit Programs

Changes of benefit terms

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

Changes of assumptions

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

General State Employees:

Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020; Adjusted retirement 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; Adjusted withdrawal rates to better fit experience at each year, age and service through 9 years of service.

Teachers:

Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020; Adjusted retirement 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; Adjusted withdrawal rates to better fit experience at each age and service decrement through 9 years of service.

SPORS Employees:

Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020; Increased retirement rates for ages 55 to 61, 63, and 64 with 26 or more years of service; changed final retirement age from 65 to 70; Decreased withdrawal rate for 0 years of service and increased rates for 1 to 6 years of service.

ValORS Employees:

Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020; Increased retirement rates at some younger ages, decreased at age 62, and changed final retirement age from 65 to 70; Adjusted withdrawal rates to better fit experience at each year, age and service through 9 years of service.

JRS Employees:

Review separately from State employees because exhibit fewer deaths. Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020; Decreased retirement rates for ages 60-66 and 70-72; Reduce salary scale increase across all ages by 0.50%.

Largest Ten Locality Employers - General Employees:

Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020; Adjusted retirement 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; Adjusted withdrawal rates to better fit experience at each age and service decrement through 9 years of service.

Non-Largest Ten Locality Employers - General Employees:

Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020; Adjusted retirement 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; Adjusted withdrawal rates to better fit experience at each age and service decrement through 9 years of service.

Schedule of Funding Progress and Employer Contributions
Virginia Retirement System Pension and Other Postemployment Benefits Programs
Fauquier County Other Postemployment Benefits Plans
Fiscal Year Ended June 30, 2024

Group Life Insurance and Health Insurance Credit Programs (continued)
Changes of assumptions (continued)

Largest Ten Locality Employers - Hazardous Duty Employees:

Update to PUB2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP2020; Adjusted retirement rates to better fit experience and changed final retirement age from 65 to 70; Decreased withdrawal rates

Fauquier County:

Continuation Plan - County

Changes of benefit terms

There have been no substantive plan provision changes to the benefit terms.

Changes of assumptions

The following assumptions were updated for the current valuation as of June 30, 2024:

The discount rate assumption has been updated based on the yield for 20-year tax-exempt general obligation municipal bonds as of June 30, 2024. The discount rate is 4.13% as of July 1, 2023 and 4.21% as of June 30, 2024.

The termination and retirement rate assumptions have been updated based on the VRS actuarial valuation as of June 30, 2023.

Health care trend rates have been updated to an initial rate of 8.0% decreasing by 0.5% per year to an ultimate rate of 4.5%.

Credit Plan

Changes of benefit terms

There have been no substantive plan provision changes to the benefit terms.

Changes of assumptions

The following assumptions were updated for the current valuation as of June 30, 2024:

The Total OPEB Liability as of June 30, 2024 are based on an actuarial valuation date of June 30, 2024. The Total OPEB Liability as of June 30, 2023 are based on an actuarial valuation date of July 1, 2022 projected to June 30, 2023, reflecting actual premiums and contributions.

The discount rate assumption has been updated based on the yield for 20-year tax-exempt general obligation municipal bonds as of June 30, 2024. The discount rate is 4.13% as of July 1, 2023 and 4.21% as of June 30, 2024.

The termination and retirement rate assumptions have been updated based on the VRS actuarial valuation as of June 30, 2023.

Schedule of Funding Progress and Employer Contributions
Virginia Retirement System Pension and Other Postemployment Benefits Programs
Fauquier County Other Postemployment Benefits Plans
Fiscal Year Ended June 30, 2024

Continuation Plan - Schools

Changes of benefit terms

There have been no substantive plan provision changes to the benefit terms.

Changes of assumptions

The following assumptions were updated for the current valuation as of June 30, 2024:

The discount rate assumption has been updated based on the yield for 20-year tax-exempt general obligation municipal bonds as of June 30, 2024. The discount rate is 4.13% as of July 1, 2023 and 4.21% as of June 30, 2024.

The Total OPEB Liability as of June 30, 2024 are based on an actuarial valuation date of June 30, 2024. The Total OPEB Liability as of June 30, 2023 are based on an actuarial valuation date of July 1, 2022 projected to June 30, 2023, reflecting actual premiums and contributions.

Health care trend rates have been updated to an initial rate of 8.0% decreasing by 0.5% per year to an ultimate rate of 4.5%.

Credit Plan

Changes of benefit terms

There have been no substantive plan provision changes to the benefit terms.

Changes of assumptions

The following assumptions were updated for the current valuation as of June 30, 2024:

The Total OPEB Liability as of June 30, 2024 are based on an actuarial valuation date of June 30, 2024. The Total OPEB Liability as of June 30, 2023 are based on an actuarial valuation date of July 1, 2022 projected to June 30, 2023, reflecting actual premiums and an updated discount rate.

Health Coverage Plan - Schools

Changes of benefit terms

There have been no changes to the benefit terms.

Changes of assumptions

The following assumptions were updated for the current valuation as of June 30, 2024:

The Total OPEB Liability as of June 30, 2024 are based on an actuarial valuation date of June 30, 2024. The Total OPEB Liability as of June 30, 2023 are based on an actuarial valuation date of July 1, 2022 projected to June 30, 2023, reflecting actual premiums and an updated discount rate.

School communicated the resignation of the superintendent in September 2024. No additional participants are expected in the plan.

Schedule of Changes in Net Pension Liability (Asset)
and Related Ratios
Last Ten Fiscal Years
Fiscal Year Ended June 30, 2024

Primary Government:

	2014	2015	2016	2017	2018
Total pension liability					
Service cost	\$ 3,665,747	\$ 3,813,094	\$ 3,885,984	\$ 3,978,825	\$ 4,150,641
Interest	6,300,846	6,765,656	7,184,529	7,609,870	8,118,250
Changes of assumptions	-	-	-	(662,813)	-
Differences between expected and actual experience	-	(1,032,433)	(1,139,622)	498,300	580,157
Benefit payments, including refunds of employee contributions	(3,159,348)	(3,493,529)	(3,631,336)	(4,077,843)	(4,245,375)
Net change in total pension liability	<u>6,807,245</u>	<u>6,052,788</u>	<u>6,299,555</u>	<u>7,346,339</u>	<u>8,603,673</u>
Total pension liability – beginning	<u>91,591,756</u>	<u>98,399,001</u>	<u>104,451,789</u>	<u>110,751,344</u>	<u>118,097,683</u>
Total pension liability – ending (a)	<u><u>98,399,001</u></u>	<u><u>104,451,789</u></u>	<u><u>110,751,344</u></u>	<u><u>118,097,683</u></u>	<u><u>126,701,356</u></u>
Plan fiduciary net position					
Contributions – employer	3,555,225	3,177,007	3,284,574	2,752,121	2,911,388
Contributions – employee	1,530,920	1,623,124	1,635,553	1,675,382	1,797,746
Net investment income	12,271,193	4,210,671	1,745,781	12,180,445	8,300,573
Benefit payments, including refunds of employee contributions	(3,159,349)	(3,493,529)	(3,631,336)	(4,077,843)	(4,245,375)
Administrative expense	(63,910)	(55,473)	(58,461)	(10,918)	(69,894)
Other	647	(895)	(727)	(68,588)	(7,473)
Net change in plan fiduciary net position	<u>14,134,726</u>	<u>5,460,905</u>	<u>2,975,384</u>	<u>12,450,599</u>	<u>8,686,965</u>
Plan fiduciary net position – beginning	<u>76,694,287</u>	<u>90,829,013</u>	<u>96,289,918</u>	<u>99,265,302</u>	<u>111,715,901</u>
Plan fiduciary net position – ending (b)	<u><u>90,829,013</u></u>	<u><u>96,289,918</u></u>	<u><u>99,265,302</u></u>	<u><u>111,715,901</u></u>	<u><u>120,402,866</u></u>
Net pension (asset) / liability – ending (a) - (b)	\$ 7,569,988	\$ 8,161,871	\$ 11,486,042	\$ 6,381,782	\$ 6,298,490
Plan fiduciary net position as a percentage of the total pension liability	92.3%	92.2%	89.6%	94.6%	95.0%
Covered payroll	\$ 30,748,986	\$ 31,789,387	\$ 33,188,587	\$ 34,194,157	\$ 36,454,515
Net pension (asset) / liability as a percentage of covered payroll	24.6%	25.7%	34.6%	18.7%	17.3%

					Primary Government:
2019	2020	2021	2022	2023	
\$ 4,430,044	\$ 4,916,247	\$ 5,036,308	\$ 5,563,354	\$ 6,444,982	Total pension liability
8,715,293	9,259,856	9,897,408	11,201,272	11,947,977	Service cost
4,327,503	-	6,269,424	-	-	Interest
77,578	877,642	(1,196,210)	413,436	3,371,745	Changes of assumptions
(4,394,344)	(5,348,771)	(5,868,239)	(6,639,366)	(7,355,422)	Differences between expected and actual experience
13,156,074	9,704,974	14,138,691	10,538,696	14,409,282	Benefit payments, including refunds of employee contributions
					Net change in total pension liability
<u>126,701,356</u>	<u>139,857,430</u>	<u>149,562,404</u>	<u>163,701,095</u>	<u>174,239,791</u>	Total pension liability – beginning
<u>139,857,430</u>	<u>149,562,404</u>	<u>163,701,095</u>	<u>174,239,791</u>	<u>188,649,073</u>	Total pension liability – ending (a)
					Plan fiduciary net position
3,382,111	3,518,753	4,137,390	4,348,015	5,472,849	Contributions – employer
1,915,523	2,062,946	2,029,973	2,169,812	2,399,657	Contributions – employee
8,165,891	2,492,136	36,494,625	(231,914)	11,009,483	Net investment income
(4,394,344)	(5,348,771)	(5,868,239)	(6,639,366)	(7,355,422)	Benefit payments, including refunds of employee contributions
(77,623)	(82,757)	(88,127)	(104,232)	(106,964)	Administrative expense
(5,164)	(2,977)	3,463	3,954	4,450	Other
8,986,394	2,639,330	36,709,085	(453,731)	11,424,053	Net change in plan fiduciary net position
<u>120,402,866</u>	<u>129,389,260</u>	<u>132,028,590</u>	<u>168,737,675</u>	<u>168,283,944</u>	Plan fiduciary net position – beginning
<u>\$ 129,389,260</u>	<u>\$ 132,028,590</u>	<u>\$ 168,737,675</u>	<u>\$ 168,283,944</u>	<u>\$ 179,707,997</u>	Plan fiduciary net position – ending (b)
\$ 10,468,170	\$ 17,533,814	\$ (5,036,580)	\$ 5,955,847	\$ 8,941,076	Net pension (asset) / liability – ending (a) - (b)
92.5%	88.3%	103.1%	96.6%	95.3%	Plan fiduciary net position as a percentage of the total pension liability
\$ 39,528,477	\$ 41,986,707	\$ 41,992,386	\$ 44,389,906	\$ 49,880,023	Covered payroll
26.5%	41.8%	-12.0%	13.4%	17.9%	Net pension (asset) / liability as a percentage of covered payroll

Schedule of Changes in Net Pension Liability
and Related Ratios
Last Ten Fiscal Years
Fiscal Year Ended June 30, 2024

Component Unit - School Board - Non-professional:

	2014	2015	2016	2017	2018
Total pension liability					
Service cost	\$ 790,454	\$ 779,639	\$ 723,642	\$ 745,093	\$ 727,239
Interest	1,314,303	1,397,986	1,485,311	1,568,963	1,628,956
Changes in assumptions	-	-	-	(242,307)	-
Differences between expected and actual experience	-	76,425	28,543	(111,788)	173,636
Benefit payments, including refunds of employee contributions	(821,036)	(997,534)	(1,015,580)	(1,069,340)	(1,136,517)
Net change in total pension liability	<u>1,283,721</u>	<u>1,256,516</u>	<u>1,221,916</u>	<u>890,621</u>	<u>1,393,314</u>
Total pension liability – beginning	<u>19,186,281</u>	<u>20,470,002</u>	<u>21,726,518</u>	<u>22,948,434</u>	<u>23,839,055</u>
Total pension liability – ending (a)	<u>20,470,002</u>	<u>21,726,518</u>	<u>22,948,434</u>	<u>23,839,055</u>	<u>25,232,369</u>
Plan fiduciary net position					
Contributions – employer	634,627	422,140	448,949	346,567	340,240
Contributions – employee	367,367	326,614	345,096	355,536	351,153
Net investment income	3,029,074	1,016,928	401,377	2,817,301	1,886,650
Benefit payments, including refunds of employee contributions	(821,036)	(997,534)	(1,015,580)	(1,069,340)	(1,136,517)
Administrative expense	(16,035)	(13,964)	(14,272)	(16,287)	(16,342)
Other	160	(215)	(170)	(2,508)	(1,681)
Net change in plan fiduciary net position	<u>3,194,157</u>	<u>753,969</u>	<u>165,400</u>	<u>2,431,269</u>	<u>1,423,503</u>
Plan fiduciary net position – beginning	<u>19,118,695</u>	<u>22,312,852</u>	<u>23,066,821</u>	<u>23,232,221</u>	<u>25,663,490</u>
Plan fiduciary net position – ending (b)	<u>\$ 22,312,852</u>	<u>\$ 23,066,821</u>	<u>\$ 23,232,221</u>	<u>\$ 25,663,490</u>	<u>\$ 27,086,993</u>
Net pension (asset) / liability – ending (a) - (b)	\$ (1,842,850)	\$ (1,340,303)	\$ (283,787)	\$ (1,824,435)	\$ (1,854,624)
Plan fiduciary net position as a percentage of the total pension liability	109.0%	106.2%	101.2%	107.7%	107.4%
Covered payroll	\$ 6,610,884	\$ 6,626,519	\$ 6,978,640	\$ 7,425,942	\$ 7,450,252
Net pension (asset) / liability as a percentage of covered payroll	-27.9%	-20.2%	-4.1%	-24.6%	-24.9%

					Component Unit - School Board - Non-professional:
2019	2020	2021	2022	2023	
\$ 703,953	\$ 708,963	\$ 701,598	\$ 697,830	\$ 828,105	Total pension liability
1,722,409	1,791,476	1,881,376	2,026,231	2,057,802	Service cost
725,682	-	926,324	-	-	Interest
121,516	347,733	(443,583)	(690,927)	341,309	Changes in assumptions
(1,253,057)	(1,424,961)	(1,607,682)	(1,627,414)	(1,763,969)	Differences between expected and actual experience
2,020,503	1,423,211	1,458,033	405,720	1,463,247	Benefit payments, including refunds of employee contributions
					Net change in total pension liability
<u>25,232,369</u>	<u>27,252,872</u>	<u>28,676,083</u>	<u>30,134,116</u>	<u>30,539,836</u>	Total pension liability – beginning
<u>27,252,872</u>	<u>28,676,083</u>	<u>30,134,116</u>	<u>30,539,836</u>	<u>32,003,083</u>	Total pension liability – ending (a)
					Plan fiduciary net position
333,665	325,318	330,783	351,244	331,159	Contributions – employer
373,811	369,844	349,451	373,204	435,114	Contributions – employee
1,796,186	535,400	7,594,348	(31,447)	2,158,685	Net investment income
(1,253,057)	(1,424,961)	(1,607,682)	(1,627,414)	(1,763,969)	Benefit payments, including refunds of employee contributions
(17,904)	(18,584)	(19,277)	(21,722)	(21,778)	Administrative expense
(1,130)	(634)	713	794	864	Other
1,231,571	(213,617)	6,648,336	(955,341)	1,140,075	Net change in plan fiduciary net position
<u>27,086,993</u>	<u>28,318,564</u>	<u>28,104,947</u>	<u>34,753,283</u>	<u>33,797,942</u>	Plan fiduciary net position – beginning
<u>\$ 28,318,564</u>	<u>\$ 28,104,947</u>	<u>\$ 34,753,283</u>	<u>\$ 33,797,942</u>	<u>\$ 34,938,017</u>	Plan fiduciary net position – ending (b)
\$ (1,065,692)	\$ 571,136	\$ (4,619,167)	\$ (3,258,106)	\$ (2,934,934)	Net pension (asset) / liability – ending (a) - (b)
103.9%	98.0%	115.3%	110.7%	109.2%	Plan fiduciary net position as a percentage of the total pension liability
\$ 7,932,127	\$ 8,077,614	\$ 7,662,372	\$ 8,468,533	\$ 9,747,612	Covered payroll
-13.4%	7.1%	-60.3%	-38.5%	-30.1%	Net pension (asset) / liability as a percentage of covered payroll

Schedule of Changes in Net OPEB Liability
and Related Ratios
Last Eight Fiscal Years
Fiscal Year Ended June 30, 2024

Primary Government:
Continuation Plan

	2017*	2018	2019	2020	2021	2022	2023	2024
Total OPEB liability								
Service cost	\$ 224,155	\$ 127,610	\$ 120,931	\$ 132,455	\$ 157,886	\$ 243,556	\$ 164,124	\$ 158,650
Interest	80,071	80,443	88,806	79,615	68,513	82,591	110,661	109,814
Changes in assumptions	(477,330)	(68,613)	96,731	213,242	360,255	(1,258,714)	(9,879)	192,018
Differences between expected and actual experience	(348,615)	(35,324)	(290,442)	(88,012)	617,023	71,384	(197,576)	(97,891)
Benefit payments	(85,558)	(42,129)	(57,513)	(50,394)	(60,158)	(127,617)	(122,982)	(93,854)
Net change in total pension liability	(607,277)	61,987	(41,487)	286,906	1,143,519	(988,800)	(55,652)	268,737
Total OPEB liability – beginning	2,747,539	2,140,262	2,202,249	2,202,249	2,447,668	3,591,187	2,602,387	2,546,735
Total OPEB liability – ending (a)	2,140,262	2,202,249	2,160,762	2,489,155	3,591,187	2,602,387	2,546,735	2,815,472
Plan fiduciary net position								
Contributions – employer	-	(152,232)	57,513	50,394	60,158	127,617	122,982	93,854
Net investment income	125,779	-	-	-	-	-	-	-
Benefit payments	(1,174,592)	(42,129)	(57,513)	(50,394)	(60,158)	(127,617)	(122,982)	(93,854)
Administrative expenses	(1,655)	-	-	-	-	-	-	-
Net change in plan fiduciary net position	(1,050,468)	(194,361)	-	-	-	-	-	-
Plan fiduciary net position – beginning	1,244,829	194,361	-	-	-	-	-	-
Plan fiduciary net position – ending (b)	194,361	-	-	-	-	-	-	-
Net OPEB (asset) / liability – ending (a) - (b)	\$ 1,945,901	\$ 2,202,249	\$ 2,160,762	\$ 2,489,155	\$ 3,591,187	\$ 2,602,387	\$ 2,546,735	\$ 2,815,472
Fiduciary net position as a percentage of the total OPEB liability	9.08%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered employee payroll	\$ 39,576,059	\$ 40,961,221	\$ 42,074,311	\$ 48,888,690	\$ 42,362,379	\$ 49,692,595	\$ 51,431,836	\$ 55,960,949
Net OPEB (asset) / liability as a percentage of covered employee payroll	4.9%	5.4%	5.1%	5.1%	8.5%	5.2%	5.0%	5.0%

* Schedule is intended to show information for 10 years. Additional years will be included as the information becomes available.

Schedule of Changes in Net OPEB Liability
and Related Ratios
Last Seven Fiscal Years
Fiscal Year Ended June 30, 2024

Primary Government:
Credit Plan

	2018*	2019	2020	2021	2022	2023	2024
Total OPEB liability							
Service cost	\$ 48,350	\$ 51,437	\$ 59,565	\$ 61,649	\$ 60,861	\$ 70,314	\$ 72,775
Interest	149,998	163,406	182,687	197,302	172,831	165,192	179,164
Changes in benefit terms	1,952,876	27,193	-	-	-	-	-
Changes in assumptions	-	-	-	(5,547)	(180,614)	-	-
Differences between expected and actual experience	5,008	42,249	(29,894)	(537,787)	(99,331)	15,301	14,816
Benefit payments	(2,545)	(53,743)	(16,226)	(23,056)	(59,836)	(70,449)	(63,366)
Net change in total pension liability	<u>2,153,687</u>	<u>230,542</u>	<u>196,132</u>	<u>(307,439)</u>	<u>(106,089)</u>	<u>180,358</u>	<u>203,389</u>
Total OPEB liability – beginning	<u>-</u>	<u>2,153,687</u>	<u>2,384,229</u>	<u>2,384,229</u>	<u>2,272,922</u>	<u>2,166,833</u>	<u>2,347,191</u>
Total OPEB liability – ending (a)	<u>2,153,687</u>	<u>2,384,229</u>	<u>2,580,361</u>	<u>2,076,790</u>	<u>2,166,833</u>	<u>2,347,191</u>	<u>2,550,580</u>
Plan fiduciary net position							
Contributions – employer	715,474	192,175	152,361	157,477	107,632	185,125	178,178
Net investment income	55,579	35,259	44,949	359,437	(88,721)	119,914	171,427
Benefit payments	(2,545)	(53,743)	(16,226)	(23,056)	(59,836)	(70,449)	(63,366)
Administrative expenses	(1,151)	(1,304)	(1,512)	(1,738)	(2,190)	(2,117)	(2,262)
Net change in plan fiduciary net position	<u>767,357</u>	<u>172,387</u>	<u>179,572</u>	<u>492,120</u>	<u>(43,115)</u>	<u>232,473</u>	<u>283,977</u>
Plan fiduciary net position – beginning	<u>-</u>	<u>767,357</u>	<u>939,744</u>	<u>939,744</u>	<u>1,611,436</u>	<u>1,568,321</u>	<u>1,800,794</u>
Plan fiduciary net position – ending (b)	<u>\$ 767,357</u>	<u>\$ 939,744</u>	<u>\$ 1,119,316</u>	<u>\$ 1,431,864</u>	<u>\$ 1,568,321</u>	<u>\$ 1,800,794</u>	<u>\$ 2,084,771</u>
Net OPEB (asset) / liability – ending (a) - (b)	\$ 1,386,330	\$ 1,444,485	\$ 1,461,045	\$ 644,926	\$ 598,512	\$ 546,397	\$ 465,809
Fiduciary net position as a percentage of the total OPEB liability	35.6%	39.4%	43.4%	68.9%	72.4%	76.7%	81.7%
Covered employee payroll	\$ 40,961,221	\$ 42,074,311	\$ 48,888,690	\$ 42,362,379	\$ 49,692,595	\$ 51,431,836	\$ 55,960,949
Net OPEB (asset) / liability as a percentage of covered employee payroll	3.4%	3.4%	3.0%	1.5%	1.2%	1.1%	0.8%

* Schedule is intended to show information for 10 years. Additional years will be included as the information becomes available.

Schedule of Changes in Net OPEB Liability
and Related Ratios
Last Eight Fiscal Years
Fiscal Year Ended June 30, 2024

School Board:
Continuation Plan

	2017*	2018	2019	2020	2021	2022	2023	2024
Total OPEB liability								
Service cost	\$ 444,910	\$ 338,678	\$ 329,960	\$ 300,491	\$ 344,149	\$ 450,012	\$ 300,562	\$ 305,711
Interest	158,926	160,918	174,942	120,609	99,448	105,827	160,668	158,868
Changes in assumptions	(947,418)	(87,092)	(332,143)	162,294	359,927	(667,482)	(7,282)	288,565
Differences between expected and actual experience	(691,941)	(179,110)	(1,033,734)	(149,150)	382,663	(433,523)	(328,979)	(294,981)
Benefit payments	(169,819)	(185,321)	(213,308)	(173,877)	(176,565)	(220,324)	(199,191)	(224,592)
Net change in total pension liability	<u>(1,205,342)</u>	<u>48,073</u>	<u>(1,074,283)</u>	<u>260,367</u>	<u>1,009,622</u>	<u>(765,490)</u>	<u>(74,222)</u>	<u>233,571</u>
Total OPEB liability – beginning	<u>5,453,401</u>	<u>4,248,059</u>	<u>4,296,132</u>	<u>3,221,849</u>	<u>3,482,216</u>	<u>4,491,838</u>	<u>3,726,348</u>	<u>3,652,126</u>
Total OPEB liability – ending (a)	<u>4,248,059</u>	<u>4,296,132</u>	<u>3,221,849</u>	<u>3,482,216</u>	<u>4,491,838</u>	<u>3,726,348</u>	<u>3,652,126</u>	<u>3,885,697</u>
Plan fiduciary net position								
Contributions – employer	-	(200,450)	213,308	173,877	176,565	220,324	199,191	224,592
Contributions – retired members	-	-	-	-	-	-	-	-
Net investment income	249,649	-	-	-	-	-	-	-
Benefit payments	(2,331,368)	(185,321)	(213,308)	(173,877)	(176,565)	(220,324)	(199,191)	(224,592)
Administrative expenses	(3,285)	-	-	-	-	-	-	-
Net change in plan fiduciary net position	<u>(2,085,004)</u>	<u>(385,771)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Plan fiduciary net position – beginning	<u>2,470,775</u>	<u>385,771</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Plan fiduciary net position – ending (b)	<u>\$ 385,771</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net OPEB (asset) / liability – ending (a) - (b)	<u>\$ 3,862,288</u>	<u>\$ 4,296,132</u>	<u>\$ 3,221,849</u>	<u>\$ 3,482,216</u>	<u>\$ 4,491,838</u>	<u>\$ 3,726,348</u>	<u>\$ 3,652,126</u>	<u>\$ 3,885,697</u>
Fiduciary net position as a percentage of the total OPEB liability	9.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Covered employee payroll	\$ 78,551,797	\$ 81,301,110	\$ 88,435,009	\$ 89,642,029	\$ 84,335,149	\$ 88,414,884	\$ 91,509,405	\$ 86,096,049
Net OPEB (asset) / liability as a percentage of covered employee payroll	4.9%	5.3%	3.6%	3.9%	5.3%	4.2%	4.0%	4.5%

* Schedule is intended to show information for 10 years. Additional years will be included as the information becomes available.

Schedule of Changes in Net OPEB Liability
and Related Ratios
Last Three Fiscal Years
Fiscal Year Ended June 30, 2024

School Board:
Credit Plan

	2022*	2023	2024
Total OPEB liability			
Service cost	\$ 121,235	\$ 121,235	\$ 125,479
Interest	247,461	270,068	294,711
Changes in benefit terms	-	-	-
Changes in assumptions	-	-	-
Differences between expected and actual experience	(60,076)	(44,907)	(1,175,849)
Benefit payments	-	(14,630)	(29,754)
Net change in total pension liability	<u>308,620</u>	<u>331,766</u>	<u>(785,413)</u>
Total OPEB liability – beginning	<u>3,178,232</u>	<u>3,486,852</u>	<u>3,818,618</u>
Total OPEB liability – ending (a)	<u><u>3,486,852</u></u>	<u><u>3,818,618</u></u>	<u><u>3,033,205</u></u>
Plan fiduciary net position			
Contributions – employer	-	358,620	377,036
Net investment income	-	1,227	35,189
Benefit payments	-	(14,630)	(29,754)
Administrative expenses	-	-	(285)
Net change in plan fiduciary net position	<u>-</u>	<u>345,217</u>	<u>382,186</u>
Plan fiduciary net position – beginning	<u>-</u>	<u>-</u>	<u>345,217</u>
Plan fiduciary net position – ending (b)	<u><u>\$ -</u></u>	<u><u>\$ 345,217</u></u>	<u><u>\$ 727,403</u></u>
Net OPEB (asset) / liability – ending (a) - (b)	<u>\$ 3,486,852</u>	<u>\$ 3,473,401</u>	<u>\$ 2,305,802</u>
Fiduciary net position as a percentage of the total OPEB liability	0.0%	9.0%	24.0%
Covered employee payroll	<u>\$ 88,414,884</u>	<u>\$ 91,509,405</u>	<u>\$ 86,096,049</u>
Net OPEB (asset) / liability as a percentage of covered employee payroll	3.9%	3.8%	2.7%

* Schedule is intended to show information for 10 years. Additional years will be included as the information becomes available.

Schedule of Changes in Net OPEB Liability
and Related Ratios
Last Six Fiscal Years
Fiscal Year Ended June 30, 2024

School Board:

Health Coverage Plan

	2019*	2020	2021	2022	2023	2024
Total OPEB liability						
Service cost	\$ 11,028	\$ 10,688	\$ 10,652	\$ 11,524	7,722	7,434
Interest	6,657	7,977	9,056	12,113	10,939	11,496
Changes in assumptions	76,691	-	5,974	(60,493)	-	-
Differences between expected and actual experience	1,290	(4,235)	14,204	24,999	(10,940)	(164,776)
Benefit payments	-	-	-	-	-	-
Net change in total pension liability	<u>95,666</u>	<u>14,430</u>	<u>39,886</u>	<u>(11,857)</u>	<u>7,721</u>	<u>(145,846)</u>
Total OPEB liability – beginning	-	95,666	110,096	149,982	138,125	145,846
Total OPEB liability – ending (a)	<u>95,666</u>	<u>110,096</u>	<u>149,982</u>	<u>138,125</u>	<u>145,846</u>	<u>-</u>
Plan fiduciary net position						
Contributions – employer	32,610	34,468	33,836	41,795	990	-
Contributions – active members	-	-	-	-	-	-
Net investment income	-	991	20,264	(11,117)	11,511	15,417
Benefit payments	-	-	-	-	-	-
Administrative expenses	-	(404)	(570)	(621)	(686)	(621)
Net change in plan fiduciary net position	<u>32,610</u>	<u>35,055</u>	<u>53,530</u>	<u>30,057</u>	<u>11,815</u>	<u>14,796</u>
Plan fiduciary net position – beginning	-	32,610	67,665	121,195	151,252	163,067
Plan fiduciary net position – ending (b)	<u>\$ 32,610</u>	<u>\$ 67,665</u>	<u>\$ 121,195</u>	<u>\$ 151,252</u>	<u>163,067</u>	<u>177,863</u>
Net OPEB (asset) / liability – ending (a) - (b)	\$ 63,056	\$ 42,431	\$ 28,787	\$ (13,127)	(17,221)	(177,863)
Fiduciary net position as a percentage of the total OPEB liability	34.1%	61.5%	80.8%	109.5%	111.8%	N/A
Covered employee payroll	\$ 180,274	\$ 186,584	\$ 180,274	\$ 201,288	208,333	N/A
Net OPEB (asset) / liability as a percentage of covered employee payroll	35.0%	22.7%	16.0%	-6.5%	-8.3%	N/A

	2017	2018	2019	2020	2021	2022	2023	2024
Money-weighted rate of return on OPEB Plan Investments	12.06%	9.30%	4.39%	2.84%	29.85%	-9.38%	5.33%	6.95%

A money weighted rate of return expresses investment performance, net of OPEB plan investment expense, adjusted for the changing amounts actually invested.

* Schedule is intended to show information for 10 years. Additional years will be included as the information becomes available.

Schedule of Changes in Net OPEB Liability
and Related Ratios
Last Four Fiscal Years
Fiscal Year Ended June 30, 2024

School Board:

VRS Health Insurance Credit Plan
Non-Professional

	2021*	2022	2023	2024
Total OPEB liability				
Service cost	\$ -	\$ 11,804	\$ 9,971	\$ 14,306
Interest	-	28,356	32,118	53,416
Changes in Assumptions	-	-	93,899	-
Current-period benefit changes	420,083	15,378	-	-
Differences between expected and actual experience	-	-	(65,262)	(158,934)
Benefit Change	-	-	260,895	-
Benefit payments	-	-	(19,535)	(21,322)
Net change in total pension liability	<u>420,083</u>	<u>55,538</u>	<u>312,086</u>	<u>(112,534)</u>
Total OPEB liability – beginning	-	420,083	475,621	787,707
Total OPEB liability – ending (a)	<u>420,083</u>	<u>475,621</u>	<u>787,707</u>	<u>675,173</u>
Plan fiduciary net position				
Contributions – employer	-	39,076	71,848	87,728
Contributions – retired members	-	-	-	-
Net investment income	-	5,263	(1,365)	8,897
Benefit payments	-	-	(19,535)	(21,322)
Administrative expenses	-	(173)	(180)	(254)
Other changes	-	(173)	266	17
Net change in plan fiduciary net position	-	43,993	51,034	75,066
Plan fiduciary net position – beginning	-	-	44,166	95,200
Plan fiduciary net position – ending (b)	<u>\$ -</u>	<u>\$ 43,993</u>	<u>\$ 95,200</u>	<u>\$ 170,266</u>
Net OPEB (asset) / liability – ending (a) - (b)	\$ 420,083	\$ 431,628	\$ 692,507	\$ 504,907
Fiduciary net position as a percentage of the total OPEB liability	0.00%	9.25%	12.09%	25.22%
Covered employee payroll	\$ 8,077,614	\$ 7,662,372	\$ 8,468,533	\$ 9,747,612
Net OPEB (asset) / liability as a percentage of covered employee payroll	5.20%	5.63%	8.18%	5.18%

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

Schedule of the Proportionate Share
Virginia Retirement System's
Net Pension and Net OPEB Liability
Fiscal Year Ended June 30, 2024

	Date*	Employer's Proportion of the Net Pension Liability	Employer's Proportionate Share of the Net Pension Liability	Employer's Covered Payroll	Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability
Net Pension Liability						
School Board:						
<u>Teacher Retirement Plan</u>						
	2024	0.87304%	\$ 88,239,941	\$ 86,755,601	101.71%	82.45%
	2023	0.84851%	80,783,232	78,840,487	102.46%	82.61%
	2022	0.86663%	67,474,513	76,644,277	88.04%	85.46%
	2021	0.86664%	130,980,912	78,772,804	166.28%	71.47%
	2020	0.90164%	118,661,000	75,619,472	156.92%	73.51%
	2019	0.90285%	106,175,000	72,884,547	145.68%	74.81%
	2018	0.92342%	113,561,000	72,875,794	155.83%	72.92%
	2017	0.94296%	132,147,499	72,441,305	182.42%	68.28%
	2016	0.94607%	117,860,528	70,248,727	167.78%	70.68%
	2015	0.95944%	114,805,836	70,248,727	163.43%	70.88%
Net OPEB Liability						
Primary Government:						
<u>Group Life Insurance Program</u>						
	2024	0.21249%	\$ 2,548,421	\$ 50,051,912	5.09%	69.30%
	2023	0.20462%	2,463,822	44,509,270	5.54%	67.21%
	2022	0.20409%	2,376,161	42,136,454	5.64%	67.45%
	2021	0.20409%	3,370,214	41,561,614	8.11%	54.00%
	2020	0.20207%	3,288,000	39,612,916	8.30%	52.00%
	2019	0.19219%	2,919,000	36,543,557	7.99%	51.22%
	2018	0.18604%	2,800,000	34,315,054	8.16%	48.86%
School Board:						
<u>Group Life Insurance Program</u>						
Non-Professional						
	2024	0.04164%	\$ 499,394	\$ 9,808,834	5.09%	69.30%
	2023	0.03909%	470,681	8,502,934	5.54%	67.21%
	2022	0.03777%	439,745	7,797,838	5.64%	67.45%
	2021	0.03777%	661,861	8,161,958	8.11%	54.00%
	2020	0.40810%	664,000	8,000,043	8.30%	52.00%
	2019	0.39330%	598,000	7,477,675	8.00%	51.22%
	2018	0.04049%	609,000	7,468,390	8.15%	48.86%
Teachers						
	2024	0.36924%	\$ 4,428,345	\$ 86,976,629	5.09%	69.30%
	2023	0.36394%	4,382,188	79,165,295	5.54%	67.21%
	2022	0.37312%	4,344,130	77,034,820	5.64%	67.45%
	2021	0.38397%	6,407,831	79,023,163	8.11%	54.00%
	2020	0.38576%	6,277,000	75,621,380	8.30%	52.00%
	2019	0.38420%	5,835,000	73,055,143	7.99%	51.22%
	2018	0.39646%	5,967,000	73,128,237	8.16%	48.86%
<u>Health Insurance Program</u>						
Teachers						
	2024	0.87010%	\$ 10,540,179	\$ 86,755,601	12.15%	17.90%
	2023	0.84591%	10,565,809	78,840,487	13.40%	15.08%
	2022	0.86663%	11,123,796	76,644,277	14.51%	13.15%
	2021	0.86663%	11,721,602	78,772,804	14.88%	9.95%
	2020	0.90101%	11,796,000	75,574,076	15.61%	8.97%
	2019	0.90237%	11,458,000	72,978,293	15.70%	8.08%
	2018	0.92391%	11,721,000	72,915,076	16.07%	7.04%

Schedule is intended to show information for 10 years. Since 2018 was the first year for this presentation for pensions and OPEB, respectively, no other data is available. Additional years will be included as the information becomes available.

*The amounts presented have a measurement date of the previous fiscal year end.

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS



CAPITAL PROJECTS FUND

The Capital Projects Fund is used to account for and report financial resources for capital outlays, except for those financed by proprietary funds or for assets held in trust for individuals, private organizations, or other governments.



Schedule of Revenues, Expenditures, and
Changes in Fund Balances – Budget and Actual
Capital Projects Fund
Fiscal Year Ended June 30, 2024

	Original Budget	Amended Budget	Actual	Variance From Amended Positive (Negative)
Revenues				
Revenue from use of money and property	\$ 123,000	\$ 91,149	\$ 132,686	\$ 41,537
Charges for services	20,000	20,000	28,635	8,635
Gifts and donations	456,526	456,526	-	(456,526)
Recovered costs	-	33,900	101,900	68,000
Miscellaneous revenue	87,732	186,000	92,286	(93,714)
Intergovernmental:				
Contribution from School Board	-	35,000	35,000	-
Commonwealth of Virginia	572,194	572,194	167,768	(404,426)
Federal Government	787,500	762,869	8,764	(754,105)
Total revenues	2,046,952	2,157,638	567,039	(1,590,599)
Expenditures				
Current operating:				
Capital projects:				
Judicial administration:				
Judicial center	14,996	764,996	5,466	759,530
Public safety:				
Radio system	179,699	179,699	178,785	914
Bealeton fire Station	300,000	300,000	-	300,000
Southern fire station	300,000	300,000	-	300,000
Total public safety	779,699	779,699	178,785	600,914
Public works:				
Landfill Expansion	3,695	3,695	-	3,695
Midland service district improvements	617,318	617,318	-	617,318
Marshall water system	500,000	500,000	-	500,000
Marshall Main Street	2,132,103	2,132,103	650,129	1,481,974
Catlett/Calverton sewer	42,562	494,540	24,526	470,014
Opal water system	7,550,000	7,550,000	-	7,550,000
Greenville/Kettle Run second entrance	300,000	300,000	-	300,000
Total public works	11,145,678	11,597,656	674,655	10,923,001
Education:				
Construction elementary school #12	1,000,000	1,000,000	-	1,000,000
Taylor Middle School	39,563,086	39,563,086	2,289,094	37,273,992
Contribution to component unit – School Board	-	4,358,462	4,358,462	-
Cedar Lee Middle School	1,962,631	1,997,631	1,644,830	352,801
Total education	42,525,717	46,919,179	8,292,386	38,626,793
Parks, recreation, and cultural:				
Palmer extension	44,374	-	-	-
Woods of Warrenton	305,983	305,983	-	305,983
Grace Miller safe routes to school	606,566	848,877	25,055	823,822
Rappahannock Station	671,007	671,007	-	671,007
Timber fence trail	34,655	34,655	-	34,655
Riverside Preserve	-	1,250,000	37,709	1,212,291
Tin Pot trail connector	9,772	9,772	-	9,772
Elk Run Church Museum	25,000	25,000	-	25,000
Northern swimming pool	22,750	22,750	-	22,750
Central sports complex	5,453,943	5,453,943	58,463	5,395,480
Marshall Community Center	24,791	24,791	-	24,791
Northern sports complex	56,340	56,340	-	56,340
Central library	506,190	506,190	-	506,190
Vint Hill Library	400,000	400,000	246,177	153,823
Total parks, recreation, and cultural	\$ 8,161,371	\$ 9,609,308	\$ 367,404	\$ 9,241,904

Schedule of Revenues, Expenditures, and
Changes in Fund Balances – Budget and Actual
Capital Projects Fund
Fiscal Year Ended June 30, 2024

	Original Budget	Amended Budget	Actual	Variance From Amended Positive (Negative)
Expenditures (continued)				
Community development				
Vint Hill Public Streets Network	\$ 363,382	\$ 363,382	\$ -	\$ 363,382
Whiting Road	60,089	60,089	-	60,089
Broadband Authority projects	-	99,399	99,399	-
Total community development	<u>423,471</u>	<u>522,870</u>	<u>99,399</u>	<u>423,471</u>
Total current operating expenditures	<u>63,050,932</u>	<u>70,193,708</u>	<u>9,618,095</u>	<u>60,575,613</u>
Capital outlay:				
General government administration	6,809,935	6,270,718	1,085,344	5,185,374
Judicial administration	-	51,300	51,300	-
Public safety	3,984,612	6,972,079	3,513,195	3,458,884
Public works	4,167,183	5,269,101	3,898,425	1,370,676
Health and welfare	100,000	100,000	-	100,000
Education	510,455	1,500,000	943,058	556,942
Parks, recreation, and cultural	2,308,483	2,328,226	660,222	1,668,004
Community development	-	484,765	425,000	59,765
Subscriptions:				
Public safety	-	8,277	8,277	-
Total capital outlay	<u>17,880,668</u>	<u>22,984,466</u>	<u>10,584,821</u>	<u>12,399,645</u>
Debt service:				
Debt covenant	58,853	58,853	-	58,853
Subscriptions principal	-	4,200	4,200	-
Total debt service	<u>58,853</u>	<u>63,053</u>	<u>4,200</u>	<u>58,853</u>
Total expenditures	<u>80,990,453</u>	<u>93,241,227</u>	<u>20,207,116</u>	<u>73,034,111</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(78,943,501)</u>	<u>(91,083,589)</u>	<u>(19,640,077)</u>	<u>71,443,512</u>
Other financing sources (uses)				
Transfers in	8,517,883	24,511,721	24,511,721	-
Transfers (out)	(133,199)	(9,047,792)	(9,047,792)	-
Subscriptions	-	8,277	8,277	-
Issuance of debt	47,949,661	47,949,661	-	(47,949,661)
Total other financing sources (uses)	<u>56,334,345</u>	<u>63,421,867</u>	<u>15,472,206</u>	<u>(47,949,661)</u>
Net change in fund balances	(22,609,156)	(27,661,722)	(4,167,871)	23,493,851
Fund balances - beginning, as previously reported	42,326,211	42,326,211	42,326,211	-
Restatements	(71,648)	(71,648)	(71,648)	-
Fund balances - beginning, as restated	<u>42,254,563</u>	<u>42,254,563</u>	<u>42,254,563</u>	<u>-</u>
Fund balances - ending	<u>\$ 19,645,407</u>	<u>\$ 14,592,841</u>	<u>\$ 38,086,692</u>	<u>\$ 23,493,851</u>

DEBT SERVICE FUND

The Debt Service Fund is used to account for and report financial resources for principal and interest. Debt service funds should also be used to report financial resources being accumulated for future debt service.



COUNTY OF FAUQUIER, VIRGINIA

Exhibit 19

Schedule of Revenues, Expenditures, and
Changes in Fund Balances – Budget and Actual
Debt Service Fund
Fiscal Year Ended June 30, 2024

	Original Budget	Amended Budget	Actual	Variance From Amended Positive (Negative)
Revenues				
Miscellaneous revenue	\$ 327,509	\$ 327,509	\$ 327,509	\$ -
Intergovernmental:				
Contribution from School Board	382,429	382,429	382,429	-
Federal Government	400,773	400,773	401,957	1,184
Total revenues	<u>1,110,711</u>	<u>1,110,711</u>	<u>1,111,895</u>	<u>1,184</u>
Expenditures				
Debt service:				
Principal retirement	9,132,755	9,146,807	9,146,807	-
Interest charges	2,852,780	2,838,728	2,838,728	-
Fiscal charges	5,000	5,000	4,650	350
Total expenditures	<u>11,990,535</u>	<u>11,990,535</u>	<u>11,990,185</u>	<u>350</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(10,879,824)</u>	<u>(10,879,824)</u>	<u>(10,878,290)</u>	<u>1,534</u>
Other financing sources (uses)				
Transfers in	11,234,964	11,234,964	11,234,964	-
Transfers (out)	<u>(355,140)</u>	<u>(355,140)</u>	<u>(355,140)</u>	<u>-</u>
Total other financing sources (uses)	<u>10,879,824</u>	<u>10,879,824</u>	<u>10,879,824</u>	<u>-</u>
Net change in fund balances	-	-	1,534	1,534
Fund balances - beginning	2,700,119	2,700,119	2,700,119	-
Fund balances (deficits) - ending	<u>\$ 2,700,119</u>	<u>\$ 2,700,119</u>	<u>\$ 2,701,653</u>	<u>\$ 1,534</u>



NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

The *Conservation Easement Service District Fund* is used to account for and report a special levy on assessed real estate to support the County's Purchase of Development Rights Program.

The *Ambulance Revenue Fund* is used to account for and report transactions related to ambulance services.

The *Social Services Fund* is used to account for donations from individuals and organizations to the Department of Social Services to support clients and programs.

The *Parks and Recreation Fund* is used to account for and report private donations to support parks and recreation facilities and programs.

The *Library Fund* is used to account for and report private donations to support library facilities and programs.

The *Marshall Electric Light and Business Improvement District Fund* is used to account for and report an annual tax assessed on real property within the Marshall Electric Light and Business Improvement District to (i) provide for the design, construction, repair, maintenance, operation, and replacement of infrastructure improvements and (ii) promote the district, Marshall generally, and the businesses located therein.

The *Proffer Fund* is used to account for and report contributions from developers to support the impact on infrastructure from new housing growth.

The *Stormwater Management Fund* is used to account for and report on stormwater fees collected to be used to support a State-mandated stormwater management program.

The *Vint Hill Community Enrichment Fund* is used to account for and report on donations required as a covenant to a real estate agreement between parties external to the County. The donations are to be utilized for the purposes of enriching community development within the Vint Hill area.

The *Vint Hill Transportation Fund* is used to account for and report contributions from developers to support the expansion of roads in the Vint Hill area.



NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

The *Treasurer's E-Summons Fund* is used to account for fees collected on each criminal and traffic case within the County to be used to implement and maintain an electronic summons (e-summons) system.

The *Project Lifesaver Fund* is used to account for and provide police, fire/rescue and other first responders with a comprehensive program on the use of specialized electronic search and rescue equipment, technology and procedures, as well as teaching rescuers how to effectively communicate with people afflicted with cognitive conditions, all of which are essential to a successful rescue.

The *Working Together Fund* is used to account for and report proceeds from County and School employee fundraising activities to support service and social activities.

The *Fire and Rescue Volunteer USDA Debt Service Fund* is used to account for the required debt service reserve of 10% annually for 10 years which will accumulate in restricted cash accounts in the fund. The reserve may be used for capital improvements in the future if approved by USDA in accordance with the loan agreements.

The *Coronavirus Aid, Relief, and Economic Security (CARES) Fund* accounts for and reports on Federal funds received by the County to address economic, public health, and safety issues related to the COVID-19 outbreak and resulting pandemic.

The *Opioid Abatement Fund* accounts for and reports on funds received by the County as a result of the settlement of lawsuits against pharmaceutical companies for harm caused to states and localities by licit and illicit opioid use and distribution.

The *American Rescue Plan Fund* accounts for and reports on Federal Funds received by the County to address economic and social recovery from the effects of the COVID-19 pandemic.

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

	<u>Special Revenue Funds</u>			
	<u>Conservation Easement Service District Fund</u>	<u>Ambulance Revenue Fund</u>	<u>Social Services Board Fund</u>	<u>Parks and Recreation Fund</u>
Assets				
Cash and cash equivalents	\$ 3,813,261	\$ 609,777	\$ -	\$ -
Cash and cash equivalents - restricted	-	-	48,616	78,110
Receivables, net of allowance for uncollectibles:				
Taxes, including penalties	27,405	-	-	-
Accounts	1,185	259,109	-	-
Due from other governmental units	-	-	-	-
Total assets	<u>3,841,851</u>	<u>868,886</u>	<u>48,616</u>	<u>78,110</u>
Total assets and deferred outflows of resources	<u><u>3,841,851</u></u>	<u><u>868,886</u></u>	<u><u>48,616</u></u>	<u><u>78,110</u></u>
Liabilities				
Accounts payable	130	32,037	467	-
Accrued liabilities	-	7,431	-	-
Unearned revenue	-	-	-	-
Escrows	-	-	-	-
Total liabilities	<u>130</u>	<u>39,468</u>	<u>467</u>	<u>-</u>
Deferred inflows of resources				
Revenue advances	5,481	-	-	-
Unavailable revenue	21,768	49,590	-	-
Total deferred inflows of resources	<u>27,249</u>	<u>49,590</u>	<u>-</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>27,379</u>	<u>89,058</u>	<u>467</u>	<u>-</u>
Fund balances				
Restricted	-	-	48,149	78,110
Committed	3,814,472	779,828	-	-
Total fund balances	<u>3,814,472</u>	<u>779,828</u>	<u>48,149</u>	<u>78,110</u>
Total liabilities, deferred inflows of resources, and fund balances	<u><u>\$ 3,841,851</u></u>	<u><u>\$ 868,886</u></u>	<u><u>\$ 48,616</u></u>	<u><u>\$ 78,110</u></u>

Special Revenue Funds

Library Fund	Marshall Electric Light and Business Improvement District Fund	Proffer Fund	Stormwater Management Fund	American Rescue Plan Fund	
					Assets
\$ -	\$ -	\$ -	\$ -	\$ -	Cash and cash equivalents
450,714	185,828	5,749,394	214,883	3,707,757	Cash and cash equivalents - restricted
-	742	-	-	-	Receivables, net of allowance for uncollectibles:
-	175	-	3,479	-	Taxes, including penalties
-	-	-	-	89,069	Accounts
					Due from other governmental units
450,714	186,745	5,749,394	218,362	3,796,826	Total assets
450,714	186,745	5,749,394	218,362	3,796,826	Total assets and deferred outflows of resources
					Liabilities
-	994	-	1,969	26,873	Accounts payable
-	-	-	-	2,807	Accrued liabilities
-	-	-	-	3,110,713	Unearned revenue
-	-	194,838	-	-	Escrows
-	994	194,838	1,969	3,140,393	Total liabilities
					Deferred inflows of resources
-	943	-	5,933	-	Revenue advances
-	465	-	-	-	Unavailable revenue
-	1,408	-	5,933	-	Total deferred inflows of resources
-	2,402	194,838	7,902	3,140,393	Total liabilities and deferred inflows of resources
					Fund balances
450,714	184,343	5,554,556	210,460	656,433	Restricted
-	-	-	-	-	Committed
450,714	184,343	5,554,556	210,460	656,433	Total fund balances
\$ 450,714	\$ 186,745	\$ 5,749,394	\$ 218,362	\$ 3,796,826	Total liabilities, deferred inflows of resources, and fund balances

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

	<u>Special Revenue Funds</u>			
	<u>Vint Hill Community Enrichment Fund</u>	<u>Vint Hill Transportation Fund</u>	<u>Treasurer's E- Summons Fund</u>	<u>Project Lifesaver Fund</u>
Assets				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Cash and cash equivalents - restricted	153,929	372,597	246,449	1,237
Receivables, net of allowance for uncollectibles:				
Taxes, including penalties	-	-	-	-
Accounts	-	-	-	-
Due from other governmental units	-	-	-	-
Total assets	<u>153,929</u>	<u>372,597</u>	<u>246,449</u>	<u>1,237</u>
Total assets and deferred outflows of resources	<u><u>153,929</u></u>	<u><u>372,597</u></u>	<u><u>246,449</u></u>	<u><u>1,237</u></u>
Liabilities				
Accounts payable	-	-	-	-
Accrued liabilities	-	-	-	-
Unearned revenue	-	-	-	-
Escrows	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources				
Revenue advances	-	-	-	-
Unavailable revenue	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances				
Restricted	153,929	372,597	246,449	1,237
Committed	-	-	-	-
Total fund balances	<u>153,929</u>	<u>372,597</u>	<u>246,449</u>	<u>1,237</u>
Total liabilities, deferred inflows of resources, and fund balances	<u><u>\$ 153,929</u></u>	<u><u>\$ 372,597</u></u>	<u><u>\$ 246,449</u></u>	<u><u>\$ 1,237</u></u>

Special Revenue Funds

Working Together Committee Fund	Fire and Rescue USDA Debt Service Fund	Coronavirus Aid, Relief, and Economic Security (CARES) Fund	Opioid Abatement Fund	Total Nonmajor Governmental Funds	
					Assets
\$ -	\$ -	\$ -	\$ -	\$ 4,423,038	Cash and cash equivalents
48,365	695,602	-	778,371	12,731,852	Cash and cash equivalents - restricted
-	-	-	-	-	Receivables, net of allowance for uncollectibles:
112	-	-	1,982,703	28,147	Taxes, including penalties
-	-	-	-	2,246,763	Accounts
-	-	-	-	89,069	Due from other governmental units
48,477	695,602	-	2,761,074	19,518,869	Total assets
48,477	695,602	-	2,761,074	19,518,869	Total assets and deferred outflows of resources
					Liabilities
-	-	-	-	62,470	Accounts payable
-	-	-	-	10,238	Accrued liabilities
-	-	-	-	3,110,713	Unearned revenue
-	-	-	-	194,838	Escrows
-	-	-	-	3,378,259	Total liabilities
					Deferred inflows of resources
-	-	-	-	12,357	Revenue advances
-	-	-	1,861,461	1,933,284	Unavailable revenue
-	-	-	1,861,461	1,945,641	Total deferred inflows of resources
-	-	-	1,861,461	5,323,900	Total liabilities and deferred inflows of resources
					Fund balances
48,477	695,602	-	899,613	9,600,669	Restricted
-	-	-	-	4,594,300	Committed
48,477	695,602	-	899,613	14,194,969	Total fund balances
\$ 48,477	\$ 695,602	\$ -	\$ 2,761,074	\$ 19,518,869	Total liabilities, deferred inflows of resources, and fund balances

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

	Special Revenue Funds			
	Conservation Easement Service District Fund	Ambulance Revenue Fund	Social Services Board Fund	Parks and Recreation Fund
Revenues				
General property taxes	\$ 642,745	\$ -	\$ -	\$ -
Revenue from use of money and property	-	-	2,385	3,852
Charges for services	-	2,258,500	-	-
Gifts and donations	-	-	-	20,549
Recovered costs	-	9	-	-
Miscellaneous revenue	-	-	17,728	-
Intergovernmental:				
Commonwealth of Virginia	37,633	-	-	-
Federal Government	-	-	-	-
Total revenues	<u>680,378</u>	<u>2,258,509</u>	<u>20,113</u>	<u>24,401</u>
Expenditures				
Current operating:				
General government administration	-	-	-	-
Public safety	-	514,349	-	-
Public works	-	-	-	-
Health and welfare	-	-	13,846	-
Parks, recreation, and cultural	-	-	-	23,731
Community development	149,060	-	-	-
Total expenditures	<u>149,060</u>	<u>514,349</u>	<u>13,846</u>	<u>23,731</u>
Excess (deficiency) of revenues over (under) expenditures	<u>531,318</u>	<u>1,744,160</u>	<u>6,267</u>	<u>670</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers (out)	(4,447)	(2,310,656)	-	-
Total other financing sources (uses)	<u>(4,447)</u>	<u>(2,310,656)</u>	<u>-</u>	<u>-</u>
Net change in fund balances (deficits)	526,871	(566,496)	6,267	670
Fund balances - beginning, as previously reported	3,287,601	1,346,324	41,882	77,440
Change within financial reporting entity (major to nonmajor fund)	-	-	-	-
Fund balances - beginning, as restated	<u>3,287,601</u>	<u>1,346,324</u>	<u>41,882</u>	<u>77,440</u>
Fund balances - ending	<u>\$ 3,814,472</u>	<u>\$ 779,828</u>	<u>\$ 48,149</u>	<u>\$ 78,110</u>

Special Revenue Funds

Library Fund	Marshall Electric Light and Business Improvement District Fund	Proffer Fund	Stormwater Management Fund	American Rescue Plan Fund	
\$ -	\$ 66,869	\$ -	\$ 368,629	\$ -	Revenues
22,569	-	168,775	-	322,883	- General property taxes
-	-	-	-	-	- Revenue from use of money and property
36,341	-	148,883	-	-	- Charges for services
-	-	-	-	-	- Gifts and donations
-	-	-	-	-	- Recovered costs
-	-	-	-	-	- Miscellaneous revenue
-	-	-	-	-	Intergovernmental:
-	-	-	-	-	- Commonwealth of Virginia
-	-	-	-	4,736,821	- Federal Government
58,910	66,869	317,658	368,629	5,059,704	Total revenues
-	-	-	-	-	Expenditures
-	-	-	-	96,249	Current operating:
-	-	-	-	152,000	- General government administration
-	12,293	-	-	88,697	- Public safety
-	-	-	-	121,122	- Public works
25,333	-	-	-	-	- Health and welfare
-	-	-	1,968	4,278,538	- Parks, recreation, and cultural
25,333	12,293	-	1,968	4,736,606	- Community development
33,577	54,576	317,658	366,661	323,098	Total expenditures
-	-	-	-	-	Excess (deficiency) of revenues
-	-	-	(358,657)	-	over (under) expenditures
-	-	-	(358,657)	13,916	Other financing sources (uses)
-	-	-	-	-	Transfers in
-	-	-	-	-	Transfers (out)
-	-	-	-	13,916	Total other financing sources (uses)
33,577	54,576	317,658	8,004	337,014	Net change in fund balances (deficits)
417,137	129,767	5,236,898	202,456	-	- Fund balances - beginning, as previously reported
-	-	-	-	319,419	- Change within financial reporting entity (major to nonmajor fund)
417,137	129,767	5,236,898	202,456	319,419	Fund balances - beginning, as restated
\$ 450,714	\$ 184,343	\$ 5,554,556	\$ 210,460	\$ 656,433	Fund balances - ending

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

	Special Revenue Funds			
	Vint Hill Community Enrichment Fund	Vint Hill Transportation Fund	Treasurer's E- Summons Fund	Project Lifesaver Fund
	Fund	Fund	Fund	Fund
Revenues				
General property taxes	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	52,420	-
Revenue from use of money and property	-	18,852	-	-
Charges for services	-	-	-	-
Gifts and donations	-	3,031	-	2,912
Recovered costs	-	-	-	-
Miscellaneous revenue	-	-	-	-
Intergovernmental:				
Commonwealth of Virginia	-	-	-	-
Federal Government	-	-	-	-
Total revenues	<u>-</u>	<u>21,883</u>	<u>52,420</u>	<u>2,912</u>
Expenditures				
Current operating:				
General government administration	-	-	-	-
Public safety	-	-	19,074	5,090
Public works	-	-	-	-
Health and welfare	-	-	-	-
Parks, recreation, and cultural	-	-	-	-
Community development	-	-	-	-
Nondepartmental	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>19,074</u>	<u>5,090</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>21,883</u>	<u>33,346</u>	<u>(2,178)</u>
Other financing sources (uses)				
Transfers in	-	-	-	341
Transfers (out)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>341</u>
Net change in fund balances (deficits)	<u>-</u>	<u>21,883</u>	<u>33,346</u>	<u>(1,837)</u>
Fund balances - beginning, as previously reported	153,929	350,714	213,103	3,074
Change within financial reporting entity (major to nonmajor fund)	-	-	-	-
Fund balances - beginning, as restated	<u>153,929</u>	<u>350,714</u>	<u>213,103</u>	<u>3,074</u>
Fund balances - ending	<u>\$ 153,929</u>	<u>\$ 372,597</u>	<u>\$ 246,449</u>	<u>\$ 1,237</u>

Special Revenue Funds

Working Together Committee Fund	Fire and Rescue USDA Debt Service Fund	Coronavirus Aid, Relief, and Economic Security (CARES) Fund	Opioid Abatement Fund	Total Nonmajor Governmental Funds	
\$ -	\$ -	\$ -	\$ -	\$ 1,078,243	Revenues
-	-	-	-	52,420	General property taxes
833	28,660	191	26,286	595,286	Fines and forfeitures
-	-	-	-	2,258,500	Revenue from use of money and property
32,540	-	-	-	244,256	Charges for services
-	-	-	-	9	Gifts and donations
-	-	-	453,667	471,395	Recovered costs
-	-	-	-	37,633	Miscellaneous revenue
-	-	-	-	4,736,821	Intergovernmental:
-	-	-	-	-	Commonwealth of Virginia
-	-	-	-	-	Federal Government
<u>33,373</u>	<u>28,660</u>	<u>191</u>	<u>479,953</u>	<u>9,474,563</u>	Total revenues
					Expenditures
-	-	-	-	96,249	Current operating:
-	490,097	-	-	1,180,610	General government administration
-	-	-	-	100,990	Public safety
-	-	-	-	134,968	Public works
-	-	-	-	49,064	Health and welfare
-	-	-	-	4,429,566	Parks, recreation, and cultural
-	-	-	-	28,387	Community development
<u>28,387</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,387</u>	Nondepartmental
<u>28,387</u>	<u>490,097</u>	<u>-</u>	<u>-</u>	<u>6,019,834</u>	Total expenditures
<u>4,986</u>	<u>(461,437)</u>	<u>191</u>	<u>479,953</u>	<u>3,454,729</u>	Excess (deficiency) of revenues over (under) expenditures
					Other financing sources (uses)
-	490,097	-	-	504,354	Transfers in
-	-	(13,916)	-	(2,687,676)	Transfers (out)
-	<u>490,097</u>	<u>(13,916)</u>	<u>-</u>	<u>(2,183,322)</u>	Total other financing sources (uses)
<u>4,986</u>	<u>28,660</u>	<u>(13,725)</u>	<u>479,953</u>	<u>1,271,407</u>	Net change in fund balances (deficits)
43,491	666,942	13,725	419,660	12,604,143	Fund balances - beginning, as previously reported
-	-	-	-	319,419	Change within financial reporting entity (major to nonmajor fund)
<u>43,491</u>	<u>666,942</u>	<u>13,725</u>	<u>419,660</u>	<u>12,923,562</u>	Fund balances - beginning, as restated
<u>\$ 48,477</u>	<u>\$ 695,602</u>	<u>\$ -</u>	<u>\$ 899,613</u>	<u>\$ 14,194,969</u>	Fund balances - ending

Schedule of Revenues, Expenditures, and
 Changes in Fund Balances – Budget and Actual
 Nonmajor Governmental Funds – Conservation Easement Service District Fund
 Fiscal Year Ended June 30, 2024

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance From Amended Positive (Negative)</u>
Revenues				
General property taxes	\$ 647,591	\$ 647,591	\$ 642,745	\$ (4,846)
Intergovernmental:				
Commonwealth of Virginia	<u>160,000</u>	<u>554,560</u>	<u>37,633</u>	<u>(516,927)</u>
Total revenues	<u>807,591</u>	<u>1,202,151</u>	<u>680,378</u>	<u>(521,773)</u>
Expenditures				
Current operating:				
Community development	<u>807,591</u>	<u>4,485,304</u>	<u>149,060</u>	<u>4,336,244</u>
Total expenditures	<u>807,591</u>	<u>4,485,304</u>	<u>149,060</u>	<u>4,336,244</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(3,283,153)</u>	<u>531,318</u>	<u>3,814,471</u>
Other financing sources (uses)				
Transfers (out)	<u>-</u>	<u>(4,447)</u>	<u>(4,447)</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>(4,447)</u>	<u>(4,447)</u>	<u>-</u>
Net change in fund balances (deficits)	-	(3,287,600)	526,871	3,814,471
Fund balances - beginning	3,287,601	3,287,601	3,287,601	-
Fund balances (deficits) - ending	<u>\$ 3,287,601</u>	<u>\$ 1</u>	<u>\$ 3,814,472</u>	<u>\$ 3,814,471</u>

COUNTY OF FAUQUIER, VIRGINIA

Exhibit 23

Schedule of Revenues, Expenditures, and
 Changes in Fund Balances – Budget and Actual
 Nonmajor Governmental Funds – Ambulance Revenue Fund
 Fiscal Year Ended June 30, 2024

	Original Budget	Amended Budget	Actual	Variance From Amended Positive (Negative)
Revenues				
Charges for services	\$ 1,901,094	\$ 1,901,094	\$ 2,258,500	\$ 357,406
Recovered Costs	-	-	9	9
Total revenues	<u>1,901,094</u>	<u>1,901,094</u>	<u>2,258,509</u>	<u>357,415</u>
Expenditures				
Current operating:				
Public safety	<u>535,291</u>	<u>535,291</u>	<u>514,349</u>	<u>20,942</u>
Total expenditures	<u>535,291</u>	<u>535,291</u>	<u>514,349</u>	<u>20,942</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,365,803</u>	<u>1,365,803</u>	<u>1,744,160</u>	<u>378,357</u>
Other financing sources (uses)				
Transfers (out)	<u>(1,865,602)</u>	<u>(2,310,656)</u>	<u>(2,310,656)</u>	<u>-</u>
Total other financing sources (uses)	<u>(1,865,602)</u>	<u>(2,310,656)</u>	<u>(2,310,656)</u>	<u>-</u>
Net change in fund balances	(499,799)	(944,853)	(566,496)	378,357
Fund balances - beginning	1,346,324	1,346,324	1,346,324	-
Fund balances - ending	<u>\$ 846,525</u>	<u>\$ 401,471</u>	<u>\$ 779,828</u>	<u>\$ 378,357</u>

Schedule of Revenues, Expenditures, and
 Changes in Fund Balances – Budget and Actual
 Nonmajor Governmental Funds – Coronavirus Aid, Relief, and Economic Security (CARES) Fund
 Fiscal Year Ended June 30, 2024

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance From Amended Positive (Negative)</u>
Revenues				
Revenue from use of money and property	\$ -	\$ -	\$ 191	\$ 191
Total revenues	<u>-</u>	<u>-</u>	<u>191</u>	<u>191</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>191</u>	<u>191</u>
Other financing sources (uses)				
Transfers (out)	<u>-</u>	<u>(13,916)</u>	<u>(13,916)</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>(13,916)</u>	<u>(13,916)</u>	<u>-</u>
Net change in fund balances (deficits)	-	(13,916)	(13,725)	191
Fund balance - beginning	13,725	13,725	13,725	-
Fund balances (deficits) - ending	<u>\$ 13,725</u>	<u>\$ (191)</u>	<u>\$ -</u>	<u>\$ 191</u>

COUNTY OF FAUQUIER, VIRGINIA

Exhibit 25

Statement of Revenues, Expenditures, and
Changes in Fund Balances – Budget and Actual
American Rescue Plan Fund
Fiscal Year Ended June 30, 2024

	Original Budget	Amended Budget	Actual	Variance From Amended Positive (Negative)
Revenues				
Use of money:				
Interest income	\$ -	\$ -	\$ 322,883	\$ 322,883
Intergovernmental:				
Federal Government	9,024,070	9,161,179	4,736,821	(4,424,358)
Total revenues	<u>9,024,070</u>	<u>9,161,179</u>	<u>5,059,704</u>	<u>(4,101,475)</u>
Expenditures				
Current operating:				
General government administration	72,460	1,772,460	96,249	1,676,211
Public safety	-	152,000	152,000	-
Public works	300,310	300,310	88,697	211,613
Health and welfare	382,045	367,254	121,122	246,132
Community development	5,328,637	5,328,537	4,278,538	1,049,999
Non departmental	-	13,916	-	13,916
Total expenditures	<u>6,083,452</u>	<u>7,934,477</u>	<u>4,736,606</u>	<u>3,197,871</u>
Excess of revenues over expenditures	<u>2,940,618</u>	<u>1,226,702</u>	<u>323,098</u>	<u>(903,604)</u>
Other financing (uses)				
Transfers in	-	13,916	13,916	-
Transfers (out)	<u>(1,700,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing (uses)	<u>(1,700,000)</u>	<u>13,916</u>	<u>13,916</u>	<u>-</u>
Net change in fund balances/(deficits)	1,240,618	1,240,618	337,014	(903,604)
Fund balances - beginning	319,419	319,419	319,419	-
Fund balances/(deficits) - ending	<u>\$ 1,560,037</u>	<u>\$ 1,560,037</u>	<u>\$ 656,433</u>	<u>\$ (903,604)</u>



PROPRIETARY FUNDS

The Internal Service Funds are used to account for and report the financing of goods and/or services provided by a department to another department on a cost reimbursement basis.

The *Fleet Maintenance Fund* is used to account for and report the operations of the County and School garage. It receives revenues through charges to local public agencies and County and School departments for vehicle repairs and fuel.

The *Health Insurance Fund* is used to account for and report the provision of a comprehensive health benefits program for County and School employees.



Combining Statement of Net Position
Internal Service Funds
June 30, 2024

	Internal Service Funds		
	Fleet Maintenance Fund	Health Insurance Fund	Total
Assets			
Current assets:			
Cash and cash equivalents	\$ 5,452	\$ 20,508,965	\$ 20,514,417
Receivables, net of allowance for uncollectibles	23,609	811,744	835,353
Inventories	260,713	-	260,713
Prepaid items	-	203,801	203,801
Total current assets	289,774	21,524,510	21,814,284
Noncurrent assets:			
Other capital assets:			
Buildings and improvements	349,000	-	349,000
Machinery and equipment	813,195	37,521	850,716
Accumulated depreciation/amortization	(974,992)	(34,840)	(1,009,832)
Total other capital assets, net	187,203	2,681	189,884
Total noncurrent assets	187,203	2,681	189,884
Total assets	476,977	21,527,191	22,004,168
Deferred outflow of resources			
Items related to measurement of net pension liability	59,058	-	59,058
Pension contributions subsequent to measurement date	92,010	-	92,010
Items related to measurement of net OPEB liability	20,716	-	20,716
OPEB contributions subsequent to measurement date	4,563	-	4,563
Total deferred outflow of resources	176,347	-	176,347
Total assets and deferred outflows of resources	\$ 653,324	\$ 21,527,191	\$ 22,180,515

Combining Statement of Net Position
Internal Service Funds
June 30, 2024

	Internal Service Funds		
	Fleet Maintenance Fund	Health Insurance Fund	Total
Liabilities			
Current liabilities:			
Accounts payable	\$ 179,729	\$ 1,196,798	\$ 1,376,527
Accrued and other liabilities	32,516	-	32,516
Current portion of compensated absences	10,486	-	10,486
Current portion of incurred but not reported claims	-	779,328	779,328
Total current liabilities	222,731	1,976,126	2,198,857
Noncurrent liabilities:			
Noncurrent portion of compensated absences	94,369	-	94,369
Noncurrent portion of incurred but not reported claims	-	2,337,984	2,337,984
Net pension liability	141,269	-	141,269
Net OPEB liability	91,781	-	91,781
Total noncurrent liabilities	327,419	2,337,984	2,665,403
Total liabilities	550,150	4,314,110	4,864,260
Deferred inflow of resources			
Items related to measurement of pension liability	43,204	-	43,204
Items related to measurement of OPEB liability	33,702	-	33,702
Total deferred inflow of resources	76,906	-	76,906
Total liabilities and deferred inflows of resources	627,056	4,314,110	4,941,166
Net position			
Net investment in capital assets	187,203	2,681	189,884
Unrestricted (deficit)	(160,935)	17,210,400	17,049,465
Total net position	26,268	17,213,081	17,239,349
Total liabilities, deferred inflows of resources, and net position	\$ 653,324	\$ 21,527,191	\$ 22,180,515

Combining Statement of Revenues, Expenses, and Changes in Net Position
 Internal Service Funds
 Fiscal Year Ended June 30, 2024

	Internal Service Funds		
	Fleet Maintenance Fund	Health Insurance Fund	Total
Operating revenues			
Charges for services	\$ 4,540,700	\$ 34,481,139	\$ 39,021,839
Recovered cost	2,654	855,853	858,507
Contribution from School Board	-	2,000,000	2,000,000
Miscellaneous revenue	4,547	22,851	27,398
Total operating revenues	4,547,901	37,359,843	41,907,744
Operating expenses			
Personal services	869,738	-	869,738
Fringe benefits	399,838	-	399,838
Claims and benefits paid	-	34,935,802	34,935,802
Premiums	-	205,365	205,365
Contractual services	242,307	4,040,593	4,282,900
Other operating expenses	3,099,383	27,504	3,126,887
Depreciation	21,345	5,360	26,705
Lease amortization	-	13,618	13,618
Pension and OPEB expense	(14,472)	-	(14,472)
Total operating expenses	4,618,139	39,228,242	43,846,381
Operating income (loss)	(70,238)	(1,868,399)	(1,938,637)
Nonoperating revenues (expenses)			
Interest income (expense)	-	1,066,987	1,066,987
Total nonoperating revenues	-	1,066,987	1,066,987
Income (loss)	(70,238)	(801,412)	(871,650)
Transfers			
Transfers in	75,000	6,530,447	6,605,447
Transfers (out)	-	(2,000,000)	(2,000,000)
Total transfers	75,000	4,530,447	4,605,447
Change in net position	4,762	3,729,035	3,733,797
Net position - beginning	21,506	13,484,046	13,505,552
Net position - ending	\$ 26,268	\$ 17,213,081	\$ 17,239,349

Combining Statement of Cash Flows
Internal Service Funds
Fiscal Year Ended June 30, 2024

	Internal Service Funds		
	Fleet	Health	Total
	Maintenance Fund	Insurance Fund	
Cash flow from operating activities			
Receipts from customers and users	\$ 542,658	\$ 529,064	\$ 1,071,722
Receipts from interfund services provided	4,005,393	36,355,557	40,360,950
Payment to suppliers and other operating activities	(3,276,243)	(38,883,867)	(42,160,110)
Payment to employees (including fringes)	(1,287,163)	-	(1,287,163)
Net cash provided by (used for) operating activities	(15,355)	(1,999,246)	(2,014,601)
Cash flow from noncapital financing activities			
Transfers in	75,000	6,530,447	6,605,447
Transfers (out)	-	(2,000,000)	(2,000,000)
Net cash provided by noncapital financing activities	75,000	4,530,447	4,605,447
Cash flow from capital and related financing activities			
Acquisition and construction of capital assets	(54,960)	-	(54,960)
Principal and interest paid on leases	-	(16,746)	(16,746)
Net cash provided by (used in) capital and related financing activities	(54,960)	(16,746)	(71,706)
Cash flow from investing activities			
Interest income	-	1,066,987	1,066,987
Net cash provided by investing activities	-	1,066,987	1,066,987
Net increase (decrease) in cash and cash equivalents	4,685	3,581,442	3,586,127
Cash and cash equivalents - beginning of the year	767	16,927,523	16,928,290
Cash and cash equivalents - end of the year	5,452	20,508,965	20,514,417
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities			
Cash flows from operations:			
Operating income (loss)	(70,238)	(1,868,399)	(1,938,637)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	21,345	5,360	26,705
Amortization of leases	-	13,618	13,618
Changes in operating assets and liabilities:			
(Increase) decrease in receivables	150	(475,222)	(475,072)
(Increase) decrease in inventory	40,145	-	40,145
(Increase) decrease in prepaid items	-	(19,388)	(19,388)
(Increase) decrease in deferred outflows of resources	(6,522)	-	(6,522)
Increase (decrease) in accounts payable	25,302	453,768	479,070
Increase (decrease) in accrued liabilities	(3,889)	-	(3,889)
Increase (decrease) in incurred but not reported claims	-	(108,983)	(108,983)
Increase (decrease) in compensated absences	(13,698)	-	(13,698)
Increase (decrease) in net pension liability	41,395	-	41,395
Increase (decrease) in net OPEB liability	2,281	-	2,281
Increase (decrease) in deferred inflows of resources	(51,626)	-	(51,626)
Net cash provided by (used for) operating activities	\$ (15,355)	\$ (1,999,246)	\$ (2,014,601)

FIDUCIARY FUNDS

The Fiduciary Funds account for assets held by the government in a trustee capacity or as agent or custodian for individuals, private organizations, other governmental units, or other funds. Pension (and other employee benefit) trust funds account for assets held by the County under terms of a formal trust agreement. Custodial Funds are custodial in nature and are maintained to account for funds received and disbursed by the County on behalf of various organizations.

Pension and Employer Benefit Trust Fund:

The *Other Postemployment Benefit Plans Fund* is used to account for and report the costs of health care and other non-pension benefits offered to retirees. No combining statement is presented because this fund is the only Pension and Employee Benefit Trust fund.

Custodial Funds:

The *Volunteer Fire and Rescue Association Fund* is used to account for funds of the Volunteer Fire and Rescue Association that are managed and administered by the Treasurer of Fauquier County.

The *Volunteer Fire and Rescue Operations Fund* is used to account for funds on behalf of Upperville Volunteer Fire and Rescue Company, for which the County has assumed financial management and accounting activities.

The *Special Welfare Fund* is used to account for and report regular assistance payments to recipients in the Aid to Dependent Children Program. Revenue sources include payments from the Commonwealth, individuals, organizations, and churches.

The *Detention Center Fund* is used to account for and report personal funds belonging to inmates upon their arrest, funds on account for inmates to purchase items, and funds collected from inmates who participate in the work release program.

The *Service to Outside Agencies Fund* is used to account for and report reimbursements from John Marshall Water and Sewer and the Vint Hill Economic Development Authority to support salaries and benefits for their employees.

The *457(b) Deferred Compensation Plan Fund* is used to account for funds contributed by employees for the purpose of investment for retirement. The plan is offered by the County and School Board to employees on a voluntary basis. The funds are administered by an external contracted vendor, Voya Financial. Employee contributions are deducted from paychecks and deposited with Voya for investment and administration. The County plays an active role in working with Voya to monitor performance and make investment decisions for the benefit of participating employees in the 457(b) Deferred Compensation Plan.



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

	Custodial Funds					
	Volunteer Fire and Rescue Association Fund	Special Welfare Fund	Detention Center Fund	Service to Outside Agencies Fund	457(b) Deferred Compensation Plan Fund	Total Custodial Funds
Assets						
Cash and cash equivalents	\$ -	\$ 67,144	\$ -	\$ 45,047	\$ -	\$ 112,191
Cash in custody of others	-	-	158,066	-	-	158,066
Receivables, net of allowance for uncollectibles:						
Accounts	-	-	-	9,106	-	9,106
Loans	-	-	-	-	59,102	59,102
Investments at fair value	-	-	-	-	21,692,439	21,692,439
Total assets	<u>-</u>	<u>67,144</u>	<u>158,066</u>	<u>54,153</u>	<u>21,751,541</u>	<u>22,030,904</u>
Liabilities						
Accrued liabilities	-	-	-	53,401	-	53,401
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>53,401</u>	<u>-</u>	<u>53,401</u>
Net Position						
Restricted for:						
Individuals and organizations	-	67,144	158,066	752	21,751,541	21,977,503
Total net position	<u>-</u>	<u>67,144</u>	<u>158,066</u>	<u>752</u>	<u>21,751,541</u>	<u>21,977,503</u>
Total liabilities and net position	<u>\$ -</u>	<u>\$ 67,144</u>	<u>\$ 158,066</u>	<u>\$ 54,153</u>	<u>\$ 21,751,541</u>	<u>\$ 22,030,904</u>

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

	Custodial Funds					Total Custodial Funds
	Volunteer Fire and Rescue Association Fund	Special Welfare Fund	Detention Center Fund	Service to Outside Agencies Fund	457(b) Deferred Compensation Plan Fund	
Additions						
Contributions:						
Employees	\$ -	\$ -	\$ -	\$ -	\$ 1,989,192	\$ 1,989,192
Governments and organizations	-	66,074	-	527,562	-	593,636
On behalf of inmates	-	-	201,314	-	-	201,314
Total contributions	-	66,074	201,314	527,562	1,989,192	2,784,142
Investment income:						
Net increase (decrease) in the fair value of the investments	-	-	-	-	2,054,073	2,054,073
Interest and dividends	187	1,296	-	-	730,756	732,239
Less: investment expenses	-	-	-	-	(42,960)	(42,960)
Total investment income	187	1,296	-	-	2,741,869	2,743,352
Miscellaneous revenue:						
Miscellaneous revenue	-	-	-	-	37,471	37,471
Total miscellaneous revenue	-	-	-	-	37,471	37,471
Total additions	187	67,370	201,314	527,562	4,768,532	5,564,965
Deductions						
Benefits paid to or on behalf of beneficiaries or participants:						
Personal services	-	-	-	385,202	-	385,202
Fringe benefits	-	-	-	144,061	-	144,061
Inmate expenses	-	-	192,958	-	-	192,958
Aid to dependent children	-	18,180	-	-	-	18,180
Distributions	-	-	-	-	1,117,698	1,117,698
Emergency services	138,622	-	-	-	-	138,622
Total deductions	138,622	18,180	192,958	529,263	1,117,698	1,996,721
Net increase (decrease) in net position	(138,435)	49,190	8,356	(1,701)	3,650,834	3,568,244
Net position - beginning	138,435	17,954	149,710	2,453	18,100,707	18,409,259
Net position - ending	\$ -	\$ 67,144	\$ 158,066	\$ 752	\$ 21,751,541	\$ 21,977,503

COMPONENT UNIT – ECONOMIC DEVELOPMENT AUTHORITY

The Fauquier County Economic Development Authority (Authority) is empowered to issue bonds to finance facilities qualifying under the Virginia Industrial Development and Revenue Bond Act, Chapter 49, Title 15.2 of the Code of Virginia. The Authority is a political subdivision of the Commonwealth governed by seven directors appointed by the Fauquier County Board of Supervisors. The Authority is empowered to, among other things, issue tax-exempt revenue bonds in accordance with the Act, acquire, own, lease, and dispose of properties, promote industry, and develop trade in the County.

The Board approves the issuance of industrial development bonds solely to qualify such bonds for tax-exemption. These bonds do not constitute indebtedness of the County and are secured solely as revenues received from the borrowers.

Statement of Net Position
 Discretely Presented Component Unit - Economic Development Authority
 June 30, 2024

Assets

Current assets:		
Cash and cash equivalents	\$	547,815
Receivables, net of allowance for uncollectibles:		
Loan		<u>104,154</u>
Total current assets		<u>651,969</u>
Total assets		<u><u>651,969</u></u>

Liabilities

Current liabilities:		
Accrued and other liabilities		<u>2,295</u>
Total current liabilities		<u>2,295</u>
Total liabilities		<u>2,295</u>

Net Position

Unrestricted (deficit)		<u>649,674</u>
Total net position		<u>649,674</u>
Total liabilities and net position	\$	<u><u>651,969</u></u>

Statement of Revenues, Expenses, and Changes in Net Position
Discretely Presented Component Unit - Economic Development Authority
Fiscal Year Ended June 30, 2024

Operating revenues	
Gifts and donations	\$ 50,000
Contribution from primary government	<u>425,000</u>
Total operating revenues	<u>475,000</u>
Operating expenses	
Personal services	5,200
Fringe benefits	398
Other operating expenses	<u>29,085</u>
Total operating expenses	<u>34,683</u>
Operating income (loss)	<u>440,317</u>
Nonoperating revenues (expenses)	
Interest income (expense)	<u>10,830</u>
Total nonoperating revenues (expenses)	<u>10,830</u>
Income (loss) before capital contributions, grants, and transfers	<u>451,147</u>
Change in net position	451,147
Net position - beginning	<u>198,527</u>
Net position - ending	<u>\$ 649,674</u>

Statement of Cash Flows
Discretely Presented Component Unit - Economic Development Authority
Fiscal Year Ended June 30, 2024

Cash Flow from Operating Activities

Payments to suppliers and other operating activities	\$ (10,223)
Payments to grantees	(18,748)
Payments to board members	(5,598)
Contribution from primary government	425,000
Operating grants/donations received	<u>50,000</u>

Net cash provided by (used for) operating activities	<u>440,431</u>
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Cash Flow from Investing Activities

Payments to loan recipients	(95,858)
Receipts from loan recipients	21,419
Interest income	<u>10,830</u>

Net cash provided by investing activities	<u>(63,609)</u>
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Net increase (decrease) in cash and cash equivalents	376,822
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Cash and cash equivalents - beginning of the year	<u>170,993</u>
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Cash and cash equivalents - end of the year	<u><u>547,815</u></u>
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Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities

Cash flows from operations:	
Operating income (loss)	<u>440,317</u>

Changes in operating assets and liabilities:	
Increase (decrease) in accrued liabilities	<u>114</u>

Net cash provided by (used for) operating activities	<u><u>\$ 440,431</u></u>
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COMPONENT UNIT – SCHOOL BOARD

The School Board is responsible for the elementary and secondary education in the County. The County provides significant funding for school operating and capital needs through the School Board Governmental Funds.

The *School General Fund* is used to account for and report financial resources to operate, maintain, and support the School Board programs. Its primary sources of revenues are state and federal aid and contributions from the County's General Fund.

The *School Asset Replacement Fund* is used to account for and report financial resources for major maintenance and systems replacement, renovations and major asset replacements for the schools.

The *School Textbook Fund* is used to account for and report financial resources for the purchase of student textbooks supported by state revenue and transfers from the School General Fund.

The *School Nutrition Fund* is used to account for and report financial resources for the provision of student and adult breakfasts, snacks, and lunches. Primary sources of revenues are state and federal aid and receipts from food sales.

The *School Activity Fund* is used to account for, and report funds collected at the schools in connection with student athletics, clubs, fundraising activities, and private donations.

Trust and Custodial Funds account for principal and income which benefit individuals, and monies collected at the schools in connection with student athletics, clubs, various fundraising activities, and private donations.

The *Crockett Scholarship Private-Purpose Trust Fund* is a private-purpose trust fund established by a private donation. It is used to account for and report principal and income available to provide benefits for scholarships.

The *Mountain Vista Regional Governor's School Fund* is used to account for and report funds collected from six school divisions for the purpose of operating the Mountain Vista Governor's School. The County serves as the fiscal agent for these funds.



COMPONENT UNIT – SCHOOL BOARD (CONTINUED)

The *Mountain Vista Regional Governor’s School Activity Fund* is used to account for and report funds collected at the schools in connection with student athletics, clubs, fundraising activities, and private donations.

The *457(b) Deferred Compensation Plan Fund* is used to account for funds contributed by employees for the purpose of investment for retirement. The plan is offered by the County and School Board to employees on a voluntary basis. The funds are administered by an external contracted vendor, Voya Financial. Employee contributions are deducted from paychecks and deposited with Voya for investment and administration. The County plays an active role in working with Voya to monitor performance and make investment decisions for the benefit of participating employees in the 457(b) Deferred Compensation Plan.

The *403(b) Deferred Compensation Plan Fund* is used to account for funds contributed by employees for the purpose of investment for retirement. The plan is offered by the County and School Board to employees on a voluntary basis. The funds are administered by an external contracted vendor, Voya Financial. Employee contributions are deducted from paychecks and deposited with Voya for investment and administration. The County plays an active role in working with Voya to monitor performance and make investment decisions for the benefit of participating employees in the 403(b) Deferred Compensation Plan.

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

	Governmental Funds			Governmental Funds		
	School General Fund	School Asset Replacement Fund	School Textbook Fund	School Nutrition Fund	School Activity Fund	Total Governmental Funds
Assets						
Cash and cash equivalents (1)	\$ 8,438,601	\$ 7,220,294	\$ 1,366,811	\$ 2,715,630	\$ -	\$ 19,741,336
Cash and cash equivalents - restricted (1)	1,939,486	2,489	-	-	-	1,941,975
Cash and cash equivalents - activity funds	-	-	-	-	2,018,943	2,018,943
Accounts receivable	139,571	12,792	57	58,423	38,177	249,020
Inventories	-	-	-	203,157	-	203,157
Due from other funds	14,682	-	-	-	-	14,682
Due from other governmental units	6,418,677	-	-	36,731	-	6,455,408
Total assets	<u>16,951,017</u>	<u>7,235,575</u>	<u>1,366,868</u>	<u>3,013,941</u>	<u>2,057,120</u>	<u>30,624,521</u>
Liabilities						
Accounts payable	615,953	-	-	1,032	35,604	652,589
Accrued liabilities	13,533,606	-	-	286,341	-	13,819,947
Due to other funds	-	-	-	-	14,682	14,682
Unearned revenue	1,702	-	-	148,955	-	150,657
Total liabilities	<u>14,151,261</u>	<u>-</u>	<u>-</u>	<u>436,328</u>	<u>50,286</u>	<u>14,637,875</u>
Fund balances						
Nonspendable	14,682	-	-	203,157	-	217,839
Restricted	1,939,486	2,489	-	-	-	1,941,975
Assigned	845,588	7,233,086	1,366,868	2,374,456	2,006,834	13,826,832
Total fund balances	<u>2,799,756</u>	<u>7,235,575</u>	<u>1,366,868</u>	<u>2,577,613</u>	<u>2,006,834</u>	<u>15,986,646</u>
Total liabilities and fund balances	<u>\$ 16,951,017</u>	<u>\$ 7,235,575</u>	<u>\$ 1,366,868</u>	<u>\$ 3,013,941</u>	<u>\$ 2,057,120</u>	<u>\$ 30,624,521</u>

(1) Cash and cash equivalents on deposit with County of Fauquier, Virginia.

**Reconciliation of the Balance Sheet of the Governmental Funds
to the Statement of Net Position
Discretely Presented Component Unit – School Board
June 30, 2024**

Total fund balances - discretely presented component unit - School Board	\$	15,986,646
<p>Amounts reported for governmental activities in the Statement of Net Position (Exhibit 1) are different because:</p>		
<p>Prepaid items are recorded as expenditures when purchased in governmental funds, but are recorded as assets and the expense is amortized over the period for which it relates in the government-wide statements.</p>		286,869
<p>Noncurrent assets and deferred outflows of resources are not current financial resources and therefore not reported in the governmental funds.</p>		
Capital assets used in governmental activities	148,450,621	
Net pension asset	2,934,934	
Net OPEB asset	177,863	
Items related to measurement of the net pension liability	13,818,092	
Items related to measurement of the net OPEB liability	1,905,159	
Contributions to pension plans	14,414,817	
Contributions to OPEB plans	<u>1,707,141</u>	183,408,627
<p>Interest on long-term debt is not accrued in the governmental funds, but rather is recognized as an expenditure when due.</p>		(80,575)
<p>Long-term liabilities and deferred inflows of resources are not due and payable in the current year and therefore not reported as such in the governmental funds.</p>		
Lease liabilities	(766,244)	
Subscription liabilities	(177,568)	
Compensated absences	(4,187,467)	
Financing agreements	(9,083,649)	
Net pension liability	(88,239,941)	
Net OPEB liability	(22,164,324)	
Deferred inflows of resources related to pensions	(13,012,835)	
Deferred inflows of resources related to OPEB	<u>(4,757,378)</u>	<u>(142,389,406)</u>
Net position of governmental activities	\$	<u>57,212,161</u>

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Discretely Presented Component Unit – School Board
Fiscal Year Ended June 30, 2024

	Governmental Funds						
	School General Fund	School Asset Replacement Fund	School Grant Fund	School Textbook Fund	School Nutrition Fund	School Activity Fund	Total Governmental Funds
Revenues							
Revenue from use of money and property	\$ 504	\$ 35,899		\$ -	\$ 162	\$ 236,394	\$ 272,959
Charges for services	506,237	-		-	2,558,257	92	3,064,586
Gifts and donations	3,222	-		-	-	296,233	299,455
Recovered costs	18,628	274,545		-	-	789	293,962
Miscellaneous revenue	1,739,524	34,470		1,997	295,907	2,796,741	4,868,639
Intergovernmental:							
Contribution from primary government	92,697,731	4,358,462		-	-	-	97,056,193
Commonwealth of Virginia	67,192,026	106,380		584,989	258,771	-	68,142,166
Federal Government	7,763,921	-		-	3,487,168	-	11,251,089
Total revenues	<u>169,921,793</u>	<u>4,809,756</u>		<u>586,986</u>	<u>6,600,265</u>	<u>3,330,249</u>	<u>185,249,049</u>
Expenditures							
Current operating:							
Education	163,451,525	3,545,459		1,879,353	6,650,200	3,275,516	178,802,053
Contribution to primary government	2,000,000	417,429		-	-	-	2,417,429
Capital outlay - leases	407,042	-		-	-	-	407,042
Capital outlay - subscriptions	203,431	-		42,251	-	-	245,682
Debt Service:							
Lease principal	342,851	-		-	2,994	-	345,845
Lease interest	20,670	-		-	55	-	20,725
Subscriptions principal	91,233	-		42,251	-	-	133,484
Subscriptions interest	1,268	-		95	-	-	1,363
Principal retirement	-	639,582		-	-	-	639,582
Interest charges	-	316,590		-	-	-	316,590
Total expenditures	<u>166,518,020</u>	<u>4,919,060</u>		<u>1,963,950</u>	<u>6,653,249</u>	<u>3,275,516</u>	<u>183,329,795</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,403,773</u>	<u>(109,304)</u>		<u>(1,376,964)</u>	<u>(52,984)</u>	<u>54,733</u>	<u>1,919,254</u>
Other financing sources (uses)							
Transfers in	1,549,709	2,406,132		821,203	-	16,575	4,793,619
Transfers (out)	(3,243,910)	(1,549,709)		-	-	-	(4,793,619)
Leases	407,042	-		-	-	-	407,042
Subscriptions	203,431	-		42,251	-	-	245,682
Total other financing sources (uses)	<u>(1,083,728)</u>	<u>856,423</u>		<u>863,454</u>	<u>-</u>	<u>16,575</u>	<u>652,724</u>
Net change in fund balance (deficit)	2,320,045	747,119		(513,510)	(52,984)	71,308	2,571,978
Fund balances - beginning, as previously reported	152,494	6,488,456	341,647	1,880,378	2,630,597	1,935,526	13,429,098
Restatements	327,217	-	(341,647)	-	-	-	(14,430)
Fund balances - beginning, as restated	<u>479,711</u>	<u>6,488,456</u>		<u>1,880,378</u>	<u>2,630,597</u>	<u>1,935,526</u>	<u>13,414,668</u>
Fund balances - ending	<u>\$ 2,799,756</u>	<u>\$ 7,235,575</u>		<u>\$ 1,366,868</u>	<u>\$ 2,577,613</u>	<u>\$ 2,006,834</u>	<u>\$ 15,986,646</u>

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of the Governmental Funds to the Statement of Activities
Discretely Presented Component Unit – School Board
Fiscal Year Ended June 30, 2024

Net change in fund balances - discretely presented component unit - School Board	\$	2,571,978
<p>Amounts reported for governmental activities in the Statement of Activities (Exhibit 2) are different because:</p>		
<p>The primary government donates school board capital assets constructed in the primary government's capital improvement fund. Donations of capital assets increase net position in the Statement of Activities, but do not appear in the governmental funds because they are not financial resources.</p>		
		407,939
<p>Prepaid items are recorded as expenditures when purchased in governmental funds, but are recorded as assets and the expense is amortized over the period for which it relates in the government-wide statements.</p>		
Add current year's prepaid items	286,869	
Less prior year's prepaid items	<u>(333,757)</u>	(46,888)
<p>Governmental funds report capital 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/amortization expense, which is not a use of current financial resources.</p>		
Capital outlays	6,367,504	
Depreciation/amortization expense	<u>(9,856,928)</u>	(3,489,424)
<p>Governmental funds report only proceeds from the sale of capital assets. However, in the Statement of Activities, gains or losses resulting from the sale or disposal of capital assets is reported. This amount reflects the gain (loss) related to the disposal of capital assets.</p>		
		(317,584)
<p>Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.</p>		
Add debt principal repayment		639,582
<p>Lessee leasing and subscription agreements provide current financial resources to governmental funds, but increase long-term liabilities in the Statement of Net Position. Lease principal payments on lessee and subscription agreements are expenditures in the governmental funds, but reduce long term liabilities in the Statement of Net Position. Interest on lessor agreements is recognized in governmental funds when received, but in the Statement of Net Position when earned.</p>		
Less lease additions	(407,042)	
Add lease principal repayment	362,297	
Less subscription additions	(245,682)	
Add subscription principal repayment	<u>295,539</u>	5,112
<p>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. This amount reflects the change in compensated absences in the current year.</p>		
Less current year's compensated absences	(4,187,467)	
Add prior year's compensated absences	3,989,125	
Less current year's accrued interest payable	(80,575)	
Add prior year's accrued interest payable	<u>84,789</u>	(194,128)

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of the Governmental Funds to the Statement of Activities
Discretely Presented Component Unit – School Board
Fiscal Year Ended June 30, 2024

Net change in fund balances - discretely presented component unit - School Board (continued)

Governmental funds do not report net pension and OPEB assets and liabilities and associated deferred outflow of resources and deferred inflow of resources related to pension and OPEB.

Add current year's net pension asset	2,934,934	
Less prior year's net pension asset	(3,258,106)	
Add current year's net OPEB asset	177,863	
Less prior year's net OPEB asset	(17,221)	
Add current year's deferred outflow related to pensions	13,818,092	
Less prior year's deferred outflow related to pensions	(7,794,321)	
Less current year's deferred inflow related to OPEB	(4,757,378)	
Less prior year's deferred outflow related to OPEB	(1,509,001)	
Less current year's net pension liability	(88,239,941)	
Add prior year's net pension liability	80,783,232	
Less current year's net OPEB liability	(22,164,324)	
Add prior year's net OPEB liability	23,236,712	
Less current year's deferred inflow related to pensions	(13,012,835)	
Add prior year's deferred inflow related to pensions	22,428,702	
Add current year's deferred outflow related to OPEB	1,905,159	
Add prior year's deferred inflow related to OPEB	<u>4,527,485</u>	9,059,052

Governmental funds report current year contributions to pension and OPEB plans as expenditures. However, in the Statement of Activities, current year contributions are reported as deferred outflow of resources.

Add current year's pension contributions	14,414,817	
Less prior year's pension contributions	(14,112,578)	
Add current year's OPEB contributions	1,707,141	
Less prior year's OPEB contributions	<u>(1,625,022)</u>	<u>384,358</u>

Change in net position of governmental activities **\$ 9,019,997**

Statement of Revenues, Expenditures, and
Changes in Fund Balances – Budget and Actual
Discretely Presented Component Unit – School Board
Fiscal Year Ended June 30, 2024

	School General Fund			Variance From Amended Positive (Negative)
	Original Budget	Amended Budget	Actual	
Revenues				
Revenue from use of money and property	\$ -	\$ -	\$ 504	\$ 504
Charges for services	431,000	434,605	506,237	71,632
Gifts and donations	3,140	3,140	3,222	82
Recovered costs	15,000	23,367	18,628	(4,739)
Miscellaneous revenue	1,014,924	1,673,970	1,739,524	65,554
Intergovernmental:				
Contribution from primary government	95,857,591	96,223,160	92,697,731	(3,525,429)
Commonwealth of Virginia	63,042,560	68,265,578	67,192,026	(1,073,552)
Federal Government	4,148,310	11,279,140	7,763,921	(3,515,219)
Total revenues	<u>164,512,525</u>	<u>177,902,960</u>	<u>169,921,793</u>	<u>(7,981,167)</u>
Expenditures				
Current operating:				
Education:				
Instruction	122,487,870	130,801,296	123,697,209	7,104,087
Administration, attendance, and health	9,833,527	10,472,175	8,844,657	1,627,518
Pupil transportation services	10,823,169	11,885,870	11,885,870	-
Operation and maintenance services	12,298,163	13,975,785	13,646,487	329,298
School food services	-	2,641	2,641	-
Technology	5,495,973	6,795,174	5,374,661	1,420,513
Total education	<u>160,938,702</u>	<u>173,932,941</u>	<u>163,451,525</u>	<u>10,481,416</u>
Contribution to primary government	-	2,000,000	2,000,000	-
Total contribution to primary government	<u>-</u>	<u>2,000,000</u>	<u>2,000,000</u>	<u>-</u>
Capital outlay				
Leases:				
Education	-	407,042	407,042	-
Subscriptions:				
Education	-	203,431	203,431	-
Total capital outlay	<u>-</u>	<u>610,473</u>	<u>610,473</u>	<u>-</u>
Debt service:				
Lease principal	369,343	367,866	342,851	25,015
Lease interest	-	20,670	20,670	-
Subscription principal	-	91,233	91,233	-
Subscription interest	-	1,268	1,268	-
Total debt service	<u>369,343</u>	<u>481,037</u>	<u>456,022</u>	<u>25,015</u>
Total expenditures	<u>161,308,045</u>	<u>177,024,451</u>	<u>166,518,020</u>	<u>10,506,431</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,204,480</u>	<u>878,509</u>	<u>3,403,773</u>	<u>2,525,264</u>
Other financing sources (uses)				
Transfers in	-	1,541,709	1,549,709	8,000
Transfers (out)	(3,204,480)	(3,227,335)	(3,243,910)	(16,575)
Leases	-	407,042	407,042	-
Subscriptions	-	203,431	203,431	-
Total other financing sources (uses)	<u>(3,204,480)</u>	<u>(1,075,153)</u>	<u>(1,083,728)</u>	<u>(8,575)</u>
Net change in fund balance (deficit)	-	(196,644)	2,320,045	2,516,689
Fund balances - beginning, as previously reported	152,494	152,494	152,494	-
Restatements	327,217	327,217	327,217	-
Fund balances - beginning, as restated	479,711	479,711	479,711	-
Fund balances - ending	<u>\$ 479,711</u>	<u>\$ 283,067</u>	<u>\$ 2,799,756</u>	<u>\$ 2,516,689</u>

Statement of Revenues, Expenditures, and
Changes in Fund Balances – Budget and Actual
Discretely Presented Component Unit – School Board
Fiscal Year Ended June 30, 2024

	<u>School Asset Replacement Fund</u>			
	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance From Amended Positive (Negative)</u>
Revenues				
Revenue from use of money and property	\$ 18,000	\$ 35,349	\$ 35,899	\$ 550
Recovered costs	75,000	250,728	274,545	23,817
Miscellaneous revenue	30,000	39,192	34,470	(4,722)
Intergovernmental:				
Contribution from primary government	-	4,358,462	4,358,462	-
Commonwealth of Virginia	250,000	356,380	106,380	(250,000)
Total revenues	<u>373,000</u>	<u>5,040,111</u>	<u>4,809,756</u>	<u>(230,355)</u>
Expenditures				
Current operating:				
Education:				
Instruction	65,000	65,000	26,527	38,473
Pupil transportation services	105,000	1,705,862	33,060	1,672,802
Operation and maintenance services	1,047,674	8,406,474	3,307,233	5,099,241
School food services	150,000	131,973	46,707	85,266
Technology	50,000	286,260	131,932	154,328
District-wide	-	181,117	-	181,117
Total education	<u>1,417,674</u>	<u>10,776,686</u>	<u>3,545,459</u>	<u>7,231,227</u>
Contribution to primary government	382,430	417,430	417,429	1
Total contribution to primary government	<u>382,430</u>	<u>417,430</u>	<u>417,429</u>	<u>1</u>
Debt Service:				
Principal retirement	598,938	639,582	639,582	-
Interest charges	357,235	316,591	316,590	1
Total debt service	<u>956,173</u>	<u>956,173</u>	<u>956,172</u>	<u>1</u>
Total expenditures	<u>2,756,277</u>	<u>12,150,289</u>	<u>4,919,060</u>	<u>7,231,229</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,383,277)</u>	<u>(7,110,178)</u>	<u>(109,304)</u>	<u>7,000,874</u>
Other financing sources (uses)				
Transfers in	2,383,277	2,406,132	2,406,132	-
Transfers (out)	-	(1,549,709)	(1,549,709)	-
Total other financing sources (uses)	<u>2,383,277</u>	<u>856,423</u>	<u>856,423</u>	<u>-</u>
Net change in fund balance (deficit)	-	(6,253,755)	747,119	7,000,874
Fund balances - beginning	6,488,456	6,488,456	6,488,456	-
Fund balances - ending	<u>\$ 6,488,456</u>	<u>\$ 234,701</u>	<u>\$ 7,235,575</u>	<u>\$ 7,000,874</u>

Statement of Revenues, Expenditures, and
Changes in Fund Balances – Budget and Actual
Discretely Presented Component Unit – School Board
Fiscal Year Ended June 30, 2024

	School Textbook Fund			Variance From Amended Positive (Negative)
	Original Budget	Amended Budget	Actual	
Revenues				
Miscellaneous revenue	\$ -	\$ -	\$ 1,997	\$ 1,997
Intergovernmental:				
Commonwealth of Virginia	588,830	588,830	584,989	(3,841)
Total revenues	588,830	588,830	586,986	(1,844)
Expenditures				
Current operating:				
Education:				
Instruction	1,410,033	3,248,065	1,879,353	1,368,712
Total education	1,410,033	3,248,065	1,879,353	1,368,712
Capital outlay - subscriptions:				
Education	-	42,251	42,251	-
Total capital outlay - SBITA	-	42,251	42,251	-
Total capital outlay	-	42,251	42,251	-
Debt service:				
Subscription principal	-	42,251	42,251	-
SBITA interest	-	95	95	-
Total debt service	-	42,346	42,346	-
Total expenditures	1,410,033	3,332,662	1,963,950	1,368,712
Excess (deficiency) of revenues over (under) expenditures	(821,203)	(2,743,832)	(1,376,964)	1,366,868
Other financing sources (uses)				
Transfers in	821,203	821,203	821,203	-
Subscriptions	-	42,251	42,251	-
Total other financing sources (uses)	821,203	863,454	863,454	-
Net change in fund balance (deficit)	-	(1,880,378)	(513,510)	1,366,868
Fund balances - beginning	1,880,378	1,880,378	1,880,378	-
Fund balances - ending	\$ 1,880,378	\$ -	\$ 1,366,868	\$ 1,366,868

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

	School Nutrition Fund			Variance From Amended Positive (Negative)
	Original Budget	Amended Budget	Actual	
Revenues				
Revenue from use of money and property	\$ 150	\$ 150	\$ 162	\$ 12
Charges for services	2,762,708	2,762,708	2,558,257	(204,451)
Miscellaneous revenue	174,950	250,910	295,907	44,997
Intergovernmental:				-
Commonwealth of Virginia	293,738	293,738	258,771	(34,967)
Federal Government	2,946,270	3,427,966	3,487,168	59,202
Total revenues	<u>6,177,816</u>	<u>6,735,472</u>	<u>6,600,265</u>	<u>(135,207)</u>
Expenditures				
Current operating:				
Education:				
School food services	6,209,744	6,747,981	6,650,200	97,781
Total education	<u>6,209,744</u>	<u>6,747,981</u>	<u>6,650,200</u>	<u>97,781</u>
Debt service:				
Lease principal	2,500	2,994	2,994	-
Lease interest	-	55	55	-
Total debt service	<u>2,500</u>	<u>3,049</u>	<u>3,049</u>	<u>-</u>
Total expenditures	<u>6,212,244</u>	<u>6,751,030</u>	<u>6,653,249</u>	<u>97,781</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(34,428)</u>	<u>(15,558)</u>	<u>(52,984)</u>	<u>(37,426)</u>
Other financing sources (uses)				
Transfers in	19,419	-	-	-
Leases	15,009	15,558	-	(15,558)
Total other financing sources (uses)	<u>34,428</u>	<u>15,558</u>	<u>-</u>	<u>(15,558)</u>
Net change in fund balance (deficit)	-	-	(52,984)	(52,984)
Fund balances - beginning	2,630,597	2,630,597	2,630,597	-
Fund balances - ending	<u>\$ 2,630,597</u>	<u>\$ 2,630,597</u>	<u>\$ 2,577,613</u>	<u>\$ (52,984)</u>

Statement of Fiduciary Net Position
 Discretely Presented Component Unit – School Board
 Fiduciary Funds
 June 30, 2024

	<u>Trust Fund Crockett Private-Purpose Trust Fund</u>	<u>Custodial Funds</u>
Assets		
Cash and cash equivalents	\$ 696,869	\$ 1,098,060
Receivables:		
Accounts	-	31,809
Loans	-	183,381
Investments at fair value	-	45,691,504
Total assets	<u>696,869</u>	<u>47,004,754</u>
Liabilities		
Accounts payable	-	8,364
Accrued liabilities	-	139,460
Total liabilities	<u>-</u>	<u>147,824</u>
Net Position		
Restricted for:		
Individuals and organizations	<u>696,869</u>	<u>46,856,930</u>
Total net position	<u>696,869</u>	<u>46,856,930</u>
Total liabilities and net position	<u>\$ 696,869</u>	<u>\$ 47,004,754</u>

Statement of Changes in Fiduciary Net Position
 Discretely Presented Component Unit – School Board
 Fiduciary Funds
 Fiscal Year Ended June 30, 2024

	<u>Trust Fund</u> <u>Crockett</u> <u>Private-Purpose</u> <u>Trust Fund</u>	<u>Custodial</u> <u>Funds</u>
Additions		
Contributions:		
Employees	\$ -	\$ 2,615,136
Students and organizations	-	36,669
Intergovernmental:		
Commonwealth of Virginia	-	664,062
Participating localities	-	1,258,957
Total contributions	<u>-</u>	<u>4,574,824</u>
Investment income:		
Net increase (decrease) in the fair value of the investments	-	4,447,183
Interest and dividends	62,885	1,578,716
Less: investment expenses	<u>-</u>	<u>(77,255)</u>
Total investment income	<u>62,885</u>	<u>5,948,644</u>
Miscellaneous revenue:		
Miscellaneous revenue	<u>-</u>	<u>297,781</u>
Total miscellaneous revenue	<u>-</u>	<u>297,781</u>
Total additions	<u>62,885</u>	<u>10,821,249</u>
Deductions		
Benefits paid to or on behalf of beneficiaries or participants:		
Personal services	-	1,224,291
Fringe benefits	-	467,668
Contractual services	7,655	92,790
Other expenses	-	82,483
Distributions	-	4,516,887
Educational and recreational supplies	<u>-</u>	<u>225,980</u>
Total deductions	<u>7,655</u>	<u>6,610,099</u>
Net increase (decrease) in net position	55,230	4,211,150
Net position - beginning	<u>641,639</u>	<u>42,645,780</u>
Net position - ending	<u>\$ 696,869</u>	<u>\$ 46,856,930</u>

Combining Statement of Fiduciary Net Position
 Discretely Presented Component Unit – School Board
 Custodial Funds
 June 30, 2024

	Mountain Vista Regional Governor's School Fund	Mountain Vista Regional Governor's School Activity Fund	457(b) Deferred Compensation Plan Fund	403(b) Deferred Compensation Plan Fund	Total Custodial Funds
Assets					
Cash and cash equivalents	\$ 1,075,991	\$ 22,069	\$ -	\$ -	\$ 1,098,060
Receivables:			-		
Accounts	31,809	-	-	-	31,809
Loans	-	-	31,820	151,561	183,381
Investments at fair market value	-	-	7,041,902	38,649,602	45,691,504
Total assets	<u>1,107,800</u>	<u>22,069</u>	<u>7,073,722</u>	<u>38,801,163</u>	<u>47,004,754</u>
Liabilities					
Accounts payable	8,364	-	-	-	8,364
Accrued liabilities	139,460	-	-	-	139,460
Total liabilities	<u>147,824</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>147,824</u>
Net Position					
Restricted for:					
Individuals and organizations	959,976	22,069	7,073,722	38,801,163	46,856,930
Total net position	<u>959,976</u>	<u>22,069</u>	<u>7,073,722</u>	<u>38,801,163</u>	<u>46,856,930</u>
Total liabilities and net position	<u>\$ 1,107,800</u>	<u>\$ 22,069</u>	<u>\$ 7,073,722</u>	<u>\$ 38,801,163</u>	<u>\$ 47,004,754</u>

Combining Statement of Changes in Fiduciary Net Position
 Discretely Presented Component Unit – School Board
 Custodial Funds
 Fiscal Year Ended June 30, 2024

	Mountain Vista Regional Governor's School Fund	Mountain Vista Regional Governor's School Activity Fund	457(b) Deferred Compensation Plan Fund	403(b) Deferred Compensation Plan Fund	Total Custodial Funds
Additions					
Contributions:					
Employees	\$ -	\$ -	\$ 654,041	\$ 1,961,095	\$ 2,615,136
Students and organizations	17,754	18,915	-	-	36,669
Intergovernmental:					
Commonwealth of Virginia	664,062	-	-	-	664,062
Participating localities	1,258,957	-	-	-	1,258,957
Total contributions	1,940,773	18,915	654,041	1,961,095	4,574,824
Investment income:					
Net increase (decrease) in the fair value of the investments	-	-	685,043	3,762,140	4,447,183
Interest and dividends	-	-	232,450	1,346,266	1,578,716
Less: investment expenses	-	-	(11,532)	(65,723)	(77,255)
Total investment income	-	-	905,961	5,042,683	5,948,644
Miscellaneous revenue:					
Miscellaneous revenue	-	214,312	11,395	72,074	297,781
Total miscellaneous revenue	-	214,312	11,395	72,074	297,781
Total additions	1,940,773	233,227	1,571,397	7,075,852	10,821,249
Deductions					
Benefits paid to or on behalf of beneficiaries or participants:					
Personal services	1,224,291	-	-	-	1,224,291
Fringe benefits	467,668	-	-	-	467,668
Contractual services	92,790	-	-	-	92,790
Other expenses	82,483	-	-	-	82,483
Distributions	-	-	71,347	4,445,540	4,516,887
Educational and recreational supplies	-	225,980	-	-	225,980
Total deductions	1,867,232	225,980	71,347	4,445,540	6,610,099
Net increase (decrease) in net position	73,541	7,247	1,500,050	2,630,312	4,211,150
Net position - beginning	886,435	14,822	5,573,672	36,170,851	42,645,780
Net position - ending	\$ 959,976	\$ 22,069	\$ 7,073,722	\$ 38,801,163	\$ 46,856,930

STATISTICAL SECTION

This section of the County'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 express about the County's overall financial health. This information has not been audited by the independent auditor.

Financial Trends - These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.

Table 1	Net Position by Component
Table 2	Changes in Net Position
Table 3	Fund Balances – Governmental Funds
Table 4	Changes in Fund Balances – Governmental Funds

Revenue Capacity - These schedules contain information to help the reader assess the County's significant local revenue sources, the property tax, as well as other revenue sources.

Table 5-A	Assessed Value and Estimated Actual Value of Taxable Property
Table 5-B	Tax Relief for the Elderly
Table 6	Property Tax Rates for Both Direct and Overlapping Governments
Table 7-A	Principal Real Property Taxpayers
Table 7-B	Principal Personal Property Taxpayers
Table 8	Property Tax Levies and Collections

Debt Capacity - These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt, and the County's ability to issue additional debt in the future.

Table 9	Ratios of Outstanding Debt by Type
Table 10	Ratios of General Bonded Debt Outstanding
Table 11	Pledged-Revenue Coverage
Table 12	County Policy Debt Margin

Economic and Demographic Information - These schedules offer economic and demographic indicators to help the reader understand the environment within which the County's financial activities take place.

Table 13	Demographic and Economic Statistics
Table 14	Principal Employers

Operating Information - These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.

Table 15	County Government Employees by Function
Table 16	Operating Indicators by Function
Table 17	Capital Asset Statistics by Function

Sources: Unless otherwise noted, the information in this section is derived from the County's annual comprehensive financial reports for the relevant year.

Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	2015	2016	2017	2018	2019
Governmental Activities:					
Net investment in capital assets	\$ 66,912,078	\$ 66,424,250	\$ 67,897,791	\$ 58,593,548	\$ 58,805,643
Restricted	5,964,927	7,776,690	9,591,829	10,016,685	7,634,090
Unrestricted (deficit)	(67,694,758)	(51,817,116)	(44,964,783)	(18,486,444)	2,051,825
Subtotal governmental activities net position	5,182,247	22,383,824	32,524,837	50,123,789	68,491,558
Business-type Activities:					
Net investment in capital assets	19,381,379	19,399,111	21,932,278	24,454,010	29,829,023
Restricted	-	-	-	1,158,020	826,278
Unrestricted (deficit)	(14,944,300)	(18,421,156)	(21,422,557)	(22,073,054)	(26,816,023)
Subtotal business-type activities net position	4,437,079	977,955	509,721	3,538,976	3,839,278
Primary Government:					
Net investment in capital assets	86,293,457	85,823,361	89,830,069	83,047,558	88,634,666
Restricted	5,964,927	7,776,690	9,591,829	11,174,705	8,460,368
Unrestricted (deficit)	(82,639,058)	(70,238,272)	(66,387,340)	(40,559,498)	(24,764,198)
Total Primary Government net position	9,619,326	23,361,779	33,034,558	53,662,765	72,330,836
Component Units: (1)					
Net investment in capital assets	188,842,434	183,364,033	177,466,992	171,287,807	167,071,314
Restricted	5,000	73,567	267,564	2,245,775	1,854,624
Unrestricted (deficit)	(122,774,417)	(119,400,706)	(144,988,427)	(140,277,544)	(133,518,332)
Total Component Units net position	66,073,017	64,036,894	32,746,129	33,256,038	35,407,606
Total Reporting Entity: (2)					
Net investment in capital assets	183,877,351	184,775,961	190,252,913	184,973,674	193,065,462
Restricted	5,969,927	7,850,257	9,859,393	13,420,480	10,314,992
Unrestricted	(114,154,964)	(105,227,545)	(134,331,619)	(111,475,351)	(95,642,012)
Total Reporting Entity net position (3)	\$ 75,692,314	\$ 87,398,673	\$ 65,780,687	\$ 86,918,803	\$ 107,738,442

- (1) Component Units - The School Board net position components are included in this table due to the School Board being a significant portion of the County. In Virginia, School Boards do not have borrowing or taxing authority; therefore, the County issues debt on behalf of the School Board to finance school facilities projects. The Economic Development Authority is first included as part of the reporting entity in FY2020. Ending net position of the EDA is first presented in the table in FY2018. Information for prior years is not available.
- (2) The sum of the rows does not equal the total reporting entity rows because the debt related to the Component Unit - School Board is reflected in the Primary Government's net position row reducing unrestricted net position. The assets are reflected in the Component Unit - School Board row as net investment in capital assets. The total reporting entity row matches the asset with the debt and reports the net amount on the net investment in capital assets line.
- (3) Total reporting entity net position reflects the implementation of GASB Statement No. 68 for FY2014 - FY2021, the implementation of GASB Statement No. 75 for FY2017 - FY2021, and the implementation of GASB Statement No. 84 for FY2020 and FY2021.

Table 1
Page 2 of 2

		Fiscal Year					
	2020	2021	2022	2023	2024		
						Governmental Activities:	
\$	60,791,853	\$ 66,653,274	\$ 90,217,528	\$ 90,724,862	\$ 100,171,488	Net investment in capital assets	
	12,194,288	10,351,623	15,794,707	12,385,574	13,569,107	Restricted	
	5,579,625	23,799,780	32,328,872	67,711,255	89,881,312	Unrestricted (deficit)	
	<u>78,565,766</u>	<u>100,804,677</u>	<u>138,341,107</u>	<u>170,821,691</u>	<u>203,621,907</u>	Subtotal governmental activities net position	
						Business-type Activities:	
	33,670,328	36,529,401	37,412,684	36,154,917	36,399,719	Net investment in capital assets	
	403,167	409,917	482,539	415,417	399,187	Restricted	
	<u>(18,149,486)</u>	<u>(16,909,877)</u>	<u>(34,910,741)</u>	<u>(33,417,745)</u>	<u>(34,426,437)</u>	Unrestricted (deficit)	
	<u>15,924,009</u>	<u>20,029,441</u>	<u>2,984,482</u>	<u>3,152,589</u>	<u>2,372,469</u>	Subtotal business-type activities net position	
						Primary Government:	
	94,462,181	103,182,675	127,630,212	126,879,779	136,571,207	Net investment in capital assets	
	12,597,455	10,761,540	16,277,246	12,800,991	13,968,294	Restricted	
	<u>(12,569,861)</u>	<u>6,889,903</u>	<u>(2,581,869)</u>	<u>34,293,510</u>	<u>55,454,875</u>	Unrestricted (deficit)	
	<u>94,489,775</u>	<u>120,834,118</u>	<u>141,325,589</u>	<u>173,974,280</u>	<u>205,994,376</u>	Total Primary Government net position	
						Component Units: (1)	
	160,471,122	152,889,144	146,077,340	141,177,535	138,423,160	Net investment in capital assets	
	1,065,692	-	4,632,294	3,275,327	5,054,772	Restricted	
	<u>(127,158,316)</u>	<u>(126,483,781)</u>	<u>(114,486,504)</u>	<u>(96,047,741)</u>	<u>(85,616,097)</u>	Unrestricted (deficit)	
	<u>34,378,498</u>	<u>26,405,363</u>	<u>36,223,130</u>	<u>48,405,121</u>	<u>57,861,835</u>	Total Component Units net position	
						Total Reporting Entity: (2)	
	197,527,834	207,328,339	214,514,768	216,467,314	231,011,583	Net investment in capital assets	
	13,663,147	10,761,540	20,909,540	16,076,318	19,023,066	Restricted	
	<u>(82,322,708)</u>	<u>(70,850,398)</u>	<u>(57,875,589)</u>	<u>(10,164,231)</u>	<u>13,821,562</u>	Unrestricted	
\$	<u>128,868,273</u>	<u>147,239,481</u>	<u>177,548,719</u>	<u>222,379,401</u>	<u>263,856,211</u>	Total Reporting Entity net position (3)	

Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	2015	2016	2017	2018	2019
Primary Government:					
Expenses					
Governmental activities:					
General government administration	\$ 12,413,433	\$ 13,319,869	\$ 14,182,276	\$ 14,266,200	\$ 12,828,508
Judicial administration	3,821,911	3,952,902	3,706,073	4,213,354	4,054,177
Public safety	30,694,266	31,471,801	32,780,969	38,993,075	51,080,252
Public works	8,270,407	10,220,949	9,683,958	9,379,721	10,028,420
Health and welfare	12,452,676	12,675,215	11,609,435	12,206,022	13,585,126
Education	81,999,731	82,056,536	83,246,562	85,029,264	90,255,631
Parks, recreation, and cultural	6,302,270	6,870,409	7,014,668	7,490,761	6,821,358
Community development	5,947,344	5,811,825	14,187,875	10,307,487	7,808,917
Interest on long-term debt	2,741,174	3,671,366	3,081,185	3,083,112	3,334,515
Total governmental activities expenses	<u>164,643,212</u>	<u>170,050,872</u>	<u>179,493,001</u>	<u>184,968,996</u>	<u>199,796,904</u>
Business-type activities:					
Airport	2,023,113	1,393,026	992,199	985,999	958,674
Landfill and recycling	5,990,480	6,930,685	6,864,500	7,692,836	9,683,753
Sewer	-	-	-	-	-
Total business-type activities expenses	<u>8,013,593</u>	<u>8,323,711</u>	<u>7,856,699</u>	<u>8,678,835</u>	<u>10,642,427</u>
Total primary government expenses	<u>172,656,805</u>	<u>178,374,583</u>	<u>187,349,700</u>	<u>193,647,831</u>	<u>210,439,331</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General government administration	84,459	133,838	107,015	119,312	95,035
Judicial administration	649,606	629,947	590,279	812,773	720,768
Public safety	1,251,234	1,664,088	1,750,616	2,083,619	1,515,100
Public works	-	-	-	-	-
Health and welfare	-	-	-	47,237	300
Parks, recreation, and cultural	598,233	620,519	603,674	623,295	606,884
Community development	1,459,245	1,481,973	1,474,724	1,377,032	1,711,058
Operating grants and contributions	13,831,352	15,246,647	20,425,296	22,700,129	23,205,957
Capital grants and contributions	185,290	2,546,055	50,605	653,945	3,714,438
Total governmental activities program revenues	<u>18,059,419</u>	<u>22,323,067</u>	<u>25,002,209</u>	<u>28,417,342</u>	<u>31,569,540</u>
Business type activities:					
Charges for services:					
Airport	685,894	639,442	734,301	681,749	698,639
Landfill and recycling	3,614,670	3,357,317	3,667,478	3,933,980	3,592,926
Sewer	-	-	-	-	-
Operating grants and contributions	136,594	53,611	337,563	79,775	43,383
Capital grants and contributions	-	1,298,432	1,671,627	4,056,833	4,605,543
Total business-type activities program revenues	<u>4,437,158</u>	<u>5,348,802</u>	<u>6,410,969</u>	<u>8,752,337</u>	<u>8,940,491</u>
Total primary government program revenues	<u>22,496,577</u>	<u>27,671,869</u>	<u>31,413,178</u>	<u>37,169,679</u>	<u>40,510,031</u>
Net (expense) revenue (1)					
Governmental activities	(146,583,793)	(147,727,805)	(154,490,792)	(156,551,654)	(168,227,364)
Business-type activities	<u>(3,576,435)</u>	<u>(2,974,909)</u>	<u>(1,445,730)</u>	<u>73,502</u>	<u>(1,701,936)</u>
Total primary government net (expense) revenue	<u>\$ (150,160,228)</u>	<u>\$ (150,702,714)</u>	<u>\$ (155,936,522)</u>	<u>\$ (156,478,152)</u>	<u>\$ (169,929,300)</u>

- (1) Net (expense) revenue is the difference between the expenses and program revenues. It indicates the degree to which a function or program is supported with its own fees and program-specific grants versus its reliance upon funding from taxes and other general revenues. A number in parentheses is net expenses indicating that expenses were greater than program revenues and therefore general revenues were needed to finance that function or program. Numbers without parentheses are net revenues, meaning that program revenues were more than sufficient to cover expenses.
- (2) Total reporting entity net position reflects the implementation of GASB Statement No. 68 for FY2015 - FY2021, the implementation of GASB Statement No. 75 for FY2017 - FY2021, and the implementation of GASB Statement No. 84 for FY2020 - FY2021.
- (3) Component units - School Board and Economic Development Authority change in net position is included in this table due to significance in the County financials. The Economic Development Authority is first included as part of the reporting entity in FY2020. Ending net position of the EDA is first presented in Table 1 in FY2018. Information for prior years is not available.

		Fiscal Year								
		2020	2021	2022	2023	2024				
							Primary Government:			
							Expenses			
							Governmental activities:			
\$	15,366,384	\$	18,336,209	\$	8,582,156	\$	21,559,837	\$	19,404,825	General government administration
	4,403,007		4,787,727		4,589,192		5,081,017		5,327,499	Judicial administration
	44,330,177		45,286,141		45,905,512		53,905,020		59,057,118	Public safety
	10,010,927		10,880,651		12,115,589		8,446,969		9,385,480	Public works
	13,469,468		13,794,758		13,677,110		14,623,248		15,782,115	Health and welfare
	91,595,644		89,462,446		93,850,074		100,925,930		98,909,604	Education
	7,903,910		7,629,310		8,415,558		10,149,709		10,459,988	Parks, recreation, and cultural
	8,315,849		11,202,836		8,134,030		13,036,719		11,103,811	Community development
	3,465,061		2,422,364		3,033,052		2,536,989		2,221,827	Interest on long-term debt
	<u>198,860,427</u>		<u>203,802,442</u>		<u>198,302,273</u>		<u>230,265,438</u>		<u>231,652,267</u>	Total governmental activities expenses
							Business-type activities:			
	1,052,222		1,152,244		1,398,738		2,010,613		2,005,378	Airport
	8,279,176		10,355,981		27,848,259		12,236,590		11,699,357	Landfill and recycling
	-		-		12,179		331,442		480,666	Sewer
	<u>9,331,398</u>		<u>11,508,225</u>		<u>29,259,176</u>		<u>14,578,645</u>		<u>14,185,401</u>	Total business-type activities expenses
	<u>208,191,825</u>		<u>215,310,667</u>		<u>227,561,449</u>		<u>244,844,083</u>		<u>245,837,668</u>	Total primary government expenses
							Program Revenues			
							Governmental activities:			
							Charges for services:			
	62,580		74,460		130,357		494,303		211,328	General government administration
	512,868		542,959		690,095		523,466		668,204	Judicial administration
	1,750,361		1,835,850		2,265,776		2,424,647		2,672,826	Public safety
	-		4,000		100,000		-		-	Public works
	80		205		2,331		3,996		28,345	Health and welfare
	381,828		307,435		639,972		793,321		932,378	Parks, recreation, and cultural
	1,504,729		1,694,861		1,922,370		2,030,524		1,766,913	Community development
	19,506,557		26,939,937		18,675,847		19,789,646		24,996,655	Operating grants and contributions
	2,611,843		4,047,309		6,145,202		8,258,269		218,334	Capital grants and contributions
	<u>26,330,846</u>		<u>35,447,016</u>		<u>30,571,950</u>		<u>34,318,172</u>		<u>31,494,983</u>	Total governmental activities program revenues
							Business type activities:			
							Charges for services:			
	781,215		922,885		907,442		992,841		887,152	Airport
	3,370,335		2,270,226		2,586,350		2,290,813		2,610,679	Landfill and recycling
	-		1,500		103,744		2,026,402		283,504	Sewer
	44,867		89,958		37,996		40,121		62,592	Operating grants and contributions
	3,902,172		4,635,424		364,713		253,039		201,048	Capital grants and contributions
	<u>8,098,589</u>		<u>7,919,993</u>		<u>4,000,245</u>		<u>5,603,216</u>		<u>4,044,975</u>	Total business-type activities program revenues
	<u>34,429,435</u>		<u>43,367,009</u>		<u>34,572,195</u>		<u>39,921,388</u>		<u>35,539,958</u>	Total primary government program revenues
							Net (expense) revenue (1)			
	(172,529,581)		(168,355,426)		(167,730,323)		(195,947,266)		(200,157,284)	Governmental activities
	<u>(1,232,809)</u>		<u>(3,588,232)</u>		<u>(25,258,931)</u>		<u>(8,975,429)</u>		<u>(10,140,426)</u>	Business-type activities
\$	<u>(173,762,390)</u>	\$	<u>(171,943,658)</u>	\$	<u>(192,989,254)</u>	\$	<u>(204,922,695)</u>	\$	<u>(210,297,710)</u>	Total primary government net (expense) revenue

Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	2015	2016	2017	2018	2019
Primary Government: (continued)					
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes:					
General property taxes	\$ 125,741,425	\$ 130,409,532	\$ 136,643,418	\$ 142,406,712	\$ 152,069,874
Local sales and use taxes	8,024,703	8,305,286	9,241,227	9,057,564	9,571,159
Consumers' utility taxes	1,658,205	1,631,861	1,608,950	1,813,473	1,742,954
Business and professional taxes	1,353,040	1,444,902	1,632,643	1,564,338	1,760,438
Motor vehicle taxes	1,870,836	1,911,876	1,957,392	1,984,960	2,018,892
Taxes on recordation and wills	1,514,756	1,720,164	1,731,125	1,789,913	1,746,669
Other local taxes	259,151	235,719	260,204	296,329	309,902
Investment income	301,739	408,673	600,847	1,096,000	2,018,074
Miscellaneous	389,682	481,040	156,345	138,972	235,204
Grants and contributions not restricted to specific programs	17,705,302	17,867,956	17,284,375	16,923,612	17,067,268
Transfers	(790,828)	512,373	(1,155,862)	(2,921,267)	(1,945,301)
Total governmental activities general revenues and other changes in net position	<u>158,028,011</u>	<u>164,929,382</u>	<u>169,960,664</u>	<u>174,150,606</u>	<u>186,595,133</u>
Business-type activities:					
Investment income (loss)	1,057	3,524	9,247	22,460	56,523
Miscellaneous	43,989	24,634	3,304	12,026	414
Transfers	790,828	(512,373)	1,155,862	2,921,267	1,945,301
Total business-type activities general revenues and other changes in net position	<u>835,874</u>	<u>(484,215)</u>	<u>1,168,413</u>	<u>2,955,753</u>	<u>2,002,238</u>
Total primary government general revenues and other changes in net position	<u>158,863,885</u>	<u>164,445,167</u>	<u>171,129,077</u>	<u>177,106,359</u>	<u>188,597,371</u>
Change in Net Position (2)					
Governmental activities	11,444,218	17,201,577	15,469,872	17,598,952	18,367,769
Business-type activities	(2,740,561)	(3,459,124)	(277,317)	3,029,255	300,302
Total Primary Government change in net position	<u>8,703,657</u>	<u>13,742,453</u>	<u>15,192,555</u>	<u>20,628,207</u>	<u>18,668,071</u>
Component Units (3)					
Expenses					
Economic Development Authority	-	-	-	-	152,391
School Board	139,471,783	139,806,883	147,319,359	143,149,770	146,093,108
Total component units - expenses	<u>139,471,783</u>	<u>139,806,883</u>	<u>147,319,359</u>	<u>143,149,770</u>	<u>146,245,499</u>
Program Revenues					
Charges for services	3,402,127	3,277,727	3,411,390	3,312,563	3,250,370
Operating grants and contributions	15,910,673	17,904,582	16,699,061	20,010,793	19,741,702
Capital grants and contributions	-	-	-	-	-
Total component units-revenues	<u>19,312,800</u>	<u>21,182,309</u>	<u>20,110,451</u>	<u>23,323,356</u>	<u>22,992,072</u>
Net (expense) revenue (1)	<u>(120,158,983)</u>	<u>(118,624,574)</u>	<u>(127,208,908)</u>	<u>(119,826,414)</u>	<u>(123,253,427)</u>
General Revenues and Other Changes in Net Position					
Contribution from primary government	83,276,115	82,152,277	84,355,571	85,244,161	89,887,969
Investment income	65	809	2,456	3,896	67,020
Miscellaneous	272,457	159,900	1,076,399	1,336,262	1,682,221
Grants and contributions not restricted to specific programs	34,296,769	34,275,494	33,864,072	33,443,964	33,767,785
Total component units - general revenues and other changes in net position	<u>117,845,406</u>	<u>116,588,480</u>	<u>119,298,498</u>	<u>120,028,283</u>	<u>125,404,995</u>
Total Component Units - change in net position	\$ <u>(2,313,577)</u>	\$ <u>(2,036,094)</u>	\$ <u>(7,910,410)</u>	\$ <u>201,869</u>	\$ <u>2,151,568</u>

- (1) Net (expense) revenue is the difference between the expenses and program revenues. It indicates the degree to which a function or program is supported with its own fees and program-specific grants versus its reliance upon funding from taxes and other general revenues. A number in parentheses is net expenses indicating that expenses were greater than program revenues and therefore general revenues were needed to finance that function or program. Numbers without parentheses are net revenues, meaning that program revenues were more than sufficient to cover expenses.
- (2) Total reporting entity net position reflects the implementation of GASB Statement No. 68 for FY2015 - FY2021, the implementation of GASB Statement No. 75 for FY2017 - FY2021, and the implementation of GASB Statement No. 84 for FY2020 - FY2021.
- (3) Component units - School Board and Economic Development Authority change in net position is included in this table due to significance in the County financials. The Economic Development Authority is first included as part of the reporting entity in FY2020. Ending net position of the EDA is first presented in Table 1 in FY2018. Information for prior years is not available.

		Fiscal Year								
		2020	2021	2022	2023	2024				
							Primary Government: (continued)			
							General Revenues and Other Changes in Net Position			
							Governmental activities:			
							Taxes:			
\$	154,969,913	\$	158,880,374	\$	173,352,481	\$	189,225,235	\$	190,155,564	General property taxes
	10,533,415		12,696,419		13,399,789		13,946,263		14,721,455	Local sales and use taxes
	1,748,470		1,797,046		1,689,430		1,898,443		1,939,266	Consumers' utility taxes
	1,801,247		2,247,173		2,724,747		2,982,191		3,401,237	Business and professional taxes
	2,011,001		2,011,920		68,595		20,485		9,279	Motor vehicle taxes
	2,271,130		3,348,241		2,922,087		1,702,273		2,199,137	Taxes on recordation and wills
	223,430		368,070		590,249		5,446,035		5,356,155	Other local taxes
	1,585,837		578,485		419,232		4,510,939		7,557,373	Investment income
	296,774		26,440		1,759,784		350,174		362,752	Miscellaneous
	17,567,750		16,326,688		16,266,425		16,209,540		16,079,538	Grants and contributions not restricted to specific prog
	(13,211,107)		(7,686,519)		(7,926,066)		(7,807,658)		(8,550,905)	Transfers
	<u>179,797,860</u>		<u>190,594,337</u>		<u>205,266,753</u>		<u>228,483,920</u>		<u>233,230,851</u>	Total governmental activities general revenues and other changes in net position
							Business-type activities:			
	38,381		3,260		52,464		704,134		803,804	Investment income (loss)
	68,052		3,885		235,442		631,744		5,597	Miscellaneous
	<u>13,211,107</u>		<u>7,686,519</u>		<u>7,926,066</u>		<u>7,807,658</u>		<u>8,550,905</u>	Transfers
	<u>13,317,540</u>		<u>7,693,664</u>		<u>8,213,972</u>		<u>9,143,536</u>		<u>9,360,306</u>	Total business-type activities general revenues and other changes in net position
							Total primary government general revenues and other changes in net position			
	<u>193,115,400</u>		<u>198,288,001</u>		<u>213,480,725</u>		<u>237,627,456</u>		<u>242,591,157</u>	
							Change in Net Position (2)			
	7,268,279		22,238,911		37,536,430		32,536,654		33,073,567	Governmental activities
	<u>12,084,731</u>		<u>4,105,432</u>		<u>(17,044,959)</u>		<u>168,107</u>		<u>(780,120)</u>	Business-type activities
	<u>19,353,010</u>		<u>26,344,343</u>		<u>20,491,471</u>		<u>32,704,761</u>		<u>32,293,447</u>	Total Primary Government change in net position
							Component Units (3)			
							Expenses			
	2,551,201		1,551,884		6,482		20,610		34,683	Economic Development Authority
	<u>156,938,269</u>		<u>167,058,595</u>		<u>164,297,399</u>		<u>175,010,062</u>		<u>175,289,489</u>	School Board
	<u>159,489,470</u>		<u>168,610,479</u>		<u>164,303,881</u>		<u>175,030,672</u>		<u>175,324,172</u>	Total component units - expenses
							Program Revenues			
	2,382,683		153,984		633,340		2,650,412		3,064,586	Charges for services
	23,385,509		33,084,373		35,128,756		44,491,659		41,581,910	Operating grants and contributions
	-		-		-		4,735,641		106,380	Capital grants and contributions
	<u>25,768,192</u>		<u>33,238,357</u>		<u>35,762,096</u>		<u>51,877,712</u>		<u>44,752,876</u>	Total component units - revenues
	<u>(133,721,278)</u>		<u>(135,372,122)</u>		<u>(128,541,785)</u>		<u>(123,152,960)</u>		<u>(130,571,296)</u>	Net (expense) revenue (1)
							General Revenues and Other Changes in Net Position			
	92,288,149		88,606,131		95,173,327		98,881,546		95,471,703	Contribution from primary government
	74,949		121,605		173,992		252,091		283,789	Investment income
	4,357,342		2,380,468		3,491,682		3,999,994		4,868,639	Miscellaneous
	<u>34,365,728</u>		<u>36,290,783</u>		<u>39,520,551</u>		<u>33,189,730</u>		<u>39,418,309</u>	Grants and contributions not restricted to specific p
	<u>131,086,168</u>		<u>127,398,987</u>		<u>138,359,552</u>		<u>136,323,361</u>		<u>140,042,440</u>	Total component units - general revenues and other changes in net position
\$	<u>(2,635,110)</u>	\$	<u>(7,973,135)</u>	\$	<u>9,817,767</u>	\$	<u>13,170,401</u>	\$	<u>9,471,144</u>	Total Component Units - change in net position

Fund Balances - Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year				
	2015	2016 ⁽¹⁾	2017	2018	2019
General Fund:					
Nonspendable	\$ 426,775	\$ 50,162	\$ -	\$ -	\$ -
Restricted	210,291	337,264	314,269	219,021	183,022
Committed	1,119,654	2,201,888	1,697,470	1,203,816	1,884,459
Assigned	3,383,573	4,555,618	8,486,368	10,386,767	8,936,622
Unassigned	17,031,448	19,150,449	19,801,927	19,085,314	21,191,160
Total General Fund	22,171,741	26,295,381	30,300,034	30,894,918	32,195,263
Other Governmental Funds:					
Nonspendable					
Capital Projects Fund	512,481	-	-	-	-
Debt Service Fund	-	-	185,988	-	-
Fire and Rescue Fund	168,138	-	-	-	-
Nonmajor governmental funds	-	-	-	-	-
Restricted					
Capital Projects Fund	3,835,930	4,529,804	5,492,607	2,538,619	11,344,860
Fire and Rescue Fund	-	-	-	3,396,958	-
CARES Fund	-	-	-	-	-
American Rescue Plan Fund	-	-	-	-	-
Nonmajor governmental funds	2,098,674	3,080,914	3,977,274	5,059,087	5,799,488
Committed					
Capital Projects Fund	4,791,049	5,659,230	5,189,597	12,907,898	18,825,745
Fire and Rescue Fund	4,650,941	5,549,950	5,920,085	6,707,733	6,753,601
Nonmajor governmental funds	795,049	855,493	1,063,675	812,962	1,150,080
Assigned					
Debt Service Fund	886,092	407,118	22,914	82,831	86,231
Nonmajor governmental funds	994,558	1,320,288	2,681,933	-	-
Unassigned					
Nonmajor governmental funds	-	(3,162)	-	-	-
Total Other Governmental Funds	18,732,912	21,399,635	24,534,073	31,506,088	43,960,005
Total Governmental Funds	\$ 40,904,653	\$ 47,695,016	\$ 54,834,107	\$ 62,401,006	\$ 76,155,268

- (1) In FY2017, the County elected to change from the consumption method to the purchase method for accounting for inventory and prepaid items in governmental funds. FY2016 fund balance has been restated to reflect this change.
- (2) In FY2021, the County implemented GASB 84, which caused the reclassification of the Working Together Fund, the Commonwealth Opportunity Fund and the Fire and Rescue USDA Debt Service Fund to governmental funds. FY2020 fund balance has been restated to reflect this change.

Table 3
Page 2 of 2

Fiscal Year					
2020 ⁽²⁾	2021	2022	2023	2024	
\$ -	\$ -	\$ 4,003	\$ 8,030	\$ 2,787	General Fund:
199,039	192,296	1,065,670	1,171,773	2,024,917	Nonspendable
5,587,507	4,117,569	2,958,215	3,169,681	12,179,377	Restricted
6,295,917	13,455,156	16,264,452	23,945,472	13,810,143	Committed
20,555,314	23,536,528	29,656,175	31,263,174	43,495,525	Assigned
<u>32,637,777</u>	<u>41,301,549</u>	<u>49,948,515</u>	<u>59,558,130</u>	<u>71,512,749</u>	Unassigned
					Total General Fund
					Other Governmental Funds:
					Nonspendable
					Capital Projects Fund
					Debt Service Fund
		6,580	6,232	6,289	Fire and Rescue Fund
					Nonmajor governmental funds
4,089,348	3,007,775	13,824,466	4,532,683	438,055	Restricted
					Capital Projects Fund
					Fire and Rescue Fund
	12,636				CARES Fund
	972	17,277	319,419		American Rescue Plan Fund
9,058,901	8,290,944	7,400,910	7,970,218	9,600,669	Nonmajor governmental funds
					Committed
22,107,227	22,039,182	24,644,755	37,793,528	37,648,637	Capital Projects Fund
2,456,176	487,443	504,124	1,120,418	3,109,242	Fire and Rescue Fund
2,018,339	2,694,228	3,372,977	4,633,925	4,594,300	Nonmajor governmental funds
					Assigned
86,233	545,749	1,883,142	2,700,119	2,701,653	Debt Service Fund
					Nonmajor governmental funds
					Unassigned
					Nonmajor governmental funds
<u>39,816,224</u>	<u>37,078,929</u>	<u>51,654,231</u>	<u>59,076,542</u>	<u>58,098,845</u>	Total Other Governmental Funds
\$ <u>72,454,001</u>	\$ <u>78,380,478</u>	\$ <u>101,602,746</u>	\$ <u>118,634,672</u>	\$ <u>129,611,594</u>	Total Governmental Funds

Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year				
	2015	2016	2017	2018	2019
Revenues					
General property and other local taxes	\$ 140,265,298	\$ 145,958,511	\$ 153,130,626	\$ 158,963,558	\$ 168,921,271
Permits, privilege fees, and regulatory licenses	1,532,066	1,569,769	1,561,027	1,475,745	1,799,330
Fines and forfeitures	465,431	431,902	458,810	728,722	546,549
Revenue from use of money and property	284,998	367,166	525,021	882,699	1,621,107
Charges for services	2,394,233	2,466,019	2,559,972	2,468,680	2,610,278
Gifts and donations	515,976	1,031,810	917,095	1,169,196	850,926
Recovered costs	568,798	389,486	424,520	625,234	489,035
Miscellaneous	389,682	2,407,938	799,404	943,671	4,390,125
Intergovernmental:					
Contribution from School Board	-	-	-	-	-
Commonwealth of Virginia	27,752,268	28,376,246	30,173,577	29,651,120	27,595,757
Federal Government	3,242,138	3,867,596	6,250,432	4,608,104	5,006,409
Total revenues	177,410,888	186,866,443	196,800,484	201,516,729	213,830,787
Expenditures					
Current operating:					
General government administration	12,190,628	12,802,295	13,736,444	14,004,974	14,125,547
Judicial	3,749,075	3,890,324	3,874,425	3,940,365	4,096,274
Public safety	29,595,738	31,383,502	31,271,719	36,869,480	51,557,318
Public works	8,006,917	9,998,893	8,184,775	8,521,245	9,437,855
Health and welfare	12,594,333	12,817,543	11,667,455	12,168,492	12,613,367
Education	83,339,470	82,217,289	84,418,916	85,309,188	89,958,394
Parks, recreation, and cultural	6,057,766	6,179,184	6,281,542	7,220,351	9,543,091
Community development	6,292,928	6,163,981	14,263,203	10,424,417	8,155,151
Nondepartmental	738,963	390,751	754,859	904,726	605,562
Capital outlay	3,472,214	1,903,204	5,418,998	4,037,770	4,419,969
Capital outlay - leases	-	-	-	-	-
Capital outlay - SBITA	-	-	-	-	-
Debt service:					
Lease principal	-	-	-	-	-
Lease interest	-	-	-	-	-
SBITA principal	-	-	-	-	-
SBITA interest	-	-	-	-	-
Principal retirement (1)	8,767,748	9,053,340	9,612,158	8,396,812	8,456,382
Interest (1)	4,554,692	4,157,411	3,796,630	3,444,576	3,324,317
Fiscal charges (1)	9,150	7,750	6,801	5,850	4,901
Bond issuance costs	111,700	-	169,620	-	186,938
Total expenditures	179,481,322	180,965,467	193,457,545	195,248,246	216,485,066
Excess (deficiency) of revenues over (under) expenditures	(2,070,434)	5,900,976	3,342,939	6,268,483	(2,654,279)
Other financing sources (uses)					
Transfers in	20,805,913	20,111,099	21,000,709	25,799,292	26,473,627
Transfers (out)	(21,596,741)	(19,613,370)	(22,164,368)	(29,577,564)	(28,453,675)
Leases	-	-	-	-	-
SBITA	-	-	-	-	-
Issuance of debt (1)	1,386,719	391,658	4,878,380	4,608,587	16,551,161
Issuance of refunding bonds	9,101,000	-	2,775,000	-	-
Premium on refunding debt	-	-	704,772	421,259	1,837,428
Payment to bond escrow agent	(9,025,300)	-	(3,398,341)	-	-
Premiums on issuance of debt	-	-	-	-	-
Total other financing sources (uses)	671,591	889,387	3,796,152	1,251,574	16,408,541
Net change in fund balances	\$ (1,398,843)	\$ 6,790,363	\$ 7,139,091	\$ 7,520,057	\$ 13,754,262

- (1) In Virginia, School Boards do not have borrowing or taxing authority, therefore the County issues debt on behalf of the School Board to finance school facilities projects. Because of this, debt service payments related to school facilities are presented as debt service of the Primary Government. Debt service as a percentage of noncapital 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" 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 governmental funds (Exhibit 6). 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 (Exhibit 33).
- (3) In FY2021, the County implemented GASB 84, which caused the reclassification of the Working Together Fund, the Commonwealth Opportunity Fund and the Fire and Rescue USDA Debt Service Fund to governmental funds. FY2020 change in net position was updated to reflect this change. Adjustments were not made for prior years.

		Fiscal Year					
		2020 ^(a)	2021	2022	2023	2024	
\$	172,986,781	\$ 181,049,317	\$ 193,284,610	\$ 214,709,312	\$ 218,057,964		Revenues
	1,555,569	1,731,540	1,879,154	1,923,754	1,721,467		General property and other local taxes
	373,936	361,169	431,668	466,769	529,811		Permits, privilege fees, and regulatory licenses
	1,323,514	549,594	527,712	4,608,648	6,734,238		Fines and forfeitures
	2,300,004	2,339,787	3,373,891	3,376,029	3,736,739		Revenue from use of money and property
	1,582,744	529,181	525,364	274,397	267,708		Charges for services
	467,330	308,566	1,255,219	2,237,495	684,971		Gifts and donations
	2,579,756	1,318,251	2,048,234	1,317,680	1,389,546		Recovered costs
	-	1,754,170	3,382,430	3,377,055	417,429		Miscellaneous
	28,068,833	27,698,635	27,201,639	27,987,892	28,870,616		Intergovernmental:
	7,629,624	16,391,813	8,689,506	12,279,125	10,741,654		Contribution from School Board
							Commonwealth of Virginia
							Federal Government
	<u>218,868,091</u>	<u>234,032,023</u>	<u>242,599,427</u>	<u>272,558,156</u>	<u>273,152,143</u>		Total revenues
							Expenditures
							Current operating:
	14,994,480	17,792,525	16,134,919	17,453,561	18,889,650		General government administration
	4,143,025	4,396,098	4,518,982	4,737,320	5,079,835		Judicial
	43,663,429	43,908,773	45,554,899	51,432,491	54,801,450		Public safety
	8,764,742	10,798,909	12,843,923	10,162,077	6,865,498		Public works
	13,408,284	13,661,231	13,877,578	14,689,384	15,616,983		Health and welfare
	92,363,346	91,790,132	102,870,404	107,694,908	101,073,382		Education
	18,526,165	8,518,895	8,076,368	8,663,819	9,460,315		Parks, recreation, and cultural
	8,756,840	12,474,782	7,963,618	12,528,942	11,517,949		Community development
	697,995	2,660,211	650,906	725,781	1,742,063		Nondepartmental
	4,071,357	1,743,986	8,910,131	7,390,228	10,576,544		Capital outlay
	-	-	120,204	223,583	144,862		Capital outlay - leases
	-	-	-	240,945	548,314		Capital outlay - SBITA
	-	-	368,879	408,995	363,787		Debt service:
	-	-	8,513	10,680	9,719		Lease principal
	-	-	-	644,945	748,648		Lease interest
	-	-	-	4,546	9,510		SBITA principal
	9,293,630	9,636,250	9,261,893	9,012,483	9,146,807		SBITA interest
	3,576,074	3,314,642	2,955,688	3,308,957	2,838,728		Principal retirement (1)
	7,450	3,825	5,700	5,200	4,650		Interest (1)
	45,450	-	54,800	-	-		Fiscal charges (1)
							Bond issuance costs
	<u>222,312,267</u>	<u>220,700,259</u>	<u>234,177,405</u>	<u>249,338,845</u>	<u>249,438,694</u>		Total expenditures
	<u>(3,444,176)</u>	<u>13,331,764</u>	<u>8,422,022</u>	<u>23,219,311</u>	<u>23,713,449</u>		Excess (deficiency) of revenues over (under) expenditures
							Other financing sources (uses)
	29,069,911	24,497,891	28,880,263	38,796,207	49,240,687		Transfers in
	(36,971,564)	(32,685,410)	(32,245,213)	(45,392,049)	(62,397,039)		Transfers (out)
	-	-	120,204	223,584	144,862		Leases
	-	-	-	240,942	548,314		SBITA
	13,643,400	782,232	16,180,000	-	-		Issuance of debt (1)
	-	-	-	-	-		Issuance of refunding bonds
	-	-	1,864,992	-	-		Premium on refunding debt
	(8,804,767)	-	-	-	-		Payment to bond escrow agent
	-	-	-	-	-		Premiums on issuance of debt
	<u>(3,063,020)</u>	<u>(7,405,287)</u>	<u>14,800,246</u>	<u>(6,131,316)</u>	<u>(12,463,176)</u>		Total other financing sources (uses)
\$	<u>(6,507,196)</u>	<u>\$ 5,926,477</u>	<u>\$ 23,222,268</u>	<u>\$ 17,087,995</u>	<u>\$ 11,250,273</u>		Net change in fund balances

Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year				
	2015	2016	2017	2018	2019
Debt Service as a Percentage of Noncapital Expenditures: (1)					
Primary Government:					
Total debt service	\$ 13,322,440	\$ 13,210,751	\$ 13,408,788	\$ 11,841,388	\$ 11,972,538
Total expenditures	179,481,322	180,965,467	193,457,545	195,248,246	216,485,066
Capital outlay primary government only (2)	3,672,064	1,846,546	4,606,649	5,115,341	11,005,851
Non-capital expenditures	175,809,258	179,118,921	188,850,896	190,132,905	205,479,215
Debt service as a percentage of noncapital expenditures: Primary Government only	7.58%	7.38%	7.10%	6.23%	5.73%
Component Unit - School Board:					
Schools expenditures excluding County contribution	53,805,742	55,915,274	54,571,202	57,724,088	63,770,075
Capital outlay Component Unit - School Board only (2)	2,658,590	2,784,141	2,226,249	1,866,169	7,264,443
Non-capital expenditures	51,147,152	53,131,133	52,344,953	55,857,919	56,505,632
Total Reporting Entity:					
Total debt service	13,322,440	13,210,751	13,408,788	11,841,388	11,972,538
Total non-capital expenditures	\$ 226,956,410	\$ 232,250,054	\$ 241,195,849	\$ 245,990,824	\$ 261,984,847
Debt service as a percentage of noncapital expenditures: Total Reporting Entity	5.87%	5.69%	5.56%	4.81%	4.50%

- (1) In Virginia, School Boards do not have borrowing or taxing authority, therefore the County issues debt on behalf of the School Board to finance school facilities projects. Because of this, debt service payments related to school facilities are presented as debt service of the Primary Government. Debt service as a percentage of noncapital 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" 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 governmental funds (Exhibit 6). 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 (Exhibit 33).
- (3) In FY2021, the County implemented GASB 84, which caused the reclassification of the Working Together Fund, the Commonwealth Opportunity Fund and the Fire and Rescue USDA Debt Service Fund to governmental funds. FY2020 change in net position was updated to reflect this change. Adjustments were not made for prior years.

		Fiscal Year					
		2020 ⁽³⁾	2021	2022	2023	2024	
							Debt Service as a Percentage of Noncapital Expenditures: (1)
							Primary Government:
\$	<u>12,922,604</u>	\$ <u>12,954,717</u>	\$ <u>12,655,473</u>	\$ <u>13,395,806</u>	\$ <u>13,121,849</u>		Total debt service
	222,312,267	220,700,259	234,177,405	249,338,845	249,438,694		Total expenditures
	<u>17,519,268</u>	<u>12,988,504</u>	<u>24,388,298</u>	<u>18,486,692</u>	<u>14,324,857</u>		Capital outlay primary government only (2)
	<u>204,792,999</u>	<u>207,711,755</u>	<u>209,789,107</u>	<u>230,852,153</u>	<u>235,113,837</u>		Non-capital expenditures
	6.28%	6.24%	6.00%	5.80%	5.58%		Debt service as a percentage of noncapital expenditures: Primary Government only
							Component Unit - School Board:
	61,745,925	71,033,008	74,153,420	85,290,836	83,856,173		Schools expenditures excluding County contribution
	<u>6,598,049</u>	<u>3,658,633</u>	<u>3,787,912</u>	<u>4,377,276</u>	<u>6,367,504</u>		Capital outlay Component Unit - School Board only (2)
	<u>55,147,876</u>	<u>67,374,375</u>	<u>70,365,508</u>	<u>80,913,560</u>	<u>77,488,669</u>		Non-capital expenditures
							Total Reporting Entity:
	<u>12,922,604</u>	<u>12,954,717</u>	<u>12,655,473</u>	<u>13,395,806</u>	<u>13,121,849</u>		Total debt service
\$	<u>259,940,875</u>	\$ <u>275,086,130</u>	\$ <u>280,154,615</u>	\$ <u>311,765,713</u>	\$ <u>312,602,506</u>		Total non-capital expenditures
	4.95%	4.71%	4.36%	3.95%	3.83%		Debt service as a percentage of noncapital expenditures: Total Reporting Entity

Assessed Value and Estimated Actual Value of Taxable Property (1)
Last Ten Calendar Years

Taxable Year	Real Property					Total Taxable Real Property Assessed Value	Add: Tax-Exempt Real Property	Total Value
	Residential Property	Commercial Property	Agricultural Property	Public Service SCC Assessed				
2015	\$ 7,349,773,300	\$ 1,144,905,900	\$ 1,701,191,600	\$ 650,126,899	\$ 10,845,997,699	\$ 915,822,500	\$ 11,761,820,199	
2016	7,445,077,000	1,163,896,000	1,718,320,400	654,744,149	10,982,037,549	919,663,200	11,901,700,749	
2017	7,538,017,200	1,176,883,900	1,720,140,700	657,629,104	11,092,670,904	912,299,000	12,004,969,904	
2018	8,801,964,400	1,201,542,000	1,931,881,600	639,357,088	12,574,745,088	930,513,800	13,505,258,888	
2019	8,902,352,800	1,204,551,400	1,938,119,500	747,411,827	12,792,435,527	946,805,100	13,739,240,627	
2020	8,998,105,200	1,213,702,700	1,954,430,300	738,721,754	12,904,959,954	953,451,100	13,858,411,054	
2021	9,100,673,700	1,216,267,000	1,962,211,000	752,797,325	13,031,949,025	962,927,200	13,994,876,225	
2022	11,658,433,600	1,373,722,600	2,421,031,500	703,485,269	16,156,672,969	1,113,002,100	17,269,675,069	
2023	11,799,727,000	1,375,410,400	2,456,678,500	824,384,856	16,456,200,756	1,122,502,500	17,578,703,256	
2024	11,945,930,200	1,388,060,000	2,456,796,000	809,592,828	16,600,379,028	1,122,909,600	17,723,288,628	

Table 5-B

Tax Relief for the Elderly
Last Ten Calendar Years

Taxable Year	Tax Relief for the Elderly
2015	\$ 245,484,600
2016	252,923,550
2017	265,523,200
2018	308,813,800
2019	320,165,900
2020	338,265,400
2021	375,442,575
2022	466,059,960
2023	501,228,000
2024	584,117,100

Source: Fauquier County Commissioner of the Revenue

- (1) Property in Fauquier County is reassessed once every four years at actual market value. Property is assessed at 100% of estimated actual value. Tax rates are per \$100 of assessed value.
- (2) The total direct tax rate is calculated using the weighted average method.

Table 5-A
Page 2 of 2

Personal Property						
General Property	Segregated Properties	Total Personal Property Assessed Value	Total Real and Personal Property Assessed Value	Total Direct Tax Rate (2)	Taxable Year	
\$ 638,448,282	\$ 120,276,397	\$ 758,724,679	\$ 11,604,722,378	1.211	2015	
663,841,809	140,649,248	804,491,057	11,786,528,606	1.254	2016	
705,905,506	169,961,267	875,866,773	11,968,537,677	1.254	2017	
730,253,242	167,217,815	897,471,057	13,472,216,145	0.920	2018	
760,595,780	236,130,768	996,726,548	13,789,162,075	0.925	2019	
796,099,795	241,645,539	1,037,745,334	13,942,705,288	1.825	2020	
795,706,697	243,309,126	1,039,015,823	14,070,964,848	1.810	2021	
1,095,772,606	363,548,773	1,459,321,379	17,615,994,348	1.140	2022	
1,417,234,488	350,966,606	1,768,201,094	18,224,401,850	1.140	2023	
1,291,979,568	415,200,092	1,707,179,660	18,307,558,688	1.650	2024	



Property Tax Rates for Both Direct and Overlapping Governments (1)
 Last Ten Calendar Years
 (rates per \$100 of assessed value)

Type of Tax	Calendar Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
FAUQUIER COUNTY										
Countywide tax levies:										
Real property:										
General Fund	\$ 0.948	\$ 0.975	\$ 0.975	\$ 0.855	\$ 0.855	\$ 0.855	\$ 0.855	\$ 0.758	\$ 0.758	\$ 0.759
Fire and Rescue Special Revenue Fund	0.045	0.058	0.058	0.121	0.133	0.133	0.133	0.140	0.140	0.180
Conservation Easement Purchase Levy	0.006	0.006	0.006	0.006	0.006	0.006	0.006	0.005	0.005	0.004
Total direct real property tax rate	<u>0.999</u>	<u>1.039</u>	<u>1.039</u>	<u>0.982</u>	<u>0.994</u>	<u>0.994</u>	<u>0.994</u>	<u>0.903</u>	<u>0.903</u>	<u>0.943</u>
Personal property:										
General class	4.650	4.650	4.650	4.650	4.650	4.650	4.650	3.450	3.450	4.150
Airplanes	0.001	0.001	0.001	0.001	0.001	0.001	0.001	0.003	0.003	0.003
Machinery and tools	2.300	2.300	2.300	2.300	2.300	2.300	2.300	3.450	3.450	3.450
Handicapped equipped vehicle	0.050	0.050	0.050	0.050	0.050	0.050	0.050	0.050	0.050	0.050
Camper trailers and boats	1.500	1.500	1.500	1.500	1.500	1.500	1.500	1.500	1.500	1.500
Mobile homes	0.999	1.039	1.039	0.982	0.994	0.994	0.994	0.903	0.903	0.943
Buses with 30 or more passengers	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Business furniture, fixtures, and equipment	2.300	2.300	2.300	2.300	2.300	2.300	2.300	3.450	3.450	3.450
Fire and rescue volunteer vehicle	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250
Total direct personal property tax rate (2)	<u>4.241</u>	<u>4.200</u>	<u>4.200</u>	<u>5.206</u>	<u>5.149</u>	<u>5.149</u>	<u>5.149</u>	<u>3.390</u>	<u>3.390</u>	<u>3.530</u>
Total direct tax rate (2)	1.211	1.254	1.254	0.920	0.925	1.825	1.810	1.140	1.140	1.650
Special district levies:										
Marshall Street Light Levy (3)	0.005	0.005	0.005	0.005	0.005	0.005	0.025	0.025	0.025	0.025
Stormwater Management Levy (4)	13.64	13.64	13.64	13.64	13.64	13.64	13.64	13.64	13.64	13.64
OVERLAPPING GOVERNMENTS										
Town of Warrenton:										
Real estate	0.015	0.050	0.050	0.050	0.050	0.050	0.050	0.040	0.040	0.040
Personal property	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Town of Remington:										
Real estate	0.125	0.125	0.125	0.125	0.125	0.125	0.125	0.125	0.125	0.125
Personal property	1.100	1.100	1.100	1.100	1.100	1.100	1.100	1.100	1.100	1.100
Town of The Plains:										
Real estate	0.040	0.040	0.040	0.040	0.040	0.040	0.040	0.040	0.040	0.040
Personal property	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500

- (1) The County does not have any direct and overlapping debt to report.
- (2) The total direct personal property tax rate and the total direct tax rate are calculated using the taxable property assessed value weighted average method.
- (3) The Marshall Street Light Levy is a special assessment for the Marshall District.
- (4) The Stormwater Management Levy is a special assessment per parcel on certain parcels.

Sources: Fauquier County Commissioner of the Revenue; Town of Warrenton; Town of Remington; Town of The Plains

Principal Real Property Taxpayers
Current Year and Nine Years Ago

TAXPAYER	2024			2015		
	Assessed Valuation	Rank	% of Total Assessed Valuation	Assessed Valuation	Rank	% of Total Assessed Valuation
Virginia Electric & Power Company	\$ 507,448,603	1	3.06%	\$ 315,778,937	1	2.91%
Old Dominion Electric Co-op	83,492,393	2	0.50%	143,018,376	2	1.32%
Fauquier Medical Center LLC	80,364,200	3	0.48%	76,564,600	3	0.71%
Northern Virginia Electric Co-op	40,289,473	4	0.24%	33,738,084	5	0.31%
Warrenton Center LLC	33,606,000	5	0.20%	34,170,600	4	0.32%
Amazon Data Services Inc	31,282,500	6	0.19%			
Old Salem Community Dev LLC	28,475,800	7	0.17%			
Rappahannock Electric Co-op	26,697,171	8	0.16%	22,464,502	9	0.21%
Verizon - Virginia LLC	23,272,150	9	0.14%	31,561,973	6	0.29%
Fauquier Long-Term Care LLC	22,771,700	10	0.14%	23,915,500	7	0.22%
Oak Spring Farms LLC				23,240,100	8	0.21%
Vint Hill Village				20,314,900	10	0.19%
Total	\$ 877,699,990		5.28%	\$ 724,767,572		6.69%

Source: Fauquier County Commissioner of the Revenue

Table 7-B

Principal Personal Property Taxpayers (1)
Current Year and Nine Years Ago

TAXPAYER	2024			2015		
	Assessed Valuation	Rank	% of Total Assessed Valuation	Assessed Valuation	Rank	% of Total Assessed Valuation
Amazon Data Services Inc	\$ 111,846,362	1	6.55%			
Microsoft Corporation	45,193,035	2	2.65%			
Data Center Vint Hill LLC	36,121,666	3	2.12%			
Fauquier Medical Center LLC	7,400,199	4	0.43%	8,066,241	1	1.06%
H&E Equipment Services Inc	7,302,346	5	0.43%	4,924,377	2	0.65%
ARI Fleet LT	4,093,122	6	0.24%			
Concrete Safety Systems Inc	3,922,395	7	0.23%			
Union Leasing Trust	3,891,043	8	0.23%			
Amerigas Propane LP-04	3,772,135	9	0.22%			
Comcast of CA/MD/PA/VA/WV LLC	3,428,962	10	0.20%	4,086,830	3	0.54%
Luck Stone Corporation				3,284,694	4	0.43%
Toyota Motor Credit Corp (TLT)				3,267,511	5	0.43%
Vulcan Construction Materials LP				3,154,576	6	0.42%
Walmart Stores East LP				2,858,527	7	0.38%
RCS Trucking & Freight Inc				2,375,260	8	0.31%
HGS LLC				2,013,054	9	0.27%
Ally Financial				1,823,969	10	0.24%
Total	\$ 226,971,265		13.30%	\$ 35,855,039		4.73%

(1) Original TY 2023 Book Assessments.

Property Tax Levies and Collections
Last Ten Fiscal Years

Tax Year	Tax Levied for the Tax Year	Adjustments	Total Adjusted Levy	Collections within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
				Amount	Percentage of Adjusted Tax Levy	Amount	Amount	Percentage of Adjusted Tax Levy
2015	\$ 139,715,498	\$ (2,255,260)	\$ 137,460,238	\$ 136,752,914	99.49%	\$ 516,450	\$ 137,269,364	99.86%
2016	145,116,299	(2,263,901)	142,852,398	141,729,823	99.21%	913,397	142,643,220	99.85%
2017	150,925,791	(2,275,895)	148,649,896	147,622,593	99.31%	773,487	148,396,080	99.83%
2018	158,308,472	(2,754,082)	155,554,390	153,416,764	98.63%	1,890,616	155,307,380	99.84%
2019	166,600,721	(3,467,265)	163,133,456	161,869,811	99.23%	957,871	162,827,682	99.81%
2020	171,253,073	(3,958,853)	167,294,220	164,860,431	98.55%	1,818,841	166,679,272	99.63%
2021	173,341,221	(2,911,953)	170,429,268	168,570,314	98.91%	1,144,519	169,714,833	99.58%
2022	191,893,675	(3,544,827)	188,348,848	184,743,971	98.09%	2,632,821	187,376,792	99.48%
2023	203,801,423	(3,978,158)	199,823,265	197,502,620	98.84%	1,482,006	198,984,626	99.58%
2024	204,839,101	(2,550,783)	202,288,318	199,564,932	98.65%	-	199,564,932	98.65%

The Personal Property Tax Relief Act amounts received for tax years 2015 to 2024 are as follows:

FY 2015	\$ 13,570,923	CY 2015
FY 2016	13,758,849	CY 2016
FY 2017	13,707,834	CY 2017
FY 2018	13,705,160	CY 2018
FY 2019	13,658,120	CY 2019
FY 2020	13,658,086	CY 2020
FY 2021	13,659,497	CY 2021
FY 2022	13,659,497	CY 2022
FY 2023	13,659,497	CY 2023
FY 2024	13,659,497	CY 2024

Ratios of Outstanding Debt by Type (1)
Last Ten Fiscal Years

Fiscal Year	Governmental Activities					Business-type Activities					Total Primary Government
	Financing Agreements	Lease Liabilities	Subscription Liabilities	General Obligation Bonds	Virginia Public School Authority Bonds	Financing Agreements	Lease Liabilities	Solid Waste Revenue Bonds	Sewer Revenue Bonds		
2015	\$ 9,400,835	\$ -	\$ -	\$ 27,727,283	\$ 65,756,480	\$ -	\$ -	\$ 9,646,698	\$ -	\$ 112,531,296	
2016	7,963,597	-	-	25,267,136	60,272,709	-	-	9,430,964	-	102,934,406	
2017	10,842,031	-	-	22,762,210	54,797,067	9,129,028	-	-	-	97,530,336	
2018	14,580,137	-	-	20,210,265	49,480,501	8,814,800	-	-	118,587	93,204,290	
2019	31,153,322	-	-	17,733,115	44,338,192	8,493,518	-	-	483,089	102,201,236	
2020	33,650,650	-	-	15,399,876	39,090,403	8,165,214	-	-	204,792	96,510,935	
2021	31,719,408	1,562,947	-	13,028,034	33,917,539	8,225,194	176,059	-	1,364,625	89,993,806	
2022	29,186,321	1,282,275	-	10,718,203	47,010,039	7,729,470	155,225	13,985,747	4,435,934	114,503,214	
2023	26,757,934	1,101,201	1,273,550	8,475,000	41,990,050	7,400,920	185,198	13,360,055	5,327,100	105,871,008	
2024	24,356,843	772,902	945,870	6,285,000	36,872,185	6,991,376	187,877	12,800,022	4,971,960	94,184,035	

(1) The County does not have any direct and overlapping debt to report.

(2) See the schedule of Demographic and Economic Statistics on Table 13 for personal income and population data.

* Unavailable

Table 9
Page 2 of 2

<u>Component Unit</u>					
Lease Liabilities	Subscription Liabilities	Financing Agreements	Personal Income	Percentage of Personal Income (2)	Per Capita (2)
\$ -	\$ -	\$ -	\$ 4,299,490,000	2.62%	1,667
-	-	-	4,425,425,000	2.33%	1,516
-	-	-	4,665,959,000	2.09%	1,431
-	-	-	4,877,137,000	1.91%	1,349
-	-	10,672,434	5,146,600,000	1.99%	1,457
-	-	10,672,434	5,329,881,000	1.81%	1,367
839,932	-	10,941,095	5,879,111,000	1.53%	1,268
671,699	-	10,342,157	6,118,464,000	1.87%	1,562
721,499	227,425	9,723,231	6,530,779,000	1.62%	1,440
766,244	177,568	9,083,649	*	*	1,277

**Ratios of General Bonded Debt Outstanding (1)
Last Ten Fiscal Years**

Fiscal Year	General Obligation Bonds	Virginia Public School Authority Bonds	Net General Bonded Debt	Percentage of Personal Income	Percentage of Estimated Actual Value of Taxable Property (2)	Per Capita (3)
2015	\$ 27,727,283	\$ 65,756,480	\$ 93,483,763	2.17%	0.81%	\$ 1,385
2016	25,267,136	60,272,709	85,539,845	1.93%	0.73%	1,260
2017	22,762,210	54,797,067	77,559,277	1.66%	0.65%	1,138
2018	20,210,265	49,480,501	69,690,766	1.43%	0.52%	1,009
2019	17,733,115	44,338,192	62,071,307	1.21%	0.45%	885
2020	15,399,876	39,090,403	54,490,279	1.02%	0.39%	772
2021	13,028,034	33,917,539	46,945,573	0.80%	0.34%	661
2022	10,718,203	47,010,039	57,728,242	0.94%	0.33%	788
2023	8,475,000	41,990,050	50,465,050	0.77%	0.28%	686
2024	8,475,000	36,872,185	45,347,185	*	0.25%	615

(1) The County does not have any direct and overlapping debt to report.

(2) See the schedule of Assessed Value and Estimated Actual Value of Taxable Property on Table 5A-B for property value data.

(3) See the schedule of Demographic and Economic Statistics on Table 13 for population data.

* Unavailable

**Pledged-Revenue Coverage
Last Ten Fiscal Years**

Fiscal Year	Solid Waste Revenue Bonds			Debt Service			Coverage
	Landfill and Recycling Fund Revenues (1)	Less: Operating Expenses (2)	Net Available Revenues	Principal	Interest	Total	
2015	\$ 4,393,028	\$ 4,279,550	\$ 113,478	\$ 45,000	\$ 68,478	\$ 113,478	1.00
2022	8,600,815	7,517,826	1,082,989	-	213,021	213,021	5.08
2023	10,383,773	7,865,956	2,517,817	390,000	457,613	847,613	2.97
2024	10,819,699	7,843,871	2,975,828	410,000	437,113	847,113	3.51

NOTE: The schedule shows fiscal years for which there was revenue bonds with coverage requirements were outstanding. For fiscal years 2016 - 2021, there were no revenue bonds outstanding with coverage requirements.

- (1) Includes total operating revenues, interest income, operating grants, and transfers from the General Fund.
- (2) Operating expenses exclude the following non-cash expenses: closure/post-closure costs, depreciaton, lease amortization, pension and OPEB expense and interest expense applicable to the debt for which revenues are pledged.

County Policy Debt Margin
Last Ten Fiscal Years

	Fiscal Year				Fiscal Year
	2015	2016	2017	2018	2019
Budgeted revenues (1)	\$ 170,353,442	\$ 174,239,206	\$ 181,242,684	\$ 186,361,492	\$ 200,257,948
Debt limit (2)	17,035,344	17,423,921	18,124,268	18,636,149	20,025,795
Total net debt applicable to limit (3)	<u>14,259,898</u>	<u>14,148,209</u>	<u>14,346,246</u>	<u>12,778,846</u>	<u>13,145,314</u>
County policy margin	\$ <u>2,775,446</u>	\$ <u>3,275,712</u>	\$ <u>3,778,022</u>	\$ <u>5,857,303</u>	\$ <u>6,880,481</u>
Total net debt applicable to the limit as a percentage of general revenues	8.37%	8.12%	7.92%	6.86%	6.56%

- (1) Budgeted revenues include the General Fund, the Conservation Easement Service District Fund, and the Volunteer Fire and Rescue Fund.
- (2) The Code of Virginia has no legal debt margin limit set on the Counties. Fauquier County's annual debt service capacity was defined as 10% of the aggregate total of original budgeted revenues in the General Fund, the Conservation Easement Service District Fund, and the Volunteer Fire and Rescue Fund.
- (3) Contributions to certain volunteer fire and rescue companies operating within the County that are utilized to pay debt service on borrowing for which the County has made certain commitments (see Note 9) are included in the debt margin calculation.

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	
\$	208,093,792	\$ 208,969,831	\$ 213,284,259	\$ 233,088,308	\$ 241,209,755	Budgeted revenues (1)
	20,809,379	20,896,983	21,328,426	23,308,831	24,120,976	Debt limit (2)
	<u>13,359,801</u>	<u>13,440,989</u>	<u>12,707,678</u>	<u>12,811,537</u>	<u>12,475,632</u>	Total net debt applicable to limit (3)
\$	<u><u>7,449,578</u></u>	<u><u>7,455,994</u></u>	<u><u>8,620,748</u></u>	<u><u>10,497,294</u></u>	<u><u>11,645,344</u></u>	County policy margin
	6.42%	6.43%	5.96%	5.50%	5.17%	Total net debt applicable to the limit as a percentage of general revenues



Demographic and Economic Statistics
Last Ten Fiscal Years

Year	Estimated Population (1)	Personal Income (expressed in thousands) (2)	Per Capita Personal Income (2)	Unemployment Rate (3)	County Civilian Labor Force (3)	At-Place Employment Annual Average (3)	School Enrollment (4)
2015	67,512	\$ 4,299,490	\$ 62,099	4.1%	36,761	21,549	11,055
2016	67,898	4,425,425	63,423	3.5%	36,437	22,054	10,890
2017	68,168	4,665,959	66,030	3.3%	36,968	22,116	10,885
2018	69,098	4,877,137	67,732	2.7%	37,437	22,417	10,955
2019	70,150	5,146,600	70,746	2.5%	38,545	22,249	10,987
2020	70,580	5,329,881	73,006	7.6%	36,606	21,370	10,891
2021	70,996	5,879,111	79,388	3.7%	37,343	21,813	10,145
2022	73,291	6,118,464	81,932	2.6%	38,253	22,350	10,648
2023	73,536	6,530,779	86,886	2.6%	39,327	22,942	10,672
2024	73,731	*	*	2.7%	39,242	23,311	10,845

- Sources:
- (1) Weldon Cooper Center for Public Service final population estimates as of July 1st for FY2015 through FY2023, and provisional estimate for FY2024, as of July 1, 2023.
 - (2) Bureau of Economic Analysis, calendar year data. Revised estimates for 2015-2023.
 - (3) Bureau of Labor Statistics Data for the Unemployment Rate and County Civilian Labor Force is the rate at June of the corresponding year. Bureau of Labor Statistics Data for At-Place Employment is the average of the first three months (January, February, and March) of the calendar year.
 - (4) School enrollment from the Fauquier County Public Schools Adopted Budgets for FY2015 and Virginia Department of Education for FY2016 through FY2024.
- * Unavailable

Principal Employers (1)
Current Year and Nine Years Ago

Employer	2024		2015	
	Rank	Number of Employees	Rank	Number of Employees
Fauquier County School Board	1	1000 and over	1	1000 and over
County of Fauquier	2	500 to 999	3	500 to 999
U.S. Department of Transportation	3	500 to 999	4	250 to 499
Fauquier Health System	4	500 to 999	2	1000 and over
Walmart Associates Inc.	5	250 to 499	5	250 to 499
Apt-Ability	6	100 to 249		
Town of Warrenton	7	100 to 249	8	100 to 249
White Horse OPCO LLC	8	100 to 249		
Food Lion LLC	9	100 to 249	7	100 to 249
Ces Consulting	10	100 to 249		
Buccaneer Computer System Inc.			6	100 to 249
Airlie Foundation			9	100 to 249
Laurel Ridge Community College			10	100 to 249

(1) Fauquier County is prohibited from publishing the actual number of employees per the Confidential Information Protection and Statistical Efficiency Act of 2002 – Title V of Public Law 107-347.

Source: Virginia Employment Commission Top 50 Employers (1st Quarter of 2024 and 2nd Quarter of 2015)

County Government Employees by Function
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General government administration	116.8	117.5	119.6	122.5	123.5	125.2	125.2	125.2	128.2	128.2
Judicial administration	44.1	45.1	45.1	45.1	45.1	45.0	45.0	45.4	47.0	47.0
Public safety	248.9	248.9	260.5	266.5	299.5	310.5	310.5	311.5	338.5	338.5
Public works (2)	79.5	78.5	79.5	79.5	81.5	81.5	107.0	107.0	105.1	105.1
Health and welfare	48.5	48.5	48.5	48.5	58.5	59.5	59.5	60.5	61.0	60.0
Parks, recreation, and cultural	62.9	63.2	64.2	65.2	65.2	65.2	64.2	64.2	64.2	64.5
Community development (2)	72.1	75.1	76.1	76.1	76.1	75.7	50.7	52.2	54.0	55.0
Total Primary Government	<u>672.8</u>	<u>676.8</u>	<u>693.5</u>	<u>703.4</u>	<u>749.4</u>	<u>762.6</u>	<u>762.1</u>	<u>766.0</u>	<u>798.0</u>	<u>798.3</u>
Component Unit - School Board										
Education	<u>1,831.1</u>	<u>1,836.1</u>	<u>1,819.1</u>	<u>1,831.0</u>	<u>1,890.7</u>	<u>1,900.9</u>	<u>1,905.0</u>	<u>1,915.2</u>	<u>1,929.2</u>	<u>1,889.0</u>
Total Reporting Entity	<u>2,503.9</u>	<u>2,512.9</u>	<u>2,512.6</u>	<u>2,534.4</u>	<u>2,640.1</u>	<u>2,663.5</u>	<u>2,667.1</u>	<u>2,681.2</u>	<u>2,727.2</u>	<u>2,687.3</u>

(1) As of FY2017, Fire, Rescue, and Emergency Services is reported in the Fire and Rescue Tax Levy Fund

(2) As of FY2021, Convenience Sites and Environmental Services are now combined as Environmental Services Fund

Sources: For County Government employees information: Fauquier County Adopted Budgets

Operating Indicators by Function
Last Ten Fiscal Years

Function	Fiscal Year			
	2015	2016	2017	2018
General government administration				
Commissioner of the revenue				
Real estate number of parcels	33,276	33,466	33,591	32,785
Land use number of parcels	3,914	3,867	3,847	3,768
PPTRA qualifying vehicles	74,556	75,741	77,413	78,961
County attorney (5)				
Total litigation files opened	13	13	-	-
Active open litigation cases	-	351	390	346
Finance				
Vendor checks issued	17,071	17,247	17,290	18,119
Human resources				
Employment applications received	9,668	9,065	10,162	10,509
New employees orientated	841	737	840	880
Payroll annual checks/direct deposits	43,467	66,835	77,610	71,008
Information technology				
Website hits (6)	1,582,195	1,199,765	210,985	210,651
Unique page views (8)	-	-	-	-
Treasurer				
General Revenue Collections:				
Real estate bills mailed	64,548	64,550	65,655	65,916
Personal property bills mailed	66,643	68,310	69,726	70,206
Dog tags issued	3,737	3,576	4,466	4,283
Judicial administration				
Adult court services				
Average daily caseload	450	315	310	350
Circuit court (2)				
Civil cases	561	687	595	849
Criminal cases	1,123	974	1,150	861
Clerk of the circuit court (by calendar year)				
Deed book recording	11,986	12,515	11,555	10,562
Judgments	1,555	1,290	1,348	1,256
Criminal cases	950	1,082	1,085	861
Concealed weapon permits	1,218	1,417	1,368	1,534
Public safety				
Detention center				
Prisoner transports	7,441	6,958	6,678	6,680
Average daily inmate population	102	91	82	86
Juvenile detention (9)				
Youth detained	50	50	50	2
Child care days	300	300	300	19
Juvenile probation				
Probation and paroles per month	110	110	110	50
Intakes	1,200	1,200	1,283	1,283

- (1) Operating indicators for the current year-end will not be available until the publication of the subsequent year's budget. Therefore, FY2024 information is not available.
- (2) Circuit court data based on calendar year.
- (3) Updated Recycled Materials - Tons rate in FY2016 to reflect correct statistic.
- (4) Transfer station operations began in FY2016.
- (5) As of FY2016, County Attorney revised reporting categories.
- (6) As of FY2017, Information Technology utilized a new method of website tracking.
- (7) As of FY2017, the Sheriff's Office utilized a new method for reporting categories.
- (8) As of FY2019, Information Technology utilized a new method of tracking website visitors.
- (9) As of FY2018, Juvenile Detention utilized a new method of reporting.
- (10) As of FY2017, the structure of the SAT test and scoring methodology changed.
- (11) One-time increase due to circumstances unique to FY2020.
- (12) As of FY2021, Economic Development utilized a new method of tracking website visitors.

Sources: Fauquier County Adopted Budgets; Fauquier County Departments; Fauquier County School Board Superintendent's Annual Reports
* Unavailable

Fiscal Year					
2019	2020	2021	2022	2023	2024 (1)
General government administration					
Commissioner of the revenue					
32,898	33,045	33,133	33,288	33,487	* Real estate number of parcels
3,767	3,867	3,714	3,721	3,475	* Land use number of parcels
80,590	82,202	79,902	82,595	82,066	* PPTRA qualifying vehicles
County attorney (5)					
-	-	-	-	-	* Total litigation files opened
331	86	121	125	41	* Active open litigation cases
Finance					
17,011	17,583	16,050	17,061	16,339	* Vendor checks issued
Human resources					
4,042	7,852	8,786	8,352	7,892	* Employment applications received
770	498	685	730	750	* New employees orientated
72,004	76,722	75,701	85,296	88,215	* Payroll annual checks/direct deposits
Information technology					
-	-	-	-	*	* Website hits (6)
1,343,804	1,376,035	1,625,059	1,578,427	1,638	* Unique page views (8)
Treasurer					
General Revenue Collections:					
66,252	66,139	66,429	66,638	67,093	* Real estate bills mailed
71,883	71,115	71,211	72,449	73,665	* Personal property bills mailed
4,118	2,970	3,967	3,965	1,697	* Dog tags issued
Judicial administration					
Adult court services					
322	288	222	187	194	* Average daily caseload
Circuit court (2)					
600	600	445	524	579	* Civil cases
860	900	607	660	776	* Criminal cases
Clerk of the circuit court (by calendar year)					
11,500	15,936	16,235	13,923	9,153	* Deed book recording
1,300	810	838	889	828	* Judgments
850	688	785	319	485	* Criminal cases
1,200	2,971	1,389	1,431	1,621	* Concealed weapon permits
Public safety					
Detention center					
6,338	4,953	2,398	4,791	4,487	* Prisoner transports
70	42	45	42	27	* Average daily inmate population
Juvenile detention (9)					
12	13	21	6	10	* Youth detained
5	472	23	25	25	* Child care days
Juvenile probation					
15	9	3	2	4	* Probation and paroles per month
928	1,020	880	845	609	* Intakes

Operating Indicators by Function
Last Ten Fiscal Years

Function	Fiscal Year			
	2015	2016	2017	2018
Public safety (continued)				
Operations				
911 calls for service	27,607	26,593	24,845	24,085
Hazardous material response	7 calls	10 calls	6 calls	5 calls
Emergency Response - EMS	7,533	7,706	4,551	7,705
Emergency Response - Fire	4,386	4,648	2,655	4,819
Emergency Response - Fire and EMS (11)	-	-	-	-
Sheriff (7)				
Traffic summonses issued	5,952	6,077	7,734	9,564
Misdemeanor arrests	1,937	1,811	1,184	1,955
Felony arrests	1,028	937	504	986
Civil papers served	19,342	14,412	13,528	16,065
Calls for service	68,577	24,099	23,997	24,839
Animal control calls for service	2,589	2,532	2,497	3,986
Joint communications				
Telephone calls processed	157,410	141,730	144,256	144,712
Dispatch actions performed	921,379	914,143	962,493	1,001,636
Calls for service	114,435	111,563	118,344	126,864
Public works				
Environmental services - convenience sites				
Trash - tons	17,608	19,368	19,653	19,476
Recycled materials - tons (3)	2,634	2,878	3,039	3,005
Resident visits	526,812	578,393	585,793	584,522
General services				
Facility work orders completed	7,542	8,500	8,210	8,300
Fleet vehicles/small engines	800	817	915	930
Preventive maintenance schedule	2,029	2,000	2,610	2,500
Health and welfare				
Children's Services Act (CSA)				
Congregate care	65	51	28	21
Foster care - therapeutic, specialized, regular	75	75	78	59
Community based services	195	196	194	198
Special Education Day Placements	46	52	50	40
SPED Wraps	20	10	8	17
Social services				
Adoption assistance	59	68	79	89
Long term care screenings	136	141	115	122

- (1) Operating indicators for the current year-end will not be available until the publication of the subsequent year's budget. Therefore, FY2024 information is not available.
- (2) Circuit court data based on calendar year.
- (3) Updated Recycled Materials - Tons rate in FY2016 to reflect correct statistic.
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- (5) As of FY2016, County Attorney revised reporting categories.
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- (10) As of FY2017, the structure of the SAT test and scoring methodology changed.
- (11) One-time increase due to circumstances unique to FY2020.
- (12) As of FY2021, Economic Development utilized a new method of tracking website visitors.

Sources: Fauquier County Adopted Budgets; Fauquier County Departments; Fauquier County School Board Superintendent's Annual Reports

* Unavailable

Fiscal Year						
2019	2020	2021	2022	2023	2024 (1)	
						Public safety (continued)
						Operations:
23,951	23,403	25,081	27,138	26,100	*	911 calls for service
5 calls	4 calls	3 calls	0 calls	3 calls	*	Hazardous material response
7,980	*	*	*	*	*	Emergency Response - EMS
5,527	*	*	*	*	*	Emergency Response - Fire
-	9,116	9,270	10,681	10,874	*	Emergency Response - Fire and EMS (1
						Sheriff (7)
7,665	5,243	7,570	7,599	11,569	*	Traffic summonses issued
1,532	1,110	1,071	1,045	990	*	Misdemeanor arrests
673	521	539	372	411	*	Felony arrests
17,032	13,081	12,351	12,250	12,685	*	Civil papers served
24,866	18,629	17,699	20,179	20,193	*	Calls for service
3,898	3,529	2,448	3,786	3,275	*	Animal control calls for service
						Joint communications
146,111	142,850	141,277	142,025	136,407	*	Telephone calls processed
967,744	846,844	892,344	908,795	939,364	*	Dispatch actions performed
118,019	104,723	110,181	111,501	116,072	*	Calls for service
						Public works
						Environmental services - convenience sites
19,304	18,190	18,624	16,667	15,952	*	Trash - tons
3,080	3,255	3,068	3,057	2,869	*	Recycled materials - tons (3)
581,980	597,656	608,337	626,159	603,445	*	Resident visits
						General services
8,300	7,200	7,522	8,238	8,091	*	Facility work orders completed
996	895	989	1,144	1,199	*	Fleet vehicles/small engines
2,570	2,450	2,616	2,320	2,607	*	Preventive maintenance schedule
						Health and welfare
						Children's Services Act (CSA)
26	23	17	14	11	*	Congregate care
62	51	27	49	62	*	Foster care - therapeutic, specialized, r
198	174	44	104	119	*	Community based services
37	49	28	40	47	*	Special Education Day Placements
27	20	35	35	44	*	SPED Wraps
						Social services
93	66	102	10	13	*	Adoption assistance
180	153	130	159	176	*	Long term care screenings

Operating Indicators by Function
Last Ten Fiscal Years

Function	Fiscal Year			
	2015	2016	2017	2018
Parks, recreation, and cultural				
Library				
Materials cataloged/processed	11,014	11,892	13,090	11,325
Periodicals cataloged/processed	3,387	3,208	3,154	2,982
Library patron visits	266,496	259,773	253,182	237,201
Parks and recreation				
Park attendance	789,325	850,526	894,230	783,884
Shelter rentals	343	356	369	356
Education				
Per pupil expenditures	12,173	12,097	12,141	12,394
High school completion rate	95%	97%	97%	97%
SAT scores (10)	1,546	1,561	1,125	1,092
Federal subsidized meals program	24.3%	24.5%	24.7%	26.6%
Community development				
Tourism e-newsletter distribution	44,217	50,407	54,400	57,120
Rezoning/comp plans	8	70	9	12
Preliminary/final subdivisions	2	1	1	-
Zoning, Permitting, and Inspections:				
Building permits issued	1,544	1,458	1,782	2,110
Building plans reviewed	1,312	1,490	1,898	1,594
Technical/Environmental Division:				
Land disturbing permits issued	230	281	390	402
Marketing response to website (6)	225,588	232,355	48,720	33,326
Website users (12)	-	-	-	-
Other funds				
Environmental services				
Residents using the landfill	1,630	1,705	1,757	3,108
Total tons recycled	17,011	15,756	19,942	19,921
Solid waste - tons to the landfill	47,957	5,821	7,994	10,931
Solid waste - tons to the transfer station (4)	-	44,962	43,635	44,643
Recycling rate	40%	43%	41%	39%
Fleet maintenance				
Internal service fund county users	46	46	45	46
Internal service fund non-county users	12	15	13	15
Total vehicles serviced	6,031	6,500	6,073	6,500

- (1) Operating indicators for the current year-end will not be available until the publication of the subsequent year's budget. Therefore, FY2024 information is not available.
- (2) Circuit court data based on calendar year.
- (3) Updated Recycled Materials - Tons rate in FY2016 to reflect correct statistic.
- (4) Transfer station operations began in FY2016.
- (5) As of FY2016, County Attorney revised reporting categories.
- (6) As of FY2017, Information Technology utilized a new method of website tracking.
- (7) As of FY2017, the Sheriff's Office utilized a new method for reporting categories.
- (8) As of FY2019, Information Technology utilized a new method of tracking website visitors.
- (9) As of FY2018, Juvenile Detention utilized a new method of reporting.
- (10) As of FY2017, the structure of the SAT test and scoring methodology changed.
- (11) One-time increase due to circumstances unique to FY2020.
- (11) As of FY2021, Economic Development utilized a new method of tracking website visitors.

Sources: Fauquier County Adopted Budgets; Fauquier County Departments; Fauquier County School Board Superintendent's Annual Reports

* Unavailable

Fiscal Year						
2019	2020	2021	2022	2023	2024 (1)	
						Parks, recreation, and cultural
						Library
10,039	8,736	8,136	8,553	8,956		* Materials cataloged/processed
2,825	2,513	2,076	1,634	1,555		* Periodicals cataloged/processed
218,062	148,265	58,454	119,773	151,029		* Library patron visits
						Parks and recreation
987,052	818,830	1,051,555	1,153,000	868,000		* Park attendance
357	198	418	745	567		* Shelter rentals
						Education
13,342	13,092	14,368	14,177	15,777		* Per pupil expenditures
96%	98%	97	97	97		* High school completion rate
1,101	1,095	1,120	1,113	1,116		* SAT scores (10)
26.9%	27.4%	-	-	34.7%		* Federal subsidized meals program
						Community development
16,150	16,240	16,190	15,408	9,300		* Tourism e-newsletter distribution
10	7	5	5	5		* Rezoning/comp plans
3	-	-	-	2		* Preliminary/final subdivisions
						Zoning, Permitting, and Inspections:
2,046	1,813	2,294	2,154	2,385		* Building permits issued
1,361	1,335	1,703	1,613	1,582		* Building plans reviewed
						Technical/Environmental Division:
258	297	302	340	303		* Land disturbing permits issued
39,725	44,177	-	-	*		* Marketing response to website (6)
-	-	12,955	10,239	18,018		* Website users (12)
						Other funds
						Environmental services
5,057	5,500	7,689	6,392	6,277		* Residents using the landfill
10,617	7,967	5,596	12,092	8,665		* Total tons recycled
1,309	1,340	1,833	2,382	1,876		* Solid waste - tons to the landfill
50,759	49,362	49,215	47,448	45,235		* Solid waste - tons to the transfer static
36%	29%	35%	32%	35%		* Recycling rate
						Fleet maintenance
58	75	46	46	46		* Internal service fund county users
8	6	8	8	8		* Internal service fund non-county users
6,442	6,080	6,500	6,500	5,000		* Total vehicles serviced

Capital Asset Statistics by Function
Last Ten Fiscal Years

Function	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Judicial administration										
Detention center capacities	56	56	56	56	56	56	56	56	56	56
Public safety										
Fire and rescue companies	11	11	10	10	10	10	10	9	9	9
Public works (1)										
Active vehicles	454	494	362	386	413	426	452	393	423	437
County owned buildings	57	57	64	66	69	71	71	75	86	86
Sq. ft. in buildings	455,883	540,986	422,325	436,067	456,244	467,913	467,913	488,663	505,836	505,836
Parks, recreation, and cultural										
Libraries	3	3	3	3	3	3	3	3	3	3
Volumes	210,356	210,933	207,989	210,181	204,321	198,473	196,814	190,392	186,834	180,238
Parks and recreation facilities	35	36	35	38	40	40	46	54	54	54
Land acres	886	890	892	909	1,109	1,085	1,139	1,139	1,139	1,139
Water acres	115	115	115	116	116	115	116	116	116	116
Trails (miles)	20	20	20	25	26	26	26	25	25	25
Fields	57	57	57	57	57	58	58	74	74	74
Boats	34	34	34	40	42	42	42	41	41	41
Shelters	19	19	18	19	19	19	20	15	15	15
Swimming pools	2	2	2	2	2	2	2	2	2	2
Education										
Elementary schools										
Buildings	11	11	11	11	11	11	11	11	11	11
Sq. ft. in buildings	717,016	717,016	717,016	717,016	717,016	717,016	717,016	717,016	714,016	735,555
Capacity	6,176	6,176	6,176	6,176	6,176	6,176	6,176	6,176	6,176	6,176
Middle schools										
Buildings	5	5	5	5	5	5	5	5	5	4
Sq. ft. in buildings	514,110	514,110	514,110	514,110	514,110	514,110	514,110	514,110	517,110	760,577
Capacity	3,194	3,194	3,194	3,194	3,194	3,194	3,194	3,194	3,262	2,794
High schools										
Buildings	3	3	3	3	3	3	3	3	3	3
Sq. ft. in buildings	848,210	848,210	848,210	848,210	848,210	848,210	848,210	848,210	848,210	791,436
Capacity	4,342	4,342	4,342	4,364	4,364	4,364	4,364	4,342	4,342	4,342
Alternative schools										
Buildings	1	1	1	1	1	1	1	1	1	1
Sq. ft. in buildings	19,563	19,563	19,563	19,563	19,563	19,563	19,563	19,563	19,563	17,754
Capacity	191	220	220	220	220	220	220	220	220	220
Number of school buses	170	179	179	173	159	163	178	180	175	182
Airport										
Miles of runways	0.95	0.95	0.95	0.95	0.95	0.95	0.95	0.95	0.95	0.95
Number of hangars	11	11	11	11	11	11	11	6	5	5

Sources: Fauquier County Administration; Fauquier County Fleet Operations; Fauquier County Parks & Recreation; Fauquier County General Services; Fauquier County Department of Fire, Rescue and Emergency Management; Fauquier County Public Schools

(1) The County implemented a new methodology for better calculating public works statistical data in FY2017.



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

**To the Honorable Members of the Board of Supervisors
County of Fauquier, Virginia
Warrenton, Virginia**

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Fauquier, Virginia as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the County of Fauquier, Virginia's basic financial statements and have issued our report thereon dated November 29, 2024.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County of Fauquier, Virginia's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

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

Robinson, Farmer, Cox Associates

Fredericksburg, Virginia

November 29, 2024



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

**To the Honorable Members of the Board of Supervisors
County of Fauquier, Virginia
Warrenton, Virginia**

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

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

Report on Internal Control over Compliance: (Continued)

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

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

Robinson, Farmer, Cox Associates

Fredericksburg, Virginia

November 29, 2024



COUNTY OF FAUQUIER, VIRGINIA

Schedule of Expenditures of Federal Awards
 Primary Government and Discretely Presented Component Unit
 For the Period Ended June 30, 2024

Federal Granting Agency/Pass-Through Agency/Grant Program	ALN Number	Pass- Through Agency Identifying Number	Federal Expenditures	Totals by Agency
Primary Government:				
DEPARTMENT OF AGRICULTURE:				
Passed through the Commonwealth of Virginia:				
<u>Department of Social Services</u>				
SNAP Cluster:				
Supplemental Nutrition Assistance Program	10.561	10124	\$ 1,057,252	
Total SNAP Cluster			1,057,252	
Total Department of Agriculture				1,057,252
DEPARTMENT OF HEALTH AND HUMAN SERVICES:				
Passed through the Commonwealth of Virginia:				
<u>Department of Education:</u>				
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	APE40297	23,536	
<u>Department of Social Services:</u>				
Guardianship Assistance	93.090	1110124	799	
Title IV-E Prevention Program	93.472	1140124	10,836	
MaryLee Allen Promoting Safe and Stable Families Program	93.556	950123	19,880	
Total 93.556			19,880	
Temporary Assistance for Needy Families	93.558	400123/400124	252,683	
Temporary Assistance for Needy Families	93.558	FAM-22-078-17	13,042	
Total 93.558			265,725	
Refugee and Entrant Assistance-State Admin Programs	93.566	500123/500124	3,485	
Low-Income Home Energy Assistance	93.568	600424	49,320	
CCDF Cluster:				
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	760123/760124	64,452	
Total CCDF Cluster			64,452	
Chafee Education and Training Vouchers Program (ETV)	93.599	9160123	719	
Adoption and Legal Guardianship Incentive Payments	93.603	1130120/1130122	1,619	
Stephanie Tubbs Jones Child Welfare Services Program	93.645	900122/900123	406	
Foster Care Title IV-E	93.658	1100123/1100124	381,282	
Adoption Assistance	93.659	1120123/1120124	800,915	
Social Services Block Grant	93.667	1000123/1000124	348,591	
Total 93.667			348,591	
Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services (ARPA)	93.671	FAM-22-078-17	100,000	
Total 93.671			100,000	
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	9150122/9150123	4,991	
Total 93.674			4,991	
Elder Abuse Prevention Interventions Program	93.747	8000321	16,865	
Children's Health Insurance Program	93.767	540123/540124	9,491	
Medicaid Cluster:				
Medical Assistance Program	93.778	1200123/1200124	834,087	
Total Medicaid Cluster			834,087	
Total Department of Health and Human Services				2,936,999
DEPARTMENT OF HOMELAND SECURITY:				
Direct payments:				
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	Not Applicable	1,344,864	
Passed through the Commonwealth of Virginia:				
<u>Department of Emergency Services:</u>				
Emergency Management Performance Grants	97.042	122463	15,229	
Total Department of Homeland Security				1,360,093

COUNTY OF FAUQUIER, VIRGINIA

**Schedule of Expenditures of Federal Awards
Primary Government and Discretely Presented Component Unit
For the Period Ended June 30, 2024**

Federal Granting Agency/Pass-Through Agency/Grant Program	ALN Number	Pass- Through Agency Identifying Number	Federal Expenditures	Totals by Agency
DEPARTMENT OF JUSTICE:				
Direct payments:				
State Criminal Alien Assistance Program	16.606	Not Applicable	17,802	
Bulletproof Vest Partnership Program	16.607	Not Applicable	11,346	
Passed through the Commonwealth of Virginia:				
<u>Department of Criminal Justice Services</u>				
Edward Byrne Memorial Justice Assitance Grant Program	16.738	497473	2,213	
Crime Victim Assistance	16.575	118457/122648/120577	189,644	
SASP Grant	16.017	120579	5,772	
Total Department of Justice			<u>226,777</u>	<u>226,777</u>
DEPARTMENT OF TRANSPORTATION:				
Direct payments:				
Airport Improvement Program	20.106	Not Applicable	88,780	
Passed through the Commonwealth of Virginia:				
<u>Department of Transportation:</u>				
Highway Planning and Construction	20.205	UPC 116918	8,764	
Passed through the Commonwealth of Virginia:				
<u>Department of Motor Vehicles:</u>				
Highway Safety Cluster:				
State and Community Highway Safety	20.600	BPT-2024-54094-23094	19,072	
State and Community Highway Safety	20.600	BPT-2023-53174-23174	3,276	
	<u>Total 20.600</u>		<u>22,348</u>	
Total Highway Safety Cluster			22,348	
Alcohol Open Container Requirements	20.607	ENF_AL-2023-53171-23171	1,426	
	<u>Total 20.607</u>		<u>1,426</u>	
Total Department of Transportation				<u>121,318</u>
DEPARTMENT OF THE TREASURY:				
Direct Payments:				
Secret Service Task Force	21.000	Not Applicable	739	
Passed through the Commonwealth of Virginia:				
<u>Department of the Treasury</u>				
COVID-19 Coronavirus State and Local Recovery Funds	21.027	Not Applicable	3,767,052	
COVID-19 Coronavirus State and Local Recovery Funds	21.027	Not Applicable	694,762	
<u>Department of Criminal Justice Services</u>				
COVID-19 Coronavirus State and Local Recovery Funds	21.027	112372	152,000	
<u>Department of Social Services</u>				
COVID-19 Coronavirus State and Local Recovery Funds	21.027	9122222	25,444	
COVID-19 Coronavirus State and Local Recovery Funds	21.027	22-A3423ARRF	27,604	
<u>Virginia Tourism Commission</u>				
COVID-19 Coronavirus State and Local Recovery Funds	21.027	Not Available	78,538	
	<u>Total 21.027</u>		<u>4,745,400</u>	
Total Department of the Treasury				<u>4,746,139</u>

Schedule of Expenditures of Federal Awards
 Primary Government and Discretely Presented Component Unit
 For the Period Ended June 30, 2024

Federal Granting Agency/Pass-Through Agency/Grant Program	ALN Number	Pass-Through Agency Identifying Number	Federal Expenditures	Totals by Agency
Component Unit - School Board:				
DEPARTMENT OF AGRICULTURE:				
Passed through the Commonwealth of Virginia:				
<u>Department of Education:</u>				
COVID-19 Pandemic EBT Administrative Costs	10.649	DOE86556	3,256	
Team Nutrition Grants	10.574	APE60072	875	
Child Nutrition Cluster:				
School Breakfast Program	10.553	APE40253	663,174	
<u>Department of Agriculture and Consumer Services:</u>				
National School Lunch Program	10.555	APE41108	209,753	
National School Lunch Program	10.555	APE 40254, APE41106	2,146,343	
National School Lunch Program - Commodities	10.555	APE41108	453,399	
	<u>Total 10.555</u>		<u>2,809,495</u>	
Summer Food Service Program for Children	10.559	APE41108	10,368	
Total Child Nutrition Cluster			2,819,863	
Total Department of Agriculture				<u>3,487,168</u>
DEPARTMENT OF DEFENSE:				
Direct Payments:				
Junior ROTC Program	12.000	Not Applicable	90,904	
Total Department of Defense				<u>90,904</u>
DEPARTMENT OF EDUCATION:				
Passed through the Commonwealth of Virginia:				
<u>Department of Education:</u>				
Title I Grants to Local Educational Agencies	84.010	APE42901	902,348	
COVID-19 ESSER-Elementary and Secondary School Emergency Relief Fund	84.425	U APE50193	3,863,329	
COVID-19 ESSER-Elementary and Secondary School Emergency Relief Fund	84.425	U APE50175	101,824	
	<u>Total 84.425</u>		<u>3,965,153</u>	
Special Education Cluster (IDEA):				
Special Education Grants to States	84.027	APE43071	2,219,594	
COVID-19 Special Education Preschool Grants	84.173	DOE86537	19,718	
Special Education Preschool Grants	84.173	APE62521, APE60515	63,060	
	<u>Total 84.173</u>		<u>82,778</u>	
Total Special Education Cluster (IDEA)			2,302,372	
Career and Technical Education -- Basic Grants to States	84.048	APE60031, APE61095	139,250	
English Language Acquisition State Grants	84.365	APE60512, APE60590	102,050	
Supporting Effective Instruction State Grant	84.367	APE61480	185,460	
Student Support and Academic Enrichment Program	84.424	APE60281	52,848	
Total Department of Education				<u>7,649,481</u>
Total Expenditures of Federal Awards - Reporting Entity				<u>\$ 21,676,131</u>

COUNTY OF FAUQUIER, VIRGINIA

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

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the County of Fauquier, Virginia under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County of Fauquier, Virginia, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County of Fauquier, Virginia.

Note 2 - Summary of Significant Accounting Policies

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

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

(3) The County did not elect to use the 10% de minimis indirect cost rate.

(4) The County did not pass any federal awards through to subrecipients during the year ended June 30, 2024.

Note 3 - Relationship to Financial Statements

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

Intergovernmental federal revenues per the basic financial statements:

Primary government:	
General Fund	\$ 4,234,019
Capital Projects Fund	8,764
Debt Service Fund	401,957
Fire and Rescue Fund	1,360,093
Other Governmental Funds	4,736,821
Airport Fund	<u>88,780</u>
Total primary government	<u>10,830,434</u>
Component Unit- School Board	
School General Fund	7,763,921
School Nutrition Fund	<u>3,487,168</u>
Total component unit school board	<u>11,251,089</u>
Total federal revenues per basic financial statements	<u>22,081,523</u>
Reconcile federal revenues to expenditures	
Less:	
Payments in lieu of taxes	(3,435)
Federal tax credit subsidy on QSCB Bonds	<u>(401,957)</u>
Total reconciling items	<u>(405,392)</u>
Total federal expenditures per the Schedule of Expenditures of Federal Awards	\$ <u><u>21,676,131</u></u>

COUNTY OF FAUQUIER, VIRGINIA

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

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? No

Significant deficiency(ies) identified? No

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:

Material weakness(es) identified? No

Significant deficiency(ies) identified? None reported

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)? No

Identification of major programs:

<u>CFDA #</u>	<u>Name of Federal Program or Cluster</u>
21.027	COVID-19 - Coronavirus State and Local Fiscal Recovery Funds
84.425	COVID-19 - Education Stabilization Fund
10.553/10.555/10.559	Child Nutrition Cluster
93.778	Medical Assistance Program

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? No

Section II - Financial Statement Findings

There were no financial statement findings to report.

Section III - Federal Award Findings and Questioned Costs:

There were no federal award audit findings and questioned costs to report.

Section IV - Prior Audit Findings:

2023-001 Material Weakness – School Grant Revenue Accruals

A similar finding is not reported in the 2024 findings and questioned costs.

