FLUVANNA COUNTY VIRGINIA 1777

County of Fluvanna, Virginia

Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2025

A great place to live, learn, work, and play!

COUNTY OF FLUVANNA, VIRGINIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

YEAR ENDED JUNE 30, 2025

Prepared By:

Department of Finance
County of Fluvanna, Virginia
Eric Dahl, Tori Melton, and Theresa McAllister

COUNTY OF FLUVANNA, VIRGINIA

Annual Comprehensive Financial Report
Fiscal Year Ended June 30, 2025

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COUNTY OF FLUVANNA

"Responsive & Responsible Government"

132 Main Street
P.O. Box 540
Palmyra, VA 22963
(434) 591-1910
Fax (434) 591-1911
www.fluvannacounty.org

December 15, 2025

To the Citizens of Fluvanna County, Virginia
To the Honorable Members of the Board of Supervisors of Fluvanna County

We are pleased to submit to you the Annual Comprehensive Financial Report (ACFR) for the County of Fluvanna (the "County") for the fiscal year ended June 30, 2025. The *Code of Virginia* requires that local governments publish, within six months of the close of each fiscal year, a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants. This report has been prepared by the Department of Finance in accordance with the standards of financial reporting as prescribed by the Governmental Accounting Standards Board (GASB), the Financial Accounting Standards Board (FASB) where applicable, and the Auditor of Public Accounts (APA).

This report consists of management's representations concerning the finances of the County. Consequently, management assumes full responsibility for the completeness and fairness of presentation of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the County has established a comprehensive internal control framework that is designed to ensure compliance with applicable laws, regulations and County policies, to safeguard the County's assets, and to compile sufficient reliable information for the preparation of the County financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the County's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and accurate in all material respects, and presents fairly the financial position and results of operations of the various funds and component units of the County

This report is intended to provide informative and relevant financial information for the citizens of the County, the Board of Supervisors (the Board), investors, creditors and other concerned readers. All are encouraged to contact the Department of Finance with any comments or questions concerning this report.

The County's financial statements have been audited by Robinson, Farmer, Cox, Associates, L.L.P., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended June 30, 2025, are free of material misstatement. The independent audit 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 financial statement presentation.

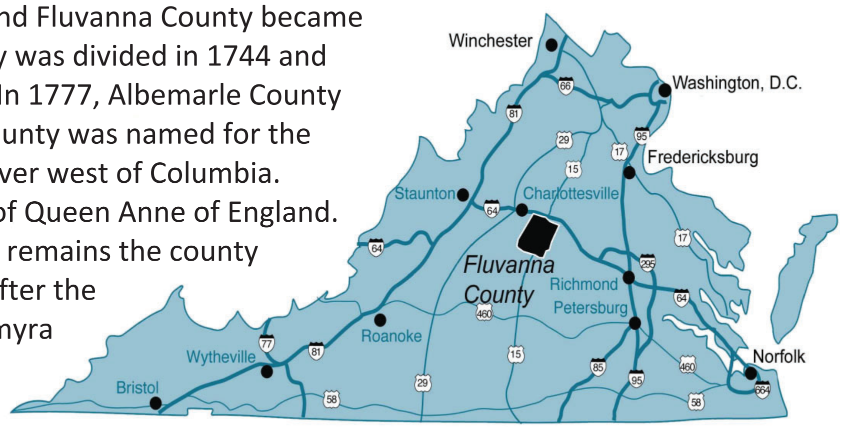
The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the County's financial statements for the fiscal year ended June 30, 2025 are fairly presented in all material respects, in conformity with GAAP. The auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the County 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 compliance with the financial and administrative requirements applicable to each of the County's major federal programs. These reports are available in the Compliance Section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The County's MD&A can be found immediately following the report of the independent auditors.

PROFILE OF THE COUNTY

The County was established in 1777 after several divisions from other counties with the final division from Albemarle County. Fluvanna County was once part of Henrico County, one of the original shires of the Virginia Colony. In 1727, Henrico County was divided and Fluvanna County became a part of Goochland County. Goochland County was divided in 1744 and Fluvanna became a part of Albemarle County. In 1777, Albemarle County was divided to create Fluvanna County. The County was named for the Fluvanna River, the name given to the James River west of Columbia. Fluvanna is Latin for "Anne's River" – in honor of Queen Anne of England. Palmyra was made the county seat in 1828 and remains the county seat today. It quickly became a thriving town after the courthouse was completed in 1830. While Palmyra has changed and modernized over the years, it still possesses an aura of tranquility.



The County operates under the traditional 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 electoral districts in the County: Columbia, Cunningham, Fork Union, Palmyra, and Rivanna. 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 the policies established by the Board of Supervisors, and directs business and administrative procedures within the County government. The County has taxing powers subject to statewide restriction and tax limits.

PROFILE OF THE COUNTY (CONTINUED)

Fluvanna County is centrally located in the heart of Virginia, 120 miles south of Washington, D.C., 60 miles west of Richmond, Virginia, and 25 miles southeast of Charlottesville, Virginia. The location of the County can be described as the Piedmont Plateau Physiographic Province and is characterized by gently rolling hills. The County encompasses a land area of 282 square miles. Two U.S. primary and two State primary routes traverse the County. The County is bounded, in effect, by Interstate 64 to the north and by the James River to the south. The Rivanna River, the Commonwealth's first designated "Scenic River", bisects the county and joins the James at the historic town of Columbia. Agriculture remains important in Fluvanna's economy. Two-thirds of the county's land is forested with most open land devoted to farming and grazing.

In addition to the elected Board of Supervisors, five constitutional officers are elected. These officers include the Clerk of the Circuit Court, the Sheriff, the Commonwealth's Attorney, the Treasurer, and the Commissioner of the Revenue. Two officials are elected to serve as County representatives on the Thomas Jefferson Soil & Water Conservation District Board. Five officials are elected to serve as the Fluvanna County School Board.

The departments of the Board of Supervisors, County Administrator, County Attorney, Commissioner of the Revenue, Treasurer, Information Technology, Finance, Registrar, and Human Resources constitute the general government administration of the County. The County Administrator, Constitutional officers, along with the Directors of the various departments, implement the laws and policies of the County by developing and executing the procedures that are necessary in order to provide general support services to County residents.

The Court system is made up of the Circuit Court, General District Court, Juvenile and Domestic Relations Court, Clerk of the Circuit Court, Court Services, and Commonwealth's Attorney. The public safety operations of the County include the Sheriff, Emergency Communications, Emergency Management, Fire and Rescue Squads, Emergency Services, Animal Control, Building Inspections, Blue Ridge Juvenile Detention, and Central Virginia Regional Jail.

Public Works is comprised of the departments of Facilities, Utilities, and Public Works which administers capital projects of the County and oversees solid waste management, Sewer, the Zion Crossroads Water and Sewer System and the Fork Union Sanitary District.

The Department of Social Services determines eligibility for public assistance programs, which are mandated by federal and state law. The Community Services Board provides mental health, mental retardation, and substance abuse services. In addition, it provides adult services, group home services, and supervised living services. Fluvanna is served by the Thomas Jefferson Health District along with Charlottesville, and Albemarle, Greene, Louisa, and Nelson counties.

Parks and Recreation provides and promotes leisure services including park activities, educational and hobby programs, senior citizen activities, youth programs, adult athletic leagues, special events, and other activities for County residents. The Fluvanna County Library provides public library service to the County.

The Planning and Zoning Department provides numerous services that relate to the well-being and orderly development of the community. Primary areas of responsibility include the Comprehensive Plan, current and long range planning, and code enforcement. This Department also maintains the geographic information system (GIS) for developing, maintaining, and distributing geographic related data sets and applications. The Economic Development Department has responsibility for attracting and retaining high quality business and industry.

PROFILE OF THE COUNTY (CONTINUED)

The County provides education through its own school system administered by the Fluvanna County School Board (the School Board). The County promotes commerce through the Economic Development Authority of Fluvanna County, Virginia (the EDA). These agencies have been classified as discretely presented component units in the financial reporting entity because they are legally separate entities for which the County is financially accountable. The EDA has the power to issue tax-exempt industrial development revenue bonds on behalf of qualifying enterprises wishing to utilize that form of financing, as well as to finance County facilities. Those bonds do not constitute a debt or pledge of the faith and credit of the County, but represent limited obligations of the EDA payable solely from the revenue and receipts derived from the projects funded with the proceeds.

The School Board administers its own appropriations within the categories defined by the Commonwealth of Virginia. The Board of Supervisors' financial accountability over the School Board is also limited to approving transfers to the education funds and authorizing school debt issuances. The Fluvanna County Public Schools is the single largest service provided by the County. The elected School Board is composed of five members who represent the five electoral districts. The School Board appoints a Superintendent to administer the policies of the School Board. The school system is comprised of one high school, one middle school, and three elementary schools. The K-12 End-of-Year Membership as of June 2025 totaled 3,317 students. The Fluvanna High School Completion Rate is 95.14% (VA On-Time Graduation Rate) with 63.9% of graduates seeking higher education.

Virginia law requires the County to maintain a balanced budget in each fiscal year. The annual budget serves as the foundation of the County's financial planning and control. These budgetary controls ensure compliance with provisions embodied in the annual appropriated budget approved by the Board of Supervisors. Activities of the general fund and capital projects fund are included in the annual appropriated budget. All agencies and departments of the County are required to submit requests for appropriation to the County Administrator by the date established in the budget calendar. The County Administrator uses these requests as the starting point for developing a proposed budget. Then, the County Administrator presents the proposed budget to the Board who begin a series of work sessions. The Board is required to hold a public hearing on the proposed budget and to adopt a final budget by no later than June 30th, the close of the County's fiscal year, as required by 15.2-2503, Code of Virginia of 1950, as amended. A budget is not required for fiduciary funds. The appropriated budget is prepared by fund and function (e.g., public safety) with the appropriations resolution adopted by the Board placing legal restrictions on expenditures at the fund and function level.

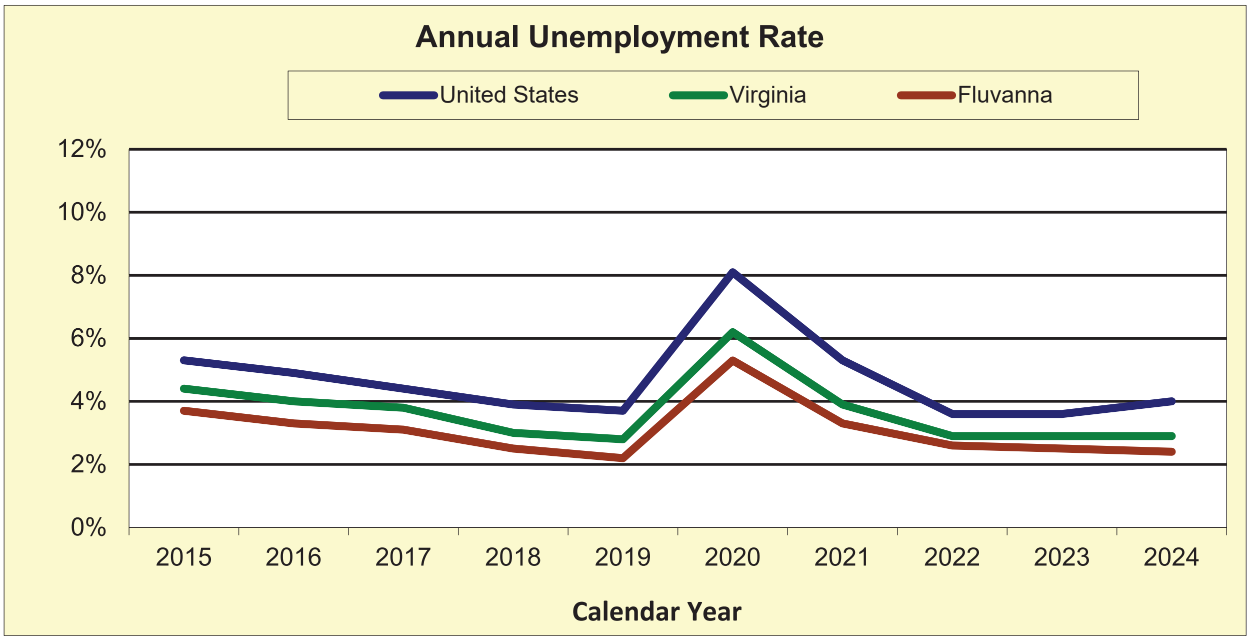
When necessary, the Board of Supervisors approves amendments to the adopted budget in accordance with 15.2-2507, Code of Virginia of 1950, as amended. Budgetary compliance is monitored and reported at the department level. The budget is implemented through appropriations that the Board makes annually, with supplemental appropriations made as required. These appropriations, except those to incur mandated expenditures, may be greater or less than contemplated in the budget.

FACTORS AFFECTING FINANCIAL CONDITION

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

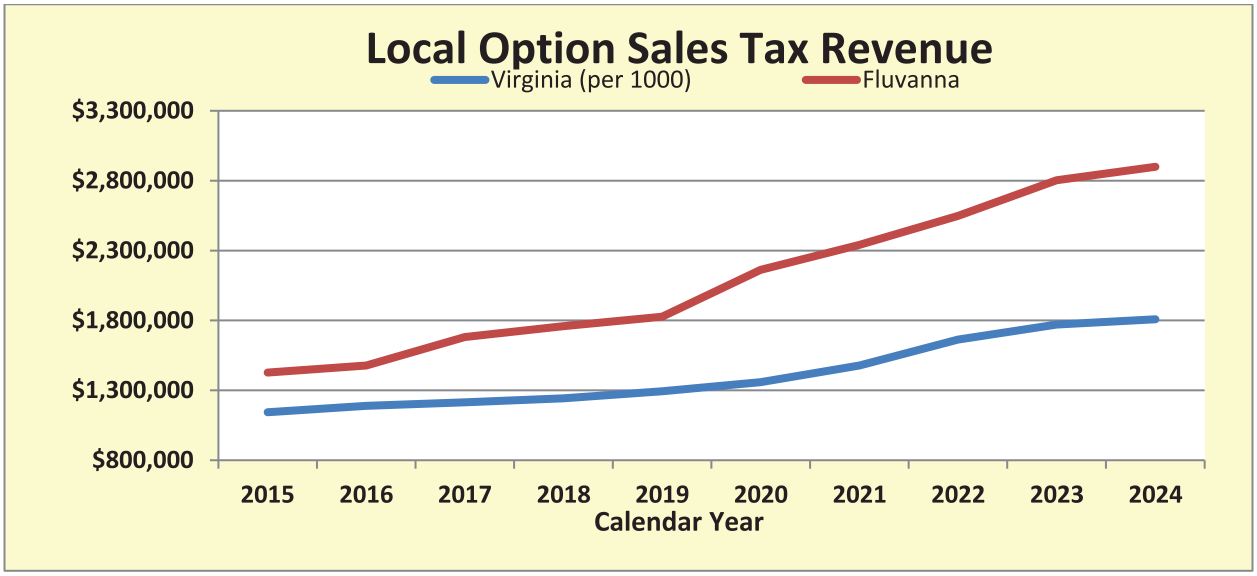
Local Economy

Based on available economic data, the annual local unemployment rate for 2024 was 2.4%, 0.1% decrease than the 2.5% annual local unemployment rate for 2023. The local unemployment rate compares favorably to the state and national rate of 2.9% and 4.0%, respectively. The predominant industries are government, education, administrative and support services, health care, and retail trade. As of June 2025, monthly unemployment data reflects rates trending upward at 3.4%.



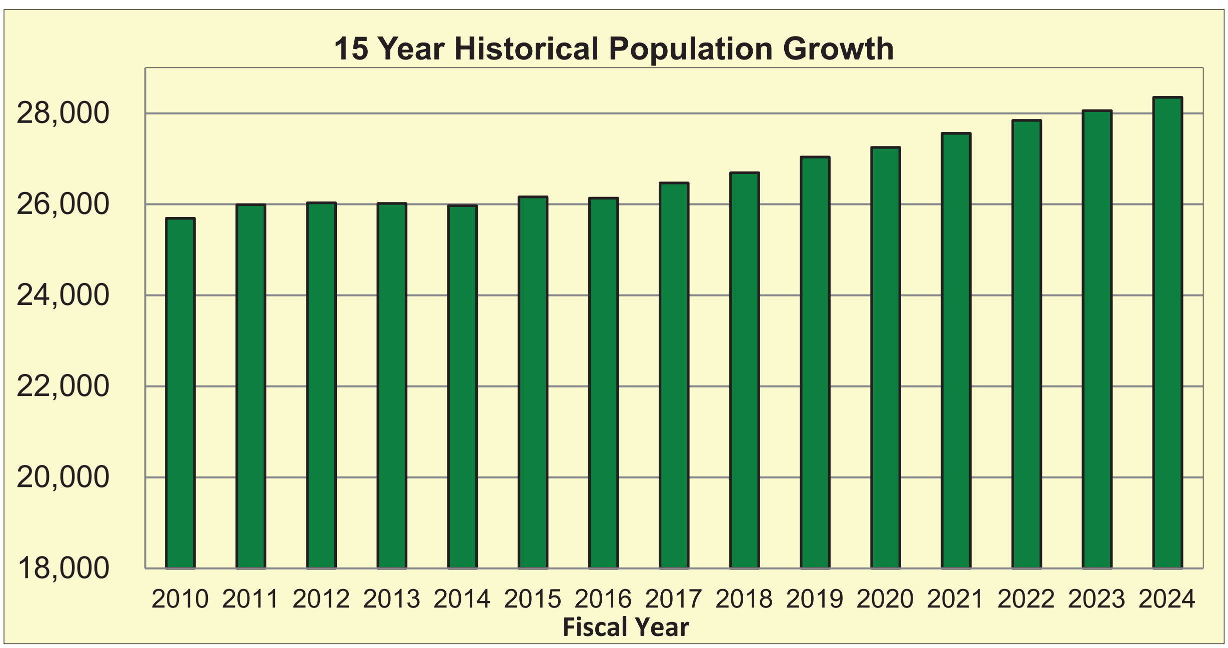
Source: Virginia Employment Commission, Local Area Unemployment Statistics - Annual, Not Seasonally Adjusted

Sales tax revenue can also be an indicator of the overall condition of the County's economy. As seen in the chart below, there has been strong growth in the Local Option Sales Tax revenue in Fluvanna County over the past five years. Local Option Sales Tax revenue has increased 3.46% over the previous year and 64.9% from 2018 to 2024. In contrast, Virginia has seen a 45.4% increase during the same time period. Within the last ten years, Fluvanna County experienced its highest single year increase from 2019 to 2020 at 18.4%. This can be directly attributed to changes implemented from the Commonwealth for online retailers making more than $100,000 in annual gross sales to collect and pay sales tax starting July 1, 2019. Another reason for the Local Option Sales Tax increase is due to residents shopping locally and having additional options.



Source: Virginia Department of Taxation, Revenue Forecasting – Annual

The population growth in the County has increased over the years due to competitively priced housing, a rural setting, and approximation to major urban centers, including Charlottesville and Richmond. Fluvanna County saw an increase of 28.2% in population growth between the 2000 and the 2010 census. However, population growth has moderated from the 2010 to 2020 census at a rate of 6.1%. The population growth has increased an estimated 1.0% from 2023 to 2024.



Source: Weldon Cooper Center for Public Service, Demographics & Workforce Group - July 1st Estimates

FACTORS AFFECTING FINANCIAL CONDITION (CONTINUED)

Financial Policies

Fluvanna continues to adhere to a conservative fund balance policy that maintains unassigned fund balance at a minimum of 12% of General Fund revenues plus Component Unit School Fund revenues, less the operating transfer from the General Fund.

MAJOR INITIATIVES

For fiscal year 2025, following the priorities established by the County of Fluvanna Board of Supervisors, and with the assistance and guidance of the County Administrator, County staff and agencies implemented and continued a number of specific projects designed to provide County residents with cost efficient government while enhancing their home and employment environment. Major initiatives begun, continued, or completed during this fiscal year are:

- The Zion Crossroads water and sewer system provides water and sewer infrastructure for Fluvanna County's growth corridor in Zion Crossroads from the intersection of Route 250 and Route 15, going west approximately 2.5 miles on Route 250 towards Charlottesville and going south approximately 1 mile on Route 15. The Board of Supervisors appropriated $775,000 for the design of the Zion Crossroads water and sewer system. In August 2017, a water and sewer Revenue Bond was issued, providing $8.6 million in project funds. In June 2020, an additional water and sewer Revenue Bond was issued, providing $2.8 million in project funds. The project became operational in October 2022. The County has been working on punch list items pertaining to the project and is expected to issue an Invitation For Bid (IFB) to complete those items in spring 2026.

- The Pleasant Grove Park and Commons Blvd. complex water and sewer system expansion Preliminary Engineering Report (PER) continued in fiscal year 2025, which will provide options for necessary infrastructure for Pleasant Grove Park current and future amenities. This evaluation will also provide options for consolidated water and sewer infrastructure for the Commons Blvd. complex, which is the current location of the Sheriff's Office and Library, as well as the future site for a new Government Center Building. The PER is anticipated to be completed December 2025.

- The County continued the work on a Preliminary Engineering Report (PER) with the Virginia Department of Corrections - Fluvanna Women's Correctional Center for an expansion of their wastewater treatment plant for future County uses. This report will provide the County options for long-term sewer capacity in Zion Crossroads. The PER is anticipated to be completed January 2026.

- The James River Water Authority (JRWA) water system is supported 50/50 and created by Fluvanna and Louisa County. This project will construct a raw water intake system and pipeline from the James River to serve the 50 year water supply needs of Fluvanna and Louisa County. The pipeline from the water intake system will terminate around Route 6 in the southeast corner of Fluvanna County. Both County's will have access to the water system, with an ultimate water withdrawal of 8.57 million gallons per day. In May 2016, a Revenue Bond was issued, providing $9.6 million in project funds. In May 2024, an additional Revenue Bond was issued, providing $48.1 million in project funds. The project is currently under construction, with an anticipated completion date of October 2027.

MAJOR INITIATIVES (CONTINUED)

- In June 2021, Dominion Energy proffered to the County $49.6 million for water supply improvements in the Fork Union Sanitary District and a public amenity/recreation and green infrastructure payment. The proffer is associated with the rezoning for the Dominion Energy Bremo Power Station Coal Combustion Residual remediation project in Fluvanna County. This proposed project will provide a water treatment plant and finished waterlines to the existing Fork Union Sanitary District. The raw water for this project will be sourced from the James River Water Authority allocation for Fluvanna County. A Preliminary Engineering Report (PER) was completed in 2025 as the first step to this important project and the engineering design for the system began in August 2026.

- Broadband expansion has been a priority for the County the last five years and funding of $2.2 million (Virginia Telecommunication Initiative grant, CARES Act, ARPA and General Fund) has been committed to advance this utility necessity for the community. In 2021, the County partnered with Central Virginia Electric Cooperative (CVEC) and its wholly owned subsidiary Firefly Fiber Broadband, and Dominion Energy to deploy high speed internet to all homes and businesses in the County. Currently, the County has 90% fiber connectivity and it is projected that the County will have 100% broadband coverage by Spring 2026.

- In September 2022, the County commissioned a Historic Structures Report for the Fluvanna County Historic Courthouse, which entails a condition assessment, develop treatment recommendations, create a maintenance schedule, and prepare a corresponding report. The report identified the significant restoration efforts required for the building, which lead to seeking Board of Supervisors funding and grants for the restoration. To date for this project, the County has appropriated $1,112,832 and also received grants from the state for $1,095,504. In FY25, the architectural and engineering work commenced, with completion in November 2025. An Invitation for Bid for the significant restoration project will be completed in December 2025.

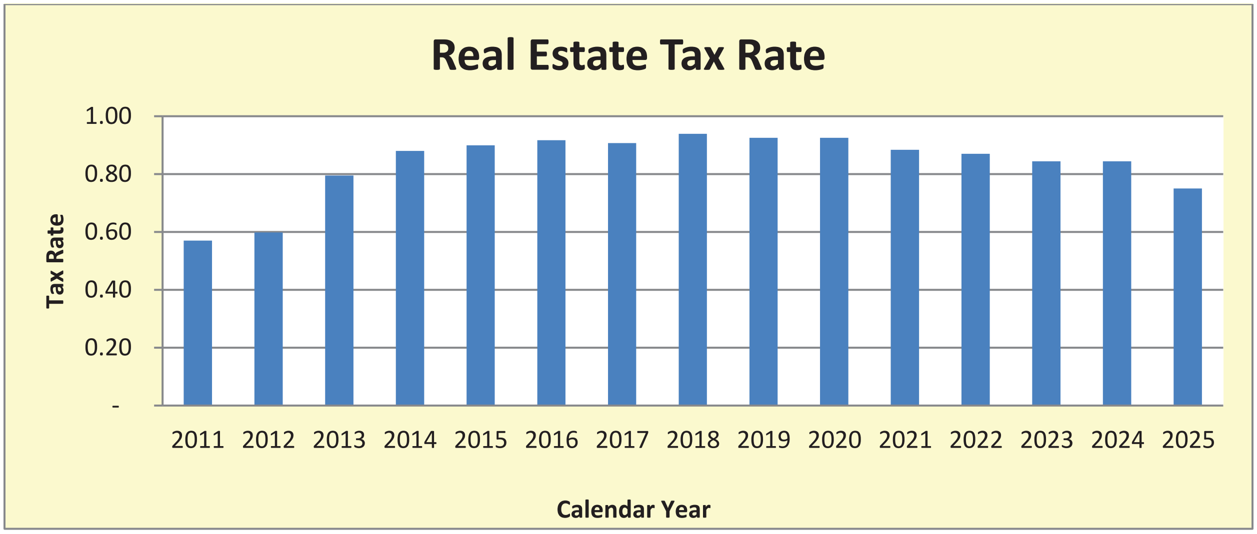
- The County has encountered space constraints in many of its buildings for years. To better understand the long-term space needs for the County, a Space Study and Conceptual Evaluation for future Fluvanna County government buildings began in the spring of 2025. The final report will be completed in December 2025, with the goal of proceeding to design phase services based upon the recommendations.

- The County received a $480,000 state grant in 2017 for a Live Fire Training Structure. After many unsuccessful Invitation For Bid attempts from bid costs being too high, the County decided to change the structure type in FY25 from a Prototype II to a Prototype IV, to achieve lower bid results. To date, in addition to the $480,000 state grant, the County has appropriated $1,203,320 for this project. The current Invitation For Bid results will be known in December 2025.

FUTURE BUDGET CONSIDERATIONS

For fiscal year 2026, the Board of Supervisors approved an Operating Budget of $117.8 million, inclusive of a General Fund budget of $68.1 million and a Capital Improvement budget of $10.2 million. The Board of Supervisors decreased the tax rate to 0.750 per $100 of assessed value for calendar year 2025, due to strong real estate value increases.

Below is the real estate tax rate history for 15 years.



AWARDS AND ACKNOWLEDGMENTS

The Governmental Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting (ACFR) to the County of Fluvanna for its comprehensive annual financial report for the fiscal year ended June 30, 2024. This is the fourteenth year that the County has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized ACFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

The preparation of this report could not have been accomplished without the cooperation and dedication of the staff of the Fluvanna County Finance Department, Robinson Farmer Cox Associates, and all County agencies and departments that assisted and contributed to the preparation of this Report. Credit also must be given to the Board of Supervisors for their unwavering support for maintaining the highest standards of professionalism in the management of Fluvanna County's finances.

Respectfully submitted,

Eric M. Dahl
County Administrator

COUNTY OF FLUVANNA, VIRGINIA

DIRECTORY OF PRINCIPAL OFFICIALS
June 30, 2025

Board of Supervisors

Chris Fairchild, Chair .... Cunningham District
Anthony P. O'Brien, Vice Chair .... Rivanna District
John M. Sheridan .... Columbia District
David M. Goad .... Fork Union District
Timothy M. Hodge .... Palmyra District
Caitlin Solis .... Clerk

Constitutional Officers

Andrew M. Sheridan .... Commissioner of Revenue
Deborah A. Rittenhouse .... Treasurer
Jeffrey W. Haislip .... Commonwealth's Attorney
Eric B. Hess .... Sheriff
Tristana Treadway .... Clerk of the Circuit Court

County Administrative Officials

Eric M. Dahl .... County Administrator

School Board

Andrew Pullen, Chair .... Columbia District
Andre' Key, Vice Chair .... Rivanna District
Danny Reed .... Fork Union District
Dr. James Kelly .... Palmyra District
Charles Rittenhouse .... Cunningham District
Brandi Critzer .... Clerk

School Administrative Officials

Dr. Peter Gretz. .... Superintendent of Schools

Social Services Board

Deborah Johnson, Chair .... Fork Union District
David Wells, Vice Chair .... Rivanna District
Sandra Patterson .... Columbia District
Martha Brown Snyder .... Palmyra District
James Wilkins .... Cunningham District
Timothy M. Hodge .... Board of Supervisor's Representative

Social Services Administrative Official

Kimberly Mabe .... Director of Social Services

Other Officials

Hon. David M. Barredo .... Judge of the Circuit Court
Hon. Theresa W. Carter .... Judge of the General District Court
Hon. Barbara G. Lowe .... Judge of the Juvenile and Domestic Relations District Court

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of Fluvanna
Virginia

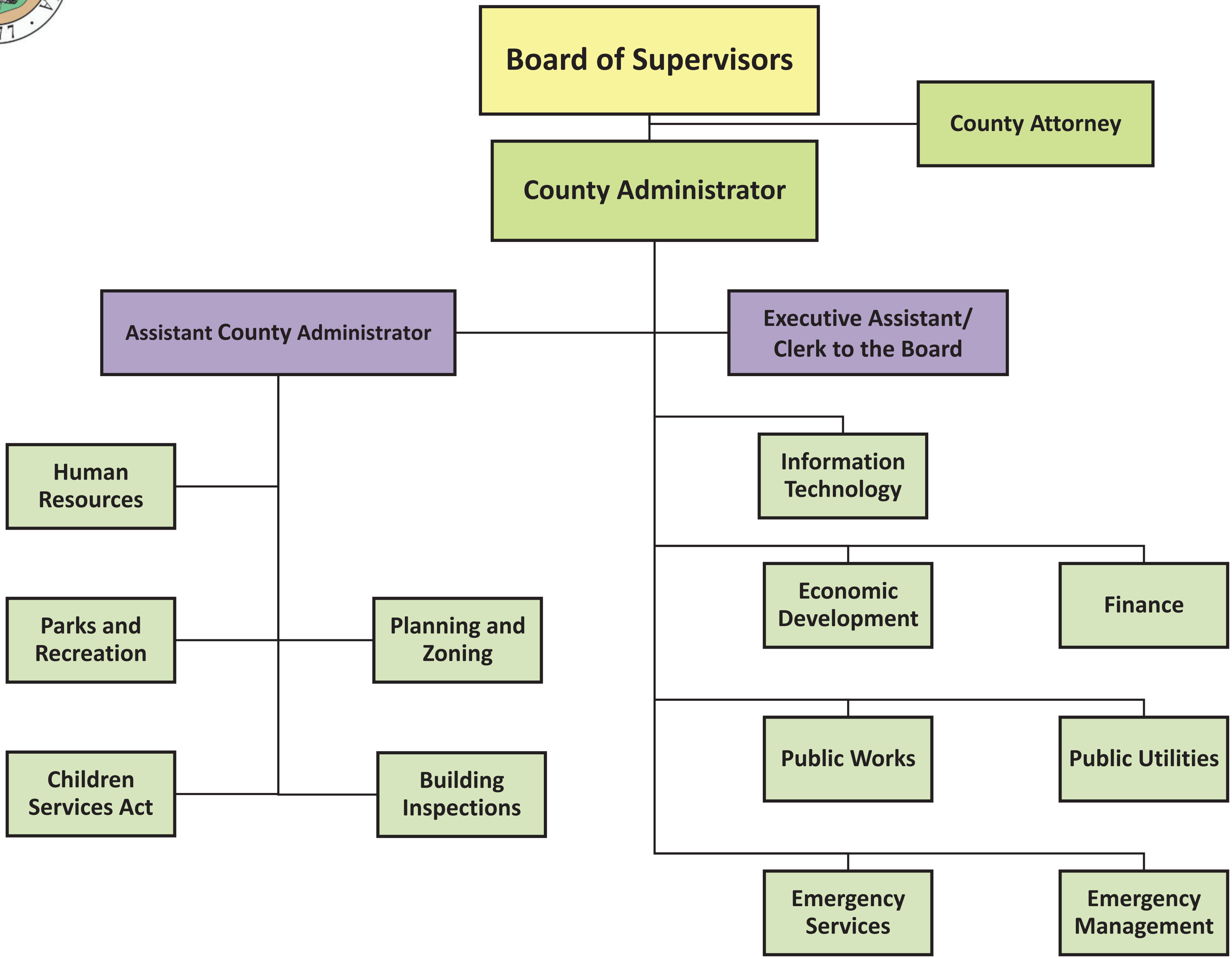
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morrill

Executive Director/CEO

County Administration Structure



Independent Auditors' Report

To the Honorable Members of the Board of Supervisors
County of Fluvanna, 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 Fluvanna, Virginia, as of and for the year ended June 30, 2025, 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 Fluvanna, Virginia, as of and for the year ended June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; 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 the County of Fluvanna, 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 Principles

As described in Note 24 to the financial statements, in 2025, the County adopted new accounting guidance, GASB Statement No. 101, *Compensated Absences*. Our opinions are not modified with respect to this matter.

Restatement of Beginning Balances

As described in Note 24 to the financial statements, in 2025, the County restated beginning balances to reflect the requirements of GASB Statement No. 101. 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 Fluvanna, Virginia's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of County of Fluvanna, 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 Fluvanna, Virginia's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise County of Fluvanna, 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 December 10, 2025, on our consideration of County of Fluvanna, 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 Fluvanna, 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 Fluvanna, Virginia's internal control over financial reporting and compliance.

Robinson, Farmer, Cox Associates

Charlottesville, Virginia
December 10, 2025

To the Honorable Members of the Board of Supervisors
To the Citizens of Fluvanna County
County of Fluvanna, Virginia

The management of the County of Fluvanna, Virginia presents the following discussion and analysis as an overview of the County's financial activities for the fiscal year ended June 30, 2025. We encourage readers to read this discussion and analysis in conjunction with the transmittal letter in the Introductory Section of this report, and the County's financial statements which follow this discussion and analysis.

Financial Highlights

- The assets and deferred outflows of the County exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by $75.6 million (net position). Of this amount, $46.5 million (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.

- The County's total net position decreased by $1.2 million, of which the governmental activities decrease by $1.2 million and business-type activities remained the same at $9.8 million.

- As of the close of fiscal year 2025, the County's governmental funds reported combined ending fund balances of $42.4 million. Approximately 62.0% of this amount ($26.2 million) is available for spending at the government's discretion (unassigned fund balance).

- At the end of the current fiscal year, unrestricted fund balance (the total of committed, assigned, and unassigned components of fund balance) for the general fund was $41.7 million, or approximately 67.0% of total general fund expenditures.

- The total long-term obligations for Primary Government decreased by $6.4 million during fiscal year 2025 (Note 7). This net decrease was the result of retirements on existing debt and a slight increase due to OPEB and compensated absences.

Overview of the Financial Statements

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

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

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

Overview of the Financial Statements (Continued)

Government-Wide Financial Statements

The *government-wide financial statements* (Exhibits 1 and 2) are designed to 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 of the County's assets, liabilities, and deferred inflows/outflows of resources including governmental activities, business-type activities, and component unit activities. Net position is the difference between assets and deferred outflows and liabilities and deferred inflows, which provides a measure of the County's financial health, or financial condition. Over time increases or decreases 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 shows 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 revenue is 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 governmental; 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 State grants.

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 of Fluvanna County are intended to be self-supporting and include the Fork Union Sanitary District, Palmyra Sewer and the Zion Crossroads Water and Sewer System.

Component units: The County has two component units, the Fluvanna County Public Schools (School Board) and the Economic Development Authority of Fluvanna County, which are included in this annual financial report. Although legally separate, the discretely presented component units are important because the County is financially accountable for them. A primary government is accountable for an organization if the primary government is able to impose its will on the organization or the organization is capable of imposing specific financial burdens on the primary government. The County approves debt issuances to finance School Board assets and provides significant funding for its operation. 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 to keep track of specific sources of revenue and expenses for particular purposes. The County has three kinds of funds:

Governmental funds – Most of the County's basic services are included in governmental funds, which focus on (1) the in flows and out flows 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

<u>Overview of the Financial Statements (Continued)</u>

<u>Fund Financial Statements (Continued)</u>

the government-wide statements, additional information is provided with the fund financial statements to explain the relationship (or differences). The County has two major funds, the General Fund and the Capital Projects Fund. 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, primarily construction related. It provides control over resources that have been segregated for specific capital projects. All other governmental funds, which include special revenue funds, are collectively referred to as non-major governmental funds.

The County adopts an annual appropriated budget for its Governmental funds. A budgetary comparison statement has been provided for the General Fund and Capital Projects Fund to demonstrate compliance with this budget.

Proprietary funds – The County currently only maintains Enterprise Funds as a Proprietary Fund. Enterprise funds are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses enterprise funds to account for its water and sewer programs. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and sewer activities, which are considered to be major funds of the County.

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

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

<u>Other information</u> - In addition to the basic financial statement and accompanying notes, this report also presents certain *required supplementary information* for budgetary comparison schedules and presentation of combining financial statements for the discretely presented component unit School Board. The School Board does not issue separate financial statements.

<u>Government-wide Overall Financial Analysis</u>

<u>Statement of Net Position</u>

Table 1 summarizes the Statement of Net Position (Exhibit 1 in the Financial Section of the Annual Comprehensive Financial Report) for the primary government as of June 30, 2025 and 2024.

As noted earlier, net position over time may serve as a useful indicator of a County's financial position. The County's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $75.6 million at the close of the most recent fiscal year. The County's overall net position decreased $1.2 million from the prior year. The reasons for the overall decrease are discussed in the following sections for governmental and business-type activities.

Government-wide Overall Financial Analysis (Continued)

Statement of Net Position (Continued)

The County's investment in capital assets of $27.8 million, or 37.0% of total net position, reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, vehicles, and infrastructure) less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens, like schools, libraries, law enforcement, fire and emergency medical services. Consequently, these assets are *not* available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities (i.e., the County's investment in capital assets is of a permanent nature, as assets acquired are generally not sold or otherwise disposed of during their useful life).

The remaining $47.8 million balance of net position contains $46.5 million unrestricted, which may be used to meet the County's ongoing obligations to citizens and creditors, and $1.3 million restricted, due to an assets liability.

Table 1

County of Fluvanna, Virginia
Summary of Net Position
($ in millions)

	Primary Government					
	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Current and other assets	$ 74.3	80.2	$ 2.8	$ 3.1	$ 77.1	$ 83.3
Capital assets	74.0	73.9	16.3	16.2	90.3	90.1
Total assets	$ 148.3	$ 154.1	$ 19.1	$ 19.3	$ 167.4	$ 173.4
Total deferred outflows of resources	10.7	-	-	-	10.7	-
Long-term liablilities outstanding	$ 59.1	64.5	$ 8.0	$ 8.6	$ 67.1	$ 73.1
Other liabilities	9.7	9.8	0.8	0.8	10.5	10.6
Total liabilities	$ 68.8	$ 74.3	$ 8.8	$ 9.4	$ 77.6	$ 83.7
Total deferred inflows of resources	24.4	23.0	0.5	0.1	24.9	23.1
						-
Net position:						-
Net investment in capital assets	$ 19.0	14.4	$ 8.8	$ 8.2	$ 27.8	$ 22.6
Restricted	1.3	1.8	-	-	1.3	1.8
Unrestricted	45.5	50.8	1.0	1.6	46.5	52.4
Total net position	$ 65.8	$ 67.0	$ 9.8	$ 9.8	$ 75.6	$ 76.8

Government-wide Overall Financial Analysis (Continued)

Statement of Activities

Table 2 summarizes the Statement of Activities (Exhibit 2 in the Financial Section of the Annual Comprehensive Financial Report) for the primary government.

Table 2

County of Fluvanna, Virginia
Changes in Net Position
($ in millions)

	Primary Government					
	Governmental Activities		Business-type Activities		Totals	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program revenues:						
Charges for services	$ 1.9	$ 1.6	$ 0.3	$ 0.3	$ 2.2	$ 1.9
Operating grants and contributions	9.0	12.7	-	-	9.0	12.7
Capital grants and contributions	-	0.3	-	-	-	0.3
General revenues:						
General property taxes	45.6	44.6	-	-	45.6	44.6
Other local taxes	5.3	5.2	-	-	5.3	5.2
Use of money and property	1.5	1.7	-	0.1	1.5	1.8
C/VA non-categorical aid	3.6	3.6	-	-	3.6	3.6
Other general revenues	0.7	0.4	0.1	2.2	0.8	2.6
Total revenues	$ 67.6	$ 70.1	$ 0.4	$ 2.6	$ 68.0	$ 72.7
Expenses:						
General government administration	$ 3.3	$ 3.5	$ -	$ -	$ 3.3	$ 3.5
Judicial administration	1.7	1.8	-	-	1.7	1.8
Public safety	15.2	14.0	-	-	15.2	14.0
Public works	4.0	3.4	-	-	4.0	3.4
Health and welfare	7.7	6.7	-	-	7.7	6.7
Education	30.8	26.6	-	-	30.8	26.6
Parks, recreation, and cultural	1.2	0.4	-	-	1.2	0.4
Community development	0.9	1.4	-	-	0.9	1.4
Interest and other fiscal charges	2.4	2.7	-	-	2.4	2.7
Fork Union Sanitary District	-	-	0.7	0.5	0.7	0.5
Zion Crossroads Water & Sewer	-	-	0.5	0.4	0.5	0.4
Palmyra Sewer	-	-	0.3	0.3	0.3	0.3
Total expenses	$ 67.2	$ 60.5	$ 1.5	$ 1.2	$ 68.7	$ 61.7
Increase in net position before transfers	$ 0.4	$ 9.6	$ (1.1)	$ 1.4	$ (0.7)	$ 11.0
Transfers	(1.1)	(1.1)	1.1	1.1	-	-
Increase in net position	$ (0.7)	$ 8.5	$ -	$ 2.5	$ (0.7)	$ 11.0
Net position, July 1, 2024, as restated	66.5	58.5	7.3	7.3	73.8	65.8
Net position, June 30, 2025	$ 65.8	$ 67.0	$ 7.3	$ 9.8	$ 73.1	$ 76.8

Government-wide Overall Financial Analysis (Continued)

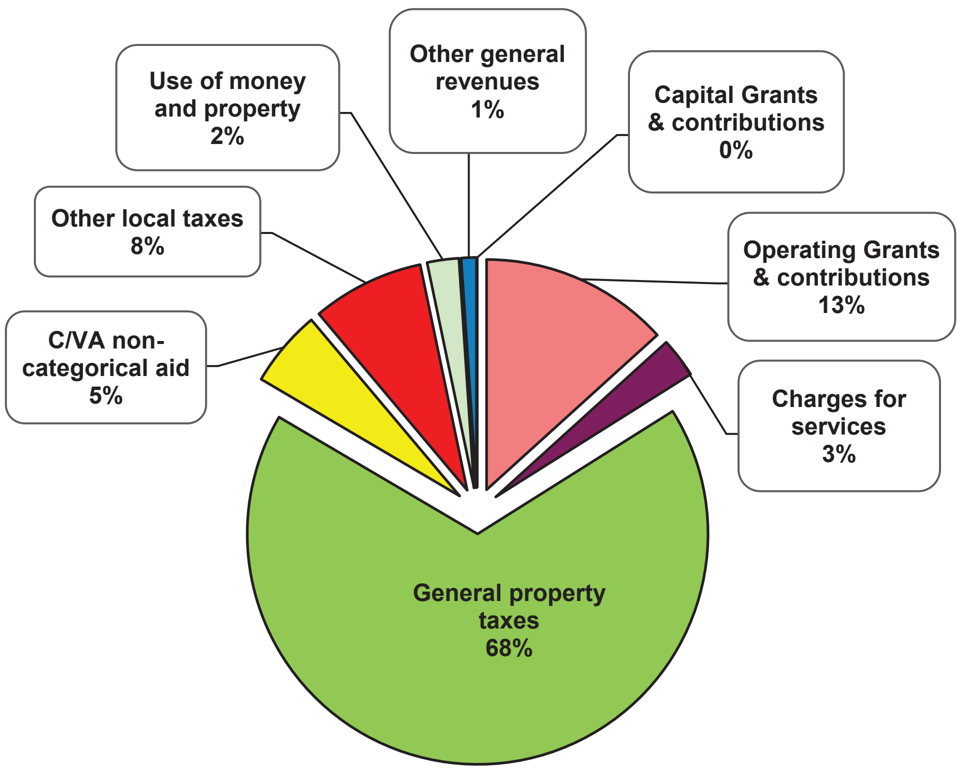
Statement of Activities (Continued)

The net position for governmental activities decreased $700,000 for the current fiscal year, for an ending balance of $65.8 million. Generally, net asset changes are the result of the difference between revenues and expenses. Total revenues exceeded expenses by $400,000 in the current fiscal year and transfers of $1.1 million reduced the net position to $700,000. Revenues for fiscal year 2025 decreased by $2.5 million over the previous year and the key revenue elements include:

- General Property Taxes are the largest source of County revenue, totaling $45.6 million for fiscal year 2025, an increase of $1.0 million, in comparison to fiscal year 2024. The County continues to experience steady new residential growth and the reassessments completed in FY25 increased taxable values by 23.0%.

- Operating grants and contributions decreased $3.7 million from the previous fiscal year, mainly due to ARPA revenue.

Governmental Activities - Revenues by Source
For the Fiscal Year Ended June 30, 2025



For the fiscal year June 30, 2025, the expenses for governmental activities totaled $67.2 million, an increase of $6.7 million compared to the prior fiscal year. Key expense elements include:

- Public Safety increased $1.2 million mainly from the purchase of capital expenditures.

- Education expenses increased by $4.2 million over the previous fiscal year from increased salaries due to a recently completed compensation study and additional capital expenditures.

- Health and welfare increased by $1.0 million over the previous fiscal year due to an increase in services for Children Services Act program and public assistance and welfare administration.

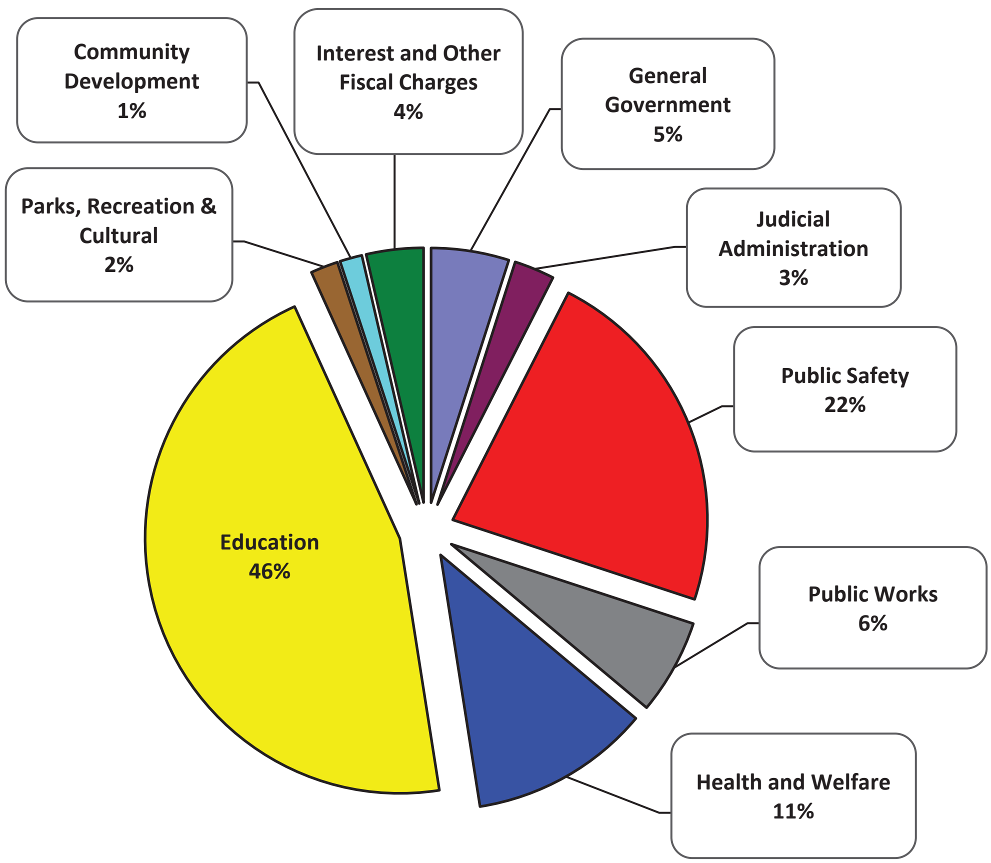
- Parks, Recreation, and Cultural saw significant increase in FY25 for capital expenditures.

Government-wide Overall Financial Analysis (Continued)

Statement of Activities (Continued)

The following graph illustrates the County's expenses for each functional area comprising its governmental activities. Education continues to be the County's largest program and highest priority, with Public Safety and Health and Welfare the County's next two largest functional expenses.

Governmental Activities - Functional Expenses
For the Fiscal Year Ended June 30, 2025



Business-Type Activities – For the County's business-type activities, the net position for the current fiscal year decreased $2.5 million for an ending balance of $7.3 million. Expenses exceeded revenues by $1.1 million for fiscal year 2025. In fiscal year 2024, the County received a $2.1 million proffer for future capital expenditures. In fiscal year 2025, less revenues were received, therefore reducing net position.

Financial Analysis of the Governmental Funds

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources.

Governmental Funds

At June 30, 2025, the County's governmental funds reported combined ending fund balances of $42.4 million (Exhibit 3), decreasing in comparison with the prior year by $5.1 million. Of the $42.4 million fiscal year 2025 fund balance: $1.2 million is classified as restricted to indicate that it can only be spent for specific purposes as stipulated by external resource providers such as debt covenants; $15.1 million is classified as committed to indicate that it has been set aside for specific purposes by the County's Board of Supervisors; and $26.2 million is unassigned or available for any purpose, but maintained at targeted levels in accordance with sound financial management practices.

The General Fund is the main operating fund of the County. The fund balance of the General Fund decreased by $1.9 million (Exhibit 4) at $41.7 million during fiscal year 2025; of which $15.0 million is committed, $26.6 million is unassigned and $84,900 remains restricted. The excess of revenues over expenditures was $6.1 million, offset by $8.0 million of interfund transfers for the Capital Improvements Fund, Zion Crossroads Water and Sewer Fund and the Sewer Fund. General Fund revenues saw an increase over the budgeted amount by $2.9 million; mainly from general property taxes, revenue from use of money and miscellaneous sources. General Fund expenditures came in below budget by $3.0 million; with $302,853 in savings from General Government, $295,669 from Judicial Administration, $345,177 from Public Safety, $510,383 from Public Works, $261,987 from Education, $328,250 from Community Development, and $843,550 in Debt Service. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total General Fund revenues. Unassigned fund balance represents 39.0% of General Fund revenues for fiscal year 2025. The Board of Supervisors uses a policy to maintain unassigned General Fund balance at a minimum of 12% of the total General Fund revenues and component unit – school board operating revenues, reduced by the General Fund contribution. The unassigned fund balance policy minimum for June 30, 2025 is $12.0 million and the unassigned General Fund balance exceeds this policy by $14.6 million.

The fund balance in the Capital Projects Fund decreased by $4.1 million, to a balance of $700,000 for fiscal year 2025 due to reduction in nonspendable items and restricted funds.

Proprietary Funds

The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Operations of the proprietary funds were included in the discussion of business-type activities.

General Fund Budgetary Highlights

General fund budget amendments resulted in a net increase of $1,468,435 between the original budget and the final budget. Significant changes included:

- $517,421 increase – Judicial Administration
  - Increase due to Drug Court Department
  - Increase due to Commonwealth Attorney salary and personnel cost adjustments

- $591,322 – increase in Public Safety
  - Increase due to all Public Safety salary and personnel cost adjustments

- $312,810 - increase in Community Development
  - Increase due to Economic Development Department project development agreement

Capital Asset and Debt Administration

Capital assets

The County's investment in capital assets as of June 30, 2025 totals $90.2 million, net of accumulated depreciation. This represents an increase of $100,000, or 1.0% above fiscal year 2024. Capital assets are illustrated in Table 3 below.

Table 3

($ in millions)

	Governmental Activities	Business-type Activities	Totals at June 30 2025	Totals at June 30 2024
Land and improvements	$ 2.1	$ 0.3	$ 2.4	$ 2.4
Construction in progress - jointly owned	2.5	-	2.5	2.9
Construction in progress	1.2	12.1	13.3	12.2
Subtotal, capital assets not being depreciated	$ 5.8	$ 12.4	$ 18.2	$ 17.5
Buildings and improvements	$ 36.0	$ -	$ 36.0	$ 35.1
Equipment	19.0	0.1	19.1	14.4
Leased Equipment	0.8	-	0.8	0.3
Infrastructure	-	7.6	7.6	7.5
Jointly owned assets	55.5	-	55.5	60.2
Subtotal, capital assets being depreciated	$ 111.3	$ 7.7	$ 119.0	$ 117.5
Less: accumulated depreciation	$ 43.0	$ 3.9	$ 46.9	$ 44.9
Net capital assets being depreciated	$ 68.2	$ 3.8	$ 72.0	$ 72.6
Capital assets, net	$ 74.0	$ 16.2	$ 90.2	$ 90.1

Additional information on the County's capital assets can be found in Note 6 of this report.

Long-term debt

Table 4 illustrates the County's outstanding debt at June 30, 2025.

Table 4

($ in millions)

	Governmental Activities	Business-type Activities	Totals at June 30 2025	Totals at June 30 2024
General obligations bonds	$ 52.4	$ -	$ 52.4	$ 57.0
Qualified energy conservation revenue bonds	4.0	-	4.0	4.5
State moral obligation bonds	0.2	-	0.2	0.4
Revenue bonds	-	8.0	8.0	8.5
Capital lease obligations	3.8	-	3.8	4.4
Total	$ 60.4	$ 8.0	$ 68.4	$ 74.8

Capital Asset and Debt Administration (Continued)

Long-term debt (Continued)

The County has adopted two debt ratios as a management tool. The first ratio adopted limits the annual general governmental debt service to no more than 12% of total General Fund revenues. In fiscal year 2025, the County's debt service to revenue ratio was 11.82%, which decreased from the previous fiscal year (Table 11). The second ratio is the net general obligation of debt to assessed value which should not exceed 3.5%. This ratio measures the relationship between County's tax-supported debts to the taxable value of property in the County. In fiscal year 2025, this ratio decreased 0.73%, to 1.29% (Table 11).

Additional information on the County's long-term obligations can be found in Note 7 of this report.

Economic Factors and Next Year's Budgets and Rates

Economic Factors

The annual local unemployment rate was 2.4% for calendar year 2024, which is a 0.1% decrease from 2.5% for calendar year 2023. The local unemployment rate compares favorably to the State's rate of 2.9% and national rate of 4.0% for calendar year 2024.

Fiscal Year 2026 Budget and Rates

For the fiscal year ending June 30, 2026, the adopted total budget is $117.8 million, an increase of $10.3 million from fiscal year 2025. This increase over the previous fiscal year was primarily the result of the following:

- $3.9 million increase for County operations
- $1.5 million increase in County contributions for Education
- $4.1 million increase in Capital Improvement Plan

For calendar year 2025, the real estate tax rate decreased from $0.844 to $0.750 per $100 of assessed value.

Key factors that are expected to impact future budgets include:

- Continued gradual increases in assessed property values
- Options for new revenue sources and enhancing existing sources
- State mandates on the localities
- Economic Development opportunities for Zions Crossroads and the County as a whole
- Maintenance, repair and replacement of County government and school buildings
- Increases for Public Safety services, personnel, vehicles and equipment
- Providing competitive salary and benefits for County employees

Requests for Information

This financial report is designed to provide a general overview of the County of Fluvanna, Virginia's finances for all those with an interest in the County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance, 132 Main Street, Fluvanna, Virginia 22963.

BASIC FINANCIAL STATEMENTS

Government-wide Financial Statements

Statement of Net Position
At June 30, 2025

	Primary Government			Component Unit	Component Unit
	Governmental Activities	Business-type Activities	Total	School Board	Fluvanna County EDA
ASSETS					
Current Assets					
Cash and cash equivalents	$ 40,111,636	$ 2,280,011	$ 42,391,647	$ 3,634,559	$ 65,216
Receivables (net of allowance for uncollectibles):					
Property taxes	28,852,755	-	28,852,755	-	-
Accounts receivable	727,317	19,450	746,767	-	-
Leases receivable	215,590	552,093	767,683	-	-
Due from other governments	3,407,039	-	3,407,039	1,277,686	-
Total Current Assets	$ 73,314,337	$ 2,851,554	$ 76,165,891	$ 4,912,245	$ 65,216
Noncurrent Assets					
Net other postemployment benefit asset	$ 351,705	$ -	$ 351,705	$ 770,159	$ -
Net pension asset	636,402	-	636,402	1,153,230	-
Total Noncurrent Assets	$ 988,107	$ -	$ 988,107	$ 1,923,389	$ -
Capital assets:					
Land and construction in progress	$ 5,781,116	$ 12,444,682	$ 18,225,798	$ 1,345,938	$ -
Other capital assets, net of accumulated depreciation	68,248,543	3,830,647	72,079,190	37,385,898	-
Total capital assets	$ 74,029,659	$ 16,275,329	$ 90,304,988	$ 38,731,836	$ -
Total Noncurrent Assets	$ 75,017,766	$ 16,275,329	$ 91,293,095	$ 40,655,225	$ -
Total Assets	$ 148,332,103	$ 19,126,883	$ 167,458,986	$ 45,567,470	$ 65,216
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charge on refunding	$ 8,314,958	$ -	$ 8,314,958	$ -	$ -
OPEB deferrals	222,270	-	222,270	999,986	-
Pension deferrals	2,171,167	-	2,171,167	8,669,972	-
Total Deferred Outflows of resources	$ 10,708,395	$ -	$ 10,708,395	$ 9,669,958	$ -
Total Assets and Deferred Outflows of Resources	$ 159,040,498	$ 19,126,883	$ 178,167,381	$ 55,237,428	$ 65,216
LIABILITIES					
Current Liabilities					
Accounts payable and other current liabilities	$ 1,922,419	$ 47,551	$ 1,969,970	$ 4,341,626	$ -
Amounts held for others	185,602	-	185,602	-	-
Unearned revenue - grants	1,785	9,260	11,045	-	-
Accrued interest payable	894,919	76,001	970,920	-	-
Current portion of long-term obligations	6,651,950	629,178	7,281,128	661,215	-
Total Current Liabilities	$ 9,656,675	$ 761,990	$ 10,418,665	$ 5,002,841	$ -
Noncurrent Liabilities					
Noncurrent portion of long-term obligations	59,123,912	8,009,456	67,133,368	31,122,498	-
Total Liabilities	$ 68,780,587	$ 8,771,446	$ 77,552,033	$ 36,125,339	$ -
DEFERRED INFLOWS OF RESOURCES					
Deferred revenues - taxes	$ 23,127,208	$ -	$ 23,127,208	$ -	$ -
Lease deferrals	215,590	552,093	767,683		
Items related to measurement of net OPEB liability/asset	172,334	-	172,334	706,124	-
Items related to measurement of net pension liability/asset	915,308		915,308	4,378,520	-
Total Deferred Inflows of resources	$ 24,430,440	$ 552,093	$ 24,982,533	$ 5,084,644	$ -
NET POSITION					
Net investment in capital assets	$ 19,038,281	$ 8,762,610	$ 27,800,891	$ 38,374,411	$ -
Restricted for:					
Net other postemployment benefit asset	351,705	-	351,705	770,159	-
Net pension asset	636,402	-	636,402	1,153,230	-
Opioid settlement	273,069	-	273,069	-	-
Debt service	59,520	-	59,520	-	-
Unrestricted	45,470,494	1,040,734	46,511,228	(26,270,355)	65,216
Total Net Position	$ 65,829,471	$ 9,803,344	$ 75,632,815	$ 14,027,445	$ 65,216
Total Liabilities, Deferred Outflows of Resources, and Net Position	$ 159,040,498	$ 19,126,883	$ 178,167,381	$ 55,237,428	$ 65,216

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

Statement of Activities
Year Ended June 30, 2025

Functions/Programs		Expenses		Program Revenues: Charges for Services		Program Revenues: Operating Grants and Contributions		Program Revenues: Capital Grants and Contributions
PRIMARY GOVERNMENT:								
Governmental activities:								
General government administration	$	3,324,038	$	-	$	475,125	$	-
Judicial administration		1,723,522		75,545		861,644		-
Public safety		15,184,864		1,523,361		2,810,448		-
Public works		4,065,434		134,229		-		-
Health and welfare		7,692,240		-		4,532,515		-
Education		30,759,942		-		-		-
Parks, recreation, and cultural		1,175,249		152,767		181,558		-
Community development		951,557		-		-		-
Interest on long-term debt		2,436,496		-		120,478		-
Total governmental activities	$	67,313,342	$	1,885,902	$	8,981,768	$	-
Business-type activities:								
Fork Union Sanitary District	$	667,839	$	248,247	$	-	$	-
Zion Crossroads Water & Sewer		517,889		3,013		-		-
Sewer		266,998		16,254		-		-
Total business-type activities	$	1,452,726	$	267,514	$	-	$	-
Total primary government	$	68,766,068	$	2,153,416	$	8,981,768	$	-
COMPONENT UNITS:								
School Board	$	54,011,363	$	21,195	$	32,916,748	$	-
Fluvanna County EDA		716		1,750		-		-
Total component units	$	54,012,079	$	22,945	$	32,916,748	$	-

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

Statement of Activities
Year Ended June 30, 2025

Functions/Programs	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Primary Government: Business Type Activities	Primary Government: Total	Component Unit: School Board	Component Unit: Fluvanna County EDA
PRIMARY GOVERNMENT:					
Governmental activities:					
General government administration	$ (2,848,913)	$ -	$ (2,848,913)	$ -	$ -
Judicial administration	(786,333)	-	(786,333)	-	-
Public safety	(10,851,055)	-	(10,851,055)	-	-
Public works	(3,931,205)	-	(3,931,205)	-	-
Health and welfare	(3,159,725)	-	(3,159,725)	-	-
Education	(30,759,942)	-	(30,759,942)	-	-
Parks, recreation, and cultural	(840,924)	-	(840,924)	-	-
Community development	(951,557)	-	(951,557)	-	-
Interest on long-term debt	(2,316,018)	-	(2,316,018)	-	-
Total governmental activities	$ (56,445,672)	$ -	$ (56,445,672)	$ -	$ -
Business-type activities:					
Fork Union Sanitary District	$ -	$ (419,592)	$ (419,592)	$ -	$ -
Zion Crossroads Water & Sewer	-	(514,876)	(514,876)	-	-
Sewer	-	(250,744)	(250,744)	-	-
Total business-type activities	$ -	$ (1,185,212)	$ (1,185,212)	$ -	$ -
Total primary government	$ (56,445,672)	$ (1,185,212)	$ (57,630,884)	$ -	$ -
COMPONENT UNITS:					
School Board	$ -	$ -	$ -	$ (21,073,420)	$ -
Fluvanna County EDA	-	-	-	-	1,034
Total component units	$ -	$ -	$ -	$ (21,073,420)	$ 1,034
General revenues:					
General property taxes	$ 45,599,806	$ -	$ 45,599,806	$ -	$ -
Local sales and use taxes	2,907,915	-	2,907,915	-	-
Consumer utility taxes	488,054	-	488,054	-	-
Motor vehicle license taxes	1,055,178	-	1,055,178	-	-
Recordation taxes	489,031	-	489,031	-	-
Other local taxes	378,331	-	378,331	-	-
Commonwealth of Virginia non-categorical aid	3,650,492	-	3,650,492	-	-
Unrestricted revenues from use of money	1,499,416	2,286	1,501,702	28,371	2,176
Miscellaneous	717,778	90,736	808,514	1,320,030	-
Proffer	-	-	-	-	-
Contributions	-	-	-	25,292,272	-
Transfers	(1,060,168)	1,060,168	-	-	-
Total general revenues and transfers	$ 55,725,833	$ 1,153,190	$ 56,879,023	$ 26,640,673	$ 2,176
Change in net position	$ (719,839)	$ (32,022)	$ (751,861)	$ 5,567,253	$ 3,210
Net position at July 1, as previously reported	67,118,719	9,835,366	76,954,085	11,025,849	62,006
Restatements	(569,409)	-	(569,409)	(2,565,657)	-
Net position at July 1, as restated	66,549,310	9,835,366	76,384,676	8,460,192	62,006
Net position at June 30	$ 65,829,471	$ 9,803,344	$ 75,632,815	$ 14,027,445	$ 65,216

Fund Financial Statements

Balance Sheet - Governmental Funds
At June 30, 2025

	Governmental Funds		
	General	Capital Projects	Total Governmental Funds
ASSETS			
Cash and cash equivalents	$ 38,813,229	$ 1,298,407	$ 40,111,636
Receivables (Net of allowance for uncollectibles):			
Taxes, including penalties	28,852,755	-	28,852,755
Accounts receivable	727,317	-	727,317
Lease receivable	215,590	-	215,590
Due from other governmental units	3,407,039	-	3,407,039
Total assets	$ 72,015,930	$ 1,298,407	$ 73,314,337
LIABILITIES			
Accounts payable and accrued expenses	$ 1,337,225	$ 585,194	$ 1,922,419
Unearned revenue - grants	1,785	-	1,785
Amounts held for others	185,602	-	185,602
Total liabilities	$ 1,524,612	$ 585,194	$ 2,109,806
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	$ 28,293,299	$ -	$ 28,293,299
Unavailable revenue - opioid settlement	273,069	-	273,069
Lease deferrals	215,590	-	215,590
Total deferred inflows of resources	$ 28,781,958	$ -	$ 28,781,958
FUND BALANCES			
Restricted	$ 84,900	$ 1,089,507	$ 1,174,407
Committed	15,016,533	50,000	15,066,533
Unassigned	26,607,927	(426,294)	26,181,633
Total fund balances	$ 41,709,360	$ 713,213	$ 42,422,573
Total liabilities, deferred inflows of resources and fund balances	$ 72,015,930	$ 1,298,407	

Detailed explanation of adjustments from fund statements to government-wide statement of net position:

When capital assets (land, buildings, equipment) that are to be used in governmental activities are purchased or constructed, the costs of those assets are reported as expenditures in governmental funds. However, the statement of net position includes those capital assets among the assets of the County as a whole.	$ 74,029,659
The net OPEB asset is not an available resource and, therefore, is not reported in the funds.	351,705
The net pension asset is not an available resource and, therefore, is not reported in the funds.	636,402
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.	(894,919)
Because the focus of governmental funds is on short-term financing, some assets will not be available to pay current-period expenditures. Those assets (for example, receivables) are offset by unavailable revenues in the governmental funds and thus are not included in the fund balance.	
Unavailable revenue - property taxes	5,166,091
Unavailable revenue - opioid settlement	273,069
Deferred inflows - pension deferrals	(915,308)
Deferred inflows - OPEB deferrals	(172,334)
Deferred outflows - Pension deferrals	2,171,167
Deferred outflows - OPEB deferrals	222,270
Long-term liabilities applicable to the County's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities-both current and long-term--are reported in the statement of net position.	(57,460,904)
Net position of General Government Activities	$ 65,829,471

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

Statement of Revenues, Expenditures and Changes in Fund Balances -
Governmental Funds
Year Ended June 30, 2025

	Governmental Funds		
	General	**Capital Projects**	**Total Governmental Funds**
Revenues:			
General property taxes	$ 46,238,314	$ -	$ 46,238,314
Other local taxes	5,318,509	-	5,318,509
Permits, privilege fees and regulatory licenses	504,728	-	504,728
Fines and forfeitures	31,416	-	31,416
Revenue from use of money and property	1,407,425	91,991	1,499,416
Charges for services	1,349,758	-	1,349,758
Miscellaneous	615,765	-	615,765
Recovered costs	387,866	-	387,866
Intergovernmental:			
Commonwealth	10,404,749	-	10,404,749
Federal	2,227,511	-	2,227,511
Total revenues	$ 68,486,041	$ 91,991	$ 68,578,032
Expenditures:			
Current:			
General government administration	$ 3,803,118	$ -	$ 3,803,118
Judicial administration	1,900,144	-	1,900,144
Public safety	13,615,072	5,563,285	19,178,357
Public works	2,904,007	1,238,248	4,142,255
Health and welfare	7,732,524	36,965	7,769,489
Education	22,014,430	4,219,938	26,234,368
Parks, recreation, and cultural	1,391,007	122,997	1,514,004
Community development	901,465	-	901,465
Nondepartmental	40,940	-	40,940
Debt service:			
Principal retirement	5,927,332	-	5,927,332
Interest and other fiscal charges	2,175,803	-	2,175,803
Total expenditures	$ 62,405,842	$ 11,181,433	$ 73,587,275
Excess (deficiency) of revenues over (under) expenditures	$ 6,080,199	$ (11,089,442)	$ (5,009,243)
Other financing sources (uses):			
Transfers in	$ -	$ 6,965,696	$ 6,965,696
Transfers (out)	(8,025,864)	-	(8,025,864)
Total other financing sources (uses)	$ (8,025,864)	$ 6,965,696	$ (1,060,168)
Changes in fund balances	$ (1,945,665)	$ (4,123,746)	$ (6,069,411)
Fund balances at July 1	43,655,025	4,836,959	48,491,984
Fund balances at June 30	$ 41,709,360	$ 713,213	$ 42,422,573

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

Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances
to the Statement of Activities - Governmental Funds
For the Year Ended June 30, 2025

			Primary Government Governmental Funds
Amounts reported for governmental activities in the Statement of Activities are different because:			
Net change in fund balances - total governmental funds		$	(6,069,411)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period. The following details support this adjustment.			
Capital outlay	$	7,878,397	
Depreciation expense		(4,457,054)	3,421,343
Transfer of joint tenancy assets from Primary Government to the Component Unit			(3,284,871)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. Details of this item consist of the change in unavailable taxes.			
Unearned revenue - property taxes	$	(638,508)	
Unearned revenue - opioid settlement		102,013	
Change in deferred inflows related to OPEB		16,489	
Change in deferred inflows related to pensions		(119,201)	(639,207)
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. A summary of items supporting this adjustment is as follows:			
Proceeds from lease liability	$	(655,449)	
Principal retired on school general obligation bonds		4,633,030	
Principal retired on public facility note		230,000	
Principal retired on qualified energy conservation revenue bonds		506,839	
Principal retired on note payable obligations		557,463	
Principal retired on lease liability		38,955	
Landfill postclosure costs		32,409	5,343,247
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. The following is a summary of items supporting this adjustment:			
Change in compensated absences	$	8,104	
Change in net OPEB asset		30,986	
Deferred amount on refunding		(764,976)	
Amortization of bond discount		(31,697)	
Amortization of bond premium		439,953	
Change in net pension asset		(561,893)	
Change in net GLI OPEB liability		(8,267)	
Change in deferred outflows related to pensions		1,267,356	
Change in deferred outflows related to OPEB		33,467	
Change in accrued interest payable		96,027	509,060
Change in net position of governmental activities		$	(719,839)

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

Statement of Net Position
Proprietary Funds
At June 30, 2025

	Business-type Activities - Enterprise Funds			
	Fork Union Sanitary District	Zion Crossroads Water & Sewer	Sewer	Totals
ASSETS				
Current Assets				
Cash and cash equivalents	$ 1,598,658	$ 174,056	$ 507,297	$ 2,280,011
Accounts receivable	17,769	284	1,397	19,450
Lease receivable - current portion	62,725	-	-	62,725
Total Current Assets	$ 1,679,152	$ 174,340	$ 508,694	$ 2,362,186
Noncurrent Assets				
Lease receivable - noncurrent portion	$ 489,368	$ -	$ -	$ 489,368
Capital assets:				
Land and construction in progress	11,736	$ 12,148,506	$ 284,440	$ 12,444,682
Other capital assets, net of depreciation	1,554,965	-	2,275,682	3,830,647
Total capital assets, net	1,566,701	12,148,506	2,560,122	16,275,329
Total Noncurrent Assets	$ 2,056,069	$ 12,148,506	$ 2,560,122	$ 16,764,697
Total Assets	$ 3,735,221	$ 12,322,846	$ 3,068,816	$ 19,126,883
LIABILITIES				
Current Liabilities				
Accounts payable and accrued expenses	$ 15,937	$ 31,029	$ 585	$ 47,551
Accrued interest payable	-	76,001	-	76,001
Unearned revenue	9,260	-	-	9,260
Current portion of long-term obligations	57,065	512,113	60,000	629,178
Total Current Liabilities	$ 82,262	$ 619,143	$ 60,585	$ 761,990
Noncurrent Liabilities				
Noncurrent portion of long-term obligations	$ 23,471	$ 7,925,985	$ 60,000	$ 8,009,456
Total Liabilities	$ 105,733	$ 8,545,128	$ 120,585	$ 8,771,446
DEFERRED INFLOWS OF RESOURCES				
Lease deferrals	$ 552,093	-	$ -	$ 552,093
NET POSITION				
Net investment in capital assets	$ 1,486,165	$ 4,836,323	$ 2,440,122	$ 8,762,610
Unrestricted	1,591,230	(1,058,605)	508,109	1,040,734
Total Net Position	$ 3,077,395	$ 3,777,718	$ 2,948,231	$ 9,803,344
Total Liabilities, Deferred Inflows of Resources, and Net Position	$ 3,735,221	$ 12,322,846	$ 3,068,816	$ 19,126,883

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

Statement of Revenues, Expenses and Changes in Net Position --
Proprietary Funds
Year Ended June 30, 2025

	Business-type Activities - Enterprise Funds			
	Fork Union Sanitary District	Zion Crossroads Water & Sewer	Sewer	Totals
Operating revenues:				
Charges for services	$ 248,247	$ 3,013	$ 16,254	$ 267,514
Total operating revenues	$ 248,247	$ 3,013	$ 16,254	$ 267,514
Operating expenses:				
Contractual services	$ 310,394	$ 75,395	$ 20,574	$ 406,363
Other charges	259,434	222,777	148,647	630,858
Depreciation	93,109	-	97,777	190,886
Total operating expenses	$ 662,937	$ 298,172	$ 266,998	$ 1,228,107
Operating income (loss)	$ (414,690)	$ (295,159)	$ (250,744)	$ (960,593)
Nonoperating revenues (expenses):				
Interest income	$ -	$ 2,286	$ -	$ 2,286
Interest expense	(4,902)	(219,717)	-	(224,619)
Proffer	-	-	-	-
Miscellaneous	90,736	-	-	90,736
Total nonoperating revenues (expenses)	$ 85,834	$ (217,431)	$ -	$ (131,597)
Income (loss) before contributions and transfers	$ (328,856)	$ (512,590)	$ (250,744)	$ (1,092,190)
Transfers				
Transfers in	$ -	$ 911,800	$ 148,368	$ 1,060,168
Change in net position	$ (328,856)	$ 399,210	$ (102,376)	$ (32,022)
Net position at beginning of year	3,406,251	3,378,508	3,050,607	9,835,366
Net position at end of year	$ 3,077,395	$ 3,777,718	$ 2,948,231	$ 9,803,344

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

Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2025

	Business-Type Activities - Enterprise Funds			
	Fork Union Sanitary District	Zion Crossroads Water & Sewer	Sewer	Totals
Cash flows from operating activities:				
Receipts from customers and users	$ 272,448	$ 2,871	$ 16,320	$ 291,639
Payments to suppliers	(624,133)	(296,388)	(168,636)	(1,089,157)
Net cash provided by (used for) operating activities	$ (351,685)	$ (293,517)	$ (152,316)	$ (797,518)
Cash flows from noncapital financing activities:				
Transfers in	$ -	$ 911,800	$ 148,368	$ 1,060,168
Cash flows from capital and related financing activities:				
Construction and acquisition of capital assets	$ (112,769)	$ (78,098)	$ -	$ (190,867)
Proffer	-	-	-	-
Interest expense	(4,902)	(219,717)	-	(224,619)
Retirement of indebtedness	(54,617)	(503,013)	(60,000)	(617,630)
Net cash provided by (used for) capital and related financing activities	$ (172,288)	$ (800,828)	$ (60,000)	$ (1,033,116)
Cash flows from investing activities:				
Interest income	$ -	$ 2,286	$ -	$ 2,286
Miscellaneous	90,736	-	-	90,736
Net cash provided by (used for) investing activities	$ 90,736	$ 2,286	$ -	$ 93,022
Increase (decrease) in cash and cash equivalents	$ (433,237)	$ (180,259)	(63,948)	$ (677,444)
Cash and cash equivalents at beginning of year	2,031,895	354,315	571,245	2,957,455
Cash and cash equivalents at end of year	$ 1,598,658	$ 174,056	$ 507,297	$ 2,280,011
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:				
Operating income (loss)	$ (414,690)	$ (295,159)	$ (250,744)	$ (960,593)
Adjustments to reconcile net loss to net cash provided by (used for) operating activities:				
Depreciation	$ 93,109	$ -	$ 97,777	$ 190,886
Changes in operating assets, liabilities, and deferred inflows/outflows of resources:				
(Increase)/decrease in accounts receivable	9,378	(142)	66	9,302
(Increase)/decrease in lease receivable	(455,690)	-	-	(455,690)
(Increase)/decrease in unearned revenue	6,694	-	-	6,694
(Increase)/decrease in deferred inflows	463,819	-	-	463,819
Increase/(Decrease) in accounts payable and accrued expenses	(54,305)	1,784	585	(51,936)
Total adjustments	$ 63,005	$ 1,642	$ 98,428	$ 163,075
Net cash provided by (used for) operating activities	$ (351,685)	$ (293,517)	$ (152,316)	$ (797,518)

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

Statement of Fiduciary Net Position
Fiduciary Funds
At June 30, 2025

	Other Post - Employment Benefits Trust	Custodial Fund Special Welfare
ASSETS		
Cash and cash equivalents	$ -	$ 289,030
Investments:		
Fixed income	661,003	-
Stocks	1,619,457	-
Real Estate	495,752	-
Alternative investments	528,803	-
Total investments	$ 3,305,015	$ -
Total assets	$ 3,305,015	$ 289,030
NET POSITION		
Restricted - postemployment benefits other than pensions	$ 3,305,015	$ -
Restricted - social services clients	-	289,030
Total net position	$ 3,305,015	$ 289,030

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

Statement of Changes in Fiduciary Net Position
Fiduciary Fund
For the Year Ended June 30, 2025

	Other Post - Employment Benefits Trust	Custodial Fund Special Welfare
ADDITIONS		
Contributions:		
Employer	$ 117,069	$ -
Private contributions	-	97,288
Total contributions	$ 117,069	$ 97,288
Investment income or (loss)		
Net increase(decrease) in the fair market value of investments	$ 268,632	$ -
Total investment earnings	$ 268,632	$ -
Total additions	$ 385,701	$ 97,288
DEDUCTIONS		
Benefits	$ 117,069	$ -
Administrative expenses	3,351	-
Recipient payments	-	93,070
Total deductions	$ 120,420	$ 93,070
Change in net position	$ 265,281	$ 4,218
Net Position		
Net position - beginning	3,039,734	284,812
Net position - ending	$ 3,305,015	$ 289,030

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The County of Fluvanna, Virginia is governed by an elected five member Board of Supervisors. The Board of Supervisors is responsible for appointing the County Administrator. The County provides a full range of services for its citizens. These services include sheriff and volunteer fire protection, recreational activities, cultural events, education, and social services.

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

Government-wide and Fund Financial Statements

Government-wide Financial Statements

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

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its components unit. For the most part, the effect of interfund activity has been removed from these statements. However, interfund services provided and used are not eliminated in the process of consolidation. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

Statement of Net Position

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

Statement of Activities

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

Statement of Activities: (Continued)

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

Fund Financial Statements

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

Budgetary Comparison Schedules

Demonstrating compliance with the adopted budget is an important component of a government's accountability to the public. Many citizens participate in one way or another in the process of establishing the annual operating budgets of state and local governments and have a keen interest in following the actual financial progress of their governments over the course of the year. Many governments revise their original budgets over the course of the year for a variety of reasons. Governments provide budgetary comparison information in their annual reports, including the requirement to report the government's original budget in addition to the comparison of final budget and actual results.

A. Financial Reporting Entity

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

B. Individual Component Unit Disclosures

Blended component Units:

The County has no blended component units.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

B. Individual Component Unit Disclosures: (Continued)

Discretely Presented Component Units:

School Board: The School Board operates the County Public School System. Members are currently elected by popular vote. The School Board adopts an annual budget for the schools. The School Board submits an appropriation request to the Board of Supervisors. The Board of Supervisors can decline to fund the entire appropriation which they adopt (as modified) in the annual County Budget. A separate financial report for the School Board is not prepared.

Economic Development Authority: The Economic Development Authority of Fluvanna County, Virginia (the EDA) was established by the Fluvanna County Board of Supervisors pursuant to the Industrial Development and Revenue Bond Act (Chapter 33, Title 15.1, Code of Virginia of 1950, as amended) so that such authorities may be able to promote industry and develop trade in the Commonwealth. The County appoints the board members of the EDA. The County may significantly influence the fiscal affairs of the Authority. The EDA does not issue separate financial statements.

Other Related Organizations included in the County's ACFR: None

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

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

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

The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded 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.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. Revenues are recognized when they have been earned and they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service principal and interest expenditures on general long-term debt, including lease liabilities, as well as expenditures related to compensated absences, claims and judgments, postemployment benefits, and environmental obligations are recognized later based on specific accounting rules applicable to each, generally when payment is due. General capital asset acquisitions, including entering into contracts giving the government the right to use lease assets, are reported as expenditures in the governmental funds. Issuance of long-term debt and financing through leases are reported as other financing sources.

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 not collected within 60 days after year-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. All other revenue items are considered to be measurable and available only when cash is received by the government.

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

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

1. Governmental Funds

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

a. General Fund

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

b. Capital Projects Fund

The Capital Projects Fund (Capital Improvements) accounts for and reports financial resources that are restricted, committed, or assigned to expenditure for capital outlays, except for those financed by proprietary funds or for assets held in trust for individuals, private organizations, or other governments.

2. Proprietary Funds

Proprietary Funds account for operations that are financed in a manner similar to private business enterprises. The Proprietary Fund measurement focus is based upon determination of net income, financial position, and changes in financial position. Proprietary Funds consist of Enterprise Funds and Internal Service Funds.

Enterprise Funds

Enterprise Funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County's enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Enterprise funds consist of Fork Union Sanitary District (F.U.S.D.), Sewer, Zion Crossroads Water and Sewer.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

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

3. Fiduciary Funds (Trust and Custodial Funds)

   Fiduciary Funds (Trust and Custodial Funds) account for assets held by the County unit in a trustee capacity or as an agent or custodian for individuals, private organizations, other governmental units, or other funds. These funds include Custodial Funds. These funds utilize the accrual basis of accounting. Fiduciary funds are not included in the government-wide financial statements. The County's only Custodial Fund is the Special Welfare Fund. The County's only Trust Fund is the Other Post Employment Benefits Fund.

D. Budgets and Budgetary Accounting

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

1. Prior to March 30, the County Administrator submits to the Board of Supervisors a proposed operating and capital budget for the fiscal year commencing the following July 1. The operating and capital budget includes proposed expenditures and the means of financing them.

2. Public hearings are conducted to obtain citizen comments.

3. Prior to June 30, the budget is legally enacted through passage of an Appropriations Resolution.

4. The Appropriations Resolution places legal restrictions on expenditures at the function level. The appropriation for each department or category can be revised only by the Board of Supervisors. The County Administrator is authorized to transfer budgeted amounts within general government departments; and the School Board is authorized to transfer budgeted amounts within the school system's categories.

5. Formal budgetary integration is employed as a management control device during the year for the General Fund and the Capital Project Fund. The School Fund is integrated only at the level of legal adoption.

6. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

7. Appropriations lapse on June 30, for all County units.

8. All budgetary data presented in the accompanying financial statements is the original to the current comparison of the final budget and actual results.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

E. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the government. For purposes of the statement of cash flows, the government's proprietary funds consider their demand deposits and all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

F. Investments

Investments with a maturity of less than one year when purchased, non-negotiable certificates of deposit, other nonparticipating investments, and external investment pools are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased are stated at fair value. Fair value is the price that would be received to sell an investment in an orderly transaction at year end. All other investments are stated at fair value which approximates market; no investments are valued at cost. Certificates of deposit and short-term repurchase agreements are reported in the accompanying financial statements as cash and cash equivalents. Investments consist of assets held by a trustee. 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 State Non-Arbitrage Program (SNAP). Values of shares in the SNAP reflect fair value. Lease proceeds are held in escrow and deposited in money market funds.

State statutes authorize the County government and the School Board to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements, and the Local Government Investment Pool.

G. Receivables and Payables

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

All trade and property tax receivables are shown net of an allowance for uncollectibles. The County calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance amounted to approximately $420,579 at June 30, 2025 and is comprised of the following:

Fork Union Sanitary District	$	11,131
Sewer		3,884
Property Taxes		405,564
Total	$	420,579

Property Tax Calendar

The County collects real and personal property taxes semiannually. Real and personal property taxes are levied as of January 1 for a calendar year and are due on June 5 and December 5; penalties and interest accrue on all unpaid balances as of these dates. Unpaid real and personal property taxes constitute a lien against the property as of the due date of the tax. The County bills and collects its own property taxes.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

H. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The County records prepaids using the consumption method.

I. Capital Assets

Capital assets, which include property, plant and equipment, and infrastructure are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County as land, buildings, road registered vehicles, and equipment with an initial individual cost of more than $5,000 (amount not rounded) and an estimated useful life in excess of five years. Such assets are recorded at historical cost (except for intangible right-to-use lease assets, the measurement of which is discussed in more detail below) or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant and equipment and infrastructure of the primary government, as well as the component unit, are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	40 to 50
Building improvements	30 to 40
Vehicles and equipment	5 to 10
Lease equipment	5 to 10
Water and sewer system	20 to 50
Buses	12

J. Compensated Absences

The County recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled (for example paid in cash to the employee or payment to an employee flex spending account) during or upon separation from employment. Based on the criteria listed, two types of leave qualify for liability recognition for compensated absences – vacation and sick leave. The liability for compensated absences includes salary related benefits, where applicable.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

J. Compensated Absences: (Continued)

Vacation - All County and School Board full-time employees earn annual leave based on years of service. Accumulated annual leave vests immediately. County and School Board employees are paid for unused annual leave, at their normal rate of pay, at termination. Annual leave termination payments are limited only by maximum accumulation policies.

Sick - All County and School Board Component Unit full-time employees also earn eight hours of sick leave per month. Maximum accumulation is unlimited. Employees of the County are entitled to the lesser of 100% of accrued sick leave or $5,000 upon termination providing the employee has 5 years of service. Employees of the Department of Social Services are entitled to the lesser of 25% of accrued sick leave or $5,000 upon termination providing the employee has 5 years of service. Employees of the School Board are entitled to the lesser of 25% of accrued sick leave or $10,000 upon termination providing the employee has 25 years of service. However, a liability for estimated value of sick leave that will be used by employees as time off was considered in the liability for compensated absences.

K. Long-term Obligations

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

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

L. Fund Balances

Financial Policies

The Board of Supervisors meets on a monthly basis to manage and review cash financial activities and to ensure compliance with established policies. It is the County's policy to fund current expenditures with current revenues and the County's mission is to strive to maintain a diversified and stable revenue stream to protect the government from problematic fluctuations in any single revenue source and provide stability to ongoing services. The County's unassigned General Fund balance will be maintained to provide the County with sufficient working capital and a margin of safety to address local and regional emergencies without borrowing.

Fund balances are required to be reported according to the following classifications:

Nonspendable fund balance – amounts that are either not in spendable form (such as inventory and prepaids) or are legally or contractually required to be maintained intact (corpus of a permanent fund);

Restricted fund balance – Constraints placed on the use of these resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors or other governments; or are imposed by law (through constitutional provisions or enabling legislation).

Committed fund balance – Amounts that can only be used for specific purposes because of a formal action (resolution) by the government's highest level of decision-making authority.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

L. Fund Balances: (Continued)

Financial Policies: (Continued)

Assigned fund balance – Amounts that are constrained by the County's intent to be used for specific purposes, but that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the governing body, another body (such as a Finance Committee), or by an official to whom that authority has been given. With the exception of the General Fund, this is the residual fund balance classification for all governmental funds with positive balances.

Unassigned fund balance – This is the residual classification of the General Fund. Only the General Fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification, as the result of overspending for specific purposes for which amounts had been restricted, committed or assigned.

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

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the County's highest level of decision-making authority. The Board of Supervisors is the highest level of decision-making authority for the County that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the County for specific purposes but do not meet the criteria to be classified as committed. The Board of Supervisors may also assign fund balance as it does through the adoption or amendment of the budget as intended for specific purposes. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment. Please see details of County's Fund Balances on the following page.

Category	General Fund	Capital Projects Fund	Component Unit School Board
Restricted:			
Unexpended Bond Proceeds - VPSA 2021	$ -	$ 1,089,507	$ -
Unexpended Note Proceeds - JPM 2021	-	-	-
Opioid Settlement	25,380	-	-
USDA Debt Reserve	59,520	-	-
Total Restricted	$ 84,900	$ 1,089,507	$ -
Committed:			
Recoat Central Waste Water Treatment Plant	$ 70,000	$ -	$ -
Library & Public Safety - Combined Water System	50,000	-	-
School Board Office Renovations	53,749	-	-
Pleasant Grove Road Paving	98,000	-	-
F&R Burn Building	521,278	-	-
County Capital Reserve	614,065	-	-
School Capital Reserve	250,521	-	-
Fleet Replacement - Emergency Services Vehicles	156,270	-	-
Fleet Replacement - F&R Apparatus and Vehicles	535,602	-	-

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

L. Fund Balances: (Continued)

Category	General Fund	Capital Projects Fund	Component Unit School Board
Committed: (Continued)			
Fleet Replacement - F&R Apparatus and Vehicles (ARPA)	$ 965,678	$ -	$ -
Fleet Replacement - County Government Vehicles	177,222	-	-
Fleet Replacement - Major Machinery and Heavy Equipment	405,000	-	-
Fleet Replacement - Sheriff Vehicles	85,752	-	-
Fleet Replacement - School Student Transport/ Facilities Vehicles	4,635	-	-
School Instructional Technology	31,167	-	-
Carysbrook Softball Field	12,070	-	-
Historic Courthouse	441,912	-	-
Historic Courthouse Ext	335,507	-	-
Carysbrook Storage Shed	193,000	-	-
Carysbrook Gym Flooring	50,000	-	-
Pleasant Grove Playground Expansion	53,500	50,000	-
Master Water and Sewer Plan	11,981	-	-
Abrams Building Upgrades	188,760	-	-
Fork Union Site Development	5,600	-	-
Middle School Roof Replacement	25,528	-	-
Courthouse HVAC & Lighting	92,053	-	-
New County Administration Building	33,490	-	-
Fluvanna Middle School Athletic Field Lighting	101,826	-	-
Library Heating and Cooling	145,000	-	-
Public Safety Building Energy Recovery Unit	200,000	-	-
School Safety Vestibule	82,200	-	-
Palmyra Streetscape Project	332,740	-	-
Central Bathroom Renovation	286,213	-	-
Fluvanna County Community Center	29,450	-	-
Library Interior Paint	200,000	-	-
Public Safety Interior Paint and Carpet	106,519	-	-
AED's	5,150	-	-
Wearable Crisis Alert Button	33,200	-	-
Baseball and Softball Athletic Fencing	60,927	-	-
Convenience Center	390,000	-	-
School Exterior Door Replacement	112,949	-	-
Enrollment & Demographic Study (Schools)	23,775	-	-
Fencing at the Public Works Maintenance Shop	56,000	-	-
Community Center Generator	46,530	-	-
Performing Arts Building HVAC	131,760	-	-
Lucas & Mcgrath Devices	32,847	-	-
School Security Door Locks	14,491	-	-
Fork Union Volunteer Fire Department PPE	10,070	-	-
Ventilators	3,594	-	-
Fluvanna Middle School Stadium and Track	67,000	-	-
Fire Rescue Computer Replacement	22,660	-	-
Pleasant Grove Park Soccer Fencing	17,760	-	-
Pleasant Grove Spray Park	200,000	-	-
Pleasant Grove Stage Cover	66,076	-	-
FY26 Operational Budget - Use of Fund Balance	1,296,908	-	-
FY26 Budget Capital Improvement Plan - Use of Fund Balance	5,410,627	-	-
Other Carryforwards	67,921	-	-
Total Committed	$ 15,016,533	$ 50,000	$ -

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

L. Fund Balances: (Continued)

Category	General Fund	Capital Projects Fund	Component Unit School Board
Assigned:			
Activities fund	$ -	$ -	$ 459,671
Cafeteria	-	-	110,948
Total Assigned	$ -	$ -	$ 570,619
Unassigned:	$ 26,607,927	$ (426,294)	$ -
Total Fund Balance	$ 41,709,360	$ 713,213	$ 570,619

M. Net Position

For government-wide reporting as well as in proprietary funds, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called net position. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

- Net investment in capital assets consists of capital assets, net of accumulated depreciation/ amortization and reduced by outstanding balances of bonds, notes, and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.

- Restricted net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either by external parties or by law through constitutional provision or enabling legislation.

- Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

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

N. Use of Estimates

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

O. Component Unit – School Board Capital Asset and Debt Presentation

By law, the School Board does not have taxing authority and, therefore, it cannot incur debt through general obligation bonds to fund the acquisition, construction or improvement of its capital assets. That responsibility lies with the County who issues the debt on behalf of the School Board. However, the Code of Virginia requires the School Board to hold title to the capital assets (buildings and equipment) due to their responsibility for maintaining the asset.

In the Statement of Net Position, this scenario presents a dilemma for the County. Debt issued on behalf of the School Board is reported as a liability of the primary government, thereby reducing the net position of the County. The corresponding capital assets are reported as assets of the Component Unit-School Board (title holder), thereby increasing its net position.

The Virginia General Assembly amended the Code of Virginia to allow a tenancy in common with the School Board whenever the locality incurs a financial obligation which is payable over more than one fiscal year for any school property. The tenancy in common terminates when the associated debt has been paid in full. For financial reporting purposes, the legislation permits the locality to report the portion of the school property related to any outstanding financial obligation, thus eliminating a potential deficit from financing capital assets with debt.

P. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has multiple items that qualify for reporting in this category. One item is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding resulted from the difference between the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The other item is comprised of certain items certain items related to pension and OPEB For more detailed information on these items, reference the related notes.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

Q. Pensions

For purposes of measuring the net pension asset or liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the County's and School Board's Retirement Plan and the additions to/deductions from the County's School Board's Retirement Plan's net fiduciary position have been determined on the same basis as they were reported by the Virginia Retirement System (VRS). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

R. Other Postemployment Benefits (OPEB)

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

S. Leases

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

Lessor

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

Lessee

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

Key Estimates and Judgements

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

S. Leases: (Continued)

Key Estimates and Judgments (Continued)

- The County uses the interest rate stated in lease contracts. When the interest rate is not provided or the implicit rate cannot be readily determined, the County uses its estimated incremental borrowing rate as the discount rate for leases.

- The lease term includes the noncancellable period of the lease and certain periods covered by options to extend to reflect how long the lease is expected to be in effect, with terms and conditions varying by the type of underlying asset.

- Fixed and certain variable payments as well as lease incentives and certain other payments are included in the measurement of the lease liability (lessee) or lease receivable (lessor).

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

NOTE 2 – DEPOSITS AND INVESTMENTS:

Deposits

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

Investments

Statutes authorize local governments and other public bodies to invest in obligations of the United States or agencies thereof, obligations of the Commonwealth of Virginia or political subdivisions thereof, obligations of the International Bank for Reconstruction and Development (World Bank), the Asian Development Bank, the African Development Bank, "prime quality" commercial paper that has received at least two of the following ratings: P-1 by Moody's Investors Service, Inc.; A-1 by Standard & Poor's; or F1 by Fitch Ratings, Inc. (Section 2.2-4502), banker's acceptances, repurchase agreements, and the State Treasurer's Local Government Investment Pool (LGIP).

Credit Risk of Debt Securities

The County limits the investment of funds in Debt Securities to those with credit ratings of at least Aa3/AA-.

NOTE 2 – DEPOSITS AND INVESTMENTS: (CONTINUED)

Credit Risk of Debt Securities: (Continued)

The County's rated debt investments as of June 30, 2025 were rated by Standard & Poor's and the ratings are presented below using Standard & Poor's rating scale.

Rated Debt Investments' Values

Rated Debt Investments	Fair Value	AAAm	AA+f
VACo/VML VIP Stable NAV Liquidity Pool	$ 37,563,369	$ 37,563,369	$ -
VACo/VML VIP High Quality Bond Fund	524,665	-	524,665
Virginia State Non-Arbitrage Program	1,089,507	1,089,507	-
Total	$ 39,177,541	$ 38,652,876	$ 524,665

Interest Rate Risk

The County Investment Policy requires that investment cash flows be optimized to match expected cash flow needs and are limited to investments with an average life of 5 years or less.

Investment Maturities (in years)

Investment Type	Fair Value	Less Than 1 Year	1 - 5 Years
VACo/VML VIP Stable NAV Liquidity Pool	$ 37,563,369	$ 37,563,369	$ -
VACo/VML VIP High Quality Bond Fund	524,665	-	524,665
Virginia State Non-Arbitrage Program	1,089,507	1,089,507	-
Total	$ 39,177,541	$ 38,652,876	$ 524,665

Custodial Credit Risk

The County's investments are all insured, registered in the County's name and held in an account in the County's name, or invested in an external investment pool.

Fair Value Measurements:

Fair value of the Virginia Investment Pool 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 has measured the fair value of the above investments at the net asset value (NAV). There are no withdrawal limitations or restrictions imposed on participants.

External Investment Pool:

The fair values of the positions in the SNAP are the same as the value of the pool shares. As these pools are not SEC registered, regulatory oversight of the pool rests with the Virginia State Treasury. SNAP is amortized cost basis portfolios. There are no withdrawal limitations or restrictions imposed on participants.

NOTE 3 - DUE FROM OTHER GOVERNMENTAL UNITS:

Receivables due from other governmental units consist of the following at June 30, 2025:

	Primary Government	Component Unit School Board
Commonwealth of Virginia:		
Local sales tax	$ 478,197	$ -
Communication tax	86,758	-
Public assistance and welfare administration	23,791	-
State sales tax	-	920,052
PPTRA	1,438,261	-
Shared expenses	220,512	-
Children's services	978,640	-
Federal Government:		
School grants	-	357,634
Public assistance and welfare administration	120,828	-
Interest rate subsidy	60,052	-
Totals	$ 3,407,039	$ 1,277,686

NOTE 4 - INTERFUND OBLIGATIONS/TRANSFERS:

There were no Interfund obligations at June 30, 2025.

Interfund transfers for the year ended June 30, 2025, consisted of the following:

Fund	Transfers In	Transfers Out
Primary Government		
General Fund	$ -	$ 8,025,864
Sewer	148,368	-
Zion Crossroads Water & Sewer	911,800	-
Capital Projects Fund	6,965,696	-
Total	$ 8,025,864	$ 8,025,864

Transfers to the Capital Projects to fund various. Transfers to the Sewer Fund were to fund sewer operations. Transfers to the Zions Crossroads Water & Sewer Fund were to fund the water & sewer operations and various projects.

NOTE 5 - DUE TO/FROM PRIMARY GOVERNMENT/COMPONENT UNIT:

There were no interfund obligations between the primary government and its component unit.

NOTE 6 - CAPITAL ASSETS:

The following is a summary of changes in capital assets for the fiscal year ended June 30, 2025:

	Beginning Balance July 1, 2024	Additions	Deletions	Ending Balance June 30, 2025
Governmental Activities:				
Capital assets, not being depreciated:				
Land	$ 2,115,281	$ 37,000	$ -	$ 2,152,281
Construction in progress-jointly owned assets	2,885,059	438,400	859,916	2,463,543
Construction in progress	139,728	1,205,953	180,389	1,165,292
Total capital assets not being depreciated	$ 5,140,068	$ 1,681,353	$ 1,040,305	$ 5,781,116
Capital assets being depreciated:				
Buildings and improvements	$ 35,119,394	$ 898,301	$ -	$ 36,017,695
Equipment	14,345,068	4,823,683	231,015	18,937,736
Lease equipment	344,115	655,449	189,477	810,087
Jointly owned assets	60,145,150	859,916	5,473,552	55,531,514
Total capital assets being depreciated	$ 109,953,727	$ 7,237,349	$ 5,894,044	$ 111,297,032
Less accumulated depreciation for:				
Buildings and improvements	$ 16,503,560	$ 1,388,433	$ -	$ 17,891,993
Equipment	10,469,973	1,364,776	231,015	11,603,734
Lease equipment	164,735	24,742	189,477	-
Jointly owned assets	14,062,340	1,679,103	2,188,681	13,552,762
Total accumulated depreciation	$ 41,200,608	$ 4,457,054	$ 2,609,173	$ 43,048,489
Total capital assets being depreciated, net	$ 68,753,119	$ 2,780,295	$ 3,284,871	$ 68,248,543
Governmental activities capital assets, net	$ 73,893,187	$ 4,461,648	$ 4,325,176	$ 74,029,659

Tenancy in Common – State legislation enacted in 2002, Section 15.2-1800.1 of the Code of Virginia, (1950), as amended, granted the County a tenancy in common with the School Board when the County incurs a financial obligation for school property which is payable over more than one fiscal year. For financial reporting purposes, the net book value of School capital assets financed by the County guaranteed debt is shown under the County up to the amount of outstanding debt. At June 30, 2025, the School component unit capital assets financed by the outstanding County guaranteed debt with a book value of $44,442,295 were reported in the Primary Government as tenant in common with the School Board.

NOTE 6 - CAPITAL ASSETS: (CONTINUED)

	Beginning Balance July 1, 2024	Additions	Deletions	Ending Balance June 30, 2025
Business-type Activities:				
Fork Union Sanitary District:				
Capital assets, not being depreciated:				
Land	$ 11,736	$ -	$ -	$ 11,736
Total capital assets not being depreciated	$ 11,736	$ -	$ -	$ 11,736
Capital assets being depreciated:				
Buildings and improvements	$ 18,079	$ -	$ -	$ 18,079
Infrastructure	3,633,360	112,769	-	3,746,129
Equipment	97,006	-	-	97,006
Total capital assets being depreciated	$ 3,748,445	$ 112,769	$ -	$ 3,861,214
Less accumulated depreciation for:				
Buildings and improvements	$ 18,079	$ -	$ -	$ 18,079
Infrastructure	2,098,055	93,109	-	2,191,164
Equipment	97,006		-	97,006
Total accumulated depreciation	$ 2,213,140	$ 93,109	$ -	$ 2,306,249
Total capital assets being depreciated, net	$ 1,535,305	$ 19,660	$ -	$ 1,554,965
Fork Union Sanitary District capital assets, net	$ 1,547,041	$ 19,660	$ -	$ 1,566,701
Zion Crossroads Water & Sewer:				
Capital assets, not being depreciated:				
Construction in progress	$ 12,070,408	$ 78,098	$ -	$ 12,148,506
Total capital assets not being depreciated	$ 12,070,408	$ 78,098	$ -	$ 12,148,506
Zion Crossroads Water & Sewer capital assets, net	$ 12,070,408	$ 78,098	$ -	$ 12,148,506

NOTE 6 - CAPITAL ASSETS: (CONTINUED)

	Beginning Balance July 1, 2024	Additions	Deletions	Ending Balance June 30, 2025
Business-type Activities:				
Sewer Fund:				
Capital assets, not being depreciated:				
Land	$ 284,440	$ -	$ -	$ 284,440
Total capital assets not being depreciated	$ 284,440	$ -	$ -	$ 284,440
Capital assets being depreciated:				
Infrastructure	$ 3,876,210	$ -	$ -	$ 3,876,210
Total capital assets being depreciated	$ 3,876,210	$ -	$ -	$ 3,876,210
Less accumulated depreciation for:				
Infrastructure	$ 1,502,751	$ 97,777	$ -	$ 1,600,528
Total accumulated depreciation	$ 1,502,751	$ 97,777	$ -	$ 1,600,528
Total capital assets being depreciated, net	$ 2,373,459	$ (97,777)	$ -	$ 2,275,682
Sewer capital assets, net	$ 2,657,899	$ (97,777)	$ -	$ 2,560,122
Business-type activities capital assets, net	$ 16,275,348	$ (19)	$ -	$ 16,275,329

NOTE 6 - CAPITAL ASSETS: (CONTINUED)

	Beginning Balance July 1, 2024	Additions	Deletions	Ending Balance June 30, 2025
Discretely Presented Component-Unit School Board:				
Capital assets, not being depreciated:				
Land	$ 359,782	$ -	$ -	$ 359,782
Construction in progress-jointly owned assets	(2,885,059)	(438,400)	(859,916)	(2,463,543)
Construction in progress	2,885,059	2,968,895	2,404,255	3,449,699
Total capital assets not being depreciated	$ 359,782	$ 2,530,495	$ 1,544,339	$ 1,345,938
Capital assets being depreciated:				
Buildings and improvements	$ 123,280,878	$ 2,718,586	$ -	$ 125,999,464
Equipment	10,802,210	729,552	-	11,531,762
Lease equipment	216,211	384,662	-	600,873
Jointly owned assets	(60,145,150)	(859,916)	(5,473,552)	(55,531,514)
Total capital assets being depreciated	$ 74,154,149	$ 2,972,884	$ (5,473,552)	$ 82,600,585
Less accumulated depreciation for:				
Buildings and improvements	$ 46,941,059	$ 3,441,696	$ -	$ 50,382,755
Equipment	7,492,795	647,955	-	8,140,750
Lease equipment	129,032	114,912	-	243,944
Jointly owned assets	(14,062,340)	(1,679,103)	(2,188,681)	(13,552,762)
Total accumulated depreciation	$ 40,500,546	$ 2,525,460	$ (2,188,681)	$ 45,214,687
Total capital assets being depreciated, net	$ 33,653,603	$ 447,424	$ (3,284,871)	$ 37,385,898
School Board capital assets, net	$ 34,013,385	$ 2,977,919	$ (1,740,532)	$ 38,731,836

NOTE 6 - CAPITAL ASSETS: (CONTINUED)

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

Governmental Activities:		
General government administration	$	200,246
Judicial administration		189,557
Public safety		1,915,636
Public works		243,926
Health and welfare		35,738
Education		1,679,103
Parks, recreation and cultural		118,123
Community development		74,725
Total	$	4,457,054
Business-Type Activities:		
Fork Union Sanitary District	$	93,109
Sewer	$	97,777
Component Unit School Board	$	2,525,460

NOTE 7 - LONG-TERM OBLIGATIONS:

The following is a summary of changes in long-term obligation transactions for the fiscal year ended June 30, 2025:

	Balance July 1, 2024*	Issuances/ Increases	Retirements/ Decreases	Balance June 30, 2025	Amounts Due Within One Year
Governmental Activities:					
Direct Borrowings and Direct Placements:					
School general obligation bonds	$ 57,039,383	$ -	$ 4,633,030	$ 52,406,353	$ 4,809,210
Premium on general obligation bonds	2,611,967	-	431,269	2,180,698	392,173
Discount on general obligation bonds	(95,088)	-	(31,697)	(63,391)	(31,697)
Infrastructure and state moral obligation revenue bonds	410,000	-	230,000	180,000	180,000
Premium on infrastructure revenue bonds	11,314	-	8,684	2,630	2,630
Qualified energy conservation revenue bonds	4,496,950	-	506,839	3,990,111	512,744
Landfill postclosure costs	523,257	5,348	37,757	490,848	37,757
Notes payable	4,357,311	-	557,463	3,799,848	565,099
Lease liabilities	193,593	655,449	38,955	810,087	37,052
Net OPEB liability:					
Net Group Life Insurance OPEB liability	$ 500,593	$ 258,105	$ 249,838	$ 508,860	$ -
Total net OPEB liability	$ 500,593	$ 258,105	$ 249,838	$ 508,860	$ -
Compensated absences**	1,477,922		8,104	1,469,818	146,982
Total governmental activities	$ 71,527,202	$ 918,902	$ 6,670,242	$ 65,775,862	$ 6,651,950

*balances have been restated for implementation of GASB 101
**The change in the compensated absences liability is presented as a net change.

The general fund revenues are used to liquidate compensated absences and other long-term obligations.

	Balance July 1, 2024	Issuances/ Increases	Retirements/ Decreases	Balance June 30, 2025	Amounts Due Within One Year
Business-type Activities:					
Direct Borrowings and Direct Placements:					
Water facilities bonds	$ 135,153	$ -	$ 54,617	$ 80,536	$ 57,065
Sewer system revenue bonds	180,000	-	60,000	120,000	60,000
Water and sewer system revenue bonds	8,230,000	-	410,000	7,820,000	425,000
Premium on revenue bonds	711,111	-	93,013	618,098	87,113
Total business-type activities	$ 9,256,264	$ -	$ 617,630	$ 8,638,634	$ 629,178
Total Primary Government	$ 80,783,466	$ 918,902	$ 7,287,872	$ 74,414,496	$ 7,281,128

NOTE 7 - LONG-TERM OBLIGATIONS: (CONTINUED)

Primary Government

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

	Direct Borrowings and Direct Placements					
	General Obligation Bonds		Infrastructure and State Moral Obligation Revenue Bond		Lease liabilities	
Year	Principal	Interest	Principal	Interest	Principal	Interest
2026	$ 4,809,210	$ 1,724,139	$ 180,000	$ 4,612	$ 37,052	$ 35,008
2027	4,602,143	1,547,103	-	-	40,671	33,550
2028	4,400,000	1,370,065	-	-	44,503	31,945
2029	4,555,000	1,216,817	-	-	48,558	30,184
2030	4,710,000	1,060,915	-	-	52,847	28,257
2031	4,485,000	876,975	-	-	98	27,325
2032	4,670,000	692,842	-	-	558	27,290
2033	4,710,000	526,831	-	-	1,673	27,212
2034	4,680,000	383,791	-	-	2,664	27,088
2035	4,825,000	241,261	-	-	3,730	26,914
2036	4,975,000	95,780	-	-	4,877	26,687
2037	155,000	40,558	-	-	6,108	26,402
2038	160,000	33,900	-	-	7,429	26,056
2039	160,000	26,940	-	-	8,846	25,644
2040	165,000	19,666	-	-	10,363	25,161
2041	170,000	11,960	-	-	11,988	24,603
2042	175,000	4,036	-	-	13,725	23,963
2043	-	-	-	-	15,581	23,237
2044	-	-	-	-	17,564	22,419
2045	-	-	-	-	19,680	21,502
2046	-	-	-	-	21,938	20,480
2047	-	-	-	-	24,344	19,346
2048	-	-	-	-	26,909	18,093
2049	-	-	-	-	29,639	16,712
2050	-	-	-	-	32,546	15,196
2051	-	-	-	-	35,639	13,536
2052	-	-	-	-	38,927	11,722
2053	-	-	-	-	42,423	9,746
2054	-	-	-	-	46,137	7,597
2055	-	-	-	-	50,083	5,263
2056	-	-	-	-	54,271	2,735
2057	-	-	-	-	58,716	-
Totals	$ 52,406,353	$ 9,873,579	$ 180,000	$ 4,612	$ 810,087	$ 680,873

NOTE 7 - LONG-TERM OBLIGATIONS: (CONTINUED)

Primary Government: (Continued)

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

	Direct Borrowings and Direct Placements				Direct Borrowings and Direct Placements Revenue Bonds					
	Qualified Energy Conservation Revenue Bonds		Notes payable		Water Facilities Bond		Sewer System Revenue Bond		Water and Sewer System Revenue Bond	
Year	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2026	$ 512,744	$ 144,869	$ 565,099	$ 48,187	$ 57,065	$ 2,455	$ 60,000	$ -	$ 425,000	$ 297,528
2027	518,717	124,859	572,842	40,392	23,471	209	60,000	-	445,000	276,234
2028	524,760	104,615	580,689	32,490	-	-	-	-	470,000	252,788
2029	530,873	84,136	588,645	24,480	-	-	-	-	495,000	228,634
2030	537,058	63,418	490,770	17,086	-	-	-	-	525,000	204,713
2031	543,315	42,459	497,494	10,317	-	-	-	-	545,000	180,497
2032	549,644	21,255	504,309	3,455	-	-	-	-	570,000	156,563
2033	273,000	5,296	-	-	-	-	-	-	590,000	133,538
2034	-	-	-	-	-	-	-	-	615,000	110,534
2035	-	-	-	-	-	-	-	-	635,000	89,103
2036	-	-	-	-	-	-	-	-	655,000	68,947
2037	-	-	-	-	-	-	-	-	680,000	46,463
2038	-	-	-	-	-	-	-	-	700,000	22,100
2039	-	-	-	-	-	-	-	-	155,000	8,341
2040	-	-	-	-	-	-	-	-	155,000	5,047
2041	-	-	-	-	-	-	-	-	160,000	1,700
Totals	$ 3,990,111	$ 590,907	$ 3,799,848	$ 176,407	$ 80,536	$ 2,664	$ 120,000	$ -	$ 7,820,000	$ 2,082,730

Detail of Long-Term Obligations

	Amount Outstanding	Amounts Due Within One Year
Governmental Activities:		
Direct Borrowings and Direct Placements:		
Infrastructure and State Moral Obligation Revenue Bonds:		
$3,520,000 Virginia Resources Authority Infrastructure and State Moral Obligation Revenue Bonds Series 2014C, issued November 19, 2014 maturing annually in installments ranging from $180,000 to $440,000 through October 1, 2025. Interest payable semiannually at ranging 3.007% to 5.125%.	$ 180,000	$ 180,000
Premium on School Bonds 2014C	2,630	2,630
Total infrastructure and state moral obligation revenue bonds	$ 182,630	$ 182,630

NOTE 7 - LONG-TERM OBLIGATIONS: (CONTINUED)

Detail of Long-Term Obligations

	Amount Outstanding	Amounts Due Within One Year
School General Obligation Bonds:		
$6,411,957 School Bonds, 2005A, issued November 10, 2005, maturing annually in installments ranging from $273,104 to $372,067 through July 15, 2025, interest payable semiannually at 5.1%.	$ 372,067	$ 372,067
$5,420,000 School Bonds, 2009A, issued November 13, 2009, maturing annually in installments ranging from $135,500 to $387,143 through September 15, 2026. The interest rate is 0.0%.	774,286	387,143
Discount on School Bonds 2009A	(63,391)	(31,697)
$66,120,000 School Refunding Bonds, 2012B, issued December 20, 2012, maturing annually in installments ranging from $345,000 to $4,825,000 through June 30, 2036, interest payable semiannually ranging from 1.25% to 5.00%.	45,025,000	3,380,000
Premium on School Bonds 2012B	1,759,315	302,264
$3,995,000 School Bonds, 2012, issued November 15, 2012, maturing annually in installments ranging from $135,000 to $305,000 through July 15, 2032, interest payable semiannually ranging from 2.05% to 5.05%.	1,275,000	145,000
Premium on School Bonds 2012	35,747	7,992
$4,420,000 School Bonds, 2014C, issued November 20, 2014, maturing annually in installments ranging from $170,000 to $405,000 through July 15, 2029, interest payable semiannually at ranging from 2.05% to 5.05%.	1,865,000	340,000
Premium on School Bonds 2014C	79,548	29,904
$3,270,000 School Bonds, 2021, issued November 9, 2021, maturing annually in installments ranging from $150,000 to $255,000 through July 15, 2041, interest payable semiannually at ranging from 2.05% to 5.05%.	3,095,000	185,000
Premium on School Bonds 2021	306,088	52,013
Total school general obligation bonds	$ 54,523,660	$ 5,169,686

NOTE 7 - LONG-TERM OBLIGATIONS: (CONTINUED)

Detail of Long-Term Obligations: (Continued)

	Amount Outstanding	Amounts Due Within One Year
Qualified Energy Conservation Revenue Bonds:		
$7,653,740 Qualified Energy Conservation Revenue Bonds, Series 2017, issued February 28, 2017, maturing annually in installments ranging from $236,000 to $549,644 through August 1, 2032, interest payable semiannually at 3.88%.	$ 3,990,111	$ 512,744
Notes Payable:		
$5,231,500 note payable dated February 3, 2022 maturing annually in installments ranging from $399,286 to $613,390 through 2032 . Interest payable annually at 1.37%. Note is for various equipment and vehicles.	3,799,848	565,099
Total notes payable	$ 3,799,848	$ 565,099
Lease liabilities:		
Lease for communication tower payable in various annual payments through September 2056. Discount rate at 1.00%.	$ 575,285	$ (3,475)
Lease for space payable in various monthly payments through September 2056. Discount rate at 1.00%.	234,802	40,527
Total lease liabilities	$ 810,087	$ 37,052
Landfill postclosure costs	$ 490,848	$ 37,757
Net Group Life Insurance OPEB liability	$ 508,860	$ -
Compensated absences	$ 1,469,818	$ 146,982
Total Governmental Activities	$ 65,775,862	$ 6,651,950

NOTE 7 - LONG-TERM OBLIGATIONS: (CONTINUED)

Detail of Long-Term Obligations: (Continued)

	Amount Outstanding	Amounts Due Within One Year
Business-type Activities:		
Direct Borrowings and Direct Placements:		
Water Facilities Bond:		
$1,000,000, Series 1998-A, authorized June 25, 1998, due in monthly installments of $4,960, including principal and interest. The interest rate is 4.5% and final payment is due October 31, 2026.	$ 80,536	$ 57,065
Sewer System Revenue Bond:		
$1,200,000, Series 2006, authorized August 1, 2006, due in semi-annual installments of $30,000, principal only. The interest rate is 0.0% and final payment is due March 1, 2027.	120,000	60,000
Water and Sewer System Revenue Bond:		
$7,715,000, Series 2017B, authorized August 16, 2017, due in annual installments ranging from $250,000 to $550,000 through October 1, 2037, interest payable semiannually ranging from 2.825% to 5.125%	5,750,000	335,000
$2,400,000, Series 2020B, authorized June 19, 2020, due in annual installments ranging from $75,000 to $160,000 through November 1, 2041, interest payable semiannually ranging from 2.0% to 5.0%	2,070,000	90,000
Premium on revenue bonds	618,098	87,113
Total Business-type Activities Obligations	$ 8,638,634	$ 629,178
Total Primary Government	$ 74,414,496	$ 7,281,128

Direct Borrowings and Placements

In the event of default for any general obligation bond, the Commonwealth of Virginia may withhold state aid from the locality until such time that the event of default is cured in accordance with Section 15.2-2659 of the Code of Virginia, 1950 as amended.

Revenue bonds totaling $14,045,201 contain a provision that, in the event of default, the Lender may declare the entire unpaid principal and interest on the issuance as due and payable.

USDA Revenue Bond

Under the terms of the USDA Revenue Bonds, the County is required to establish a reserve equal to 10% of the monthly installments of principal and interest until an amount equal to twelve monthly installments has been established. The funds are not required to be held in a separate bank account. The County has established this reserve and has a balance of $59,520. The reserve had been reflected as restricted fund balance in the General Fund in the accompanying financial statements.

NOTE 7 - LONG-TERM OBLIGATIONS: (CONTINUED)

Component Unit School Board

The following is a summary of long-term obligations for the fiscal year ended June 30, 2025:

	Balance July 1, 2024*	Increases	Decreases	Balance June 30, 2025	Amounts Due Within One Year
Compensated absences**	$ 4,551,767	$ 871,800	$	$ 5,423,567	$ 542,357
Lease liabilities	87,974	384,662	115,211	357,425	118,858
Net OPEB liability:					
Net Group Life Insurance OPEB liability	$ 1,266,460	$ 496,781	$ 556,366	$ 1,206,875	$ -
Net Health Insurance Credit OPEB liability	2,868,144	601,435	668,532	2,801,047	-
Total net OPEB liability	$ 4,134,604	$ 1,098,216	$ 1,224,898	$ 4,007,922	$ -
Net pension liability	22,836,652	10,209,545	11,051,398	21,994,799	-
Total	$ 31,610,997	$ 12,564,223	$ 12,391,507	$ 31,783,713	$ 661,215

*balances have been restated for implementation of GASB 101

**The change in the compensated absences liability is presented as a net change.

The School Operating and School Cafeteria Funds are used to liquidate the School Board's compensated absences liability.

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

	Lease Liabilities	
Year Ending June 30,	Principal	Interest
2026	$ 118,858	12,173
2027	78,690	8,575
2028	81,738	5,069
2029	78,139	1,434
Total	$ 357,425	$ 27,251

Lease Liabilities

Lease for copiers payable in various monthly installments of through May 2029, discount rate ranging from 1.00% to 4.39%.	$ 355,229
Lease for equipment payable in quarterly payments of $457 through September 2026, discount rate at 1.00%	2,196
Total	$ 357,425

NOTE 8 – LEASES RECEIVABLE:

The County leases tower space to companies under various lease contracts. In fiscal year 2025, the County governmental activities recognized lease and interest revenue in the amount of $4,971 and $601 respectively. The business-type activities recognized lease and interest revenue in the amount of $10,201 and $2,073, respectively. A description of the leases is as follows:

Lease Description	Start Date	End Date	Length of Lease Term (in months)	Payment Frequency	Discount Rate	Receivable Balance
Governmental Activities:						
AT&T Tower	7/1/2025	2/1/2030	56	Monthly	3.00%	$ 215,590
Total governmental activities						$ 215,590
Business-type Activities:						
US Cellular Tower	7/1/2025	3/1/2030	57	Monthly	3.00%	$ 141,531
Shentel Water Tower	7/1/2025	4/1/2029	46	Monthly	3.00%	80,079
Verizon Water Tower	7/1/2025	10/1/2036	136	Monthly	3.00%	330,483
Total business-type activities						$ 552,093
Total Primary Government:						$ 767,683

Expected future payments at June 30, 2025 are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	$ 103,335	$ 28,335	$ 131,670
2027	111,440	24,180	135,620
2028	119,986	19,703	139,689
2029	125,063	14,903	139,966
2030	86,900	10,557	97,457
2031	28,075	8,697	36,772
2032	30,418	7,458	37,876
2033	32,896	6,116	39,012
2034	35,516	4,667	40,183
2035	38,284	3,103	41,387
2036	41,210	1,419	42,629
2037	14,560	77	14,637
Total	$ 767,683	$ 129,215	$ 896,898

NOTE 9 - PENSION PLAN:

All full-time, salaried permanent employees of the County and (nonprofessional) employees of public school divisions are automatically covered by a VRS Retirement Plan upon employment. This is an agent multiple-employer plan administered by the Virginia Retirement System (the System) along with plans for other employer groups in the Commonwealth of Virginia. Members earn one month of service credit for each month they are employed and for which they and their employer pay contributions to VRS. Members are eligible to purchase prior service, based on specific criteria as defined in the Code of Virginia, as amended. Eligible prior service that may be purchased includes prior public service, active military service, certain periods of leave, and previously refunded service.

Benefit Structures

The System administers three different benefit structures for covered employees – Plan 1, Plan 2 and Hybrid. Each of these benefit structures has different eligibility criteria, as detailed below.

a. Employees hired before July 1, 2010, vested as of January 1, 2013, and have not taken a refund, are covered under Plan 1, a defined benefit plan. Non-hazardous duty employees are eligible for an unreduced retirement benefit beginning at age 65 with at least 5 years of service credit or age 50 with at least 30 years of service credit. Non-hazardous duty employees may retire with a reduced benefit as early as age 55 with at least 5 years of service credit or age 50 with at least 10 years of service credit. Hazardous duty employees (law enforcement officers, firefighters, and sheriffs) are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit or age 50 with at least 25 years of service credit. Hazardous duty employees may retire with a reduced benefit as early as age 50 with at least 5 years of service credit.

b. Employees with a membership date from July 1, 2010 to December 31, 2013, that have not taken a refund or employees with a membership date prior to July 1, 2010 and not vested before January 1, 2013, are covered under Plan 2, a defined benefit plan. Non-hazardous duty employees are eligible for an unreduced benefit beginning at their normal social security retirement age with at least 5 years of service credit or when the sum of their age plus service credit equals 90. Non-hazardous duty employees may retire with a reduced benefit as early as age 60 with at least 5 years of service credit. a. Hazardous duty employees are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit or age 50 with at least 25 years of service credit. Hazardous duty employees may retire with a reduced benefit as early as age 50 with at least 5 years of service credit.

c. Non-hazardous duty employees with a membership date on or after January 1, 2014 are covered by the Hybrid Plan combining the features of a defined benefit plan and a defined contribution plan. Plan 1 and Plan 2 members also had the option of opting into this plan during the election window held January 1 – April 30, 2014 with an effective date of July 1, 2014. Employees covered by this plan are eligible for an unreduced benefit beginning at their normal social security retirement age with at least 5 years of service credit, or when the sum of their age plus service credit equals 90. Employees may retire with a reduced benefit as early as age 60 with at least 5 years of service credit. For the defined contribution component, members are eligible to receive distributions upon leaving employment, subject to restrictions.

NOTE 9 - PENSION PLAN: (CONTINUED)

Average Final Compensation and Service Retirement Multiplier

The VRS defined benefit is a lifetime monthly benefit based on a retirement multiplier as a percentage of the employee's average final compensation multiplied by the employee's total service credit. Under Plan 1, average final compensation is the average of the employee's 36 consecutive months of highest compensation and the multiplier is 1.70% for non-hazardous duty employees, 1.85% for sheriffs and regional jail superintendents, and 1.70% or 1.85% for hazardous duty employees as elected by the employer. Under Plan 2, average final compensation is the average of the employee's 60 consecutive months of highest compensation and the retirement multiplier is 1.65% for non-hazardous duty employees, 1.85% for sheriffs and regional jail superintendents, and 1.70% or 1.85% for hazardous duty employees as elected by the employer. Under the Hybrid Plan, average final compensation is the average of the employee's 60 consecutive months of highest compensation and the multiplier is 1.00%. For members who opted into the Hybrid Retirement Plan from Plan 1 or Plan 2, the applicable multipliers for those plans will be used to calculate the retirement benefit for service credited in those plans.

Cost-of-Living Adjustment (COLA) in Retirement and Death and Disability Benefits

Retirees with an unreduced benefit or with a reduced benefit with at least 20 years of service credit are eligible for an annual COLA beginning July 1 after one full calendar year from the retirement date. Retirees with a reduced benefit and who have less than 20 years of service credit are eligible for an annual COLA beginning on July 1 after one calendar year following the unreduced retirement eligibility date. Under Plan 1, the COLA cannot exceed 5.00%. Under Plan 2 and the Hybrid Plan, the COLA cannot exceed 3.00%. The VRS also provides death and disability benefits. Title 51.1 of the Code of Virginia as amended, assigns the authority to establish and amend benefit provisions to the General Assembly of Virginia.

Employees Covered by Benefit Terms

As of the June 30, 2023 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	Primary Government	Component Unit School Board Nonprofessional
Inactive members or their beneficiaries currently receiving benefits	115	51
Inactive members:		
Vested inactive members	53	19
Non-vested inactive members	80	54
Inactive members active elsewhere in VRS	115	36
Total inactive members	248	109
Active members	170	81
Total covered employees	533	241

NOTE 9 - PENSION PLAN: (CONTINUED)

Contributions

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

The County's contractually required contribution rate for the year ended June 30, 2025 was 9.18% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the County were $1,127,468 and $885,580 for the years ended June 30, 2025 and June 30, 2024, respectively.

The Component Unit School Board's contractually required contribution rate for nonprofessional employees for the year ended June 30, 2024 was 2.60% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Component Unit School Board's nonprofessional employees were $79,389 and $49,915 for the years ended June 30, 2025 and June 30, 2024, respectively.

The defined contributions component of the Hybrid plan includes member and employer mandatory and voluntary contributions. The Hybrid plan member must contribute a mandatory rate of 1% of their covered payroll. The employer must also contribute a mandatory rate of 1% of this covered payroll, which totaled $51,510 and $17,376 for the County and School Board, respectively, for the year ended June 30, 2025. Hybrid plan members may also elect to contribute an additional voluntary rate of up to 4% of their covered payroll; which would require the employer a mandatory additional contribution rate of up to 2.5%. This additional employer mandatory contribution totaled $53,101 and $14,680 for the County and School Board, respectively, for the year ended June 30, 2025. The total Hybrid plan participant covered payroll totaled $5,151,042 and $1,737,626 for the County and School Board, respectively, for the year ended June 30, 2025.

Net Pension Liability (Asset)

The net pension liability (asset) (NPA) is calculated separately for each employer and represents that employer's total pension liability determined in accordance with GASB Statement No. 68, less that employer's fiduciary net position. The County's and Component Unit School Board's (nonprofessional) net pension liability/asset were measured as of June 30, 2024. The total pension liabilities used to calculate the net pension liability/asset were determined by an actuarial valuation performed as of June 30, 2023, and rolled forward to the measurement date of June 30, 2024.

NOTE 9 - PENSION PLAN: (CONTINUED)

Actuarial Assumptions – General Employees

The total pension liability for General Employees in the County's and Component Unit School Board's (nonprofessional) Retirement Plan was based on an actuarial valuation as of June 30, 2023 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, 2024.

Inflation	2.50%
Salary increases, including inflation	3.50% – 5.35%
Investment rate of return	6.75%, net of pension plan investment expenses, including inflation

Mortality rates:

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

NOTE 9 - PENSION PLAN: (CONTINUED)

Actuarial Assumptions – General Employees (Continued)

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020.Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

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

Actuarial Assumptions – Public Safety Employees with Hazardous Duty Benefits

The total pension liability for Public Safety employees with Hazardous Duty Benefits in the County's Retirement Plan was based on an actuarial valuation as of June 30, 2023, 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, 2024.

Inflation	2.50%
Salary increases, including inflation	3.50% – 4.75%
Investment rate of return	6.75%, net of pension plan investment expenses, including inflation

NOTE 9 - PENSION PLAN: (CONTINUED)

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

Mortality rates:

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

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

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

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

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

NOTE 9 - PENSION PLAN: (CONTINUED)

Long-Term Expected Rate of Return

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

Asset Class (Strategy)	Long-Term Target Asset Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-term Expected Rate of Return*
Public Equity	32.00%	6.70%	2.14%
Fixed Income	16.00%	5.40%	0.86%
Credit Strategies	16.00%	8.10%	1.30%
Real Assets	15.00%	7.20%	1.08%
Private Equity	15.00%	8.70%	1.31%
PIP - Private Investment Partnerships	1.00%	8.00%	0.08%
Diversifying Strategies	6.00%	5.80%	0.35%
Cash	2.00%	3.00%	0.06%
Leverage	-3.00%	3.50%	-0.11%
Total	100.00%		7.07%
		Expected arithmetic nominal return**	7.07%

*The above allocation provides a one-year expected return of 7.07% (includes 2.50% inflation assumption). However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 7.10%, including expected inflation of 2.50%.

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

NOTE 9 - PENSION PLAN: (CONTINUED)

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. For the year ended June 30, 2024, the employer contribution rate was 100% of the actuarially determined employer contribution rate from the June 30, 2023 actuarial valuations. Through the fiscal year ended June 30, 2024, the rate contributed by the school division for the VRS Teacher Retirement Plan was subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 112% of the actuarially determined contribution rate. From July 1, 2024 on, participating employers and school divisions are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability (Asset)

	Primary Government		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2023	$ 31,781,640	$ 32,979,935	$ (1,198,295)
Changes for the year:			
Service cost	$ 1,338,698	$ -	$ 1,338,698
Interest	2,186,359	-	2,186,359
Differences between expected and actual experience	1,653,928	-	1,653,928
Contributions - employer	-	884,405	(884,405)
Contributions - employee	-	536,549	(536,549)
Net investment income	-	3,215,820	(3,215,820)
Benefit payments, including refunds of employee contributions	(1,459,675)	(1,459,675)	-
Administrative expenses	-	(20,382)	20,382
Other changes	-	700	(700)
Net changes	$ 3,719,310	$ 3,157,417	$ 561,893
Balances at June 30, 2024	$ 35,500,950	$ 36,137,352	$ (636,402)

NOTE 9 - PENSION PLAN: (CONTINUED)

Changes in Net Pension Liability (Asset)

	Component School Board (nonprofessional)		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at June 30, 2023	$ 8,308,138	$ 9,389,126	$ (1,080,988)
Changes for the year:			
Service cost	$ 208,158	$ -	$ 208,158
Interest	562,788	-	562,788
Differences between expected and actual experience	237,425	-	237,425
Contributions - employer	-	50,089	(50,089)
Contributions - employee	-	127,692	(127,692)
Net investment income	-	908,629	(908,629)
Benefit payments, including refunds of employee contributions	(357,401)	(357,401)	-
Administrative expenses	-	(5,986)	5,986
Other changes	-	189	(189)
Net changes	$ 650,970	$ 723,212	$ (72,242)
Balances at June 30, 2024	$ 8,959,108	$ 10,112,338	$ (1,153,230)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the net pension liability (asset) of the County and Component Unit School Board (nonprofessional) using the discount rate of 6.75%, as well as what the County's and Component Unit School Board's (nonprofessional) net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	Rate		
	(5.75%)	(6.75%)	(7.75%)
County			
Net Pension Liability (Asset)	$ 3,841,583	$ (636,402)	$ (4,293,429)
Component Unit School Board (nonprofessional)			
Net Pension Liability (Asset)	$ (56,357)	$ (1,153,230)	$ (2,058,574)

NOTE 9 - PENSION PLAN: (CONTINUED)

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

For the year ended June 30, 2025, the County and Component Unit School Board (nonprofessional) recognized pension expense of $540,031 and ($137,774), respectively. At June 30, 2025, the County and Component Unit School Board (nonprofessional) reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Primary Government		Component Unit School Board (nonprofessional)	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,043,699	$ -	$ 132,370	$ 15,959
Change in assumptions	-	-	-	-
Net difference between projected and actual earnings on pension plan investments	-	915,308	-	263,242
Employer contributions subsequent to the measurement date	1,127,468	-	79,389	-
Total	$ 2,171,167	$ 915,308	$ 211,759	$ 279,201

$1,127,468 and $79,389 reported as deferred outflows of resources related to pensions resulting from the County's and Component Unit School Board's (nonprofessional) contributions, respectively, subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Year ended June 30	Primary Government	Component Unit School Board (nonprofessional)
2026	$ (154,238)	$ (138,989)
2027	665,371	100,351
2028	(184,413)	(51,968)
2029	(198,329)	(56,225)
2030	-	-
Thereafter	-	-

Pension Plan Data

Information about the VRS Political Subdivision Retirement Plan is also available in the separately issued VRS 2024 Annual Comprehensive Financial Report (Annual Report). A copy of the 2024 VRS Annual Report may be downloaded from the VRS website at https://www.varetire.org/pdf/publications/2024-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

NOTE 9 - PENSION PLAN: (CONTINUED)

Component Unit School Board (professional)

Plan Description

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

Contributions

The contribution requirement for active employees is governed by §51.1-145 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement. Each school division's contractually required employer contribution rate for the year ended June 30, 2025 was 14.21% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the school division were $3,596,499 and $3,951,893 for the years ended June 30, 2025 and June 30, 2024, respectively.

The defined contributions component of the Hybrid plan includes member and employer mandatory and voluntary contributions. The Hybrid plan member must contribute a mandatory rate of 1% of their covered payroll. The employer must also contribute a mandatory rate of 1% of this covered payroll, which totaled $110,802 for the year ended June 30, 2025. Hybrid plan members may also elect to contribute an additional voluntary rate of up to 4% of their covered payroll; which would require the employer a mandatory additional contribution rate of up to 2.5%. This additional employer mandatory contribution totaled $143,864 for the year ended June 30, 2025. The total Hybrid plan participant covered payroll totaled $11,080,244 for the year ended June 30, 2025.

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 operating grants and contributions section of Exhibit 2 in the financial statements.

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

At June 30, 2025, the school division reported a liability of $21,994,799 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2024 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation performed as of June 30, 2023, and rolled forward to the measurement date of June 30, 2024. The school division's proportion of the Net Pension Liability was based on the school division's actuarially determined employer contributions to the pension plan for the year ended June 30, 2024, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2024, the school division's proportion was .23431% as compared to .22594% at June 30, 2023.

NOTE 9 - PENSION PLAN: (CONTINUED)

Component Unit School Board (professional) (Continued)

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

For the year ended June 30, 2025, the school division recognized pension expense of $1,839,216. Since there was a change in proportionate share between measurement dates, a portion of the pension expense was related to deferred amounts from changes in proportion and from differences between employer contributions and the proportionate share of employer contributions. Beginning with the June 30, 2022 measurement date, the difference between expected and actual contributions is included with the pension expense calculation.

At June 30, 2025, the school division reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 3,815,788	$ 452,888
Change in assumptions	399,235	-
Net difference between projected and actual earnings on pension plan investments	-	3,027,598
Changes in proportion and differences between employer contributions and proportionate share of contributions	646,691	618,833
Employer contributions subsequent to the measurement date	3,596,499	-
Total	$ 8,458,213	$ 4,099,319

$3,596,499 reported as deferred outflows of resources related to pensions resulting from the school division's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Year ended June 30	
2026	$ (1,569,528)
2027	1,902,158
2028	592,154
2029	(162,389)
Thereafter	-

NOTE 9 - PENSION PLAN: (CONTINUED)

Component Unit School Board (professional) (Continued)

Actuarial Assumptions

The total pension liability for the VRS Teacher Retirement Plan was based on an actuarial valuation as of June 30, 2023, 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, 2024.

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

Mortality rates:

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

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

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

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

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

NOTE 9 - PENSION PLAN: (CONTINUED)

Component Unit School Board (professional) (Continued)

Actuarial Assumptions: (Continued)

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

Net Pension Liability

The net pension liability (NPL) is calculated separately for each system and represents that particular system's total pension liability determined in accordance with GASB Statement No. 67, less that system's fiduciary net position. As of June 30, 2024, NPL amounts for the VRS Teacher Employee Retirement Plan is as follows (amounts expressed in thousands):

	Teacher Employee Retirement Plan
Total Pension Liability	$ 60,622,260
Plan Fiduciary Net Position	51,235,326
Employer's Net Pension Liability (Asset)	$ 9,386,934
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	84.52%

NOTE 9 - PENSION PLAN: (CONTINUED)

Component Unit School Board (professional) (Continued)

Net Pension Liability: (Continued)

The total pension liability is calculated by the System's actuary, and each plan's fiduciary net position is reported in the System's financial statements. The net pension liability is disclosed in accordance with the requirements of GASB Statement No. 67 in the System's notes to the financial statements and required supplementary information.

Long-Term Expected Rate of Return

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

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

The following presents the school division's proportionate share of the net pension liability using the discount rate of 6.75%, as well as what the school division's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
School division's proportionate share of the VRS Teacher Employee Retirement Plan Net Pension Liability (Asset)	$ 40,862,025	$ 21,994,799	$ 6,543,141

Pension Plan Fiduciary Net Position

Detailed information about the VRS Teacher Retirement Plan's Fiduciary Net Position is available in the separately issued VRS 2024 Annual Comprehensive Financial Report (Annual Report). A copy of the 2024 VRS Annual Report may be downloaded from the VRS website at http://www.varetire.org/pdf/publications/2024-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

NOTE 9 - PENSION PLAN: (CONTINUED)

Primary Government and Component Unit School Board

Aggregate Pension Information

	Primary Government				Component Unit School Board			
	Deferred Outflows	Deferred Inflows	Net Pension Liability (Asset)	Pension Expense	Deferred Outflows	Deferred Inflows	Net Pension Liability (Asset)	Pension Expense
VRS Pension Plans:								
Primary Government	$ 2,171,167	$ 915,308	(636,402)	$ 540,031	$ -	$ -	$ -	$ -
School Board								
Nonprofessional	-	-	-	-	211,759	279,201	(1,153,230)	(137,774)
Professional	-	-	-	-	8,458,213	4,099,319	21,994,799	1,839,216
Totals	$ 2,171,167	$ 915,308	$ (636,402)	$ 540,031	$ 8,669,972	$ 4,378,520	$ 20,841,569	$ 1,701,442

NOTE 10 - COMPENSATED ABSENCES:

The County has accrued the liability arising from outstanding claims and judgments and compensated absences.

The County employees earn vacation and sick leave based on years of service at the rate of eight hours per month for each full-time employee with less than 5 years of service. Twenty-five percent of the unused sick leave or $2,500 for County or $5,000 for Social Services, whichever is less, will be paid to an employee who leaves county employment after five or more years of service. Accumulated vacation is paid upon termination based on length of employment as defined in the County’s personnel policy. The County has accrued vacation and sick leave pay as follows:

Governmental Activities	$ 1,469,818
Component Unit School Board	$ 5,423,567

NOTE 11 - SELF INSURANCE/RISK MANAGEMENT:

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County contracts with the Virginia Association of Counties Municipal Liability Pool to provide insurance coverage for these risk losses. The County pays an annual premium to the association for its general workers compensation insurance coverage. In the event of a loss deficit and depletion of all available excess insurance, the Association may assess all members in the proportion which the premium of each bears to the total premiums of all members in the year in which such deficit occurs.

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

NOTE 12 - DEFERRED/UNAVAILABLE/UNEARNED REVENUE:

Deferred revenue /unavailable revenue represent amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Under the modified accrual basis of accounting, such amounts are measurable, but not available. Under the accrual basis, assessments for future periods are deferred.

	Government-wide Statements	Balance Sheet
	Governmental Activities	**Governmental Funds**
Primary Government:		
Deferred/Unavailable property tax revenue:		
Deferred/Unavailable revenue representing uncollected property tax billings for which asset recognition criteria has not been met. The uncollected tax billings are not available for the funding of current expenditures.	$ -	$ 5,166,091
Tax assessments due after June 30	22,778,653	22,778,653
Prepaid property tax revenues representing collections received for property taxes that are applicable to the subsequent budget year.	348,555	348,555
Total governmental activities	$ 23,127,208	$ 28,293,299

NOTE 13 - CONTINGENT LIABILITIES:

Federal assistance programs in which the County and its component units participate were audited in accordance with the provisions of the Uniform Guidance. Pursuant to the above provisions, major and nonmajor programs were tested for compliance with applicable grant requirements. While there are no items of noncompliance, as noted in the compliance report, the federal government may subject grant programs to additional compliance testing which may result in disallowances of current grant program expenditures. However, management believes that if any of these expenditures were disallowed it would be immaterial to the overall general-purpose financial statements.

NOTE 14 - LITIGATION:

At June 30, 2025, there were no matters of litigation involving the County which would materially affect the County's financial position should any court decisions on pending matters not be favorable to the County.

NOTE 15 - LANDFILL CLOSURE AND POSTCLOSURE CARE COST:

The County of Fluvanna, Virginia owns and operates a landfill site. State and federal laws and regulations require the County to place a final cover on each phase of its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Closure and postclosure 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 postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The $508,860 reported as a landfill closure and postclosure care liability at June 30, 2025, represents the cumulative amount reported based on the use of 100% of the estimated capacity used of the landfill. The County has closed the landfill. These amounts are based on what it would cost to perform all closures and postclosure care in 2026. Actual closure and postclosure care costs may be higher due to inflation, changes in technology, or changes in regulations.

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

The County plans to meet all federal laws, regulations and tests of financial assurance related to the financing of closure and postclosure care when they become effective.

NOTE 16 - SURETY BONDS:

Fidelity and Deposit Company of Maryland - Surety:		
Tristana Treadway, Clerk of the Circuit Court	$	25,000
Deborah A. Rittenhouse, Treasurer	$	400,000
Andrew M. Sheridan, Commissioner of the Revenue	$	3,000
Eric B. Hess, Sheriff	$	30,000

The Department of Risk Management of the Virginia General Services Administration maintains a self-insurance plan which covers any duly elected Constitutional Officer required to present a bond and all deputies and/or employees of such Constitutional Officers. The coverage provided by the plan is $500,000.

Western Surety Company - Surety:		
Dr. Peter Gretz, Superintendent of Schools	$	10,000
Brandi Critzer, Clerk of the School Board	$	10,000
Eric M. Dahl, County Administrator	$	2,000
John M. Sheridan, Supervisor	$	2,500
David M. Goad, Supervisor	$	2,500
Timothy M. Hodge, Supervisor	$	2,500
Anthony P. O'Brien, Supervisor	$	2,500
Caitlin Solis, Supervisor	$	2,500
Continental Insurance Company - Surety:		
Social Services Department employees - blanket bond	$	100,000
The Travelers - Surety:		
Manager, Fork Union Sanitary District	$	10,500

NOTE 17 - MEDICAL, DENTAL, AND LIFE INSURANCE (OPEB PLAN):

County and School Board

Plan Description

The County Post-Retirement Medical Plan (CPRMP) is a single-employer defined benefit healthcare plan which offers health insurance for retired employees. Retirees are eligible for postretirement medical coverage if they are a full-time employee who retires directly from the County and is eligible for retirement from VRS. The County's post-retirement medical plan does not issue a separate, audited GAAP basis report.

The School Board Post-Retirement Medical Plan (SBPRMP) is a single-employer defined benefit healthcare plan which offers health insurance for retired employees. Retirees are eligible for postretirement medical coverage if they are a full-time employee who retires directly from the County and is eligible for retirement from VRS. The School Board's Post-Retirement Medical Plan does not issue a separate, audited GAAP basis report.

Management of the CPRMP is vested in the County Finance Board, which consists of three members-the Chairman of the Board of Supervisors, the County Treasurer, and a Citizen of the County of proven integrity and business ability appointed by the current Court of the County.

Benefits Provided

The County of Fluvanna has established an irrevocable trust pursuant to Section 15.2-1544 of the Code of Virginia, as amended for the purpose of accumulated and investing assets to fund Other Postemployment Benefits (OPEB) and to participate in the Virginia Pooled OPEB Trust Fund and has established a Local Finance Board to become a Participating Employer in the Trust Fund. The Trust Fund provides administrative, custodial and investment services to the Participating Employers in the Trust Fund. The County participates in the Virginia Pooled OPEB Trust Fund, an irrevocable trust established for the purpose of accumulating assets to fund postemployment benefits other than pensions. 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.

Postemployment benefits are provided to eligible retirees include Medical, Dental, and Life insurance. The benefits that are provided for active employees are the same for eligible retirees, spouses and dependents of eligible retirees. All permanent employees of the County who meet eligibility requirements of the pension plan are eligible to receive postemployment health care benefits. Retirees pay 100% of premiums. Coverage ceases when retirees reach the age of 65. Surviving spouses are not allowed access to the plan.

Postemployment benefits are provided to eligible retirees include Medical, Dental, and Life insurance. The benefits that are provided for active employees are the same for eligible retirees, spouses and dependents of eligible retirees. The School Board Post-Retirement Medical Plan (SBPRMP) is a single-employer defined benefit healthcare plan which offers health insurance for retired employees. Retirees are eligible for postretirement medical coverage if they are a full-time employee who retires directly from the School Board and is eligible for retirement from VRS.

NOTE 17 - MEDICAL, DENTAL, AND LIFE INSURANCE (OPEB PLAN): (CONTINUED)

County and School Board: (Continued)

Plan Membership

At June 30, 2025 (measurement date), the following employees were covered by the benefit terms:

	Primary Government	School Board
Total active employees with coverage	168	498
Total retirees with coverage	-	10
Total	168	508

Chapter 2 of the County Code grants the authority to establish and amend the contribution requirements of the County and plan members to the County Finance Board. The Board establishes rates based on an actuarially determined rate. For the year ended June 30, 2025, the County and School Board's average contribution rate was 0.33% percent of covered-employee payroll. For the year ended June 30, 2025 the County and School Board contributed $6,852 and $2,034, respectively, to the Plan. Plan members are not required to contribute to the plan.

Investment Policy

The County and School Board's policy in regard to the allocation of invested assets is established and may be amended by the County Finance Board by a majority vote of its members. It is the policy of the County Finance Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. FCRBP's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the Board's adopted asset allocation policy as of June 30, 2025:

Asset Class	Target Percentage
Core Fixed Income	20.00%
Large Cap US Equities	21.00%
Small Cap US Equities	10.00%
Developed Foreign Equities	13.00%
Emerging Market Equities	5.00%
Real Estate (REITS)	15.00%
Hedge Funds/Absolute Return	6.00%
Private Equity	10.00%
Total	100.00%

NOTE 17 - MEDICAL, DENTAL, AND LIFE INSURANCE (OPEB PLAN): (CONTINUED)

County and School Board: (Continued)

Rate of Return

For the year ended June 30, 2025, the annual money-weighted rate of return on investments, net of investment expense, was 8.84 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Schedule of Investment Returns

Annual Money-Weighted Rate of Return Net of Investment Expense	
6/30/2017	12.89%
6/30/2018	9.58%
6/30/2019	4.60%
6/30/2020	3.06%
6/30/2021	30.08%
6/30/2022	-9.23%
6/30/2023	7.63%
6/30/2024	9.48%
6/30/2025	8.84%

The chart is intended to show information for 10 years. More data will be added as it becomes available.

Net/Total OPEB Liability

The County and School Board's net OPEB liability was measured as of June 30, 2025. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2023.

Actuarial Assumptions

The total OPEB liability in the July 1, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary Increases	No change
Discount Rate	6.50%
Investment Rate of Return	6.50%

Mortality rates were based on the RP-2000 Healthy Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA.

NOTE 17 - MEDICAL, DENTAL, AND LIFE INSURANCE (OPEB PLAN): (CONTINUED)

County and School Board: (Continued)

The actuarial assumptions used in the June 30, 2025 valuation report were based on the results of an actuarial experience study with valuation date of July 1, 2023.

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 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. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2025 (see the discussion of FCRBP's investment policy) are summarized in the following table:

Asset Class	Long-Term Expected Geometric Real Rate of Return
Core Fixed Income	2.20%
Large Cap US Equities	3.78%
Small Cap US Equities	4.22%
Developed Foreign Equities	4.79%
Emerging Market Equities	5.73%
Real Estate (REITS)	4.57%
Private Equity	6.22%
Hedge Fund of Funds	1.95%
Assumed Inflation - mean	2.28%
Assumed Inflation - standard deviation	1.47%
Portfolio Real Mean Return	4.74%
Portfolio Nominal Mean Return	7.13%
Portfolio Standard Deviation	13.32%
Long-Term Expected Rate of Return	**6.50%**

Discount Rate

Discount rate. The discount rate used to measure the total OPEB liability was 6.50 percent. The projection of cash flows used to determine the discount rate assumed that County contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

NOTE 17 - MEDICAL, DENTAL, AND LIFE INSURANCE (OPEB PLAN): (CONTINUED)

County and School Board: (Continued)

Changes in Net OPEB Liability (Asset)

	Primary Government Increase (Decrease)		
	Total OPEB Liability (a)	**Plan Fiduciary Net Position (b)**	**Net OPEB Liability(Asset) (a)-(b)**
Balances at June 30, 2024	$ 323,176	$ 603,995	$ (280,819)
Changes for the year:			
Service cost	27,196	-	27,196
Interest	22,555	-	22,555
Economic/Demographic Gains or Losses	-	-	-
Changes in assumptions	-	-	-
Contributions - employer	-	6,852	(6,852)
Net investment income	-	53,377	(53,377)
Administrative expenses	-	(666)	666
Benefit payments	(6,852)	(6,852)	-
Net changes	42,899	52,711	(9,812)
Balances at June 30, 2025	$ 366,075	$ 656,706	$ (290,631)

The CPRMP's Plan Fiduciary net position was 186.89% of the total OPEB liability.

	School Board Increase (Decrease)		
	Total OPEB Liability (a)	**Plan Fiduciary Net Position (b)**	**Net OPEB Liability(Asset) (a)-(b)**
Balances at June 30, 2024	$ 1,801,906	$ 2,435,739	$ (633,833)
Changes for the year:			
Service cost	68,416	-	68,416
Interest	118,045	-	118,045
Economic/Demographic Gains or Losses	-	-	-
Changes in assumptions	-	-	-
Contributions - employer	-	110,217	(110,217)
Net investment income	-	215,255	(215,255)
Administrative expenses	-	(2,685)	2,685
Benefit payments	(110,217)	(110,217)	-
Net changes	76,244	212,570	(136,326)
Balances at June 30, 2025	$ 1,878,150	$ 2,648,309	$ (770,159)

The SBPRMP's Plan Fiduciary net position was 135.18% of the total OPEB liability.

NOTE 17 - MEDICAL, DENTAL, AND LIFE INSURANCE (OPEB PLAN): (CONTINUED)

County and School Board: (Continued)

Sensitivity of the Net OPEB Liability (Asset) to Changes in the Discount Rate

The following amounts present the net OPEB liability *(asset)* of the County and School Board, as well as what the net OPEB liability *(asset)* would be if it were calculated using a discount rate that is one percentage point lower (5.50%) or one percentage point higher (7.50%) than the current discount rate:

	Rate		
	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
Primary Government	$ (256,115)	$ (290,631)	$ (321,295)
School Board	$ (641,986)	$ (770,159)	$ (889,650)

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

The following presents the net OPEB liability *(asset)* of the County and School Board, as well as what the net OPEB liability *(asset)* would be if it were calculated using healthcare cost trend rates that are one percentage point lower (5.30%) or one percentage point higher (7.30%) than the current healthcare cost trend rates:

	Rates		
	1% Decrease (5.30%)	Healthcare Cost Trend (6.30%)	1% Increase (7.30%)
Primary Government	$ (335,065)	$ (290,631)	$ (238,393)
School Board	$ (958,597)	$ (770,159)	$ (554,663)

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

For the year ended June 30, 2025, the County and School Board recognized OPEB expense in the amount of ($24,326) and $29,882, respectively. At June 30, 2025, the County and School Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Primary Government		School Board	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 54,404	$ -	$ 109,311
Changes in assumptions	9,682	1,194	168,981	10,231
Net difference between projected and actual earnings on OPEB plan investments	- -	5,671	- -	22,864
Total	$ 9,682	$ 61,269	$ 168,981	$ 142,406

NOTE 17 - MEDICAL, DENTAL, AND LIFE INSURANCE (OPEB PLAN): (CONTINUED)

County and School Board: (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources: (Continued)

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

Year Ended June 30	Primary Government	School Board
2026	$ (3,706)	$ 65,544
2027	(21,524)	(8,128)
2028	(20,621)	(3,469)
2029	(5,736)	(19,223)
2030	-	(8,149)
Thereafter	-	-

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

NOTE 18 - HEALTH INSURANCE CREDIT (HIC) PLAN:

Plan Description

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

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

NOTE 18 - HEALTH INSURANCE CREDIT (HIC) PLAN: (CONTINUED)

Eligible Employees

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

Benefit Amounts

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

HIC Plan Notes

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

Employees Covered by Benefit Terms

As of the June 30, 2023 actuarial valuation, the following employees were covered by the benefit terms of the HIC OPEB plan:

	Primary Government	Component Unit School Board Nonprofessional
Inactive members or their beneficiaries currently receiving benefits	64	46
Inactive members:		
Vested inactive members	1	1
Total inactive members	1	1
Active members	53	81
Total covered employees	118	128

NOTE 18 - HEALTH INSURANCE CREDIT (HIC) PLAN: (CONTINUED)

Contributions

The contribution requirements for active employees is governed by §51.1-1402(E) of the Code of Virginia, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. The County's contractually required employer contribution rate for the year ended June 30, 2024 was 0% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the County to the Health Insurance Credit Plan were $0 and $5,068 for the years ended June 30, 2025 and June 30, 2024, respectively. The School Board's contractually required contribution rate for the year ended June 30, 2024 was 0.90% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the School Board to the Health Insurance Credit Plan were $27,481 and $27,750 for the years ended June 30, 2024 and June 30, 2023, respectively.

Net HIC OPEB Liability

The County's net Health Insurance Credit OPEB liability was measured as of June 30, 2024. The total Health Insurance Credit OPEB liability was determined by an actuarial valuation performed as of June 30, 2023, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2024.

Actuarial Assumptions

The total HIC OPEB liability was based on an actuarial valuation as of June 30, 2023, 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, 2024.

Inflation	2.50%
Salary increases, including inflation:	
Locality - General employees	3.50%-5.35%
Locality - Hazardous Duty employees	3.50%-4.75%
Investment rate of return	6.75%, net of investment expenses, including inflation

NOTE 18 - HEALTH INSURANCE CREDIT (HIC) PLAN: (CONTINUED)

Actuarial Assumptions: (Continued)

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

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

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

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

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

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

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

NOTE 18 - HEALTH INSURANCE CREDIT (HIC) PLAN: (CONTINUED)

Actuarial Assumptions: (Continued)

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

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

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

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

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

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

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

NOTE 18 - HEALTH INSURANCE CREDIT (HIC) PLAN: (CONTINUED)

Long-Term Expected Rate of Return

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

Asset Class (Strategy)	Long-term Target Asset Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-term Expected Rate of Return*
Public Equity	32.00%	6.70%	2.14%
Fixed Income	16.00%	5.40%	0.86%
Credit Strategies	16.00%	8.10%	1.30%
Real Assets	15.00%	7.20%	1.08%
Private Equity	15.00%	8.70%	1.31%
PIP - Private Investment Partnerships	1.00%	8.00%	0.08%
Diversifying Strategies	6.00%	5.80%	0.35%
Cash	2.00%	3.00%	0.06%
Leverage	-3.00%	3.50%	-0.11%
Total	100.00%		7.07%
		Expected arithmetic nominal return*	7.07%

*The above allocation provides a one-year return of 7.07% (includes 2.5% inflation assumption). However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 7.10%, including expected inflation of 2.50%.

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

NOTE 18 - HEALTH INSURANCE CREDIT (HIC) PLAN: (CONTINUED)

Discount Rate:

The discount rate used to measure the total HIC OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ended June 30, 2024, the rate contributed by the entity for the HIC OPEB was 100% of the actuarially determined contribution rate. From July 1, 2024 on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the HIC OPEB's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total HIC OPEB liability.

Changes in Net HIC OPEB Liability (Asset)

	Primary Government		
	Increase (Decrease)		
	Total HIC OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net HIC OPEB Liability (Asset) (a) - (b)
Balances at June 30, 2023	$ 98,691	$ 138,591	$ (39,900)
Changes for the year:			
Service cost	$ 2,757	$ -	$ 2,757
Interest	6,661	-	6,661
Differences between expected and actual experience	(12,608)	-	(12,608)
Assumption changes	-	-	-
Contributions - employer	-	5,067	(5,067)
Net investment income	-	13,096	(13,096)
Benefit payments	(5,535)	(5,535)	-
Administrative expenses	-	(180)	180
Other changes	-	1	(1)
Net changes	$ (8,725)	$ 12,449	$ (21,174)
Balances at June 30, 2024	$ 89,966	$ 151,040	$ (61,074)

NOTE 18 - HEALTH INSURANCE CREDIT (HIC) PLAN: (CONTINUED)

Changes in Net HIC OPEB Liability (Asset): (Continued)

	Component School Board (nonprofessional)		
	Increase (Decrease)		
	Total HIC OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net HIC OPEB Liability (Asset) (a) - (b)
Balances at June 30, 2023	$ 187,478	$ 48,398	$ 139,080
Changes for the year:			
Service cost	$ 3,127	$ -	$ 3,127
Interest	12,661	-	12,661
Benefit changes	-	-	-
Differences between expected and actual experience	(8,530)	-	(8,530)
Assumption changes	-	-	-
Contributions - employer	-	25,751	(25,751)
Net investment income	-	5,929	(5,929)
Benefit payments	(6,056)	(6,056)	-
Administrative expenses	-	(88)	88
Other changes	-	1	(1)
Net changes	$ 1,202	$ 25,537	$ (24,335)
Balances at June 30, 2024	$ 188,680	$ 73,935	$ 114,745

Sensitivity of the County's Health Insurance Credit Net OPEB Liability to Changes in the Discount Rate

The follow presents the County's Health Insurance Credit Plan net HIC OPEB liability using the discount rate of 6.75%, as well as what the School Board's net HIC OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
County			
Net HIC OPEB Liability (Asset)	$ (51,473)	$ (61,074)	$ (69,194)
Component Unit School Board (nonprofessional)			
Net Pension Liability (Asset)	$ 138,175	$ 114,745	$ 95,118

NOTE 18 - HEALTH INSURANCE CREDIT (HIC) PLAN: (CONTINUED)

Health Insurance Credit Plan OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Health Insurance Credit Plan OPEB

For the year ended June 30, 2025, the County and School Board recognized Health Insurance Credit OPEB expense in the amount of ($17,503) and ($3,766), respectively. At June 30, 2025, the County reported deferred outflows of resources and deferred inflows of resources related to the County's Health Insurance Credit Plan from the following sources:

	Primary Government		Component Unit School Board (nonprofessional)	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 19,169	$ -	$ 52,490
Net difference between projected and actual earnings on HIC OPEB plan investments	-	2,917	-	1,172
Change in assumptions	624	8,064	15,423	-
Employer contributions subsequent to the measurement date	-	-	27,481	-
Total	$ 624	$ 30,150	$ 42,904	$ 53,662

$0 and $27,481 reported as deferred outflows of resources related to the HIC OPEB resulting from the County and School Board's contributions subsequent to the measurement date will be recognized as a reduction of the Net HIC OPEB Liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIC OPEB will be recognized in the HIC OPEB expense in future reporting periods as follows:

Year Ended	Primary Government	Component Unit School Board (nonprofessional)
2026	$ (16,428)	$ (15,714)
2027	(9,261)	(15,587)
2028	(3,086)	(6,076)
2029	(751)	(862)
2030	-	-
Thereafter	-	-

Health Insurance Credit Plan Data

Information about the VRS Political Subdivision HIC Plan is available in the separately issued VRS 2024 Annual Comprehensive Financial Report (Annual Report). A copy of the 2024 VRS Annual Report may be downloaded from the VRS website at http://www.varetire.org/pdf/publications/2024-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

NOTE 19 - TEACHER EMPLOYEE HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN):

Plan Description

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

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

Eligible Employees

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

Benefit Amounts

The Teacher Employee HIC Plan is a defined benefit plan that provides a credit toward the cost of health insurance coverage for retired teachers. For Teacher and other professional school employees who retire 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. For Teacher and other professional school employees who retire on disability or go on long-term disability under the Virginia Local Disability Program (VLDP), the monthly benefit is either: $4.00 per month, multiplied by twice the amount of service credit, or $4.00 per month, multiplied by the amount of service earned had the employee been active until age 60, whichever is lower.

HIC Plan Notes

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

NOTE 19 - TEACHER EMPLOYEE HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): (CONTINUED)

Contributions

The contribution requirements for active employees are 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, 2025 was 1.21% of covered employee compensation for employees in the VRS Teacher Employee HIC Plan. 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, 2023. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the school division to the VRS Teacher Employee HIC Plan were $306,469 and $301,340 for the years ended June 30, 2025 and June 30, 2024, respectively.

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

At June 30, 2025, the school division reported a liability of $2,686,302 for its proportionate share of the VRS Teacher Employee HIC Net OPEB Liability. The Net VRS Teacher Employee HIC OPEB Liability was measured as of June 30, 2024 and the total VRS Teacher Employee HIC OPEB liability used to calculate the Net VRS Teacher Employee HIC OPEB Liability was determined by an actuarial valuation performed as of June 30, 2023 and rolled forward to the measurement date of June 30, 2024. The school division's proportion of the Net VRS Teacher Employee HIC OPEB Liability was based on the school division's actuarially determined employer contributions to the VRS Teacher Employee HIC OPEB plan for the year ended June 30, 2024, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2024, the school division's proportion of the Net VRS Teacher Employee HIC OPEB Liability was based on the school division's actuarially determined employer contributions to the VRS Teacher Employee HIC OPEB plan for the year ended June 30, 2021 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2024, the school division's proportion of the VRS Teacher Employee HIC was 0.2345% as compared to 0.2253% at June 30, 2023.

For the year ended June 30, 2025, the school division recognized VRS Teacher Employee Health Insurance Credit Plan OPEB expense of $205,034. Since there was a change in proportionate share between measurement dates, a portion of the VRS Teacher Employee HIC Net OPEB expense was related to deferred amounts from changes in proportionate share and differences between actual and expected contributions.

NOTE 19 - TEACHER EMPLOYEE HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): (CONTINUED)

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

At June 30, 2025, the school division reported deferred outflows of resources and deferred inflows of resources related to the VRS Teacher Employee HIC Plan OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 127,271
Net difference between projected and actual earnings on Teacher HIC OPEB plan investments	-	-
Change in assumptions	46,277	9,555
Change in proportion	76,270	123,823
Employer contributions subsequent to the measurement date	306,469	-
Total	$ 429,016	$ 260,649

$306,469 reported as deferred outflows of resources related to the Teacher Employee HIC OPEB resulting from the school division's contributions subsequent to the measurement date will be recognized as a reduction of the Net Teacher Employee HIC OPEB Liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Teacher Employee HIC OPEB will be recognized in the Teacher Employee HIC OPEB expense in future reporting periods as follows:

Year Ended June 30	
2026	$ (48,807)
2027	(35,964)
2028	(35,283)
2029	(22,530)
2030	(1,671)
Thereafter	6,153

NOTE 19 - TEACHER EMPLOYEE HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): (CONTINUED)

Actuarial Assumptions

The total Teacher Employee HIC OPEB liability for the VRS Teacher Employee HIC Plan was based on an actuarial valuation as of June 30, 2023, 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, 2024.

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

Mortality Rates – Teachers

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

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

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

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

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

NOTE 19 - TEACHER EMPLOYEE HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): (CONTINUED)

Actuarial Assumptions: (Continued)

Mortality Rates – Teachers: (Continued)

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

Net Teacher Employee HIC OPEB Liability

The net OPEB liability (NOL) for the Teacher Employee HIC Plan represents the plan's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of June 30, 2024, NOL amounts for the VRS Teacher Employee HIC Plan is as follows (amounts expressed in thousands):

		Teacher Employee HIC OPEB Plan
Total Teacher Employee HIC OPEB Liability	$	1,478,105
Plan Fiduciary Net Position		322,457
Teacher Employee net HIC OPEB Liability (Asset)	$	1,155,648
Plan Fiduciary Net Position as a Percentage of the Total Teacher Employee HIC OPEB Liability		21.82%

The total Teacher Employee HIC OPEB liability is calculated by the System's actuary, and the plan's fiduciary net position is reported in the System's financial statements. The net Teacher Employee HIC OPEB liability is disclosed in accordance with the requirements of GASB Statement No. 74 in the System's notes to the financial statements and required supplementary information.

NOTE 19 - TEACHER EMPLOYEE HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): (CONTINUED)

Long-Term Expected Rate of Return

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

Asset Class (Strategy)	Long-Term Target Asset Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-term Expected Rate of Return*
Public Equity	32.00%	6.70%	2.14%
Fixed Income	16.00%	5.40%	0.86%
Credit Strategies	16.00%	8.10%	1.30%
Real Assets	15.00%	7.20%	1.08%
Private Equity	15.00%	8.70%	1.31%
PIP - Private Investment Partnerships	1.00%	8.00%	0.08%
Diversifying Strategies	6.00%	5.80%	0.35%
Cash	2.00%	3.00%	0.06%
Leverage	-3.00%	3.50%	-0.11%
Total	100.00%		7.07%
		Expected arithmetic nominal return**	7.07%

*The above allocation provides a one-year return of 7.07% (includes 2.50% inflation assumption). However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 7.10%, including expected inflation of 2.50%.

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

NOTE 19 - TEACHER EMPLOYEE HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): (CONTINUED)

Discount Rate

The discount rate used to measure the total Teacher Employee HIC OPEB was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ended June 30, 2024, the rate contributed by each school division for the VRS Teacher Employee HIC Plan will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 100% of the actuarially determined contribution rate. From July 1, 2024 on, all agencies are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the Teacher Employee HIC OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total Teacher Employee HIC OPEB liability.

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

The follow presents the school division's proportionate share of the VRS Teacher Employee HIC Plan net HIC OPEB liability using the discount rate of 6.75%, as well as what the school division's proportionate share of the net HIC OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	Rate		
	1% Decrease (5.75%)	**Current Discount (6.75%)**	**1% Increase (7.75%)**
School division's proportionate share of the VRS Teacher Employee HIC OPEB Plan Net HIC OPEB Liability	$ 3,054,995	$ 2,686,302	$ 2,373,800

Teacher Employee HIC OPEB Fiduciary Net Position

Detailed information about the VRS Teacher Employee HIC Plan's Fiduciary Net Position is available in the separately issued VRS 2024 Annual Comprehensive Financial Report (ACFR). A copy of the 2024 VRS annual report may be downloaded from the VRS website at http://www.varetire.org/pdf/publications/2024-annual-report.pdf or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

NOTE 20 - GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN):

Plan Description

The Group Life Insurance (GLI) Plan was established pursuant to §51.1-500 et seq. of the Code of Virginia, as amended, and which provides the authority under which benefit terms are established or may be amended. All full-time, salaried permanent employees of the state agencies, teachers, and employees of participating political subdivisions are automatically covered by the VRS GLI Plan upon employment. This is a cost-sharing multiple-employer plan administered by the Virginia Retirement System (the System), along with pensions and other OPEB plans, for public employer groups in the Commonwealth of Virginia.

In addition to the Basic GLI benefit, members are also eligible to elect additional coverage for themselves as well as a spouse or dependent children through the Optional GLI Plan. For members who elect the optional group life insurance coverage, the insurer bills employers directly for the premiums. Employers deduct these premiums from members' paychecks and pay the premiums to the insurer. Since this is a separate and fully insured plan, it is not included as part of the GLI Plan OPEB.

The specific information for GLI OPEB, including eligibility, coverage and benefits is described below:

Eligible Employees

The GLI Plan was established July 1, 1960, for state employees, teachers, and employees of political subdivisions that elect the plan. Basic GLI coverage is automatic upon employment. Coverage ends for employees who leave their position before retirement eligibility or who take a refund of their accumulated retirement member contributions and accrued interest.

Benefit Amounts

The GLI Plan is a defined benefit plan with several components. The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled. The accidental death benefit is double the natural death benefit. In addition to basic natural and accidental death benefits, the plan provides additional benefits provided under specific circumstances that include the following: accidental dismemberment benefit, seatbelt benefit, repatriation benefit, felonious assault benefit, and accelerated death benefit option. The benefit amounts are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value. For covered members with at least 30 years of service credit, the minimum benefit payable was set at $8,000 by statute in 2015. This will be increased annually based on the VRS Plan 2 cost-of-living adjustment calculation. The minimum benefit adjusted for the COLA was $9,532 as of June 30, 2025.

NOTE 20 - GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

Contributions

The contribution requirements for the GLI Plan are governed by §51.1-506 and §51.1-508 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the GLI Plan was 1.18% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.71% (1.18% x 60%) and the employer component was 0.47% (1.18% x 40%). Employers may elect to pay all or part of the employee contribution; however, the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2025 was 0.47% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the Group Life Insurance Plan from the entity were $57,767 and $63,224 for the years ended June 30, 2025 and June 30, 2024, respectively, for the County; $14,351 and $15,450 for the years ended June 30, 2025 and June 30, 2024, respectively, for the School Board (nonprofessional); and $134,506 and $134,506 for the years ended June 30, 2025 and June 30, 2024, respectively, for the School Board (professional).

GLI OPEB Liabilities, GLI OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Group Life Insurance Plan OPEB

At June 30, 2025, the entity reported a liability of $508,860, $124,314, and $1,082,561 for the County, School Board Nonprofessional, and School Board Professional, respectively, for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2024 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation performed as of June 30, 2023, and rolled forward to the measurement date of June 30, 2024. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the GLI Plan for the year ended June 30, 2024 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2024 the participating employer's proportion was 0.04560%, 0.01114%, and 0.09701% as compared to 0.04174%, 0.01020%, and 0.09713% at June 30, 2023 for the County, School Board Nonprofessional, and School Board Professional, respectively.

For the year ended June 30, 2025, the participating employer recognized GLI OPEB expense of $33,773, ($79), and $4,714 for the County, School Board Nonprofessional, and School Board Professional, respectively. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

NOTE 20 - GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

GLI OPEB Liabilities, GLI OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Group Life Insurance Plan OPEB: (Continued)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Primary Government		
Differences between expected and actual experience	$ 80,259	$ 12,430
Net difference between projected and actual earnings on GLI OPEB program investments	-	42,892
Change in assumptions	2,901	25,218
Changes in proportion	71,037	375
Employer contributions subsequent to the measurement date	57,767	-
Total	$ 211,964	$ 80,915
Component Unit School Board (nonprofessional)		
Differences between expected and actual experience	$ 19,607	$ 3,037
Net difference between projected and actual earnings on GLI OPEB program investments	-	10,478
Change in assumptions	709	6,161
Changes in proportion	11,722	7,171
Employer contributions subsequent to the measurement date	14,351	-
Total	$ 46,389	$ 26,847
Component Unit School Board (professional)		
Differences between expected and actual experience	$ 170,744	$ 26,443
Net difference between projected and actual earnings on GLI OPEB program investments	-	91,249
Change in assumptions	6,170	53,650
Changes in proportion	16,740	51,218
Employer contributions subsequent to the measurement date	119,042	-
Total	$ 312,696	$ 222,560

NOTE 20 - GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

GLI OPEB Liabilities, GLI OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Group Life Insurance Plan OPEB (Continued)

$57,767, $14,351 and $119,042 for the County, School Board Nonprofessional, and School Board Professional, respectively, reported as deferred outflows of resources related to the GLI OPEB resulting from the employer's contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OEPB will be recognized in the GLI OPEB expense in future reporting periods as follows:

Year Ended June 30	Primary Government	Component Unit School Board (nonprofessional)	Component Unit School Board (professional)
2026	$ (3,778)	$ (6,952)	$ (65,841)
2027	26,545	2,201	7,787
2028	17,578	3,046	(2,387)
2029	18,045	3,334	11,730
2030	14,892	3,562	19,805

Actuarial Assumptions

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2023, 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, 2024. The assumptions include several employer groups. Salary increases and mortality rates included herein are for relevant employer groups. Information for other groups can be referenced in the VRS Annual Report.

Inflation	2.50%
Salary increases, including inflation:	
Teachers	3.50%-5.95%
Locality - General employees	3.50%-5.35%
Locality - Hazardous Duty employees	3.50%-4.75%
Investment rate of return	6.75%, net of investment expenses, including inflation

Mortality Rates – Teachers

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

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

NOTE 20 - GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

Actuarial Assumptions: (Continued)

Mortality Rates – Teachers: (Continued)

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

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

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

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

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

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

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

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

NOTE 20 - GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

Actuarial Assumptions: (Continued)

Mortality Rates – Non-Ten Largest Locality Employers – General Employees: (Continued)

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

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

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

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

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

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

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

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

NOTE 20 - GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

Actuarial Assumptions: (Continued)

Mortality Rates – Non-Ten Largest Locality Employers – Hazardous Duty Employees: (Continued)

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

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

NET GLI OPEB Liability

The net OPEB liability (NOL) for the GLI Plan represents the plan's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of the measurement date of June 30, 2024, NOL amounts for the GLI Plan are as follows (amounts expressed in thousands):

		Group Life Insurance OPEB Plan
Total GLI OPEB Liability	$	4,196,055
Plan Fiduciary Net Position		3,080,133
GLI Net OPEB Liability (Asset)	$	1,115,922
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability		73.41%

The total GLI OPEB liability is calculated by the System's actuary, and each plan's fiduciary net position is reported in the System's financial statements. The net GLI OPEB liability is disclosed in accordance with the requirements of GASB Statement No. 74 in the System's notes to the financial statements and required supplementary information.

NOTE 20 - GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

Long-Term Expected Rate of Return

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

Asset Class (Strategy)	Long-Term Target Asset Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-term Expected Rate of Return*
Public Equity	32.00%	6.70%	2.14%
Fixed Income	16.00%	5.40%	0.86%
Credit Strategies	16.00%	8.10%	1.30%
Real Assets	15.00%	7.20%	1.08%
Private Equity	15.00%	8.70%	1.31%
PIP - Private Investment Partnerships	1.00%	8.00%	0.08%
Diversifying Strategies	6.00%	5.80%	0.35%
Cash	2.00%	3.00%	0.06%
Leverage	-3.00%	3.50%	-0.11%
Total	100.00%		7.07%
		Expected arithmetic nominal return*	7.07%

*The above allocation provides a one-year expected return of 7.07% (includes 2.50% inflation assumption) . However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 7.10%, including expected inflation of 2.50%.

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

NOTE 20 - GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

Discount Rate:

The discount rate used to measure the total GLI OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made per the VRS guidance and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ended June 30, 2024, the rate contributed by the entity for the GLI OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 113% of the actuarially determined contribution rate. From July 1, 2024 on, employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the GLI OPEB's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total GLI OPEB liability.

Sensitivity of the Employer's Proportionate Share of the Net GLI OPEB Liability to Changes in the Discount Rate

The following presents the employer's proportionate share of the net GLI OPEB liability using the discount rate of 6.75%, as well as what the employer's proportionate share of the net GLI OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

		Rate	
	1% Decrease (5.75%)	**Current Discount (6.75%)**	**1% Increase (7.75%)**
County's proportionate share of the Group Life Insurance Program Net OPEB Liability	$ 791,344	$ 508,860	$ 280,651
School Board(nonprofessional)'s proportionate share of the Group Life Insurance Program Net OPEB Liability	$ 193,324	$ 124,314	$ 68,563
School Board(professional)'s proportionate share of the Group Life Insurance Program Net OPEB Liability	$ 1,683,522	$ 1,082,561	$ 597,062

Group Life Insurance Plan Fiduciary Net Position

Detailed information about the GLI Plan's Fiduciary Net Position is available in the separately issued VRS 2024 Annual Comprehensive Financial Report (Annual Report). A copy of the 2024 VRS Annual Report may be downloaded from the VRS website at https://www.varetire.org/pdf/publications/2024-annual-report.pdf or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

NOTE 21 - SUMMARY OF NET OPEB LIABILITIES, DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES:

	Deferred Outflows	Deferred Inflows	Net/Total OPEB Liability/(Asset)	OPEB Expense
Primary Government				
VRS OPEB Plans:				
Group Life Insurance Plan (Note 20):				
County	$ 211,964	$ 80,915	$ 508,860	$ 33,773
Health Insurance Credit Plan (Note 18):				
County	624	30,150	(61,074)	(17,503)
County Stand-Alone Plan (Note 17)	9,682	61,269	(290,631)	(24,326)
Totals	$ 222,270	$ 172,334	$ 157,155	$ (8,056)
Component Unit School Board				
VRS OPEB Plans:				
Group Life Insurance Plan (Note 20):				
School Board Nonprofessional	$ 46,389	$ 26,847	$ 124,314	$ (79)
School Board Professional	312,696	222,560	1,082,561	4,714
Health Insurance Credit Plan (Note 18):				
School Board Nonprofessional	42,904	53,662	114,745	(3,766)
Teacher Health Insurance Credit Plan (Note 19)	429,016	260,649	2,686,302	170,178
School Stand-Alone Plan (Note 17)	168,981	142,406	(770,159)	29,882
Totals	$ 999,986	$ 706,124	$ 3,237,763	$ 200,929

NOTE 22 - UPCOMING PRONOUNCEMENTS:

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

Statement No. 104, Disclosure of Certain Capital Assets, requires certain types of assets (lease assets, subscription assets, intangible right-to-use assets, and other intangible assets) to be disclosed separately in the capital asset note disclosures by major class of underlying asset. It also requires additional disclosures for capital assets held for sale. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025.

Implementation Guide No. 2025-1, Implementation Guidance Update—2025, effective for fiscal years beginning after June 15, 2025.

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

NOTE 23 - ARPA AND ESF FUNDING:

ARPA Funding

On March 11, 2021, the American Rescue Plan (ARPA) Act of 2021 was passed by the federal government. A primary component of the ARPA was the establishment of the Coronavirus State and Local Fiscal Recovery Fund (CSLFRF). Local governments received funds in two tranches, with 50% provided beginning in May 2021 and the balance delivered approximately 12 months later.

On June 25, 2021, the County received its share of the first half of the CSLFRF funds. The County received an additional allotment in 2022. As a condition of receiving CSLFRF funds, any funds unobligated by December 31, 2024, and unexpended by December 31, 2026, will be returned to the federal government. There were no unspent funds from the initial allocation as of June 30, 2025.

ESF Funding

The CARES Act also established the Education Stabilization Fund (ESF) and allocated $30.75 billion to the U.S. Department of Education. The ESF is composed of three primary emergency relief funds: (1) a Governor's Emergency Education Relief (GEER) Fund, (2) an Elementary and Secondary School Emergency Relief (ESSER) Fund, and (3) a Higher Education Emergency Relief (HEER) Fund. The Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA Act) was signed into law on December 27, 2020 and added $81.9 billion to the ESF. In March 2021, the American Rescue Plan Act (ARP Act), in support of ongoing state and institutional COVID-19 recovery efforts, added more than $170 billion to the ESF. The School Board received this funding from the Virginia Department of Education on a reimbursement basis.

NOTE 24 – ADOPTION OF ACCOUNTING PRINCIPLES

During the current year, the County implemented GASB Statement No. 101, *Compensated Absences*. In addition to the value of unused vacation time owed to employees upon separation of employment, the County now recognizes an estimated amount of sick leave earned as of year-end that will be used by employees as time off in future years as part of the liability for compensated absences.

The change in accounting principle resulted in the following restatement of net position:

	Governmental Activities	Discretely Presented Component Unit School Board
Net Position as reported at June 30, 2024	$ 67,118,719	$ 11,025,849
Implementation of GASB 101	(569,409)	(2,565,657)
Net Position as restated at July 1, 2024	$ 66,549,310	$ 8,460,192

REQUIRED SUPPLEMENTARY INFORMATION

Note to Required Supplementary Information:

Presented budgets were prepared on the modified accrual basis of accounting which is in accordance with accounting principles generally accepted in the United States of America. The basis of budgeting is the same as generally accepted accounting principles.

Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual - General Fund
Year Ended June 30, 2025

	General Fund			
	Original Budget	**Budget As Amended**	**Actual**	**Variance From Amended Budget Positive (Negative)**
Revenues:				
General property taxes	$ 45,366,757	$ 45,366,757	$ 46,238,314	$ 871,557
Other local taxes	5,173,000	5,184,170	5,318,509	134,339
Permits, privilege fees and regulatory licenses	403,450	403,450	504,728	101,278
Fines and forfeitures	60,925	60,925	31,416	(29,509)
Revenue from use of money and property	644,165	644,165	1,407,425	763,260
Charges for services	1,088,895	1,088,895	1,349,758	260,863
Miscellaneous	75,000	78,481	615,765	537,284
Recovered costs	264,667	302,015	387,866	85,851
Intergovernmental:				
Commonwealth	10,069,128	10,395,519	10,404,749	9,230
Federal	1,870,490	2,066,015	2,227,511	161,496
Total revenues	$ 65,016,477	$ 65,590,392	$ 68,486,041	$ 2,895,649
Expenditures:				
Current:				
General government administration	$ 4,009,043	$ 4,105,971	$ 3,803,118	$ 302,853
Judicial administration	1,678,392	2,195,813	1,900,144	295,669
Public safety	13,368,927	13,960,249	13,615,072	345,177
Public works	3,145,108	3,414,390	2,904,007	510,383
Health and welfare	7,392,242	7,707,508	7,732,524	(25,016)
Education	22,276,417	22,276,417	22,014,430	261,987
Parks, recreation, and cultural	1,381,550	1,465,063	1,391,007	74,056
Community development	916,905	1,229,715	901,465	328,250
Nondepartmental	1,199,049	148,442	40,940	107,502
Debt service:				
Principal retirement	5,927,332	5,927,332	5,927,332	-
Interest and other fiscal charges	3,027,715	3,019,353	2,175,803	843,550
Total expenditures	$ 64,322,680	$ 65,450,253	$ 62,405,842	$ 3,044,411
Excess (deficiency) of revenues over (under) expenditures	$ 693,797	$ 140,139	$ 6,080,199	$ 5,940,060
Other financing sources (uses):				
Transfers (out)	$ (9,005,023)	$ (9,408,939)	$ (8,025,864)	$ 1,383,075
Total other financing sources (uses)	$ (9,005,023)	$ (9,408,939)	$ (8,025,864)	$ 1,383,075
Changes in fund balances	$ (8,311,226)	$ (9,268,800)	$ (1,945,665)	$ 7,323,135
Fund balances at beginning of year	6,590,174	7,389,965	43,655,025	36,265,060
Fund balances at end of year	$ (1,721,052)	$ (1,878,835)	$ 41,709,360	$ 43,588,195

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios - Pension Plans
Primary Government
For the Measurement Dates of June 30, 2015 through June 30, 2024

	2015	2016	2017	2018	2019
Total pension liability					
Service cost	$ 730,337	$ 776,673	$ 739,955	$ 774,664	$ 789,985
Interest	1,338,612	1,388,974	1,476,546	1,502,751	1,601,171
Differences between expected and actual experience	(517,486)	31,303	(724,313)	195,740	294,773
Changes in assumptions	-	-	(70,252)	-	741,345
Benefit payments	(780,346)	(883,686)	(1,008,142)	(1,087,007)	(1,047,317)
Net change in total pension liability	$ 771,117	$ 1,313,264	$ 413,794	$ 1,386,148	$ 2,379,957
Total pension liability - beginning	19,513,207	20,284,324	21,597,588	22,011,382	23,397,530
Total pension liability - ending (a)	$ 20,284,324	$ 21,597,588	$ 22,011,382	$ 23,397,530	$ 25,777,487
Plan fiduciary net position					
Contributions - employer	$ 645,140	$ 636,560	$ 518,149	$ 546,067	$ 559,085
Contributions - employee	304,586	299,883	311,591	330,070	344,979
Net investment income	836,435	340,419	2,370,791	1,594,955	1,538,655
Benefit payments	(780,346)	(883,686)	(1,008,142)	(1,087,007)	(1,047,317)
Administrator charges	(11,109)	(11,717)	(13,584)	(13,651)	(14,965)
Other	(179)	(143)	(2,116)	(1,429)	(974)
Net change in plan fiduciary net position	$ 994,527	$ 381,316	$ 2,176,689	$ 1,369,005	$ 1,379,463
Plan fiduciary net position - beginning	18,097,189	19,091,716	19,473,032	21,649,721	23,018,726
Plan fiduciary net position - ending (b)	$ 19,091,716	$ 19,473,032	$ 21,649,721	$ 23,018,726	$ 24,398,189
County's net pension liability - ending (a) - (b)	$ 1,192,608	$ 2,124,556	$ 361,661	$ 378,804	$ 1,379,298
Plan fiduciary net position as a percentage of the total pension liability	94.12%	90.16%	98.36%	98.38%	94.65%
Covered payroll	$ 6,175,095	$ 6,116,923	$ 6,538,898	$ 6,531,269	$ 7,364,870
County's net pension liability as a percentage of covered payroll	19.31%	34.73%	5.53%	5.80%	18.73%

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios - Pension Plans
Primary Government
For the Measurement Dates of June 30, 2015 through June 30, 2024

	2020	2021	2022	2023	2024
Total pension liability					
Service cost	$ 875,095	$ 888,479	$ 906,708	$ 1,086,393	$ 1,338,698
Interest	1,702,691	1,786,452	2,019,389	2,049,523	2,186,359
Differences between expected and actual experience	(193,687)	140,083	(1,390,939)	29,554	1,653,928
Changes in assumptions	-	927,623	-	-	-
Benefit payments	(1,104,878)	(1,181,499)	(1,215,365)	(1,321,469)	(1,459,675)
Net change in total pension liability	$ 1,279,221	$ 2,561,138	$ 319,793	$ 1,844,001	$ 3,719,310
Total pension liability - beginning	25,777,487	27,056,708	29,617,846	29,937,639	31,781,640
Total pension liability - ending (a)	$ 27,056,708	$ 29,617,846	$ 29,937,639	$ 31,781,640	$ 35,500,950
Plan fiduciary net position					
Contributions - employer	$ 583,329	$ 633,079	$ 694,268	$ 752,039	$ 884,405
Contributions - employee	362,666	367,291	400,858	455,442	536,549
Net investment income	466,000	6,779,865	(44,502)	2,024,413	3,215,820
Benefit payments	(1,104,878)	(1,181,499)	(1,215,365)	(1,321,469)	(1,459,675)
Administrator charges	(15,752)	(16,571)	(19,317)	(19,784)	(20,382)
Other	(557)	642	731	817	700
Net change in plan fiduciary net position	$ 290,808	$ 6,582,807	$ (183,327)	$ 1,891,458	$ 3,157,417
Plan fiduciary net position - beginning	24,398,189	24,688,997	31,271,804	31,088,477	32,979,935
Plan fiduciary net position - ending (b)	$ 24,688,997	$ 31,271,804	$ 31,088,477	$ 32,979,935	$ 36,137,352
County's net pension liability - ending (a) - (b)	$ 2,367,711	$ (1,653,958)	$ (1,150,838)	$ (1,198,295)	$ (636,402)
Plan fiduciary net position as a percentage of the total pension liability	91.25%	105.58%	103.84%	103.77%	101.79%
Covered payroll	$ 7,788,143	$ 7,867,787	$ 8,621,884	$ 9,831,040	$ 11,708,072
County's net pension liability as a percentage of covered payroll	30.40%	-21.02%	-13.35%	-12.19%	-5.44%

Schedule of Changes in Net Pension Liability(Asset) and Related Ratios - Pension Plans
Component Unit School Board (nonprofessional)
For the Measurement Dates of June 30, 2015 through June 30, 2024

	2015	2016	2017	2018	2019
Total pension liability					
Service cost	$ 191,346	$ 205,816	$ 211,644	$ 195,750	$ 196,264
Interest	369,056	389,212	433,369	433,621	439,279
Differences between expected and actual experience	(27,711)	290,694	(318,329)	(275,526)	58,691
Changes in assumptions	-	-	(67,824)	-	200,113
Benefit payments	(237,449)	(252,043)	(257,790)	(252,705)	(293,326)
Net change in total pension liability	$ 295,242	$ 633,679	$ 1,070	$ 101,140	$ 601,021
Total pension liability - beginning	5,390,953	5,686,195	6,319,874	6,320,944	6,422,084
Total pension liability - ending (a)	$ 5,686,195	$ 6,319,874	$ 6,320,944	$ 6,422,084	$ 7,023,105
Plan fiduciary net position					
Contributions - employer	$ 141,552	$ 149,321	$ 118,506	$ 110,969	$ 58,626
Contributions - employee	106,079	111,415	110,414	104,890	102,157
Net investment income	257,575	104,465	728,404	491,976	471,722
Benefit payments	(237,449)	(252,043)	(257,790)	(252,705)	(293,326)
Administrator charges	(3,467)	(3,586)	(4,161)	(4,201)	(4,685)
Other	(54)	(44)	(649)	(440)	(296)
Net change in plan fiduciary net position	$ 264,236	$ 109,528	$ 694,724	$ 450,489	$ 334,198
Plan fiduciary net position - beginning	5,574,386	5,838,622	5,948,150	6,642,874	7,093,363
Plan fiduciary net position - ending (b)	$ 5,838,622	$ 5,948,150	$ 6,642,874	$ 7,093,363	$ 7,427,561
School Division's net pension liability (asset) - ending (a) - (b)	$ (152,427)	$ 371,724	$ (321,930)	$ (671,279)	$ (404,456)
Plan fiduciary net position as a percentage of the total pension liability	102.68%	94.12%	105.09%	110.45%	105.76%
Covered payroll	$ 2,152,114	$ 2,312,495	$ 2,222,315	$ 2,179,000	$ 2,231,153
School Division's net pension liability (asset) as a percentage of covered payroll	-7.08%	16.07%	-14.49%	-30.81%	-18.13%

Schedule of Changes in Net Pension Liability(Asset) and Related Ratios - Pension Plans
Component Unit School Board (nonprofessional)
For the Measurement Dates of June 30, 2015 through June 30, 2024

	2020	2021	2022	2023	2024
Total pension liability					
Service cost	$ 199,058	$ 184,290	$ 155,977	$ 200,914	$ 208,158
Interest	463,580	490,763	538,545	543,726	562,788
Differences between expected and actual experience	101,325	(15,568)	(335,203)	(107,149)	237,425
Changes in assumptions	-	242,277	-	-	-
Benefit payments	(310,511)	(411,986)	(287,727)	(367,278)	(357,401)
Net change in total pension liability	$ 453,452	$ 489,776	$ 71,592	$ 270,213	$ 650,970
Total pension liability - beginning	7,023,105	7,476,557	7,966,333	8,037,925	8,308,138
Total pension liability - ending (a)	$ 7,476,557	$ 7,966,333	$ 8,037,925	$ 8,308,138	$ 8,959,108
Plan fiduciary net position					
Contributions - employer	$ 56,914	$ 68,453	$ 74,278	$ 44,845	$ 50,089
Contributions - employee	103,106	93,402	101,221	108,941	127,692
Net investment income	141,724	1,997,427	(10,935)	580,677	908,629
Benefit payments	(310,511)	(411,986)	(287,727)	(367,278)	(357,401)
Administrator charges	(4,852)	(5,068)	(5,686)	(5,846)	(5,986)
Other	(167)	188	212	233	189
Net change in plan fiduciary net position	$ (13,786)	$ 1,742,416	$ (128,637)	$ 361,572	$ 723,212
Plan fiduciary net position - beginning	7,427,561	7,413,775	9,156,191	9,027,554	9,389,126
Plan fiduciary net position - ending (b)	$ 7,413,775	$ 9,156,191	$ 9,027,554	$ 9,389,126	$ 10,112,338
School Division's net pension liability (asset) - ending (a) - (b)	$ 62,782	$ (1,189,858)	$ (989,629)	$ (1,080,988)	$ (1,153,230)
Plan fiduciary net position as a percentage of the total pension liability	99.16%	114.94%	112.31%	113.01%	112.87%
Covered payroll	$ 2,247,317	$ 2,028,982	$ 2,218,315	$ 2,407,875	$ 2,861,182
School Division's net pension liability (asset) as a percentage of covered payroll	2.79%	-58.64%	-44.61%	-44.89%	-40.31%

Schedule of Employer's Share of Net Pension Liability VRS Teacher Retirement Plan - Pension Plans
For the Measurement Dates of June 30, 2015 through June 30, 2024

	2015	2016	2017	2018
Employer's Proportion of the Net Pension Liability (Asset)	0.25892%	0.28335%	0.24403%	0.25059%
Employer's Proportionate Share of the Net Pension Liability (Asset)	$ 32,588,917	$ 35,663,409	$ 30,715,053	$ 29,470,129
Employer's Covered Payroll	19,224,600	19,922,568	19,412,333	19,529,406
Employer's Proportionate Share of the Net Pension Liability (Asset) as as a Percentage of its Covered Payroll	169.52%	179.01%	158.22%	150.90%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.88%	70.88%	72.92%	74.81%

Schedule of Employer's Share of Net Pension Liability VRS Teacher Retirement Plan - Pension Plans
For the Measurement Dates of June 30, 2015 through June 30, 2024

	2019	2020	2021	2022	2023	2024
Employer's Proportion of the Net Pension Liability (Asset)	0.24554%	0.24087%	0.23344%	0.22743%	0.22594%	0.23431%
Employer's Proportionate Share of the Net Pension Liability (Asset)	$ 32,290,832	$ 35,030,476	$ 18,122,333	$ 21,652,594	$ 22,836,652	$ 21,994,799
Employer's Covered Payroll	19,325,395	20,860,019	20,463,218	21,130,142	22,462,865	24,904,149
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	167.09%	167.93%	88.56%	102.47%	101.66%	88.32%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	73.51%	71.47%	85.46%	82.61%	82.45%	84.52%

Schedule of Employer Contributions - Pension Plans
Years Ended June 30, 2016 through June 30, 2025

Date	Contractually Required Contribution (1)*	Contributions in Relation to Contractually Required Contribution (2)*	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
Primary Government					
2025	$ 1,127,468	$ 1,127,468	$ -	$ 12,281,792	9.18%
2024	885,580	885,580	-	11,708,072	7.56%
2023	752,462	752,462	-	9,831,040	7.65%
2022	697,023	697,023	-	8,621,884	8.08%
2021	633,079	633,079	-	7,867,787	8.05%
2020	633,955	633,955	-	7,788,143	8.14%
2019	562,352	562,352	-	7,364,870	7.64%
2018	545,361	545,361	-	6,531,269	8.35%
2017	545,998	545,998	-	6,538,898	8.35%
2016	647,170	647,170	-	6,116,923	10.58%
Component Unit School Board (nonprofessional)					
2025	$ 79,389	$ 79,389	$ -	$ 3,053,430	2.60%
2024	49,915	49,915	-	2,861,182	1.74%
2023	43,922	43,922	-	2,407,875	1.82%
2022	74,276	74,276	-	2,218,315	3.35%
2021	68,738	68,738	-	2,028,982	3.39%
2020	71,015	71,015	-	2,247,317	3.16%
2019	60,409	60,409	-	2,231,153	2.71%
2018	117,666	117,666	-	2,179,000	5.40%
2017	120,005	120,005	-	2,222,315	5.40%
2016	153,781	153,781	-	2,312,495	6.65%
Component Unit School Board (professional)					
2025	$ 3,596,499	$ 3,596,499	$ -	$ 25,328,043	14.20%
2024	3,951,893	3,951,893	-	24,904,149	15.87%
2023	3,566,720	3,566,720	-	22,462,865	15.88%
2022	3,350,988	3,350,988	-	21,130,142	15.86%
2021	3,259,369	3,259,369	-	20,463,218	15.93%
2020	3,270,851	3,270,851	-	20,860,019	15.68%
2019	3,030,222	3,030,222	-	19,325,395	15.68%
2018	3,187,199	3,187,199	-	19,529,406	16.32%
2017	2,845,848	2,845,848	-	19,412,333	14.66%
2016	2,801,113	2,801,113	-	19,922,568	14.06%

*Excludes contributions (mandatory and match on voluntary) to the defined contribution portion of the Hybrid 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, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

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

All Others (Non 10 Largest) – Hazardous Duty:

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

Component Unit School Board - Professional Employees

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

Schedule of Changes in Net OPEB Liability (Asset) and Related Ratios
Primary Government
For the Measurement Dates of June 30, 2017 through June 30, 2025

	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total OPEB liability									
Service cost	$ 27,658	$ 19,880	$ 22,815	$ 24,631	$ 28,422	$ 22,008	$ 19,788	$ 27,537	$ 27,196
Interest	23,025	18,235	19,953	15,934	17,051	19,251	20,647	24,399	22,555
Economic/Demographic gains and losses	-	-	-	(61,336)	-	(10,340)	-	(82,620)	-
Changes in assumptions	-	30,356	12,098	(12,399)	-	(3,474)	12,972	7,056	0
Differences between expected and actual experience	-	(80,448)	-	-	-	-	-		
Benefit payments	(16,890)	(45,364)	(48,382)	(21,687)	(7,614)	(2,737)	(4,780)	(2,034)	(6,852)
Net change in total OPEB liability	$ 33,793	$ (57,341)	$ 6,484	$ (54,857)	$ 37,859	$ 24,708	$ 48,627	$ (25,662)	$ 42,899
Total OPEB liability - beginning	309,565	343,358	286,017	292,501	237,644	275,503	300,211	348,838	323,176
Total OPEB liability - ending (a)	$ 343,358	$ 286,017	$ 292,501	$ 237,644	$ 275,503	$ 300,211	$ 348,838	$ 323,176	$ 366,075
Plan fiduciary net position									
Contributions - employer	$ 16,890	$ 45,364	$ 48,382	$ 21,687	$ 7,614	$ 2,737	$ 4,780	$ 2,034	$ 6,852
Net investment income	42,345	35,491	18,652	12,956	131,116	(52,271)	39,152	52,322	53,377
Administrative expenses	(494)	(515)	(540)	(570)	(593)	(708)	(632)	(641)	(666)
Benefit payments	(16,890)	(45,364)	(48,382)	(21,687)	(7,614)	(2,737)	(4,780)	(2,034)	(6,852)
Net change in plan fiduciary net position	$ 41,851	$ 34,976	$ 18,112	$ 12,386	$ 130,523	$ (52,979)	$ 38,520	$ 51,681	$ 52,711
Plan fiduciary net position - beginning	328,925	370,776	405,752	423,864	436,250	566,773	513,794	552,314	603,995
Plan fiduciary net position - ending (b)	$ 370,776	$ 405,752	$ 423,864	$ 436,250	$ 566,773	$ 513,794	$ 552,314	$ 603,995	$ 656,706
County's net OPEB liability (asset) - ending (a) - (b)	$ (27,418)	$ (119,735)	$ (131,363)	$ (198,606)	$ (291,270)	$ (213,583)	$ (203,476)	$ (280,819)	$ (290,631)
Plan fiduciary net position as a percentage of the total OPEB liability	107.99%	141.86%	144.91%	183.57%	205.72%	171.14%	158.33%	186.89%	179.39%
Covered payroll	$ 5,960,400	$ 6,132,946	$ 6,132,946	$ 7,217,890	$ 7,217,890	$ 7,571,221	$ 7,571,221	$ 10,739,117	$ 10,739,117
County's net OPEB liability (asset) as a percentage of covered payroll	-0.46%	-1.95%	-2.14%	-2.75%	-4.04%	-2.82%	-2.69%	-2.61%	-2.71%

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

Schedule of Changes in Net OPEB Liability (Asset) and Related Ratios
Component Unit School Board
For the Measurement Dates of June 30, 2017 through June 30, 2025

	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total OPEB liability									
Service cost	$ 59,314	$ 58,813	$ 55,308	$ 49,976	$ 60,216	$ 48,735	$ 63,847	$ 71,439	$ 68,416
Interest	88,303	81,623	75,870	71,547	85,747	89,411	111,649	122,963	118,045
Economic/Demographic gains and losses	-	-	-	(61,742)	-	(3,727)	-	(156,168)	-
Changes in assumptions	-	(130,276)	40,463	172,391	-	272,568	77,032	(14,989)	-
Differences between expected and actual experience	-	(151,728)	-	-	-	-	-	-	-
Benefit payments	(93,570)	(88,009)	(89,686)	(85,574)	(85,772)	(70,213)	(90,069)	(81,947)	(110,217)
Net change in total OPEB liability	$ 54,047	$ (229,577)	$ 81,955	$ 146,598	$ 60,191	$ 336,774	$ 162,459	$ (58,702)	$ 76,244
Total OPEB liability - beginning	1,248,161	1,302,208	1,072,631	1,154,586	1,301,184	1,361,375	1,698,149	1,860,608	1,801,906
Total OPEB liability - ending (a)	$ 1,302,208	$ 1,072,631	$ 1,154,586	$ 1,301,184	$ 1,361,375	$ 1,698,149	$ 1,860,608	$ 1,801,906	$ 1,878,150
Plan fiduciary net position									
Contributions - employer	$ 93,570	$ 88,009	$ 89,686	$ 85,574	$ 85,772	$ 70,213	$ 90,069	$ 81,947	$ 110,217
Net investment income	170,771	143,127	75,216	52,248	528,751	(210,800)	157,894	211,000	215,255
Administrative expenses	(1,985)	(2,079)	(2,179)	(2,301)	(2,394)	(2,854)	(2,548)	(2,588)	(2,685)
Benefit payments	(93,570)	(88,009)	(89,686)	(85,574)	(85,772)	(70,213)	(90,069)	(81,947)	(110,217)
Net change in plan fiduciary net position	$ 168,786	$ 141,048	$ 73,037	$ 49,947	$ 526,357	$ (213,654)	$ 155,346	$ 208,412	$ 212,570
Plan fiduciary net position - beginning	1,326,460	1,495,246	1,636,294	1,709,331	1,759,278	2,285,635	2,071,981	2,227,327	2,435,739
Plan fiduciary net position - ending (b)	$ 1,495,246	$ 1,636,294	$ 1,709,331	$ 1,759,278	$ 2,285,635	$ 2,071,981	$ 2,227,327	$ 2,435,739	$ 2,648,309
School Board's net OPEB liability (asset) - ending (a) - (b)	$ (193,038)	$ (563,663)	$ (554,745)	$ (458,094)	$ (924,260)	$ (373,832)	$ (366,719)	$ (633,833)	$ (770,159)
Plan fiduciary net position as a percentage of the total OPEB liability	114.82%	152.55%	148.05%	135.21%	167.89%	122.01%	119.71%	135.18%	141.01%
Covered payroll	$ 20,150,500	$ 21,708,114	$ 21,708,114	$ 20,828,431	$ 20,828,431	$ 22,437,941	$ 22,437,941	$ 24,976,874	$ 24,976,874
School Board's net OPEB liability (asset) as a percentage of covered payroll	-0.96%	-2.60%	-2.56%	-2.20%	-4.44%	-1.67%	-1.63%	-2.54%	-3.08%

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

Schedule of Employer Contributions - OPEB Plans
Primary Government and Component Unit School Board
Years Ended June 30, 2016 through June 30, 2025

Date	Actuarially Determined Contribution (ADC) (1)	Contributions in Relation to ADC (2)	Contribution Deficiency (Excess) (3)	Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
2025	$ 52,932	$ 117,069	$ (64,137)	$ 35,715,991	0.33%
2024	32,049	83,981	(51,932)	35,715,991	0.24%
2023	27,659	94,849	(67,190)	30,009,162	0.32%
2022	57,730	72,950	(15,220)	30,009,162	0.24%
2021	52,723	93,386	(40,663)	28,046,321	0.33%
2020	48,067	107,261	(59,194)	28,046,321	0.38%
2019	48,551	138,068	(89,517)	27,841,060	0.50%
2018	44,050	133,373	(89,323)	27,841,060	0.48%
2017	80,000	110,460	(30,460)	26,110,900	0.42%
2016	74,200	100,000	(25,800)	26,110,900	0.38%

Schedule of Investment Returns
Primary Government and Component Unit School Board
Last Ten Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Annual money-weighted rate of return, net of investment expense	8.84%	9.48%	7.63%	-9.23%	30.08%	3.06%	4.60%	9.58%	12.89%

This schedule is intended to show information for 10 years. Since 2017 is the first year for this presentation, only six years are available. Additional years will be included as they become available.

Notes to Required Supplementary Information - County and School Board OPEB
Year Ended June 30, 2025

Valuation Date: 7/1/2023
Measurement Date: 6/30/2025

Actuarially determined contribution rates are calculated as of July 1, 2023, prior to the fiscal year in which they are reported, and have been projected to June 30, 2024 on a "no gain/no loss" basis.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Projected Unit Credit
Amortization Method/Period	Level Percentage of Payroll, Closed, 21 Years Remaining as of July 1, 2024, Amortization growth rate of 3.00%
Asset Valuation Method	Market value
Inflation	2.50%
Medical Trend Rate	The medical trend rate assumption starts at 11.0% in 2023 and gradually declines to 3.90% by the year 2072.
Salary Increases	No change
Investment Rate of Return	6.50%
Retirement Age	The average age at retirement is 62
Mortality Rates	The mortality rates for active and healthy retirees was calculated using a Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates. The mortality rates for disabled retirees was calculated using a Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

Schedule of Changes in Net OPEB Liability and Related Ratios
County
Health Insurance Credit (HIC) Plan
For the Measurement Dates of June 30, 2017 through June 30, 2024

	2017	2018	2019	2020	2021	2022	2023	2024
Total HIC OPEB Liability								
Service cost	$ 3,136	$ 2,414	$ 2,190	$ 3,255	$ 3,509	$ 2,898	$ 2,519	$ 2,757
Interest	7,882	8,104	9,098	8,997	8,982	8,761	6,972	6,661
Changes of benefit terms	-	-	-	-	-	-	-	-
Differences between expected and actual experience	-	10,150	(3,484)	(3,999)	(12,778)	(12,143)	(8,689)	(12,608)
Changes in assumptions	(2,836)	-	2,827	-	2,420	(18,675)	-	-
Benefit payments	(3,205)	(6,797)	(6,146)	(8,485)	(8,448)	(8,178)	(5,755)	(5,535)
Net change in total HIC OPEB liability	$ 4,977	$ 13,871	$ 4,485	$ (232)	$ (6,315)	$ (27,337)	$ (4,953)	$ (8,725)
Total HIC OPEB Liability - beginning	114,195	119,172	133,043	137,528	137,296	130,981	103,644	98,691
Total HIC OPEB Liability - ending (a)	$ 119,172	$ 133,043	$ 137,528	$ 137,296	$ 130,981	$ 103,644	$ 98,691	$ 89,966
Plan fiduciary net position								
Contributions - employer	$ 4,699	$ 4,823	$ 5,048	$ 5,356	$ 5,442	$ 5,474	$ 3,394	$ 5,067
Net investment income	10,003	6,879	6,500	2,130	27,439	202	7,729	13,096
Benefit payments	(3,205)	(6,797)	(6,146)	(8,485)	(8,448)	(8,178)	(5,755)	(5,535)
Administrator charges	(164)	(161)	(142)	(202)	(318)	(229)	(180)	(180)
Other	501	(501)	(8)	(1)	-	5,875	315	1
Net change in plan fiduciary net position	$ 11,834	$ 4,243	$ 5,252	$ (1,202)	$ 24,115	$ 3,144	$ 5,503	$ 12,449
Plan fiduciary net position - beginning	85,702	97,536	101,779	107,031	105,829	129,944	133,088	138,591
Plan fiduciary net position - ending (b)	$ 97,536	$ 101,779	$ 107,031	$ 105,829	$ 129,944	$ 133,088	$ 138,591	$ 151,040
County's net HIC OPEB liability - ending (a) - (b)	$ 21,636	$ 31,264	$ 30,497	$ 31,467	$ 1,037	$ (29,444)	$ (39,900)	$ (61,074)
Plan fiduciary net position as a percentage of the total HIC OPEB liability	81.84%	76.50%	77.82%	77.08%	99.21%	128.41%	140.43%	167.89%
Covered payroll	$ 2,135,804	$ 2,192,316	$ 2,294,629	$ 2,433,962	$ 2,473,655	$ 2,488,527	$ 2,828,442	$ 4,223,137
County's net HIC OPEB liability as a percentage of covered payroll	1.01%	1.43%	1.33%	1.29%	0.04%	-1.21%	-1.64%	-2.47%

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

Schedule of Changes in Net OPEB Liability and Related Ratios
Component Unit School Board (nonprofessional)
Health Insurance Credit (HIC) Plan
For the Measurement Dates of June 30, 2020 through June 30, 2024

	2020	2021	2022	2023	2024
Total HIC OPEB Liability					
Service cost	$ -	$ 2,906	$ 2,336	$ 3,544	$ 3,127
Interest	-	9,138	10,082	15,613	12,661
Changes of benefit terms	135,375	-	73,940	-	-
Differences between expected and actual experience	-	-	(34,083)	(57,269)	(8,530)
Changes in assumptions	-	1,650	32,669	-	-
Benefit payments	-	-	(4,077)	(4,346)	(6,056)
Net change in total HIC OPEB liability	$ 135,375	$ 13,694	$ 80,867	$ (42,458)	$ 1,202
Total HIC OPEB Liability - beginning	-	135,375	149,069	229,936	187,478
Total HIC OPEB Liability - ending (a)	$ 135,375	$ 149,069	$ 229,936	$ 187,478	$ 188,680
Plan fiduciary net position					
Contributions - employer	$ -	$ 11,159	$ 20,408	$ 21,671	$ 25,751
Net investment income	-	1,532	(414)	2,618	5,929
Benefit payments	-	-	(4,077)	(4,346)	(6,056)
Administrator charges	-	(50)	(61)	(71)	(88)
Other	-	-	26	3	1
Net change in plan fiduciary net position	$ -	$ 12,641	$ 15,882	$ 19,875	$ 25,537
Plan fiduciary net position - beginning	-	-	12,641	28,523	48,398
Plan fiduciary net position - ending (b)	$ -	$ 12,641	$ 28,523	$ 48,398	$ 73,935
County's net HIC OPEB liability - ending (a) - (b)	$ 135,375	$ 136,428	$ 201,413	$ 139,080	$ 114,745
Plan fiduciary net position as a percentage of the total HIC OPEB liability	0.00%	8.48%	12.40%	25.82%	39.19%
Covered payroll	$ 2,247,317	$ 2,028,982	$ 2,218,315	$ 2,407,875	$ 2,861,182
County's net HIC OPEB liability as a percentage of covered payroll	6.02%	6.72%	9.08%	5.78%	4.01%

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

Schedule of Employer Contributions
County and Component Unit School Board (nonprofessional)
Health Insurance Credit (HIC) Plan
Years Ended June 30, 2017 through June 30, 2025

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
County:					
2025	$ -	$ -	$ -	$ 4,442,323	0.00%
2024	5,068	5,068	-	4,223,137	0.12%
2023	3,394	3,394	-	2,828,442	0.12%
2022	5,475	5,475	-	2,488,527	0.22%
2021	5,442	5,442	-	2,473,655	0.22%
2020	5,355	5,355	-	2,433,962	0.22%
2019	5,048	5,048	-	2,294,629	0.22%
2018	4,823	4,823	-	2,192,316	0.22%
2017	4,699	4,699	-	2,135,804	0.22%
Component Unit School Board (nonprofessional):					
2025	$ 27,481	$ 27,481	$ -	$ 3,053,430	0.90%
2024	25,750	25,750	-	2,861,182	0.90%
2023	13,003	13,003	-	2,407,875	0.54%
2022	12,201	12,201	-	2,218,315	0.55%
2021	11,159	11,159	-	2,028,982	0.55%

Schedule is intended to show information for 10 years. Information prior to the 2017 for the County, and 2021 for the Component Unit School Board (nonprofessional) is not available. However, additional years will be included as they become available.

Notes to Required Supplementary Information
County and Component Unit School Board (nonprofessional)
Health Insurance Credit (HIC) Plan
Year Ended June 30, 2025

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, 2023, valuation were based on the results of an actuarial experience study for the period from July 1, 2016 though June 30, 2020. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Non-Largest Ten Locality Employers - General Employees

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

Non-Largest Ten Locality Employers - Hazardous Duty Employees

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

Schedule of School Board's Share of Net OPEB Liability
Teacher Health Insurance Credit (HIC) Plan
For the Measurement Dates of June 30, 2017 through June 30, 2024

Date (1)	Employer's Proportion of the Net HIC OPEB Liability (Asset) (2)	Employer's Proportionate Share of the Net HIC OPEB Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net HIC OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total HIC OPEB Liability (6)
2024	0.2345%	$ 2,686,302	$ 24,904,149	10.79%	21.82%
2023	0.2253%	2,729,064	22,462,865	12.15%	17.90%
2022	0.2267%	2,831,770	21,130,142	13.40%	15.08%
2021	0.2314%	2,969,910	20,463,218	14.51%	13.15%
2020	0.2381%	3,106,297	20,875,186	14.88%	9.95%
2019	0.2432%	3,183,920	20,400,120	15.61%	8.97%
2018	0.2486%	3,157,320	19,901,142	15.87%	8.08%
2017	0.2481%	3,148,190	19,412,333	16.22%	7.04%

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

Schedule of Employer Contributions
Teacher Health Insurance Credit (HIC) Plan
Years Ended June 30, 2017 through June 30, 2025

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
2025	$ 306,469	$ 306,469	$ -	$ 25,328,043	1.21%
2024	301,340	301,340	-	24,904,149	1.21%
2023	271,801	271,801	-	22,462,865	1.21%
2022	255,675	255,675	-	21,130,142	1.21%
2021	247,605	247,605	-	20,463,218	1.21%
2020	250,502	250,502	-	20,875,186	1.20%
2019	244,801	244,801	-	20,400,120	1.20%
2018	244,784	244,784	-	19,901,142	1.23%
2017	216,961	216,961	-	19,412,333	1.12%

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

Notes to Required Supplementary Information
Teacher Health Insurance Credit (HIC) Plan
Year Ended June 30, 2025

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, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

Schedule of County and School Board's Share of Net OPEB Liability
Group Life Insurance (GLI Plan)
For the Measurement Dates of June 30, 2017 through June 30, 2024

Date (1)	Employer's Proportion of the Net GLI OPEB Liability (Asset) (2)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total GLI OPEB Liability (6)
Primary Government					
2024	0.04560%	$ 508,860	$ 11,708,072	4.35%	73.41%
2023	0.04174%	500,593	9,831,040	5.09%	69.30%
2022	0.03960%	477,304	8,621,884	5.54%	67.21%
2021	0.03810%	443,704	7,867,787	5.64%	67.45%
2020	0.03780%	631,487	7,788,077	8.11%	52.64%
2019	0.03757%	611,364	7,364,995	8.30%	52.00%
2018	0.03658%	556,000	6,943,704	8.01%	51.22%
2017	0.03554%	535,000	6,538,898	8.18%	48.86%
Component Unit School Board (nonprofessional)					
2024	0.01140%	$ 124,314	$ 2,861,182	4.34%	73.41%
2023	0.01020%	122,810	2,411,301	5.09%	69.30%
2022	0.01020%	122,818	2,218,315	5.54%	67.21%
2021	0.00990%	115,030	2,039,882	5.64%	67.45%
2020	0.01090%	182,571	2,250,769	8.11%	52.64%
2019	0.01138%	185,183	2,231,153	8.30%	52.00%
2018	0.01206%	183,000	2,296,942	7.97%	51.22%
2017	0.01254%	189,000	2,222,315	8.50%	48.86%
Component Unit School Board (professional)					
2024	0.09701%	$ 1,082,561	$ 24,908,387	4.35%	73.41%
2023	0.09713%	1,143,650	22,462,865	5.09%	69.30%
2022	0.09711%	1,169,598	21,130,218	5.54%	67.21%
2021	0.09927%	1,155,555	20,491,951	5.64%	67.45%
2020	0.10151%	1,693,742	20,888,269	8.11%	52.64%
2019	0.10407%	1,693,421	20,400,120	8.30%	52.00%
2018	0.10309%	1,606,050	19,901,142	8.07%	51.22%
2017	0.10646%	1,601,900	19,412,333	8.25%	48.86%

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

Schedule of Employer Contributions
Group Life Insurance (GLI Plan)
Years Ended June 30, 2017 through June 30, 2025

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
Primary Government					
2025	$ 57,767	$ 57,767	$ -	$ 12,290,880	0.47%
2024	63,224	63,224	-	11,708,072	0.54%
2023	53,088	53,088	-	9,831,040	0.54%
2022	46,558	46,558	-	8,621,884	0.54%
2021	42,486	42,486	-	7,867,787	0.54%
2020	40,498	40,498	-	7,788,077	0.52%
2019	38,298	38,298	-	7,364,995	0.52%
2018	36,385	36,385	-	6,943,704	0.52%
2017	34,264	34,264	-	6,538,898	0.52%
Component Unit School Board (nonprofessional)					
2025	$ 14,351	$ 14,351	$ -	$ 3,053,430	0.47%
2024	15,450	15,450	-	2,861,182	0.54%
2023	13,021	13,021	-	2,411,301	0.54%
2022	11,979	11,979	-	2,218,315	0.54%
2021	11,015	11,015	-	2,039,882	0.54%
2020	11,704	11,704	-	2,250,769	0.52%
2019	11,602	11,602	-	2,231,153	0.52%
2018	12,036	12,036	-	2,296,942	0.52%
2017	12,138	12,138	-	2,222,315	0.55%
Component Unit School Board (professional)					
2025	$ 119,042	$ 119,042	$ -	$ 25,328,043	0.47%
2024	134,506	134,506	-	24,908,387	0.54%
2023	121,300	121,300	-	22,462,865	0.54%
2022	114,103	114,103	-	21,130,218	0.54%
2021	110,656	110,656	-	20,491,951	0.54%
2020	108,619	108,619	-	20,888,269	0.52%
2019	106,081	106,081	-	20,400,120	0.52%
2018	104,282	104,282	-	19,901,142	0.52%
2017	102,421	102,421	-	19,412,333	0.53%

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

Notes to Required Supplementary Information
Group Life Insurance (GLI Plan)
Year Ended June 30, 2025

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, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Teachers

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

Non-Largest Ten Locality Employers - General Employees

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

Non-Largest Ten Locality Employers - Hazardous Duty Employees

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

OTHER SUPPLEMENTARY INFORMATION

Combining and Individual Fund Financial Statements and Schedules

Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Year Ended June 30, 2025

	Original Budget	Budget As Amended	Actual	Variance From Amended Budget Positive (Negative)
Revenues:				
Revenue from use of money	$ -	$ -	$ 91,991	$ 91,991
Total revenues	$ -	$ -	$ 91,991	$ 91,991
Expenditures:				
Capital projects:				
Public safety	$ 6,749,337	$ 8,180,387	$ 5,563,285	$ 2,617,102
Public works	20,248,733	24,134,182	1,238,248	22,895,934
Health and welfare	33,751	89,351	36,965	52,386
Education	6,213,031	6,407,960	4,219,938	2,188,022
Parks, recreation, and cultural	681,330	681,330	122,997	558,333
Community development	5,600	5,600	-	5,600
Total capital projects	$ 33,931,782	$ 39,498,810	$ 11,181,433	$ 28,317,377
Total expenditures	$ 33,931,782	$ 39,498,810	$ 11,181,433	$ 28,317,377
Excess (deficiency) of revenues over (under) expenditures	$ (33,931,782)	$ (39,498,810)	$ (11,089,442)	$ 28,409,368
Other financing sources (uses):				
Transfers in	$ 9,802,426	$ 12,179,992	$ 6,965,696	$ (5,214,296)
Total other financing sources (uses)	$ 9,802,426	$ 12,179,992	$ 6,965,696	$ (5,214,296)
Changes in fund balances	$ (24,129,356)	$ (27,318,818)	$ (4,123,746)	$ 23,195,072
Fund balance at beginning of the year	$ -	$ -	$ 4,836,959	$ 4,836,959
Fund balance at end of the year	$ (24,129,356)	$ (27,318,818)	$ 713,213	$ 28,032,031

Discretely Presented Component Unit-School Board

Combining Balance Sheet - Discretely Presented Component Unit - School Board
At June 30, 2025

	School Operating Fund	School Cafeteria Fund	School Activities Fund	Total
ASSETS				
Cash and cash equivalents	$ 3,063,940	$ 110,948	$ 459,671	$ 3,634,559
Accounts receivable	-	-	-	-
Due from other governmental units	1,277,686	-	-	1,277,686
Total assets	$ 4,341,626	$ 110,948	$ 459,671	$ 4,912,245
LIABILITIES				
Accrued liabilities	$ 4,341,626	$ -	$ -	$ 4,341,626
Total liabilities	$ 4,341,626	$ -	$ -	$ 4,341,626
FUND BALANCES				
Reserved for:				
Assigned	$ -	$ 110,948	$ 459,671	$ 570,619
Total fund balances	$ -	$ 110,948	$ 459,671	$ 570,619
Total liabilities and fund balances	$ 4,341,626	$ 110,948	459,671	

Detailed explanation of adjustments from fund statements to government-wide statement of net position:

When capital assets (land, buildings, equipment) that are to be used in governmental activities are purchased or constructed, the costs of those assets are reported as expenditures in governmental funds. However, the statement of net position includes those capital assets among the assets of the School Board as a whole.	38,731,836
Items related to measurement of net pension and OPEB liability/asset not available to pay for current-period expenditures	
Deferred inflows related to pensions	(4,378,520)
Deferred inflows related to OPEB	(706,124)
Deferred outflows related to pensions	8,669,972
Deferred outflows related to OPEB	999,986
Net Pension and OPEB Assets	1,923,389
Long-term liabilities applicable to the School Board's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the statement of net position.	(31,783,713)
Net position of General Government Activities	$ 14,027,445

Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
Governmental Funds - Discretely Presented Component Unit - School Board
Year Ended June 30, 2025

	School Operating Fund	School Cafeteria Fund	School Activities Fund	Total
Revenues:				
Revenue from use of money and property	$ 28,371	$ -	$ -	$ 28,371
Charges for services	21,195	-	-	21,195
Miscellaneous	174,080	352,808	793,142	1,320,030
Recovered costs	60,885	-	-	60,885
Intergovernmental:				
County contribution to School Board	22,007,401	-	-	22,007,401
Commonwealth	29,735,271	51,936	-	29,787,207
Federal	1,682,956	1,446,585	-	3,129,541
Total revenues	$ 53,710,159	$ 1,851,329	$ 793,142	$ 56,354,630
Expenditures:				
Current:				
Education	$ 53,710,159	$ 2,228,190	$ 777,476	$ 56,715,825
Total expenditures	$ 53,710,159	$ 2,228,190	$ 777,476	$ 56,715,825
Changes in fund balances	$ -	$ (376,861)	$ 15,666	$ (361,195)
Fund balances at beginning of year	-	487,809	444,005	931,814
Fund balances at end of year	$ -	$ 110,948	$ 459,671	$ 570,619

Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances
to the Statement of Activities - Discretely Presented Component Unit - School Board
For the Year Ended June 30, 2025

				Component Unit School Board
Amounts reported for governmental activities in the statement of activities are different because:				
Net change in fund balances - total governmental funds			$	(361,195)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which the depreciation exceeded capital outlays in the current period. The following details support this adjustment.				
Capital outlays	$	3,959,040		
Depreciation expense		(2,525,460)		1,433,580
Increase (decrease) in deferred inflows related to the measurement of the net pension liability/asset				(2,092,295)
Increase (decrease) in deferred inflows related to the measurement of the net OPEB liability/asset				82,292
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.				
Change in compensated absences	$	(871,800)		
Change in lease liability		(269,451)		
Change in net pension liability		841,853		
Change in net pension asset		72,242		
Change in net OPEB liability		126,682		
Change in net OPEB asset		136,326		
Change in deferred outflows related to OPEB		31,329		
Change in deferred outflows related to pensions		3,152,819		3,220,000
Transfer of joint tenancy assets from Primary Government to the Component Unit				3,284,871
Change in net position of governmental activities			$	5,567,253

Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual - Discretely Presented Component Unit - School Board
Year Ended June 30, 2025

	School Operating Fund			
	Original Budget	Budget As Amended	Actual	Variance From Amended Budget Positive (Negative)
Revenues:				
Revenue from use of money and property	$ -	$ -	$ 28,371	$ 28,371
Charges for services	-	-	21,195	21,195
Miscellaneous	454,200	454,200	174,080	(280,120)
Recovered costs		-	60,885	60,885
Intergovernmental:				
County contribution to School Board	22,269,388	22,269,388	22,007,401	(261,987)
Commonwealth	30,750,000	33,803,544	29,735,271	(4,068,273)
Federal	1,676,800	1,985,744	1,682,956	(302,788)
Total revenues	$ 55,150,388	$ 58,512,876	$ 53,710,159	$ (4,802,717)
Expenditures:				
Current:				
Instruction	$ 45,735,311	$ 43,570,308	$ 40,692,095	$ 2,878,213
Administration, attendance, and health	1,738,821	2,263,666	2,258,675	4,991
Pupil transportation	3,011,128	4,057,016	3,983,261	73,755
Operation and maintenance	3,011,128	6,479,620	4,659,700	1,819,920
School food service costs	-	-	-	-
Technology	1,654,000	2,142,266	2,116,428	25,838
Total expenditures	$ 55,150,388	$ 58,512,876	$ 53,710,159	$ 4,802,717
Excess (deficiency) of revenues over expenditures	$ -	$ -	$ -	$ -
Net changes in fund balances	$ -	$ -	$ -	$ -
Fund balances at beginning of year	-	-	-	-
Fund balances at end of year	$ -	$ -	$ -	$ -

Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual - Discretely Presented Component Unit - School Board
Year Ended June 30, 2025

	School Cafeteria Fund			
	Original Budget	Budget As Amended	Actual	Variance From Amended Budget Positive (Negative)
Revenues:				
Revenue from use of money and property	$ -	$ -	$ -	$ -
Charges for services	-	-	-	-
Miscellaneous	2,533,855	2,533,855	352,808	(2,181,047)
Recovered costs	-	-	-	-
Intergovernmental:				
County contribution to School Board	-	-	-	-
Commonwealth	-	-	51,936	51,936
Federal	-	-	1,446,585	1,446,585
Total revenues	$ 2,533,855	$ 2,533,855	$ 1,851,329	$ (682,526)
Expenditures:				
Current:				
Instruction	$ -	$ -	$ -	$ -
Administration, attendance, and health	-	-	-	-
Pupil transportation	-	-	-	-
Operation and maintenance	-	-	-	-
School food service costs	2,533,855	2,533,855	2,228,190	305,665
Technology	-	-	-	-
Total expenditures	$ 2,533,855	$ 2,533,855	$ 2,228,190	$ 305,665
Excess (deficiency) of revenues over expenditures	$ -	$ -	$ (376,861)	$ (376,861)
Net changes in fund balances	$ -	$ -	$ (376,861)	$ (376,861)
Fund balances at beginning of year	-	-	487,809	487,809
Fund balances at end of year	$ -	$ -	$ 110,948	$ 110,948

Discretely Presented Component Unit-EDA

Discretely Presented Component Unit - Fluvanna County EDA
Statement of Net Position
At June 30, 2025

Assets		
Current assets:		
Cash and cash equivalents	$	65,216
Total assets	$	65,216
Net Position		
Unrestricted	$	65,216
Total net position	$	65,216

Discretely Presented Component Unit - Fluvanna County EDA
Statement of Revenues, Expenses, and Changes in Net Position
Year Ended June 30, 2025

Operating revenues		
Charges for services	$	1,750
Operating expenses		
Other operating expenses	$	716
Operating income (loss)	$	1,034
Nonoperating revenues		
Investment income	$	2,176
Total nonoperating revenues	$	2,176
Change in net position	$	3,210
Net position at July 1	$	62,006
Net position at June 30	$	65,216

Discretely Presented Component Unit - Fluvanna County EDA
Statement of Cash Flows
Year Ended June 30, 2025

Cash flows from operating activities		
Receipts from customers	$	1,750
Payments to suppliers		(716)
Net cash provided by (used for) operating activities	$	1,034
Cash flows from noncapital financing activities		
Contribution from Fluvanna County	$	-
Other contributions		-
Net cash provided by (used for) financing activities	$	-
Cash flows from investing activities		
Investment earnings	$	2,176
Net increase (decrease) in cash and cash equivalents	$	3,210
Cash and cash equivalents at July 1, as previously reported		38,452
Restatements		20,000
Cash and cash equivalents at July 1, as restated	$	62,006
Cash and cash equivalents at June 30	$	65,216
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income (loss)	$	1,034
Net cash provided by (used for) by operating activities	$	1,034

Supporting Schedules

Governmental Funds
Schedule of Revenues -- Budget and Actual
Year Ended June 30, 2025

Fund, Major and Minor Revenue Source	Original Budget	Budget As Amended	Actual	Variance From Amended Budget Positive (Negative)
Primary Government:				
General Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	$ 28,803,711	$ 28,803,711	$ 30,447,660	$ 1,643,949
Real and personal public service corporation taxes	4,139,037	4,139,037	3,788,786	(350,251)
Personal property taxes	11,844,450	11,844,450	10,949,648	(894,802)
Mobile home taxes	17,168	17,168	17,389	221
Machinery and tools taxes	37,391	37,391	43,159	5,768
Penalties	300,000	300,000	508,545	208,545
Interest	225,000	225,000	483,127	258,127
Total general property taxes	$ 45,366,757	$ 45,366,757	$ 46,238,314	$ 871,557
Other local taxes:				
Local sales and use taxes	$ 2,923,000	$ 2,923,000	$ 2,907,915	$ (15,085)
Consumer utility taxes	460,000	460,000	488,054	28,054
Gross receipts tax - utilities	100,000	100,000	91,320	(8,680)
Motor vehicle licenses	957,500	957,500	1,055,178	97,678
Bank stock taxes	95,000	95,000	94,853	(147)
Transient occupancy taxes	5,000	16,170	34,564	18,394
Recordation taxes	450,000	450,000	489,031	39,031
Cigarette tax	175,000	175,000	147,381	(27,619)
Tax on wills	7,500	7,500	10,213	2,713
Total other local taxes	$ 5,173,000	$ 5,184,170	$ 5,318,509	$ 134,339
Permits, privilege fees, and regulatory licenses:				
Animal licenses	$ 9,000	$ 9,000	$ 6,442	$ (2,558)
Building permits	255,125	255,125	262,345	7,220
Other permits, fees, and licenses	139,325	139,325	235,941	96,616
Total permits, privilege fees and regulatory licenses	$ 403,450	$ 403,450	$ 504,728	$ 101,278
Fines and Forfeitures:				
Court and other fines and forfeitures	$ 60,925	$ 60,925	$ 31,416	$ (29,509)
Revenue from use of money and property:				
Revenue from use of money	$ 550,000	$ 550,000	$ 1,310,156	$ 760,156
Revenue from use of property	94,165	94,165	97,269	3,104
Total revenue from use of money and property	$ 644,165	$ 644,165	$ 1,407,425	$ 763,260
Charges for services:				
Charges for Commonwealth Attorney	$ 1,500	$ 1,500	$ 1,251	$ (249)
Charges for library	6,500	6,500	5,251	(1,249)
Law library fees	3,300	3,300	5,647	2,347
Courthouse maintenance fees	6,000	6,000	5,683	(317)
Courthouse security	36,000	36,000	29,086	(6,914)
Recreation program fees	100,000	100,000	147,516	47,516
EMS cost recovery	750,000	750,000	1,009,253	259,253
Landfill fees	143,000	143,000	134,229	(8,771)
Other charges for services	40,095	40,095	9,380	(30,715)
Fees of clerk	2,500	2,500	2,462	(38)
Total charges for services	$ 1,088,895	$ 1,088,895	$ 1,349,758	$ 260,863

Governmental Funds
Schedule of Revenues -- Budget and Actual
Year Ended June 30, 2025 (continued)

Fund, Major and Minor Revenue Source	Original Budget	Budget As Amended	Actual	Variance From Amended Budget Positive (Negative)
Primary Government: (Continued)				
General Fund: (Continued)				
Revenue from local sources: (Continued)				
Miscellaneous:				
Miscellaneous	$ 75,000	$ 78,481	$ 615,765	$ 537,284
Recovered costs:				
Miscellaneous	$ 264,667	$ 302,015	$ 387,866	$ 85,851
Total revenue from local sources	$ 53,076,859	$ 53,128,858	$ 55,853,781	$ 2,724,923
Intergovernmental:				
Revenue from the Commonwealth:				
Noncategorical aid:				
Motor vehicle carriers tax	$ 43,000	$ 43,000	$ 46,883	$ 3,883
Mobile home titling taxes	40,000	40,000	56,258	16,258
Auto rental taxes	10,000	10,000	7,119	(2,881)
Communication taxes	550,000	550,000	543,662	(6,338)
PPTRA	2,996,570	2,996,570	2,996,570	-
Total noncategorical aid	$ 3,639,570	$ 3,639,570	$ 3,650,492	$ 10,922
Categorical aid:				
Shared expenses:				
Commonwealth's Attorney	$ 357,617	$ 357,617	$ 374,859	$ 17,242
Sheriff	1,425,995	1,425,995	1,487,134	61,139
Commissioner of the Revenue	168,879	168,879	186,673	17,794
Treasurer	169,504	169,504	206,147	36,643
Registrar/electoral board	97,414	97,414	82,305	(15,109)
Clerk of the Circuit Court	363,481	363,481	463,779	100,298
Total shared expenses	$ 2,582,890	$ 2,582,890	$ 2,800,897	$ 218,007
Other categorical aid:				
Litter control	$ 5,000	$ 5,000	$ -	$ (5,000)
Library grant	161,984	178,198	181,558	3,360
Public assistance and welfare administration	731,524	731,524	561,463	(170,061)
Children's services act	2,033,232	2,058,482	2,163,132	104,650
E911 funds	85,000	85,000	94,429	9,429
Fire funds	110,000	139,454	139,454	-
Victim/witness coordinator grant	12,000	12,000	14,992	2,992
Four for life	30,000	89,661	29,661	(60,000)
Other categorical aid	677,928	873,740	768,671	(105,069)
Total other categorical aid	$ 3,846,668	$ 4,173,059	$ 3,953,360	$ (219,699)
Total categorical aid	$ 6,429,558	$ 6,755,949	$ 6,754,257	$ (1,692)
Total revenue from the Commonwealth	$ 10,069,128	$ 10,395,519	$ 10,404,749	$ 9,230

Governmental Funds
Schedule of Revenues -- Budget and Actual
Year Ended June 30, 2025 (continued)

Fund, Major and Minor Revenue Source	Original Budget	Budget As Amended	Actual	Variance From Amended Budget Positive (Negative)
Primary Government: (Continued)				
General Fund: (Continued)				
Intergovernmental: (Continued)				
Revenue from the federal government:				
Categorical aid:				
Victim/witness coordinator grant	$ 26,000	$ 26,000	$ 23,006	$ (2,994)
Commission for arts grant	4,500	4,500	-	(4,500)
Federal interest subsidy	126,107	126,107	120,478	(5,629)
ARPA	-	-	-	-
Other federal revenue	191,646	387,171	276,107	(111,064)
Public assistance and welfare administration	1,522,237	1,522,237	1,807,920	285,683
Total revenue from the federal government	$ 1,870,490	$ 2,066,015	$ 2,227,511	$ 161,496
Total General Fund	$ 65,016,477	$ 65,590,392	$ 68,486,041	$ 2,895,649
Capital Projects Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from use of money	$ -	$ -	$ 91,991	$ 91,991
Total Capital Projects Fund	$ -	$ -	$ 91,991	$ 91,991
Total Revenues -- Primary Government	$ 65,016,477	$ 65,590,392	$ 68,578,032	$ 2,987,640

General Fund - Schedule of Expenditures - Budget and Actual
Year Ended June 30, 2025

Fund, Function, Activities and Elements	Original Budget	Budget As Amended	Actual	Variance From Amended Budget Positive (Negative)
General Fund:				
General government administration:				
Legislative:				
Board of supervisors	$ 132,779	$ 162,917	$ 162,917	$ -
General and financial administration:				
County administrator	$ 469,454	$ 526,180	$ 495,440	$ 30,740
County attorney	343,701	337,956	270,155	67,801
Commissioner of the revenue	498,372	535,356	522,315	13,041
Board of equalization	3,353	3,503	2,733	770
Reassessment	162,048	121,488	121,488	-
Human resources	234,877	234,755	216,308	18,447
Information technology	663,019	650,112	545,892	104,220
Treasurer	593,352	625,293	625,293	-
Finance department	493,032	472,947	472,947	-
Total general and financial administration	$ 3,461,208	$ 3,507,590	$ 3,272,571	$ 235,019
Board of Elections:				
Electoral board general registrar	$ 415,056	$ 435,464	$ 367,630	$ 67,834
Total general government administration	$ 4,009,043	$ 4,105,971	$ 3,803,118	$ 302,853
Judicial administration:				
Courts:				
Circuit court	$ 142,998	$ 146,198	$ 104,260	$ 41,938
General district and juvenile relations court	4,570	4,570	3,798	772
Juvenile court service unit	2,900	2,900	1,401	1,499
Drug court	-	336,526	128,087	208,439
VJCCCA	6,585	11,585	13,859	(2,274)
Clerk of the circuit court	884,038	989,518	977,222	12,296
Total courts	$ 1,041,091	$ 1,491,297	$ 1,228,627	$ 262,670
Commonwealth's attorney:				
Commonwealth's attorney	$ 637,301	$ 704,516	$ 671,517	$ 32,999
Total judicial administration	$ 1,678,392	$ 2,195,813	$ 1,900,144	$ 295,669
Public safety:				
Law enforcement and traffic control:				
Sheriff	$ 4,954,689	$ 5,191,412	$ 5,082,865	$ 108,547
Total law enforcement and traffic control	$ 4,954,689	$ 5,191,412	$ 5,082,865	$ 108,547

General Fund - Schedule of Expenditures - Budget and Actual
Year Ended June 30, 2025 (continued)

Fund, Function, Activities and Elements	Original Budget	Budget As Amended	Actual	Variance From Amended Budget Positive (Negative)
General Fund: (Continued)				
Public Safety: (Continued)				
Fire and rescue services:				
Forest warden	$ 9,142	$ 9,142	$ 8,992	$ 150
Volunteer fire and rescue	1,191,027	1,260,633	1,218,073	42,560
Emergency Medical Services Council	10,000	10,000	10,000	-
Total fire and rescue services	$ 1,210,169	$ 1,279,775	$ 1,237,065	$ 42,710
Correction and detention:				
Care of prisoners	$ 1,347,220	$ 1,347,075	$ 1,344,942	$ 2,133
Inspections:				
Building	$ 355,114	$ 374,511	$ 369,646	$ 4,865
Other protection:				
Animal control	$ 384,111	$ 384,111	$ 382,911	$ 1,200
Emergency services	2,508,170	2,683,161	2,638,239	44,922
Emergency management	103,293	83,275	28,634	54,641
E-911	2,500,506	2,611,274	2,525,115	86,159
Legal aid service	5,655	5,655	5,655	-
Total other protection	$ 5,501,735	$ 5,767,476	$ 5,580,554	$ 186,922
Total public safety	$ 13,368,927	$ 13,960,249	$ 13,615,072	$ 345,177
Public works:				
Sanitation and waste removal:				
Landfill	$ 462,776	$ 523,944	$ 434,262	$ 89,682
Litter control	38,000	38,000	17,201	20,799
Total sanitation and waste removal	$ 500,776	$ 561,944	$ 451,463	$ 110,481
Maintenance of general buildings and grounds:				
Facilities	$ 1,302,157	$ 1,295,367	$ 1,167,948	$ 127,419
Public works	312,072	291,356	194,536	96,820
Public utilities	173,226	347,860	207,837	140,023
James River Water Authority	254,582	273,095	237,455	35,640
General services	602,295	644,768	644,768	-
Total maintenance of general buildings and grounds	$ 2,644,332	$ 2,852,446	$ 2,452,544	$ 399,902
Total public works	$ 3,145,108	$ 3,414,390	$ 2,904,007	$ 510,383
Health and welfare:				
Local health department	$ 331,940	$ 331,940	$ 331,940	$ -
Mental health and mental retardation:				
Region Ten Community Services Board	$ 131,794	$ 131,794	$ 131,794	$ -

General Fund - Schedule of Expenditures - Budget and Actual
Year Ended June 30, 2025 (continued)

Fund, Function, Activities and Elements	Original Budget	Budget As Amended	Actual	Variance From Amended Budget Positive (Negative)
Primary Government: (Continued)				
General Fund: (Continued)				
Welfare:				
Public assistance and welfare administration	$ 3,360,644	$ 3,635,553	$ 3,610,515	$ 25,038
Children's services act program	3,200,577	3,240,934	3,227,625	13,309
ARPA	-	-	63,363	(63,363)
Jefferson area board on aging	83,713	83,713	83,713	-
JAUNT, Inc.	80,816	80,816	80,816	-
Shelter for help in emergency	11,575	11,575	11,575	-
Sexual assault resource agency	1,435	1,435	1,435	-
Fluvanna housing foundation	34,250	34,250	34,250	-
Child Health Partnership	55,203	55,203	55,203	-
Piedmont housing alliance	3,035	3,035	3,035	-
Ready Kids	2,900	2,900	2,900	-
Foothills Child Advocacy Center	13,230	13,230	13,230	-
Interagency council	750	750	750	-
Piedmont workforce network	4,965	4,965	4,965	-
Offender Aid & Rescue	15,415	15,415	15,415	-
Monticello area community action agency	60,000	60,000	60,000	-
Total welfare	$ 6,928,508	$ 7,243,774	$ 7,268,790	$ (25,016)
Total health and welfare	$ 7,392,242	$ 7,707,508	$ 7,732,524	$ (25,016)
Education:				
Contributions to community colleges	$ 7,029	$ 7,029	$ 7,029	$ -
Contribution to Component Unit School Board	22,269,388	22,269,388	22,007,401	261,987
Total education	$ 22,276,417	$ 22,276,417	$ 22,014,430	$ 261,987
Parks, recreation and cultural:				
Parks and recreation:				
Parks and recreation	$ 823,181	$ 857,658	$ 792,075	$ 65,583
Cultural enrichment:				
Cultural arts	$ 10,000	$ 10,000	$ 10,000	$ -
Regional library	$ 548,369	$ 597,405	$ 588,932	$ 8,473
Total parks, recreation and cultural	$ 1,381,550	$ 1,465,063	$ 1,391,007	$ 74,056

General Fund - Schedule of Expenditures - Budget and Actual
Year Ended June 30, 2025 (continued)

Fund, Function, Activities and Elements	Original Budget	Budget As Amended	Actual	Variance From Amended Budget Positive (Negative)
Primary Government: (Continued)				
General Fund: (Continued)				
Community development:				
Planning commission	$ 21,462	$ 21,994	$ 21,194	$ 800
Zoning board	3,100	2,990	1,064	1,926
Economic development	241,254	542,470	264,987	277,483
County planner	417,183	420,734	399,646	21,088
Commercial kitchen	14,949	14,070	1,984	12,086
Small business development center	13,125	13,125	13,125	-
Rivanna Conservation Alliance	2,860	2,860	2,860	-
Leadership development program	500	500	500	-
Southeast rural community assistant project	1,645	1,645	1,645	-
Central Virginia Partnership for Economic Development	13,921	13,921	13,921	-
Thomas Jefferson Planning District Commission	42,030	50,530	50,530	-
Total planning and community development	$ 772,029	$ 1,084,839	$ 771,456	$ 313,383
Environmental management:				
Soil and water conservation district	$ 22,947	$ 22,947	$ 22,947	$ -
Cooperative extension program:				
Cooperative extension service	$ 121,929	$ 121,929	$ 107,062	$ 14,867
Total community development	$ 916,905	$ 1,229,715	$ 901,465	$ 328,250
Nondepartmental:				
Miscellaneous	$ 1,199,049	$ 148,442	$ 40,940	$ 107,502
Principal retirement	$ 5,927,332	$ 5,927,332	$ 5,927,332	$ -
Interest and fiscal charges	3,027,715	3,019,353	2,175,803	843,550
Total debt service	$ 8,955,047	$ 8,946,685	$ 8,103,135	$ 843,550
Total General Fund Expenditures	$ 64,322,680	$ 65,450,253	$ 62,405,842	$ 3,044,411

Statistical Section

<u>Contents</u> <u>Tables</u>

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

Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	2016	2017	2018	2019	2020
Governmental activities					
Net investment in capital assets	$ 17,955,779	$ 18,561,846	$ 17,537,769	$ 16,707,620	$ 15,820,345
Restricted	59,520	59,520	59,520	59,520	59,520
Unrestricted	21,785,862	22,928,022	21,507,081	23,698,945	27,406,973
Total governmental activities net position	$ 39,801,161	$ 41,549,388	$ 39,104,370	$ 40,466,085	$ 43,286,838
Business-type activities					
Net investment in capital assets	$ 3,892,325	$ 3,806,518	$ 3,727,045	$ 3,651,962	$ 5,342,151
Unrestricted	233,162	362,385	1,233,648	1,808,171	535,208
Total business-type activities net position	$ 4,125,487	$ 4,168,903	$ 4,960,693	$ 5,460,133	$ 5,877,359
Primary government					
Net investment in capital assets	$ 21,848,104	$ 22,368,364	$ 21,264,814	$ 20,359,582	$ 21,162,496
Restricted	59,520	59,520	59,520	59,520	59,520
Unrestricted	22,019,024	23,290,407	22,740,729	25,507,116	27,942,181
Total primary government net position	$ 43,926,648	$ 45,718,291	$ 44,065,063	$ 45,926,218	$ 49,164,197

Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	2021	2022	2023	2024	2025
Governmental activities					
Net investment in capital assets	$ 15,706,385	$ 15,069,588	$ 14,537,739	$ 14,386,091	$ 19,038,281
Restricted	350,790	2,154,170	1,748,893	1,749,590	1,320,696
Unrestricted	30,236,499	35,757,133	41,660,139	50,983,038	45,470,494
Total governmental activities net position	$ 46,293,674	$ 52,980,891	$ 57,946,771	$ 67,118,719	$ 65,829,471
Business-type activities					
Net investment in capital assets	$ 4,462,397	$ 6,715,499	$ 7,438,427	$ 8,199,246	$ 8,762,610
Unrestricted	1,756,599	301,756	(124,903)	1,636,120	1,040,734
Total business-type activities net position	$ 6,218,996	$ 7,017,255	$ 7,313,524	$ 9,835,366	$ 9,803,344
Primary government					
Net investment in capital assets	$ 20,168,782	$ 21,785,087	$ 21,976,166	$ 22,585,337	$ 27,800,891
Restricted	350,790	2,154,170	1,748,893	1,749,590	1,320,696
Unrestricted	31,993,098	36,058,889	41,535,236	52,619,158	46,511,228
Total primary government net position	$ 52,512,670	$ 59,998,146	$ 65,260,295	$ 76,954,085	$ 75,632,815

Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses										
Governmental activities:										
General government adminstration	2,316,368	2,660,192	2,507,323	2,894,457	3,000,393	3,073,375	3,103,112	3,037,433	3,564,196	3,324,038
Judicial administration	1,085,464	1,302,495	1,299,463	1,277,434	1,416,769	1,500,052	1,521,053	1,749,345	1,792,493	1,723,522
Public Safety	7,061,106	7,949,729	8,992,729	9,282,343	10,384,660	12,065,263	10,929,548	12,625,301	14,038,641	15,184,864
Public works	3,512,015	1,683,873	2,313,685	2,749,824	2,862,090	2,725,499	2,567,283	3,045,463	3,190,066	4,065,434
Health and welfare	5,423,546	6,063,693	6,065,223	5,856,235	6,075,481	6,472,913	7,073,948	6,506,598	6,808,380	7,692,240
Education	21,413,366	21,054,581	25,127,190	22,902,730	23,016,433	22,900,398	20,338,559	23,994,220	25,762,384	30,759,942
Parks, recreation and cultural	854,231	869,068	911,313	959,127	1,036,357	975,977	1,059,115	1,164,534	1,298,058	1,175,249
Community development	1,008,822	854,527	749,560	773,645	723,779	1,212,310	1,389,699	823,669	1,402,965	951,557
Interest on long-term debt	3,724,460	3,611,012	3,399,682	3,332,219	3,188,309	3,038,534	3,026,271	2,789,344	2,688,031	2,436,496
Total governmental activities expenses	46,399,378	46,049,170	51,366,168	50,028,014	51,704,271	53,964,321	51,008,588	55,735,907	60,545,214	67,313,342
Business-type activities:										
Water	395,482	361,760	317,212	329,122	340,165	330,442	378,920	448,193	543,517	667,839
Water & Sewer	-	-	389,980	256,941	248,084	376,546	375,159	378,842	408,892	517,889
Sewer	191,119	302,949	300,088	244,110	252,529	233,080	240,938	244,748	-	266,998
Total business-type activities expenses	586,601	664,709	1,007,280	830,173	840,778	940,068	995,017	1,071,783	952,409	1,452,726
Total primary government expenses	46,985,979	46,713,879	52,373,448	50,858,187	52,545,049	54,904,389	52,003,605	56,807,690	61,497,623	68,766,068
Program Revenues										
Governmental activities:										
Charges for services:										
Judicial administration	53,289	101,825	104,064	113,860	81,928	100,593	78,121	101,119	89,226	75,545
Public safety	698,281	836,723	980,372	948,948	1,085,154	936,990	1,362,690	1,153,240	1,232,779	1,523,361
Public works	76,173	82,127	86,314	98,192	121,286	146,403	151,397	136,463	133,429	134,229
Parks, recreation and cultural	133,330	118,073	116,745	121,537	82,455	7,652	47,307	128,151	152,359	152,767
Community development	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	5,316,713	5,716,405	6,056,747	5,873,959	7,423,037	9,802,648	8,527,924	7,478,010	12,695,360	8,981,768
Capital grants and contributions	93,911	-	-	-	112,500	-	-	258,283	333,317	-
Total governmental activities program revenues	6,371,697	6,855,153	7,344,242	7,156,496	8,906,360	10,994,286	10,167,439	9,255,266	14,636,470	10,867,670
Business-type activities:										
Charges for services:										
Water	375,863	365,562	371,481	355,953	355,953	298,026	328,091	306,765	303,695	248,247
Zion Crossroads Water & Sewer	-	-	-	-	-	-	-	-	35,382	3,013
Sewer	20,738	42,255	27,244	29,898	29,898	14,097	21,601	17,667	14,576	16,254
Total business-type activities program revenues	396,601	407,817	398,725	385,851	385,851	312,123	349,692	324,432	353,653	267,514
Total primary government program revenues	6,768,298	7,262,970	7,742,967	7,542,347	9,292,211	11,306,409	10,517,131	9,579,698	14,990,123	11,135,184
Net (expense) / revenue										
Governmental activities	(40,027,681)	(39,194,017)	(44,021,926)	(42,871,518)	(42,797,911)	(42,970,035)	(40,841,149)	(46,480,641)	(45,908,744)	(56,445,672)
Business-type activities	(190,000)	(256,892)	(608,555)	(444,322)	(454,927)	(627,945)	(645,325)	(747,351)	(598,756)	(1,185,212)
Total primary government net expense	(40,217,681)	(39,450,909)	(44,630,481)	(43,315,840)	(43,252,838)	(43,597,980)	(41,486,474)	(47,227,992)	(46,507,500)	(57,630,884)

COUNTY OF FLUVANNA, VIRGINIA **Table 2**

Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Revenues and Other										
Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	$ 32,784,240	$ 33,676,413	$ 35,083,167	$ 36,546,338	$ 38,115,382	$ 37,851,749	$ 39,997,154	$ 42,113,910	$ 44,559,227	$ 45,599,806
Local sales and use taxes	1,518,328	1,696,819	1,783,287	1,826,331	2,207,343	2,336,399	2,571,149	2,858,762	2,916,857	2,907,915
Taxes on recordation and wills	241,846	352,133	398,653	340,922	430,296	429,091	455,032	535,595	424,146	488,054
Motor vehicle licenses taxes	728,942	733,566	791,162	895,510	885,451	881,962	861,080	1,012,783	1,018,521	1,055,178
Consumer utility taxes	397,316	438,801	455,170	468,459	431,308	678,554	612,310	461,921	471,250	489,031
Other local taxes	262,373	215,290	211,345	198,703	213,317	223,512	311,685	388,510	365,452	378,331
Unrestricted grants and contributions	3,945,610	3,925,416	3,909,452	3,866,437	3,815,835	3,708,677	3,687,130	3,679,771	3,641,117	3,650,492
Unrestricted revenues from use of money and property	159,491	91,055	141,043	594,166	222,317	127,126	(26,737)	1,020,989	1,759,766	1,499,416
Miscellaneous	92,600	113,059	882,532	232,705	81,846	550,119	327,892	291,422	397,508	717,778
Transfers	(193,784)	(300,308)	(1,281,640)	(736,338)	(794,430)	(810,318)	(1,268,330)	(917,142)	(1,106,531)	(1,060,168)
Total governmental activities	$ 39,936,962	$ 40,942,244	$ 42,374,171	$ 44,233,233	$ 45,608,665	$ 45,976,871	$ 47,528,365	$ 51,446,521	$ 54,447,313	$ 55,725,833
Business-type activities:										
Unrestricted revenues from use of money and property	$ -	$ -	$ 118,705	$ 207,424	$ 74,085	$ 84,946	$ 93,741	$ 44,637	$ 68,859	$ 2,286
Miscellaneous	-	-	-	-	-	74,318	81,513	81,841	75,535	90,736
Proffer	-	-	-	-	-	-	-	-	2,128,300	-
Transfers	193,784	300,308	1,281,640	736,338	794,430	810,318	1,268,330	917,142	1,106,531	1,060,168
Total business-type activities	$ 193,784	$ 300,308	$ 1,400,345	$ 943,762	$ 868,515	$ 969,582	$ 1,443,584	$ 1,043,620	$ 3,379,225	$ 1,153,190
Total primary government	$ 40,130,746	$ 41,242,552	$ 43,774,516	$ 45,176,995	$ 46,477,180	$ 46,946,453	$ 48,971,949	$ 52,490,141	$ 57,826,538	$ 56,879,023
Change in Net Position										
Governmental activities	$ (90,719)	$ 1,748,227	$ (1,647,755)	$ 1,361,715	$ 2,810,754	$ 3,006,836	$ 6,687,216	$ 4,965,880	$ 8,538,569	$ (719,839)
Business-type activities	3,784	43,416	791,790	499,440	413,588	341,637	798,259	296,269	2,780,469	(32,022)
Total primary government	$ (86,935)	$ 1,791,643	$ (855,965)	$ 1,861,155	$ 3,224,342	$ 3,348,473	$ 7,485,475	$ 5,262,149	$ 11,319,038	$ (751,861)

Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2016	2017	2018	2019	2020
General fund					
Nonspendable	$ 100,000	$ 118,818	$ 78,606	$ 11,506	$ 36,731
Restricted	59,520	59,520	59,520	59,520	59,520
Committed	4,875,335	6,649,051	6,103,010	4,989,493	5,368,959
Assigned	-	-	-	-	-
Unassigned	17,198,209	15,855,959	14,532,691	16,632,750	19,939,645
Total general fund	$ 22,233,064	$ 22,683,348	$ 20,773,827	$ 21,693,269	$ 25,404,855
All other governmental funds					
Nonspendable	$ -	$ -	$ -	$ 245,106	$ -
Restricted	1,678,501	5,175,016	572,077	63,275	-
Committed	50,000	27,535	-	-	-
Assigned	492,023	179,446	369,449	806,610	919,057
Unassigned	-	-	-	-	-
Total all other governmental funds	$ 2,220,524	$ 5,381,997	$ 941,526	$ 1,114,991	$ 919,057

The County implemeted GASB 54, the new standard for fund balance reporting, in FY2011. Restatement of prior year balances is not feasible. Therefore, ten years of fund balance information in accordance with GASB 54 is not available, but will be accumulated over time.

Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2021	2022	2023	2024	2025
General fund					
Nonspendable	$ -	$ 4,970	$ 6,689	$ 4,370	$ -
Restricted	59,520	67,409	117,348	71,882	84,900
Committed	4,832,001	5,974,681	11,330,851	12,998,520	15,016,533
Assigned	-	-	-	-	-
Unassigned	24,035,309	26,519,445	26,584,082	30,580,253	26,607,927
Total general fund	$ 28,926,830	$ 32,566,505	$ 38,038,970	$ 43,655,025	$ 41,709,360
All other governmental funds					
Nonspendable	$ -	$ 2,629,387	$ 2,629,387	$ 3,179,387	$ -
Restricted	-	6,313,215	4,705,933	2,051,743	1,089,507
Committed	56,500	50,000	50,000	50,000	50,000
Assigned	459,036	-	-	-	-
Unassigned	-	(131,066)	(1,446,129)	(444,171)	(426,294)
Total all other governmental funds	$ 515,536	$ 8,861,536	$ 5,939,191	$ 4,836,959	$ 713,213

Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2016	2017	2018	2019	2020
Revenues					
General property taxes	$ 32,381,780	$ 33,035,019	$ 34,771,214	$ 36,606,379	$ 37,831,969
Other local taxes	3,148,805	3,436,609	3,639,617	3,729,925	4,167,715
Permits, privilege fees and regulatory licenses	316,674	325,604	325,260	266,135	312,286
Fines and forfeitures	17,071	52,335	55,563	66,715	57,037
Revenue from use of money and property	159,491	91,055	141,043	594,166	222,317
Charges for services	627,328	760,809	906,672	949,687	1,011,500
Miscellaneous	92,600	113,059	882,532	232,705	81,846
Recovered costs	175,019	475,312	334,311	195,792	143,214
Intergovernmental:					
Commonwealth	8,186,120	8,491,421	8,435,417	8,039,911	8,385,602
Federal	1,170,114	1,150,400	1,530,782	1,700,485	2,965,770
Total revenues	$ 46,275,002	$ 47,931,623	$ 51,022,411	$ 52,381,900	$ 55,179,256
Expenditures					
General government administration	$ 2,504,595	$ 2,675,883	$ 2,573,114	$ 3,068,813	$ 2,890,930
Judicial administration	1,116,896	1,140,751	1,160,743	1,156,453	1,187,690
Public safety	14,031,007	9,103,245	8,904,135	9,183,552	9,141,123
Public works	3,340,430	3,066,682	3,598,723	2,844,074	2,795,897
Health and welfare	5,494,433	6,047,790	6,094,617	5,891,086	5,952,734
Education	18,825,010	21,054,016	21,808,677	17,599,505	18,223,423
Parks, recreation and cultural	830,275	841,396	1,168,673	925,945	927,843
Community development	959,759	779,505	768,397	741,256	637,737
Nondepartmental	37,462	25,699	109,625	33,693	36,757
Debt service					
Principal	4,257,098	11,387,489	6,947,151	5,852,348	5,999,039
Interest and other fiscal charges	3,455,086	3,501,825	3,510,465	3,255,930	3,076,001
Bond Issuance Costs	-	272,142	-	-	-
Total expenditures	$ 54,852,051	$ 59,896,423	$ 56,644,320	$ 50,552,655	$ 50,869,174
Excess (deficiency) of revenues over (under) expenditures	$ (8,577,049)	$ (11,964,800)	$ (5,621,909)	$ 1,829,245	$ 4,310,082
Other financing sources (uses)					
Transfers in	$ 3,308,881	$ 3,398,928	$ 4,260,752	$ 2,718,812	$ 2,175,286
Transfers out	(3,502,665)	(3,699,236)	(4,988,835)	(3,455,150)	(2,969,716)
Bonds issued	-	7,653,740	-	-	-
Premium on bonds issued	-	-	-	-	-
Payments to refunded bond escrow agent	-	-	-	-	-
Issuance of notes payable	6,594,545	8,223,125	-	-	-
Total other financing sources (uses)	$ 6,400,761	$ 15,576,557	$ (728,083)	$ (736,338)	$ (794,430)
Net change in fund balances	$ (2,176,288)	$ 3,611,757	$ (6,349,992)	$ 1,092,907	$ 3,515,652
Debt service as a percentage of noncapital expenditures	17.30%	29.13%	20.55%	18.49%	18.30%

Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2021	2022	2023	2024	2025
Revenues					
General property taxes	$ 37,379,857	$ 38,898,133	$ 41,890,987	$ 44,881,502	$ 46,238,314
Other local taxes	4,549,518	4,811,256	5,257,571	5,196,226	5,318,509
Permits, privilege fees and regulatory licenses	417,196	421,308	410,101	278,454	504,728
Fines and forfeitures	62,325	40,495	56,019	44,386	31,416
Revenue from use of money and property	127,126	(26,737)	1,020,989	1,759,766	1,499,416
Charges for services	712,117	1,177,712	1,052,853	1,284,953	1,349,758
Miscellaneous	568,266	108,672	327,495	409,599	615,765
Recovered costs	156,390	86,412	445,232	338,307	387,866
Intergovernmental:					
Commonwealth	8,293,015	9,406,886	9,052,668	10,148,169	10,404,749
Federal	5,218,310	2,808,168	2,363,396	6,517,390	2,227,511
Total revenues	$ 57,484,120	$ 57,732,305	$ 61,877,311	$ 70,858,752	$ 68,578,032
Expenditures					
General government administration	$ 2,929,854	$ 2,957,296	$ 3,429,382	$ 3,980,772	$ 3,803,118
Judicial administration	1,240,251	1,371,150	1,628,228	1,680,011	1,900,144
Public safety	11,478,678	10,241,123	11,884,480	14,642,930	19,178,357
Public works	2,743,585	2,672,295	3,385,762	3,456,480	4,142,255
Health and welfare	6,248,509	7,128,419	6,663,796	7,009,534	7,769,489
Education	17,913,084	17,800,193	20,257,976	22,325,218	26,234,368
Parks, recreation and cultural	859,219	1,002,001	1,116,154	2,175,828	1,514,004
Community development	1,107,119	1,326,877	782,943	1,360,510	901,465
Nondepartmental	74,250	43,963	48,550	39,045	40,940
Debt service					
Principal	6,056,619	6,239,472	6,522,195	6,791,031	5,927,332
Interest and other fiscal charges	2,904,180	2,691,965	2,690,583	2,410,418	2,175,803
Bond Issuance Costs	-	-	-	-	-
Total expenditures	$ 53,555,348	$ 53,474,754	$ 58,410,049	$ 65,871,777	$ 73,587,275
Excess (deficiency) of revenues over (under) expenditures	$ 3,928,772	$ 4,257,551	$ 3,467,262	$ 4,986,975	$ (5,009,243)
Other financing sources (uses)					
Transfers in	$ 1,799,062	$ 720,376	$ 1,197,056	$ 3,055,046	$ 6,965,696
Transfers out	(2,609,380)	(1,988,706)	(2,114,198)	(4,161,577)	(8,025,864)
Bonds issued	-	3,270,001	-	-	-
Premium on bonds issued	-	494,953	-	-	-
Payments to refunded bond escrow agent	-	-	-	-	-
Issuance of notes payable	-	5,231,500	-	-	-
Total other financing sources (uses)	$ (810,318)	$ 7,728,124	$ (917,142)	$ (1,106,531)	$ (1,060,168)
Net change in fund balances	$ 3,118,454	$ 11,985,675	$ 2,550,120	$ 3,880,444	$ (6,069,411)
Debt service as a percentage of noncapital expenditures	17.15%	17.12%	16.27%	14.36%	12.33%

Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year June 30	Real Estate	Personal Property	Mobile Homes	Machinery and Tools	Public Service	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
2015	2,625,367,600	190,731,239	2,043,565	735,590	497,863,789	3,316,741,783	8.148	3,316,741,783	100.00%
2016	2,683,562,300	192,165,797	2,029,462	538,634	543,812,012	3,422,108,205	8.184	3,422,108,205	100.00%
2017	2,725,781,920	217,648,526	1,954,200	495,288	523,791,381	3,469,671,315	8.064	3,469,671,315	100.00%
2018	2,809,690,700	221,776,610	1,807,902	551,420	522,609,364	3,556,435,996	8.128	3,556,435,996	100.00%
2019	2,983,695,602	246,788,362	2,159,942	590,595	548,679,811	3,781,914,312	8.100	3,781,914,312	100.00%
2020	3,055,289,450	254,104,060	1,990,054	758,082	574,355,430	3,886,497,076	8.100	3,886,497,076	100.00%
2021	3,216,671,814	280,031,849	2,035,459	1,745,084	501,248,326	4,001,732,532	8.018	4,001,732,532	100.00%
2022	3,274,204,027	381,243,981	2,026,557	1,664,230	509,517,369	4,168,656,164	7.340	4,168,656,164	100.00%
2023	3,432,175,402	337,156,044	2,054,960	1,724,217	457,819,653	4,230,930,276	7.688	4,230,930,276	100.00%
2024	3,466,305,402	353,995,208	2,082,512	1,886,897	505,298,882	4,329,568,901	7.930	4,329,568,901	100.00%
2025	4,351,722,282	355,373,057	2,176,512	2,233,200	484,534,951	5,196,040,002		5,196,040,002	100.00%

Source: Commissioner of the Revenue

Property Tax Rates (1)
Direct and Overlapping Governments
Last Ten Fiscal Years

	Direct Rates				
Fiscal Years	**Real Estate**	**Personal Property / Business Personal Property (3)**	**Mobile Homes**	**Machinery and Tools**	**Total Direct Rates**
2015	0.8990	4.35	0.8990	2.00	8.1480
2016	0.9170	4.35	0.9170	2.00	8.1840
2017	0.9070	4.35 / 2.90	0.9070	1.90	8.0640
2018	0.9390	4.35 / 2.90	0.9390	1.90	8.1280
2019	0.9250	4.35 / 2.90	0.9250	1.90	8.1000
2020	0.9250	4.35 / 2.90	0.9250	1.90	8.1000
2021	0.8840	4.35 / 2.90	0.8840	1.90	8.0180
2022	0.8700	3.70/2.90	0.8700	1.90	7.9900
2023	0.8440	4.10/2.90	0.8440	1.90	7.9380
2024	0.8440	4.10/2.90	0.8440	1.90	7.9380

(1) Per $100 of assessed value.
(2) There were no overlapping Governments.
(3) A separate tax rate for Business Personal Property was established in 2017.

Principal Property Taxpayers
Current Year and the Period Nine Years Prior

Fiscal Year 2025

Taxpayer	Type Business	2025 Assessed Valuation	% of Total Assessed Valuation
Virginia Electric and Power	Utility/Electric	209,061,545	4.21%
Tenaska Virginia Partners, LP	Utility/Electric	149,683,956	5.88%
Central Va. Electric Co-op	Utility/Electric	94,056,992	2.64%
Transcontinental Gas Pipeline	Utility/Gas	77,223,135	2.17%
CSX Transportation	Railroad	15,460,275	0.43%
Central Virginia Services Inc	Utility/Telephone	14,006,828	0.39%
Colonial Pipeline Co.	Utility/Gas	12,278,783	0.35%
Aqua Virginia Inc	Utility/Water	11,823,978	0.33%
Columbia Gas of Va.	Utility/Gas	11,190,718	0.31%
BrightSpeed of Virginia LLC	Utility/Gas	10,157,836	0.29%
		$ 604,944,046	12.80%

Fiscal Year 2016

Taxpayer	Type Business	2016 Assessed Valuation	% of Total Assessed Valuation
Tenaska Virginia Partners, LP	Utility/Electric	247,620,449	7.24%
Virginia Electric & Power	Utility/Electric	148,062,255	4.33%
Central Va. Electric Co-op	Utility/Electric	41,196,906	1.20%
Transcontinental Gas Pipeline	Utility/Gas	24,301,231	0.71%
Aqua Resource	Utility/Water	21,207,502	0.62%
Colonial Pipeline Co.	Utility/Gas	13,663,762	0.40%
CSX Transportation	Railroad	11,651,274	0.34%
Columbia Gas of Virginia	Utility/Gas	11,131,369	0.33%
Central Telephone Co. of Virginia	Utility/Telephone	9,026,449	0.26%
East Coast Transport	Utility/Gas	5,993,850	0.18%
		$ 533,855,047	15.61%

Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Total Tax Levy for Fiscal Year (1) (2)	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years (1)	Total Collections to Date	
		Amount	Percentage of Levy (1)		Amount (1)	Percentage of Levy
2016	$ 35,095,785	$ 33,410,667	95.20%	$ 1,626,903	$ 35,037,570	99.83%
2017	36,527,462	34,182,932	93.58%	2,271,602	36,454,534	99.80%
2018	37,420,848	35,380,319	94.55%	1,959,298	37,339,617	99.78%
2019	40,627,644	38,623,308	95.07%	1,912,144	40,535,452	99.77%
2020	41,640,495	39,671,986	95.27%	1,728,732	41,400,718	99.42%
2021	41,322,318	39,790,519	96.29%	1,130,745	40,921,264	99.03%
2022	42,932,859	40,827,173	95.10%	1,540,464	42,367,637	98.68%
2023	46,705,060	43,737,757	93.65%	2,171,863	45,909,620	98.30%
2024	44,742,102	42,941,788	95.98%	706,898	43,648,686	97.56%
2025	46,577,281	43,828,923	94.10%	-	43,828,923	94.10%

Source: Commissioner of Revenue, County Treasurer's office

Notes: (1) Exclusive of the penalties and interest.

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

	Governmental Activities				Business-Type Activities			
Fiscal Years	General Obligation Bonds (2)	Literary Fund Loans	Lease Liabilities	Notes Payable	General Obligation Bonds	Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
2016	$ 91,684,511	$ 1,859,107	$ -	$ 7,082,582	$ 1,153,551	$ 101,779,751	9.26%	3,895
2017	98,294,056	1,549,256	-	8,223,125	1,055,463	109,121,900	9.43%	4,123
2018	93,346,459	-	-	7,126,966	9,514,094	109,987,519	8.34%	4,121
2019	88,035,308	-	-	5,978,573	9,086,886	103,100,767	7.55%	3,813
2020	82,623,283	-	-	4,814,688	8,654,698	96,092,669	6.58%	3,526
2021	77,208,604	-	-	3,635,101	11,012,142	91,855,847	5.85%	3,354
2022	75,440,283	-	280,726	7,671,101	10,440,684	93,832,794	5.62%	3,370
2023	69,940,916	-	217,397	6,135,212	9,857,019	86,150,544	4.90%	3,071
2024	64,474,526	-	193,593	4,357,311	9,256,265	78,281,695	4.23%	2,761
2025	58,696,401	-	810,087	3,799,848	8,638,634	71,944,970	3.88%	2,515

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

(1) See the Schedule of Demographic and Economic Statistics - Table 12.
(2) Includes Public Facility Bonds and School General Obligation Bonds.

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

Fiscal Year	Gross Bonded Debt (3)	Less Debt Service Monies Available	Net Bonded Debt (3)	Ratio of Net General Obligation Debt to Assessed Value (2)	Net Bonded Debt per Capita (1)
2016	$ 94,697,169	$ 59,520	$ 94,637,649	2.85%	$ 3,598
2017	100,898,775	59,520	100,839,255	3.04%	3,833
2018	102,860,553	59,520	102,801,033	2.89%	3,833
2019	97,122,194	59,520	97,062,674	2.57%	3,617
2020	91,277,981	59,520	91,218,461	2.35%	3,357
2021	88,220,746	59,520	88,161,226	2.20%	3,220
2022	85,880,967	59,520	85,821,447	2.06%	3,096
2023	79,797,935	59,520	79,738,415	1.91%	2,876
2024	73,730,791	59,520	73,671,271	1.77%	2,657
2025	67,335,035	59,520	67,275,515	1.29%	2,352

(1) Population data can be found in the Schedule of Demographic and Economic Statistics - Table 12.

(2) See the Schedule of Assessed Value and Estimated Value of Taxable Property - Table 5.

(3) Includes all long-term general obligation bonded debt, Literary Fund Loans, excludes revenue bonds, capital leases, and compensated absences.

Debt Policy Information
Last Ten Fiscal Years

	2025	2024	2023	2022	2021
Total net debt applicable to debt limits (1)	$ 67,275,515	$ 73,671,271	$ 79,738,415	$ 85,821,447	$ 88,161,226
Ratio of net debt to assessed taxable property value (2)	1.29%	1.77%	1.91%	2.06%	2.20%
Debt limit per policy for property value	3.50%	3.50%	3.50%	3.50%	3.50%
Total general governmental revenue (3)	68,578,032	70,858,752	61,877,311	57,732,305	57,484,120
Debt service to general governmental revenues (3)	11.82%	12.99%	14.89%	15.47%	15.59%
Debt limit per policy for general governmental revenues	12.00%	12.00%	12.00%	12.00%	12.00%

Notes:
(1) Net bonded debt can be found on Table 10.
(2) Property value data can be found on Table 5.
(3) General governmental revenues can be found on Table 4

The County does not have any Constitutional or Statutory Debt Limits.

Debt Policy Information
Last Ten Fiscal Years

	2020	2019	2018	2017	2016
Total net debt applicable to debt limits (1)	$ 91,218,461	$ 97,062,674	$ 102,801,033	$ 100,898,775	$ 101,626,200
Ratio of net debt to assessed taxable property value (2)	3.16%	2.57%	2.89%	3.04%	3.03%
Debt limit per policy for property value	3.50%	3.50%	3.50%	3.50%	3.50%
Total general governmental revenue (3)	55,179,256	52,381,900	51,022,411	47,931,623	46,275,002
Debt service to general governmental revenues (3)	16.45%	17.39%	17.37%	15.98%	16.67%
Debt limit per policy for general governmental revenues	12.00%	12.00%	12.00%	12.00%	12.00%

Notes:
(1) Net bonded debt can be found on Table 10.
(2) Property value data can be found on Table 5.
(3) General governmental revenues can be found on Table 4

The County does not have any Constitutional or Statutory Debt Limits.

Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population(1)		Personal Income(2)		Per Capita Personal Income (3)	School Enrollment (4)	Unemployment Rate (5)
2016	26,133	-0.11%	1,087,262,000	2.05%	41,605	3,482	3.5%
2017	26,467	1.28%	1,145,977,000	5.40%	43,298	3,518	3.2%
2018	26,692	0.85%	1,204,938,000	5.15%	45,142	3,565	2.5%
2019	27,038	1.30%	1,245,127,000	3.34%	46,051	3,464	2.3%
2020	27,249	0.78%	1,328,328,000	6.68%	48,748	3,240	7.4%
2021	27,383	0.49%	1,381,461,120	4.00%	50,450	3,175	3.8%
2022	27,843	1.68%	1,484,950,719	7.49%	53,333	3,338	3.8%
2023	28,055	2.46%	1,555,485,878	4.75%	55,444	3,403	2.5%
2024	28,349	1.05%	1,631,860,235	4.91%	57,563	3,349	2.7%
2025	28,604	1.09%	1,711,168,642	4.86%	59,823	3,291	3.4%

(1) Source: Population estimates for 2016 to 2024 are from the Weldon Cooper Center for Public Service, Demographics & Workforce Group - July 1st Estimates. Estimates for 2025 was N/A. Estimates for 2025 are based on an average growth rate of 1.09% from 2016 to 2024.

(2) Source: Personal income data for 2016 to 2024 is from the Bureau of Economic Analysis. Data for 2025 was N/A. Estimates for 2025 are based on an average growth rate of 4.86% from 2016 to 2024.

(3) Source: Per capita personal income is calculated by dividing the personal income data (2) by the population data (1).

(4) Source: Virginia Department of Education "Superintendent's Annual Report" (End-of-Year Membership), Includes K-12, special education, and post graduate, but excludes pre-kindergarten. School Enrollment data was N/A for 2025. 2025 data is provided by Fluvanna County Public Schools.

(5) Source: Virginia Employment Commission, Local Area Unemployment Statistics - Annual, Not Seasonally Adjusted, unemployment rates for June of the fiscal year.

Principal Employers
Current Year and the Period Nine Years Prior

Fiscal Year 2025

Employer	**Employees**	**Rank**
Fluvanna County Public Schools	500-999	1
Fluvanna Correctional Center	250-499	2
County of Fluvanna	100-249	3
Fork Union Military Academy	100-249	4
Lake Monticello Home Owners Association	100-249	5
BFI Transfer Systems of Va	100-249	6
AG Dillard	100-249	7
Silk City Printing	50-99	8
Domino's Pizza	50-99	9
Food Lion	50-99	10

Fiscal Year 2016

Employer	**Employees**	**Rank**
Fluvanna County Public Schools	500-999	1
Fluvanna Correctional Center	250-499	2
County of Fluvanna	100-249	3
Fork Union Military Academy	100-249	4
BFI Transfer Systems of Va	50-99	5
Food Lion	50-99	6
Dominos	50-99	7
Lake Monticello Owners	50-99	8
Enviromental P LLC	50-99	9
Armor Correctional Health	50-99	10

Source: Fluvannacounty.org
Quarter Census of Employment and Wages (QCEW)

Full-time Equivalent County Government Employees by Function
Last Ten Fiscal Years

Function	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
General government-Admin/HR/COR/TRS/FIN/IT/CSA/BOS/CTY ATTY	22.75	22.25	23.5	23.5	26	21	32.5	27.5	35	32
Judicial administration-Com Att & Clerk	13	13	13	13	13	13	8	13	14	13
Public safety										
Sheriffs department	48	48.5	48.5	50	50.5	50	61.5	58.5	58	57
Fire & rescue	0	0	0		0	0	0	1	30	30
Building inspections	3	3	3	3	4	4	4	4	4	4
Animal control	2	2	2	0	2	1	1	1	1	0
Emergency management	1	1	1	1.5	1	1	1	1	1	0
Public works									5	2
General maintenance-(Bldg & Grounds and Pub Utilities)	17	17	17	18	20	20	20	19	19	16
Landfill	1.25	1.25	1.25	2	2	2	3	2.5	2.5	2.5
Engineering	1	1	1	0.5	0	0	0	0	0	0
Health and welfare									0	0
Department of social services	30	33.5	33.5	31.5	32	35	34	32	39	40
Culture and recreation										
Parks and recreation	5	7.5	7.5	5	5	5	14	11	6	6
Museum	1.5	1	1	0.5	0.5	1	1	1	1	1
Library	3.75	4.25	4.25	4.25	6.5	3	11.5	8.5	3	3
Community development									0	0
Planning	6	6	6	5	5	5	5	4	5	5
Economic development	1	1	1	1	1	1	1	1	3	2
Totals	156.25	162.25	163.5	158.75	168.5	162	197.5	185	226.5	213.5

Operating Indicators by Function
Last Ten Fiscal Years

Function	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Public safety										
Sheriffs department:										
Physical arrests	576	733	838	969	721	283	289	253	249	304
Traffic violations	500	948	1,255	1,283	3,181	681	1,081	1,410	3,092	3,455
Civil papers received	5,221	6,370	14,017	7,129	5,251	4,089	4,709	4,820	5,168	5,426
E911:										
Total calls	18,410	26,973	33,131	32,209	N/A	N/A	N/A	39,002	37,353	37,638
Emergency calls	6,256	6,590	6,586	5,882	7,108	7,530	8,083	8,107	7,980	8,011
Fire & Rescue calls:										
Number of fire calls answered	1,854	1,938	2,008	2,122	1,607	1,549	1,577	1,662	1,530	2,682
Number of rescue calls answered	2,644	2,591	2,680	2,733	2,734	2,811	2,969	3,024	3,458	3,684
Building inspections:										
Permits issued	463	547	755	1,093	1,383	2,229	1,855	1,488	1,323	1,318
Animal control:										
Number of calls answered	1,664	1,558	1,550	1,266	1,606	1,667	1,765	1,741	1,795	1,617
Public works										
Facilities Service Requests	546	500	525	525	600	500	600	600	600	575
Landfill:										
Refuse collected (tons/day)	6.44	6.5	7.6	8	10	10	9	8	9	11
Recycling (tons/day)	0.59	0.85	0.86	1	1	10	1	1	1	1
Health and welfare										
Department of Social Services:										
Adpotion Cases	228	219	216	212	233	233	236	230	187	182
Adult Services	982	629	790	931	935	861	788	913	1,099	1,122
Child Protective Services Cases	342	409	350	341	235	288	393	332	241	252
Family Services Cases	1,051	869	612	543	427	508	605	860	963	1,028
Foster Care Cases	115	169	223	254	218	239	214	224	277	234
VIEW Cases	228	98	81	83	47	108	208	150	230	212
Auxiliary Grant Cases	40	27	34	27	24	24	18	12	9	-
General Relief Cases	12	5	0	6	12	12	12	12	20	23
Medicaid Cases	32,235	24,885	21,360	37,379	44,009	54,831	37,226	40,769	40,808	40,463
SNAP Cases	18,888	7,890	7,949	16,685	16,487	17,959	9,511	10,896	10,582	10,430
TANF Cases	654	575	494	460	402	514	480	427	467	445
Caseload	54,775	35,775	32,109	56,921	63,029	75,577	49,691	54,825	54,883	54,391
Culture and recreation										
Parks and recreation:										
Youth sports participants	1,186	1,351	1,752	2,834	764	439	781	790	1,840	2,500
Total program participants	8,007	12,323	16,685	17,035	18,720	925	1,077	1,291	2,205	4,000
Community development										
Planning:										
Zoning permits issued	219	326	375	452	519	432	432	321	352	331
Component Unit - School Board										
Education:										
School age population enrolled	3,522	3,556	3,564	3,570	3,444	3,197	3,322	3,403	3,349	3,291
Number of teachers	272	271	266	266	273	258	286	286	286	289
Local expenditures per pupil	$10,452	$10,556	$10,891	$10,781	$10,821	$ 12,159	$ 12,059	$ 13,192	$ 14,609	$ 15,716

Source: Individual county departments

Capital Asset Statistics by Function
Last Ten Fiscal Years

Function	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Public safety											
Sheriffs office:											
Patrol units	28	32	32	39	42	39	31	43	43	40	42
Other vehicles	5	8	8	9	10	10	13	7	7	8	8
Building inspections:											
Vehicles	3	3	2	2	2	2	3	3	3	3	4
Animal control:											
Vehicles	3	2	2	2	2	2	2	2	2	2	1
Public works											
General maintenance:											
Trucks/vehicles	13	13	18	18	15	16	16	24	30	18	19
Landfill:											
Vehicles	1	1	1	1	1	1	1	1	1	2	2
Equipment	4	4	4	4	4	4	4	4	4	2	2
Sites	1	1	1	1	1	1	1	1	1	1	1
Health and welfare											
Department of Social Services:											
Vehicles	9	9	9	8	8	9	9	8	8	8	11
Culture and recreation											
Parks and recreation:											
Community centers	2	2	2	2	2	2	2	2	1	1	1
Vehicles	3	3	3	4	4	4	3	3	4	5	4
Parks	4	4	4	4	4	4	4	4	4	4	4
Swimming pools	0	0	0	0	0	0	0	0	0	0	0
Tennis courts	0	0	0	0	0	0	0	0	0	0	0
Community development											
Planning:											
Vehicles	2	2	3	3	4	4	2	2	2	2	2
Component Unit - School Board											
Education:											
Schools	5	5	5	5	5	5	5	5	5	5	5
School buses	82	84	84	86	88	89	93	84	73	73	84

Source: Individual County departments.

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 Fluvanna, 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 Fluvanna, Virginia, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the County of Fluvanna, Virginia's basic financial statements, and have issued our report thereon dated December 10, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County of Fluvanna, 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 Fluvanna, Virginia's internal control. Accordingly, we do not express an opinion on the effectiveness of the County of Fluvanna, 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. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2025-001 that we consider to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County of Fluvanna, 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.

Robinson, Farmer, Cox Associates

Charlottesville, Virginia
December 10, 2025

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 Fluvanna, Virginia

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited County of Fluvanna, 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 Fluvanna, Virginia's major federal programs for the year ended June 30, 2025. County of Fluvanna, 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 Fluvanna, Virginia's complied, in all material respects, with 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, 2025.

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 Fluvanna, 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 Fluvanna, 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 Fluvanna, 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 Fluvanna, 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 Fluvanna, 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 Fluvanna, 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 Fluvanna, 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 Fluvanna, 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.

Report on Internal Control over Compliance (Continued)

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.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Robinson, Farmer, Cox Associates

Charlottesville, Virginia
December 10, 2025

COUNTY OF FLUVANNA, VIRGINIA

Schedule of Expenditures of Federal Awards - Primary Government and
Discretely Presented Component Unit
Year Ended June 30, 2025

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Pass-through Entity Identifying Number	Federal Assistance Listing		Federal Expenditures
PRIMARY GOVERNMENT:				
DEPARTMENT OF AGRICULTURE:				
Pass through payments:				
Department of Social Services:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP Cluster)	0010109/0010110/0040109/0040110	10.561	$	556,053
DEPARTMENT OF JUSTICE				
Direct payments				
Treatment Court Discretionary Grant Program		16.585	$	51,746
Bulletproof Vest Partnership Program	Not Available	16.607		2,263
Pass through payments:				
Department of Criminal Justice Services:				
Crime Victim Assistance	CJS5601701	16.575		23,006
Edward Byrne Memorial Justice Assistance Grant Program		16.738		27,387
Total Department of Justice			$	104,402
DEPARTMENT OF TRANSPORTATION:				
Pass through payments:				
Virginia Department of Motor Vehicles:				
State and Community Highway Safety (Highway Safety Cluster)	SC1252085	20.600	$	3,599
Alcohol Open Container Requirements	154AL 1858259 154AL 1959251	20.607		5,428
Total Department of Transportation			$	9,027
DEPARTMENT OF HEALTH AND HUMAN SERVICES:				
Pass Through Payments:				
Department of Social Services:				
Guardianship Assistance	Not Available	93.090	$	424
MaryLee Allen Promoting Safe and Stable Families	0950109/0950110	93.556		32,464
Temporary Assistance for Needy Families (TANF)	0400109/0400110	93.558		141,121
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	0500109/0500110	93.566		180
Low-Income Home Energy Assistance	0600409/0600410	93.568		24,053
Child Care Mandatory and Matching Funds of the Child Care and Development Fund (CCDF Cluster)	0760109/0760110	93.596		27,565
Chafee Education and Training Voucher Program	9160108/9160109	93.599		985
Stephanie Tubbs Jones Child Welfare Services Program	0900109	93.645		647
Title IV-E Prevention Program	1100109	93.472		9,067
Foster Care-Title IV-E	1100109/1100110	93.658		216,424
Adoption Assistance	1120109/1120110	93.659		143,559
Social Services Block Grant	1000109/1000110	93.667		177,206
John H. Chafee Foster Care Independence Program for Successful Transition to Adulthood	915108/9150109/9150110	93.674		6,930
Children's Health Insurance Program	0540109/0540110	93.767		5,725
Medical Assistance Program (Medicaid Cluster)	1200109/1200110	93.778		465,518
Total Department of Health and Human Services			$	1,251,868
DEPARTMENT OF HOMELAND SECURITY:				
Pass through payments:				
Virginia Department of Emergency Management:				
Emergency Management Performance Grants	Not Available	97.042	$	7,500
Disaster grants - Public Assistance (Presidentially Declared Disasters)	Not Available	97.036		1,717
Total Department of Homeland Security			$	9,217

COUNTY OF FLUVANNA, VIRGINIA

Schedule of Expenditures of Federal Awards - Primary Government and
Discretely Presented Component Units
Year Ended June 30, 2025 (Continued)

Federal Grantor/State Pass - Through Grantor/ Program Title	Pass-through Entity Identifying Number	Federal Assistance Listing		Federal Expenditures
PRIMARY GOVERNMENT: (Continued)				
DEPARTMENT OF TREASURY:				
Direct payments:				
COVID-19-Coronavirus State and Local Fiscal Recovery Funds	N/A	21.027	$	-
Pass through payments:				
Virginia Department of Criminal Justice:				
COVID-19-Coronavirus State and Local Fiscal Recovery Funds	Not Available	21.027	$	176,466
Total Department of Treasury			$	176,466
Total Primary Government			$	2,107,033
COMPONENT UNIT-SCHOOL BOARD:				
DEPARTMENT OF AGRICULTURE:				
Pass through payments:				
Department of Education:				
National School Lunch Program (Child Nutrition Cluster)	2013IN109941/2014IN109941	10.555	$	1,026,298
School Breakfast Program (Child Nutrition Cluster)	2013IN109941/2014IN109941	10.553		398,083
Summer Food Service Program for Children (Child Nutrition Cluster)		10.559		13,550
Total Child Nutrition Cluster			$	1,437,931
Child and Adult Care Food Program		10.558		8,654
Total Department of Agriculture			$	1,446,585
DEPARTMENT OF TREASURY:				
Pass through payments:				
Department of Education:				
COVID-19-Coronavirus State and Local Fiscal Recovery Funds	SLFRP1026	21.027	$	54,795
DEPARTMENT OF EDUCATION:				
Pass through payments:				
Department of Education:				
Title 1 Grants to Local Educational Agencies	S010A120046/S010A130046	84.010	$	463,761
Career and Technical Education - Basic Grants to States	V048A130046/V048A140046	84.048		53,231
Special Education - Grants to States (Special Education Cluster)	H027A130107/H027A140107	84.027	$	655,269
Special Education - Preschool Grant (Special Education Cluster)	H173A140112	84.173		22,286
Total Special Education Cluster			$	677,555
Education for Homeless Children and Youth	Not Available	84.196		2,980
English Language Acquisition State Grants	Not Available	84.365		10,425
Supporting Effective Instruction State Grants	S367A130044/S367A140044	84.367		87,236
Student Support and Academic Enrichment Program	S424A170048	84.424		36,278
Education Stabilization Fund				
Elementary and Secondary School Emergency Relief Fund	S425D200008	84.425D		296,695
Total Department of Education			$	1,628,161
Total Component Unit School Board			$	3,129,541
Total Expenditures of Federal Awards			$	5,236,574

See accompanying notes to schedule of expenditures of federal awards.

Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the County of Fluvanna, Virginia under programs of the federal government for the year ended June 30, 2025. The information in this Schedule is presented in accordance with the requirements of the Uniform Guidance. Because the Schedule presents only a selected portion of the operations of the County of Fluvanna, Virginia, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County of Fluvanna, Virginia.

Note 2 - Summary of Significant Accounting Policies

(1) Expenditures on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

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

Note 3 - Food Donation
Nonmonetary assistance is reported in the schedule at fair market value of the commodities received and disbursed.

Note 4 - De Minimis Cost Rate
The County did not elect to use the 15-percent de minimis indirect cost rate allowed under Uniform Guidance.

Note 5 - Subrecipients
No awards were passed through to subrecipients.

Note 6 - Loan Balances
The County has no loans or loan guarantees which are subject to reporting requirements for the current year.

Note 7 - Relationship to Financial Statements
Federal expenditures, revenues and capital contributions are reported in the County's basic financial statements as follows:

Intergovernmental federal revenues per the basic financial statements:		
Primary government:		
General Fund	$	2,227,511
Total primary government	$	2,227,511
Component Unit School Board:		
School Operating Fund	$	1,682,956
School Cafeteria Fund		1,446,585
Total component unit school board	$	3,129,541
Total federal expenditures per basic financial statements	$	5,357,052
Federal Interest Subsidy	$	(120,478)
Total federal expenditures per the Schedule of Expenditures of Federal Awards	$	5,236,574

Schedule of Findings and Questioned Costs
Year Ended June 30, 2025

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?	Yes
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:

Assistance Listing #	Name of Federal Program or Cluster
84.027/84.173	Special Education Cluster
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP Cluster)

Dollar threshold used to distinguish between Type A and Type B programs.	$750,000
Auditee qualified as low-risk auditee?	Yes

Section II - Financial Statement Findings

2025-001: FUSD Billing Rates (Significant Deficiency)

Criteria:

FUSD billing rates entered into the billing system should be the rate approved by the governing body. The County should have procedures in place to ensure the billing rates are entered into the system correctly.

Condition:

The FUSD billing system did not have the correct rate as approved by the governing body.

Cause:

When the new billing rates were entered into the system, the water rate per 1,000 gallons above the minimum usage was entered correctly from $11.00 to $11.22, but the water rate per 1,000 gallons was changed in error from 1,000 gallons to 2,000 gallons. This effectively divided those charges by 2.

Effect:

The FUSD bills were calculated incorrectly for the months of September 2024 to June 2025. This caused the bills generated being lower than they should have been.

Recommendation:

It is recommended that the County put procedures in place to ensure the correct rate is entered into the billing system and the bills are being calculated correctly.

Management's Response:

When the governing body approves billing rate changes for FUSD, the Department of Public Utilities has implemented checks and balances prior to bills with new rate changes being sent out. When it comes time to make changes in the billing system, the first verification step to take place is the Director of Public Utilities or leadership designee visually observes the staff person making the necessary rate changes in the FUSD billing system as approved by the governing body. The second step after rate changes in the FUSD billing system are made, the Director of Public Utilities or leadership designee works with billing employees to create at minimum 5 TEST sample bill scenarios based upon different water usages to verify the proper charges are being calculated as approved by the governing body. The third step is the Director of Public Utilities or leadership designee will review and approve of all monthly Utility billing reports prior to bills being sent out to customers.

Section III - Federal Award Findings and Questioned Costs

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

Section IV - Prior Year Findings

There were no prior year findings.