

Financial Report Year Ended June 30, 2023

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DIRECTORY OF PRINCIPAL OFFICIALS FISCAL YEAR ENDED JUNE 30, 2023

BOARD OF SUPERVISORS

R. Clay Jackson, Chair Carlton Yowell, Vice-Chair

Charlotte Hoffman Dustin Dawson Jim Jewett

DEPARTMENT OF SOCIAL SERVICES BOARD

Tina Weaver, Chair Jerry Butler, Vice-Chair

Charlotte Hoffman Scott Allen Bennet Charles (Nick) McDowell

MADISON COUNTY SCHOOL BOARD

Nita Collier, Chairman Christopher Wingate, Vice-Chair

Gregory Martz Karen Allen Charles Sheads

OTHER OFFICIALS

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



ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

Independent Auditors' Report

To the Honorable Members of the Board of Supervisors County of Madison, Virginia

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of County of Madison, Virginia, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Madison, Virginia, as of and for the year ended June 30, 2023, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of County of Madison, 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 21 to the financial statements, in 2023, the County adopted new accounting guidance, GASB Statement Nos. 96, Subscription-Based Information Technology Agreements (SBITAs). 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 Madison, 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 Madison, 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 Madison, 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 Madison, Virginia's basic financial statements. The accompanying other supplementary information and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

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In accordance with *Government Auditing Standards*, we have also issued our report dated March 21, 2024, on our consideration of County of Madison, 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 Madison, 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 Madison, Virginia's internal control over financial reporting and compliance.

Charlottesville, Virginia

March 21, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the County of Madison, Virginia we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2023.

Financial Highlights

Government-wide Financial Statements

Total net position for Madison County's governmental activities was \$35.414 million as of June 30, 2023, which represents an increase of \$2.860 million from the previous fiscal year. This increase was due to an excess of revenues over expenses for fiscal year 2023. The excess revenues were attributable largely to the following: proceeds from the sale of county real estate, increased interest income, increased local sales tax, increased personal property values resulting in additional tax revenues, and additional federal grant funds.

Unrestricted cash and cash equivalents were \$28.202 million as of June 30, 2023, which represents an increase of \$2.803 million from the previous fiscal year.

As of June 30, 2023, the County had \$2.627 million in unspent bond proceeds on hand in connection with the June 2020 financing which is subject to reporting requirements for the current year.

Fund Financial Statements

For the fiscal year ended June 30, 2023, the governmental funds had a combined fund balance of \$26.073 million, which reflects an increase of \$1.646 million from the balance at the end of the previous fiscal year.

The increase in governmental fund balance as of June 30, 2023, is due to revenues exceeding expenditures during the year as outlined above.

The County's General Fund was \$4.098 million favorable to the final amended budget for fiscal year 2023. This favorable variance is due to several factors. Revenues were only slightly higher by \$117,572. However, expenditures were less than the amended budget by \$1.586 million and transfers out were less than the amended budget by \$2.263 million. The primary expenditure savings were \$1.394 million in Health and Welfare.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County of Madison's basic financial statements, which are comprised of three sections: 1) government-wide financial statements. 2) fund financial statements, and 3) notes to financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

The *government-wide financial statements* (Exhibits 1 and 2) are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

The *statement of net position* (Exhibit 1) presents information on all of the County's assets, deferred outflow of resources, liabilities, and deferred inflows of resources, with the difference between the four reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating. Other non-financial factors will also need to be considered to determine the overall financial position of the County.

Overview of the Financial Statements: (Continued)

Government-wide Financial Statements: (Continued)

The *statement of activities* (Exhibit 2) presents how the government's net position changed during the recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses in this statement are reported for some items that will result in cash flows in future periods (e.g., uncollected taxes and earned but unused vacation leave.)

The statement of activities is focused on the gross and net cost of various government functions that are supported by general tax and other revenue. This statement presents expenses before revenues, emphasizing that in governments, revenues are generated for the express purpose of providing services.

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

<u>Governmental activities</u>: The functions of the County are reported here, and include general government; 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.

<u>Component units</u>: The County has three component units: the Madison County School Board and the Madison County Parks and Recreation Authority, and the Madison County Industrial Development Authority. Only the Madison County School Board has been included in this analysis, due to the material nature of its relationship to the County as a whole. 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 can 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 funds for its operations. 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 keep track of specific sources of revenue and expenditures for particular purposes. The County has two kinds of funds: governmental funds and fiduciary funds.

<u>Governmental funds</u> are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluation of the County's near-term financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

Fund balances are the differences between assets and liabilities in governmental funds.

- Nonspendable fund balance includes amounts that are not in spendable form, or amounts that are required to be maintained intact.
- Restricted fund balance includes amounts that can be spent only for the specific purposes stipulated by external providers, such as grantors or bondholders, as well as amounts that restricted through enabling legislation.

Overview of the Financial Statements: (Continued)

- Committed fund balance includes amounts that can be used only for the specific purposes that are determined by a formal action of the government's highest level of decision-making authority.
- Assigned fund balance applies to amounts that are intended for specific purposes as expressed by the governing body or authorized official and applies to remaining resources in any governmental funds other than the general fund.
- Unassigned fund balance includes all amounts not contained in other classifications for the general fund, and deficit fund balances in any other governmental funds.

At the end of fiscal year 2023, the County's total governmental funds reported an ending fund balance of \$26.073 million.

As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures and to compare total fund balance to the sum of total fund expenditures and transfers to capital projects funds. Unassigned fund balance represents 43.05% of total general fund expenditures, while total general fund balance represents 82.22% of that same amount.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the County's near-term financing decisions. A reconciliation between the two methods is provided after the governmental fund balance sheet on Exhibit 3 and after the governmental fund statement of revenues, expenditures, and changes in fund balances on Exhibit 5.

The County maintains two individual governmental funds: the General Fund and the Capital Projects Fund. Both funds are considered to be major funds. Data for each fund is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances.

The County adopts an annual appropriated budget for its governmental funds. A budgetary comparison statement has been provided for the General Fund (Exhibit 8) and for the Capital Projects Fund (Exhibit 27) to demonstrate compliance with this budget.

<u>Fiduciary funds</u> are used to account for assets held by the County in a trustee capacity (Trust Fund) or a custodian for individuals, private organizations, other governmental units, or other funds (Custodial Fund). The County maintains one fiduciary fund, the Special Welfare Fund, which is a Custodial Fund. The Fund is accounted for in a separate statement of Fiduciary Net Position (Exhibit 6) and a separate statement of Changes in Fiduciary Net Position (Exhibit 7). The County excludes these activities from the County's government-wide financial statements because the County cannot use these assets to finance its operations.

Notes to the Financial Statements

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

Overview of the Financial Statements: (Continued)

Other Information

In addition to the basic financial statement and accompanying notes, this report also presents certain required supplemental information for budgetary comparison schedules and presentation of combining financial statements for the discretely presented component units School Board. The School Board does not issue separate financial statements.

In addition, required supplementary information is included regarding the County's progress in funding its obligation to provide pension benefits to its employees.

Government-wide Financial Analysis

Statement of Net Position

The following table reflects condensed information on the County's Net Position as of June 30, 2023 and 2022.

Summary of Net Position (S in thousands)

	Primary (Gove	rnment	Component Units				
	Governme	ntal	Activities	School Board				
	2023		2022	2023		2022		
Current assets and other assets	\$ 38,111	\$	35,680	\$ 4,735	\$	4,176		
Capital assets (net)	33,085		33,009	9,381		9,274		
Total Assets	\$ 71,196	\$	68,689	\$ 14,116	\$	13,450		
Total Deferred Outflows	\$ 1,474	\$	1,949	\$ 3,722	\$	3,962		
Long term liabilities	\$ 23,480	\$	24,490	\$ 15,200	\$	12,804		
Other liabilities	4,946		3,894	1,534		1,363		
Total Liabilities	\$ 28,426	\$	28,384	\$ 16,734	\$	14,167		
Total Deferred Inflows of Resources	\$ 8,829	\$	9,701	\$ 3,573	\$	8,588		
Net Position:								
Net investment in capital assets	\$ 12,651	\$	12,265	\$ 9,171	\$	8,995		
Restricted	1,032		1,212	2,200		1,354		
Unrestricted	21,731		19,078	(13,838))	(15,692)		
Total Net Position	\$ 35,414	\$	32,555	\$ (2,467)	\$	(5,343)		

Total net position for Madison County's governmental activities as of June 30, 2023 was \$35.414 million, which represents an increase of \$2.860 million from the previous fiscal year.

Total net position for the Madison County School Board was \$(2.467) million as of June 30, 2023; this amount represents an increase of \$2.876 million from the previous fiscal year.

The increases in net position for Madison County's governmental activities and School Board reflect the amounts by which revenues exceeded expenses in fiscal year 2023 for each reporting unit.

Government-wide Financial Analysis: (Continued)

Statement of Activities

The following table presents summary information for the Change in Net Position for the years ended June 30, 2023 and 2022.

Summary of Changes in Net Position (\$ in thousands)

		Primary	Component Units					
	_	Governme	ntal	Activities	_	Schoo	School Bo	
	_	2023		2022	_	2023		2022
<u>REVENUES</u>								
Program Revenues:								
Charges for services	\$	1,232	\$	1,163	\$		\$	84
Operating grants & contributions		5,148		4,736		17,686		14,938
Capital grants & contributions		400		-		-		-
General revenues:								
General property taxes		19,785		19,133		-		-
Other local taxes		4,205		3,905		-		-
Use of money & property		879		42		-		-
Miscellaneous		399		1,096		802		605
Grants & contributions not								
restricted to specific programs		1,564		1,568		-		-
Contribution from County		-		-		10,109		10,034
Total revenues	\$	33,612	\$	31,643	\$	28,827	\$ _	25,661
EXPENSES								
General government		2,646		2,228		-		-
Judicial administration		1,452		1,368		-		-
Public safety		8,605		8,453		-		-
Public works		1,331		1,238		-		-
Health and welfare		4,417		4,164		-		-
Education		10,413		10,250		25,950		23,169
Parks & Rec		569		500		-		-
Community Development		664		654		-		-
Interest on long-term debt	_	654	_	682				-
Total expenses	\$_	30,751	\$	29,537	\$_	25,950	\$_	23,169
Change in net position	\$	2,861	\$	2,106	\$	2,877	\$	2,492
Net position - beginning, as restated		32,555		30,448		(5,343)		(7,835)
Net position - ending	Ş -	35,416	Ş	32,554	Ş <u> </u>	(2,466)	Ş [—]	(5,343

The change in ending net position for Madison County's governmental activities for fiscal year 2023 was \$2.860 million. This reflects an increase of \$622 thousand from the previous fiscal year.

The change in ending net position for Madison County's School Board for fiscal year 2023 was \$2.877 million. This reflects an increase of \$385 thousand from the previous fiscal year.

The increase in fiscal year 2023 revenues for governmental activities was primarily due to the following: \$812 thousand increase in operating and capital grants & contributions, \$837 thousand increase in use of money & property, \$652 thousand increase in general property taxes, and \$300 thousand increase in local sales tax between fiscal year 2023 and fiscal year 2022.

Government-wide Financial Analysis: (Continued)

The increase in fiscal year 2023 expenses for governmental activities was primarily due to the following: \$418 thousand increase in general government expenses, \$253 thousand increase in health and welfare, and a \$163 thousand increase in education expenses between fiscal year 2023 and fiscal year 2022.

The increase in fiscal year 2023 revenues and expenses for Madison County School Board was primarily due to a \$2.616 million increase in operating and capital grants & contributions between fiscal year 2023 and fiscal year 2022.

Financial Analysis of the County's General Fund

For the fiscal year ended June 30, 2023, the governmental funds had a combined fund balance of \$26.073 million, which reflects an increase of \$1.646 million from the balance at the end of the previous fiscal year.

The County's unassigned fund balance in the general fund was \$14.146 million at the end of fiscal year 2023, an increase of \$2.246 million compared to the prior fiscal year.

The County's restricted fund balance in the general fund was \$2.763 million at the end of fiscal year 2023, a decrease of \$671 thousand compared to the prior fiscal year. This decrease was attributable to the spending down of bond proceeds that were received in prior fiscal years.

Total revenues in governmental funds for fiscal year 2023 were \$33.832 million, reflecting an increase of \$2.983 million from the previous fiscal year. This was due to the following: \$1.751 million increase in all tax revenues, \$407 thousand increase in intergovernmental revenues, and a \$823 thousand increase in other revenues.

Total governmental fund expenditures including capital projects in fiscal year 2023 was \$32.318 million, reflecting an increase of \$1.907 million from the previous fiscal year. This increase was primarily due to a \$1.024 million increase in capital project expenses.

General Fund Budgetary Highlights

The following table presents budgeted and actual revenues and expenditures for the General Fund for fiscal year 2023:

General Fund Summary Budgetary Information Year Ended June 30, 2023 (\$ in thousands)

		Original Budget	Amended Budget		Actual
Revenues				_	
Taxes	\$	22,274,750 \$	22,274,750	\$	24,181,096
Intergovernmental		9,937,712	9,984,936		6,711,278
Other		1,023,202	1,455,029		2,939,913
Total		33,235,664	33,714,715	_	33,832,287
Expenditures and transfers		34,725,782	35,397,808		31,549,257
Change in fund balance	Ş <u> </u>	(1,490,118) \$	(1,683,093)	Ş <u> </u>	2,283,030
Fund balances at beginning of year	\$	1,490,118 \$	1,735,093	\$	24,090,854
Fund balances at end of year	\$ <u>_</u>	- \$	52,000	\$ <u>_</u>	26,373,884

General Fund Budgetary Highlights: (Continued)

The County's General Fund was \$3.966 million favorable to the final amended budget for fiscal year 2023. This favorable variance is due to the following: revenue was higher than the amended budget by \$118 thousand and expenditures (including transfers out) were less than the amended budget by \$3.849 million. The primary expenditure savings was \$1.394 million in Health and Welfare.

Capital Asset and Debt Administration

Capital Assets

The following table reflects condensed information on the County's capital assets as of June 30, 2023 and 2022.

Capital Asset Summary Information (S in thousands)

		(\$ III tilousailt	,				
		Primary Gov	ernment		Component Units		
	•	Governmenta	l Activities		School Board		
	•	2023	2022		2023	2022	
Land	\$	1,462 \$	1,462	\$ _	110 \$	110	
Construction in progress		4,371	12,235		65	65	
Buildings and improvements		19,937	19,434		6,336	6,336	
Equipment & Subscription assets		7,205	6,085		7,713	7,713	
Jointly owned assets		14,061	6,516		13,545	13,545	
Accumulated depreciation		(13,951)	(12,723)		(18,495)	(18,495)	
	\$	33,085 \$	33,009	\$ _	9,274 \$	9,274	

Total capital assets for governmental activities increased by \$76 thousand in fiscal year 2023 from the previous fiscal year. This overall increase was comprised of a \$1.228 million increase in accumulated depreciation, \$7.545 million increase in jointly owned assets, \$1.120 million increase in equipment and subscription assets, \$503 thousand increase in buildings and improvements, and a \$7.864 million decrease in construction in progress.

Previously in fiscal year 2022, the County had \$12.235 million in construction in progress which consisted of the following: \$8.351 million for the Madison Primary School Renovation project, \$3.353 million for the Public Safety Radio System, and \$595,000 for ERP and Other System Upgrades. As of fiscal year 2023, the Madison Primary School Renovation project has been completed and the Public Safety Radio System, ERP and system upgrades remain in progress.

Capital Asset and Debt Administration: (Continued)

Long-term debt

The following table reflects condensed information on the County's outstanding loans and bonded indebtedness as of June 30, 2023 and 2022.

Summary of Outstanding Debt (\$ in thousands)

		Primary	Gove	rnment		
	_	Governmental Activities				
		2023	2022			
Public Facility Lease Revenue Bond, Series 2020A	\$	15,681	\$	16,147		
Public Facility Lease Revenue Refunding Bond, Series 2020B		1,281		1,393		
Public Facility Lease Revenue Refunding Bond, Series 2020C		5,367		5,811		
State literary fund loan		-		-		
	\$	22,329	\$	23,351		

In June 2020, the Industrial Development Authority of Madison County, Virginia, issued \$26.641 million in three bonds for the benefit of the County.

The Public Facilities Lease Revenue Bond, Series 2020, was issued in the amount of \$16.6 million in order to provide financing for major capital projects undertaken by the County, including the Madison Primary School Renovation, the Public Safety Radio System, and the Administration Building renovation. The interest rate on the bond is 3% per annum, and the bond will mature in Feburary, 2041.

The Public Facilities Lease Revenue Refunding Bond, Series 2020B was issued in the amount \$1.625 million in order to refund the County's Public Improvement Refunding Bond, Series 2017, and to pay for the costs of issuuance of the 2020B Bond. The Series 2020B Bond matures in February 2033 and accrues interest at a rate of 2.37% per annum.

The Public Facilities Lease Revenue Refunding Bond Series 2020C was issued in the amount fo \$6.416 million in order to refund the County's Public Facility Lease Revenue Bond, Series 2013, and to pay for the costs of issuance of the 2020C Bond. The Series 2020C Bond matures in February 2033 and accrues interest at a rate of 2.39% per annum.

Please see Note 8 to the Financial Statements for more information on the County's long-term obligations.

Requests for Information

This financial report is designed to provide a general overview of the County of Madison, 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 Finance Director of Madison County, PO Box 705, Madison, Virginia, 22727.

- Basic Financial Statements -

Government-wide Financial Statements

		Primary Government		Component Unit		Component Unit
ACCETT	-	Governmental Activities	_	School Board		Madison County Parks and Recreation Authority
ASSETS Current Assets:						
Cash and cash equivalents Receivables (net of allowance for uncollectibles):	\$	28,202,128	\$	2,298,202	\$	179,026
Property taxes Accounts receivable		7,643,641 413,921		23,046		-
Inventory		413,921		19,337		-
Prepaid expenses		135,855		6,656		4,529
Due from other governments		973,238		1,186,446		-
Due from Primary Government	_		_	166,312		-
Total Current Assets	\$_	37,368,783	\$_	3,699,999	- ۶_	183,555
Noncurrent Assets: Net pension asset	Ċ	715,137	Ċ	1,035,472	¢	_
Net OPEB asset	\$- \$	26,718	`\$_	1,033,472	۔ ۲ \$	
Capital assets:	-	,	_			
Land and construction in progress	\$	5,833,544	\$	142,867	\$	30,898
Buildings and equipment, net of depreciation Lease buildings and land improvements, net of amortization		26,736,544 280,323		9,030,466		308,714
Lease equipment, net of amortization		68,056		207,889		-
Subscription assets, net of amortization	_	166,061	_	<u> </u>	_	-
Total Capital Assets	\$_	33,084,528	\$_	9,381,222	\$_	339,612
Total Noncurrent Assets	\$	33,826,383	\$	10,416,694	\$	339,612
Total Assets	\$	71,195,166	_	14,116,693		523,167
	٠-	, ,	· · –	, -,	· · –	
DEFERRED OUTFLOWS OF RESOURCES Pension deferrals	\$	1,150,215	ς	3,122,029	ς	_
OPEB deferrals	Ť.	324,071	Ť_	612,881	· _	-
Total Deferred Outflows of Resources	\$_	1,474,286	\$_	3,734,910	\$_	-
Total Assets and Deferred Outflows of Resources	\$_	72,669,452	\$_	17,851,603	\$_	523,167
LIABILITIES	-					
Current Liabilities:						
Accounts payable Amounts held for others	\$	423,298 244,287	\$	253,340	\$	-
Unearned grant revenue		2,537,577		-		-
Accrued liabilities		-,,		1,166,453		3,519
Due to Component Unit		166,312		-		-
Accrued interest payable		262,109		114 222		4 975
Current portion of long-term obligations Total Current Liabilities	s	1,312,387 4,945,970	s	114,232	s	4,875 8,394
Noncurrent Liabilities:	,	,,.	•	, ,-		-,
Noncurrent portion of long-term obligations		23,479,940		15,199,893		19,500
Total Liabilities	\$	28,425,910	\$	16,733,918	\$	27,894
DEFERRED INFLOWS OF RESOURCES	-	,	_	, ,	_	,
Deferred revenues - taxes	\$	6,860,374	\$	-	\$	-
OPEB deferrals		302,223		590,818		-
Pension deferrals	-	1,666,532	_	2,981,972	_	-
Total deferred inflows of resources	\$_	8,829,129	\$_	3,572,790	\$_	-
NET POSITION						
Net investment in capital assets	\$	12,651,566	\$	9,170,634	\$	315,237
Restricted		1,031,707		2,199,606		400.037
Unrestricted	_	21,731,140	_	(13,825,345)		180,036
Total Net Position	\$_	35,414,413	–	(2,455,105)		495,273
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ <u>_</u>	72,669,452	\$_	17,851,603	\$_	523,167

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

Net (Expense)

Statement of Activities Year Ended June 30, 2023

						Re C	evenue and Changes in et Position	
						Primary		
		_		Program Revenu	ies	Government	Compone	nt Unit
Functions/Programs		Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	School Board	Madison County Parks and Recreation Authority
PRIMARY GOVERNMENT: Governmental activities: General government								
administration	\$	2,645,659 \$	- \$	340,565 \$	- \$	(2,305,094) \$	- \$	-
Judicial administration		1,451,671	182,478	507,131	-	(762,062)	-	-
Public safety		8,604,997	758,569	1,224,020	-	(6,622,408)	-	-
Public works Health and welfare		1,331,217	290,823	9,570	-	(1,030,824)	-	-
Education		4,417,398	•	3,018,170	399,642	(1,399,228)	-	-
Parks, recreation, and cultural		10,413,303 568,670		-	399,042	(10,013,661) (568,670)	_	-
Community development		664,450	-	48,107	-	(616,343)	-	-
Interest on long-term debt		654,156		-	_	(654,156)	-	_
_	_							
Total governmental activities	<u>></u> =	30,751,521 \$	1,231,870	5 <u>5,147,563</u> \$	399,642	(23,972,446) \$	\$	<u>-</u>
COMPONENT UNITS: School Board Madison County Parks and Recreation Authority	\$	25,937,022 \$ 686,354	231,027 \$	5 17,686,077 \$; - \$	- \$	(8,019,918) \$	- (424,272)
•	ċ			47 (0) 077 \$			(0.040.040) ¢	
Total component units	ې =	26,623,376 \$	493,109	17,686,077	'	·	(8,019,918) \$	(424,272)
Local s Consur Motor Restau	al pr ales ners vehi rant	roperty taxes s and use tax s' utility taxes icle licenses t food taxes			Ş	1,711,465 372,270 484,730 653,495	- \$ - - -	- - - -
		l taxes				983,518	-	-
			om use of mo	ney and property	y	878,979	358	140 102
Miscell			not rostricts	ed to specific pro	grams	399,114 1,563,715	799,823	140,192
		on from County		u to specific pro	granis	1,303,713	10,108,546	337,715
		neral revenues			c	26.832.586 \$	10,700,340	
	-				9			
		et position 1 - beginning			3	5 2,860,140 \$ 32,554,273	2,888,809 \$ (5,343,914)	53,635 441,638
					,			
Net posi	tior	ı - ending			Ş	35,414,413 \$	(2,455,105) \$	495,273

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

- Basic Financial Statements -

Fund Financial Statements

ASSETS		General Fund	Capital Improvement Fund	Total
Cash and cash equivalents	\$	26,036,432 \$	2,165,696	28,202,128
Receivables (Net of allowance for uncollectibles):		7 (42 (44		7 (42 (44
Taxes, including penalties Accounts receivable		7,643,641 413,921	-	7,643,641 413,921
Due from other governmental units		973,238	-	973,238
Prepaid expenditures		135,855	-	135,855
Total assets	\$	35,203,087 \$	2,165,696	
LIABILITIES	· 	·		
Accounts payable	\$	362,625 \$	60,673	423,298
Amounts held for others	*	244,287	-	244,287
Unearned grant revenue		-	2,537,577	2,537,577
Due to component unit	<u></u>	166,312	<u> </u>	166,312
Total liabilities	\$	773,224 \$	2,598,250	3,371,474
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - taxes	\$	7,769,808 \$	- \$	
Unavailable revenue - opioid settlement		153,882	<u> </u>	153,882
Total deferred inflows of resources	\$	7,923,690 \$		7,923,690
FUND BALANCES				
Nonspendable	\$	135,855 \$	- \$	
Restricted		2,762,519	-	2,762,519
Assigned		9,461,728	-	9,461,728
Unassigned	. —	14,146,071	(432,554)	13,713,517
Total fund balances	\$	26,506,173 \$	(432,554)	26,073,619
Total liabilities, deferred inflows of resources and fund balances	\$	35,203,087 \$	2,165,696	
	· =			
Detailed explanation of adjustments from fund statements to government	ent-wide stat	ement of net posi	tion:	
When capital assets (land, buildings, equipment) that are to be use constructed, the costs of those assets are reported as expenditures in	governmenta	l funds. However,	•	
net position includes those capital assets among the assets of the Coun	ty as a whole	·.		33,084,528
Interest on long-term obligations is not accrued in governmental fun	ds, but rath	er is recognized a	as an expenditure	
when due.				(262,109
Because the focus of governmental funds is on short-term financin current-period expenditures. Those assets (for example, receivable governmental funds and thus are not included in the fund balance.	•		, ,	
Unavailable revenue - property taxes				909,434
Unavailable revenue - opioid settlement				153,882
Deferred inflows related to measurement of net pension liability				(1,666,532
Deferred inflows related to measurement of net OPEB liability				(302,223
Net pension asset				715,137
Net OPEB asset				26,718
Pesnion and OPEB contributions subsequent to the measurement date to the net pension and OPEB liabilities in the next fiscal year and, there				
Deferred outflows related to pensions				1,150,21
Deferred outflows related to OPEB				324,07
Long-term liabilities applicable to the County's governmental activitie			•	
and accordingly are not reported as fund liabilities. All liabilitiesb	oth current	and long-termar	e reported in the	(2.4.702.227
statement of net position.				(24,792,327
Net position of general government activities			ć	35,414,413

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, 2023

Revenues: General property taxes Other local taxes Permits, privilege fees and regulatory licenses	 \$	General 19,975,618 4,205,478 305,842	Capital Improvement \$ - \$	Total 19,975,618 4,205,478 305,842
Fines and forfeitures Revenue from use of money and property Charges for services Miscellaneous Intergovernmental: Contribution from Component Unit School Board		124,873 878,979 801,155 429,422 399,642	- - -	124,873 878,979 801,155 429,422 399,642
Commonwealth Federal	_	5,001,598 1,709,680		5,001,598 1,709,680
Total revenues	\$	33,832,287	\$\$_	33,832,287
Expenditures: Current: General government administration Judicial administration Public safety Public works Health and welfare Education Parks, recreation, and cultural Community development Nondepartmental Capital projects Debt service: Principal retirement	\$	2,285,361 1,212,787 8,186,958 1,322,559 4,454,652 9,691,233 495,974 674,878 8,123	\$ - \$ - - - - - - 2,126,451	2,285,361 1,212,787 8,186,958 1,322,559 4,454,652 9,691,233 495,974 674,878 8,123 2,126,451 1,060,890
Interest and other fiscal charges Total expenditures	 \$	30,059,478	\$ 2,126,451 \$	32,185,929
Excess (deficiency) of revenues over (under) expenditures	\$ \$	3,772,809		1,646,358
Other Financing Sources (uses): Transfers in Transfers (out)	\$	289,532 (1,647,022)	\$ 1,647,022 \$ (289,532)	1,936,554 (1,936,554)
Total other financing sources (uses)	\$	(1,357,490)	\$ 1,357,490 \$	-
Net change in fund balances	\$	2,415,319	\$ (768,961) \$	1,646,358
Fund balances at beginning of year		24,090,854	336,407	24,427,261
Fund balances at end of year	\$	26,506,173	\$ (432,554) \$	26,073,619

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

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities - Governmental Funds Year Ended June 30, 2023

		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	\$	1,646,358
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation/amortization in the current period. The following details support this adjustment:		
Capital outlay Depreciation/amortization expense	\$ 1,976,103 (1,716,918)	259,185
pepreciation, amoretzation expense	(1,710,710)	237,103
Transfer of joint tenancy assets from Primary Government to the Component Unit		(422,313)
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 unavailable taxes.		
Unavailable revenue - property taxes	\$ (190,318)	
Unavailable revenue - opioid settlement	(30,308)	
Increase (decrease) in deferred inflows related to the measurement of the net	00.000	
OPEB liability Increase (decrease) in deferred inflows related to the measurement of the net	89,092	
pension liability	956,637	825,103
The issuance of long-term obligations (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term obligations 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:		
Principal retired on lease revenue bonds	\$ 466,000	
Principal retired on refunding bonds	556,000	
Principal retired on lease liabilities	107,727	
Principal retired on subscription liabilities	69,121	
Principal retired on notes payable	38,890	1,237,738
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	\$ (34,070)	
Change in net OPEB liability/asset Change in landfill closure liability	(38,103) 31,045	
Change in net pension liability	(181,650)	
Change in deferred outflows related to pensions	(417,082)	
Change in deferred outflows related to OPEB	(57,978)	
Change in accrued interest payable	11,907	(685,931)
Change in net position of governmental activities	\$	2,860,140

Statement of Fiduciary Net Position --Fiduciary Fund At June 30, 2023

	Custodial Fund	
	Special Welfare Fund	
ASSETS		
Cash and cash equivalents	\$ 35,285	
Total assets	\$ 35,285	
NET POSITION		
Restricted:		
Social services clients	\$ 35,285	
Total net position	\$ 35,285	

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

Statement of Changes in Fiduciary Net Position - Fiduciary Fund Year Ended June $30,\,2023$

		Custodial Fund	
		Special Welfare Fund	
Additions:			
Interest income	\$	5	
Private contributions		40,293	
Rebates and refunds		6	
Total additions	\$.	40,304	
Deductions:			
Recipient payments	\$	53,579	
Total deductions	\$.	53,579	
Change in fiduciary net position	\$	(13,275)	
Net position - beginning of year		48,560	
Net position - end of year	\$	35,285	

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

Notes to Financial Statements At June 30, 2023

Note 1 - Summary of Significant Accounting Policies:

The County of Madison, Virginia was formed in 1792 and 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 police and volunteer fire protection, sanitation services, recreational activities, cultural events, education, and social services.

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

Government-wide and Fund Financial Statements:

Government-wide Financial Statements:

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

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

Statement of Net Position:

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

Statement of Activities:

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

Notes to Financial Statements At June 30, 2023 (Continued)

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

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 government 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 original budget, 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 Madison, Virginia (the primary government) and its component unit. Blended component units, although legally separate entities, are, in substance, part of the government's operations and so data from these units are combined with data of the primary government. Each discretely presented component unit, on the other hand, is reported in a separate column in the combined financial statements to emphasize it is legally separate from the government.

Notes to Financial Statements At June 30, 2023 (Continued)

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

B. Individual Component Unit Disclosures

<u>Blended Component Units:</u> The County has no blended component units to be included for the fiscal year ended June 30, 2023.

<u>Discretely Presented Component Unit:</u> The School Board operates the County Public School System. Members are currently elected by popular vote. The School Board is fiscally dependent on the County. The County has the ability to approve its budget and any amendments. The primary funding is from the General Fund of the County. The School Fund does not issue a separate financial report. The financial statements of the School Board are presented as a discrete presentation in the County financial statements for the fiscal year ended June 30, 2023.

<u>Discretely Presented Component Unit:</u> The Madison County Parks and Recreation Authority was formed in 1982, by action of the Board of Supervisors. The Authority is a seven member board. Each member is appointed by the Board of Supervisors. The Madison County Parks and Recreation Authority is included in the financial statements of the County due to the nature of its contractual relationship with the County. The Authority provides services which benefit the County. The Authority does not issue separate financial statements and is included as a discrete presentation in the County's financial statements.

The Madison County School Board has the following funds:

Governmental Funds:

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

<u>School Cafeteria Fund</u> - This fund accounts for and reports the operations of the School Board's food service program. Financing is provided primarily by food and beverage sales, and state and federal grants. The School Cafeteria Fund is considered a major fund for financial reporting purposes.

<u>School Capital Fund</u> - This fund accounts for and reports the school capital projects. The school capital fund is considered a major fund for financial reporting purposes.

<u>School Textbook Fund</u> - This fund accounts for and reports the school textbook funds.

<u>School Activities Fund</u> - This fund accounts for and reports the funds received from extracurricular school activities, such as entertainment, athletic contests, club dues, fundraisers, etc., and from any and all activities of the schools involving personnel, students or property. The School Activities Fund is considered a major fund for financial reporting purposes.

Fiduciary Fund:

Scholarship Private Purpose Trust fund - This fund accounts for and reports scholarships for education.

Notes to Financial Statements At June 30, 2023 (Continued)

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

C. Other Related Organizations

Excluded from the County's Financial Statements:

Rappahannock-Rapidan Community Services Board, Central Virginia Regional Jail, Rappahannock Juvenile Detention Center, and the Rapidan Service Authority: The County, in conjunction with other localities, has created the Rappahannock-Rapidan Community Services Board, Central Virginia Regional Jail, Rappahannock Juvenile Detention Center, and the Rapidan Service Authority. The governing bodies of these organizations are appointed by the respective governing bodies of the participating jurisdictions.

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

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

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

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

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

Notes to Financial Statements At June 30, 2023 (Continued)

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

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

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.

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 Improvement Fund

The Capital Improvement Fund accounts for and reports all financial resources used for the acquisition or construction of major capital facilities.

2. Fiduciary Funds (Trust and Custodial Funds):

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

Notes to Financial Statements At June 30, 2023 (Continued)

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

E. Budgets and Budgetary Accounting

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

- 1. The County Administrator submits to the Board of Supervisors a proposed budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them.
- 2. Public hearings are conducted to obtain citizen comments.
- 3. Prior to June 30, the budget is legally enacted through passage of an Appropriations Resolution.
- 4. The Appropriations Resolution places legal restrictions on expenditures at the department level or category level. The appropriation for each department or category can be revised only by the Board of Supervisors. The School Board is authorized to transfer budgeted amounts within the school system's categories.
- 5. Formal budgetary integration is employed as a management control device during the year and budgets are legally adopted for the General Fund, Capital Improvement Fund, School Operating Fund and School Cafeteria Fund of the School Board.
- 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.

F. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, demand deposits and 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.

G. <u>Investments</u>

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.

Notes to Financial Statements At June 30, 2023 (Continued)

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

H. 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 "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 \$237,413 at June 30, 2023 and is comprised solely of property taxes.

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

I. Capital Assets

Capital assets, which include property, plant, equipment, lease and subscription assets, are reported in the applicable governmental 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 two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed (except for intangible right-to-use lease and subscription assets, the measurement of which is discussed in more detail below). 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 assets life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. There are no business-type activities reported for County of Madison, Virginia.

Notes to Financial Statements At June 30, 2023 (Continued)

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

I. <u>Capital Assets: (Continued)</u>

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

Assets	Years
Buildings	40
Building improvements	20 to 40
Lease buildings	2
Lease equipment	2 to 5
Lease land improvements	13
Subscription assets	5
Vehicles	3 to 5
Office and computer equipment	5
Buses	12

J. Compensated Absences

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported as an expense in the Statement of Activities and a long-term obligation in the Statement of Net Position. No liability is recorded for nonvesting accumulating rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulating sick leave benefits that it is estimated will be taken as "terminal leave" prior to retirement. The Department of Social Services and the Component Unit School Board pay a portion of unused sick leave upon separation. The County does not have sick leave.

K. Long-term Obligations

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

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

Notes to Financial Statements At June 30, 2023 (Continued)

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

L. <u>Use of Estimates</u>

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

M. 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 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.

The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

<u>Nonspendable fund balance</u> - Includes amounts that cannot be spent because they are either not in spendable form, or, for legal or contractual reasons, must be kept intact. This classification includes inventories, prepaid amounts, assets held for sale, and long-term receivables.

<u>Restricted fund balance</u> - 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).

<u>Committed fund balance</u> - Amounts that can only be used for specific purposes because of a formal action (resolution or ordinance) by the government's highest level of decision-making authority. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

<u>Assigned fund balance</u> - 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.

<u>Unassigned fund balance</u> - 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 generally the County's policy to use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed.

Notes to Financial Statements At June 30, 2023 (Continued)

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

M. Fund Balances (Continued)

Financial Policies (Continued)

The Board of Supervisors is authorized to assign amounts for specific purposes. The Board of Supervisors is also authorized to commit amounts for specific purposes. The following is detail of County's and School Board's Fund Balances:

Category		General Fund		Capital Projects Fund		Component Unit School Board
Nonspendable:						
Prepaid expenditures Inventory	\$	135,855	\$	-	\$	6,656 19,337
Total Nonspendable	ş	135,855	Ş	-	Ş	25,993
Restricted:	=	· · · · · · · · · · · · · · · · · · ·				-
Asset Forfeitures	\$	40,327	\$	-	\$	-
Unspent bond proceeds		2,626,549		-		-
Toppings Funds		32,190		-		-
Animal donations		44,474		-		-
Opioid settlement		18,979		-		-
School Construction		-		-		1,095,281
School Activities - Restricted Cash		-		-		15,856
School Textbook Funds	_	-		-		52,997
Total Restricted	\$	2,762,519	\$	-	\$	1,164,134
Committed:	_				-	
Capital Projects	\$	-	\$	-	\$	-
School Activities	·	-	·	-		259,376
Cafeteria		-		-		837,359
Total Committed	\$	-	\$	-	\$	1,096,735
Assigned:						
Tourism	\$	380,618	\$	-	\$	-
Capital Projects		4,596,963		_		_
Debt Stabilization Reserve		1,321,550		_		_
Budget Stabilization Reserve		1,321,550		-		-
Joint Services Stabilization Reserve		323,289				
Opening Balance Appropriation		1,205,676		-		-
2025 Reassessment		300,000		_		_
Sheriff		12,082		-		-
Total Assigned	Ş	9,461,728	Ş	-	Ş	
Unassigned	\$_	14,146,071	\$	(432,554)	\$	(6,656)
Total Fund Balance	\$	26,506,173	\$	(432,554)	\$	2,280,206

Notes to Financial Statements At June 30, 2023 (Continued)

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

N. Net Position

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

- Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by outstanding balances of bonds, notes, and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.
- Restricted net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either by external parties or by law through constitutional provision or enabling legislation.
- Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

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

O. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position includes a report 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 one type of item that qualifies for reporting in this category. It is comprised of certain items related to pension and OPEB. For more detailed information on these items, reference the related notes.

Notes to Financial Statements At June 30, 2023 (Continued)

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

O. <u>Deferred Outflows/Inflows of Resources: (Continued)</u>

In addition to liabilities, the statement of financial position includes a separate section for deferred inflows of resources. Deferred inflows of resources represent 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.

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

Q. 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.

R. Leases and Subscription-Based IT Arrangements

The County has leases various lease assets and subscription-based IT arrangements (SBITAs) 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. A SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction.

Notes to Financial Statements At June 30, 2023 (Continued)

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

R. Leases and Subscription-Based IT Arrangements: (Continued)

Lessee

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

Subscriptions

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

Key Estimates and Judgments

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

- The County uses the interest rate stated in lease or subscription 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 and subscriptions.
- The lease and subscription terms include the noncancellable period of the lease or subscription and certain periods covered by options to extend to reflect how long the lease or subscription 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 or subscription incentives and certain other payments are included in the measurement of the lease liability (lessee) or subscription liability.

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

Notes to Financial Statements At June 30, 2023 (Continued)

Note 2 - Deposits and Investments:

<u>Deposits</u>

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 does not have a policy related to credit risk of debt securities.

The County's rated debt investments as of June 30, 2023 were rated by Standard & Poor's and the ratings are presented below using Standard & Poor's rating scale.

County's F	Rated Deb	ot Investments'	Values
------------	-----------	-----------------	--------

		Fair Quality				
		Ratings				
Rated Debt Investments	_ :	AAAm	1	AA+		
U.S. Government Securities	\$	-	\$	60,586		
SNAP		3,482,251		-		
Local Government Investment Pool	_	11,184,838	į.			
Total	\$	14,667,089	\$	60,586		

External Investment Pools

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

Notes to Financial Statements At June 30, 2023 (Continued)

Note 2 - Deposits and Investments: (Continued)

Interest Rate Risk

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

Investment Maturities (in years)

Investment Type		Fair Value	Less than 1 year	Greater than 10 years
U.S. Government Securities	– - s	60,586 \$	- \$	60,586
SNAP	7	3,482,251	3,482,251	-
Local Government Investment Pool	_	11,184,838	11,184,838	
Total	\$_	14,727,675 \$	14,667,089 \$	60,586

Note 3 - Due From Other Governmental Units:

		Primary Government		Component Unit School Board
Commonwealth of Virginia:	_		•	
Local sales tax	\$	300,741	\$	-
Public assistance and welfare administration		77,617		-
State sales tax		-		432,529
Comprehensive services		213,515		-
Communications tax		63,991		-
Shared expenses		130,406		-
Department of Justice		22,655		-
Other state funds		13,987		1,704
Federal Government:				
School funds		-		730,494
School food		-		21,719
Public assistance and welfare administration		124,064		-
ARPA		15,291		-
Justice Assistance Grant	_	10,971	_	
Totals	\$_	973,238	\$	1,186,446

Notes to Financial Statements At June 30, 2023 (Continued)

Note 4 - Capital Assets:

The following is a summary of capital assets for the fiscal year ended June 30, 2023:

		Balance			Balance
		July 1, 2022*	Additions	Deletions	June 30, 2023
Primary Government:	_				
Capital assets not being depreciated:					
Land	\$	1,462,028 \$	- \$	- \$	1,462,028
Construction in progress-Jointly Owned		8,286,683	400	8,287,083	-
Construction in progress		3,947,954	1,555,132	1,131,570	4,371,516
Total capital assets not being depreciated	\$_	13,696,665 \$	1,555,532 \$	9,418,653 \$	5,833,544
Capital assets being depreciated/amortized:					
Buildings and improvements	\$	18,844,318 \$	502,317 \$	- \$	19,346,635
Lease land improvements		332,883	-	-	332,883
Lease buildings		69,940	-	-	69,940
Equipment (including vehicles)		6,085,430	1,049,824	169,236	6,966,018
Lease equipment		186,879	-	-	186,879
Subscription assets		238,639	-	-	238,639
Jointly owned assets	_	6,516,373	8,287,083	742,786	14,060,670
Total capital assets being depreciated/amortized	\$_	32,274,462 \$	9,839,224 \$	912,022 \$	41,201,664
Less accumulated depreciation/amortization:					
Buildings and improvements	\$	(7,853,114) \$	(519,449) \$	- \$	(8,372,563)
Lease land improvements		(26,280)	(26,280)	-	(52,560)
Lease buildings		(38,149)	(31,791)	-	(69,940)
Equipment (including vehicles)		(4,024,371)	(707,879)	(169,236)	(4,563,014)
Lease equipment		(59,639)	(59,184)	-	(118,823)
Subscription assets		-	(72,578)	-	(72,578)
Jointly owned assets	_	(721,918)	(299,757)	(320,473)	(701,202)
Total accumulated depreciation/amortization	\$_	(12,723,471) \$	(1,716,918) \$	(489,709) \$	(13,950,680)
Net capital assets being depreciated/amortized	\$_	19,550,991 \$	8,122,306 \$	422,313 \$	27,250,984
Net capital assets	\$_	33,247,656 \$	9,677,838 \$	9,840,966 \$	33,084,528

^{*} Beginning balances have been adjusted for implementation of GASB 96.

Notes to Financial Statements At June 30, 2023 (Continued)

Note 4 - Capital Assets: (Continued)

The following is a summary of capital assets for the fiscal year ended June 30, 2023 (Continued):

		Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023
Component Unit - School Board: Capital assets not being depreciated: Land Construction in progress Construction in progress-Jointly Owned	\$	109,803 \$ 8,351,323 (8,286,683)	- \$ 431,983 (400)	- \$ 8,750,242 (8,287,083)	109,803 33,064
Total capital assets not being depreciated	\$_	174,443 \$	431,583 \$	463,159 \$	142,867
Capital assets being depreciated/amortized: Buildings and improvements Equipment (including vehicles) Lease equipment Jointly owned assets	\$	26,397,700 \$ 7,366,530 346,783 (6,516,373)	8,821,229 \$ 727,889 - (8,287,083)	- \$ - - - (742,786)	35,218,929 8,094,419 346,783 (14,060,670)
Total capital assets being depreciated/amortized	\$_	27,594,640 \$	1,262,035 \$	(742,786) \$	29,599,461
Less accumulated depreciation/amortization: Buildings and improvements Jointly owned assets Equipment (including vehicles) Lease equipment	\$	(13,980,817) \$ 721,918 (5,167,087) (69,447)	(1,214,311) \$ 299,757 (561,199) (69,447)	- \$ 320,473 - -	(15,195,128) 701,202 (5,728,286) (138,894)
Total accumulated depreciation/amortization	\$_	(18,495,433) \$	(1,545,200) \$	320,473 \$	(20,361,106)
Net capital assets being depreciated/amortized	\$_	9,099,207 \$	(283,165) \$	(422,313) \$	9,238,355
Net capital assets	\$_	9,273,650 \$	148,418 \$	40,846 \$	9,381,222

Notes to Financial Statements At June 30, 2023 (Continued)

Note 4 - Capital Assets: (Continued)

The following is a summary of capital assets for the fiscal year ended June 30, 2023 (Continued):

	_	Balance July 1, 2022		Additions		Deletions		Balance June 30, 2023	
Component Unit - Parks and Recreation Authority: Capital assets not being depreciated:									
Construction in progress	\$_	-	\$_	30,898	\$_	- \$		30,898	
Total capital assets not being depreciated	\$_	-	\$_	30,898	\$_	\$		30,898	
Capital assets being depreciated: Buildings and improvements Equipment	\$	312,337 123,293	\$	- 46,811	\$	- \$ -	<u> </u>	312,337 170,104	
Total capital assets being depreciated	\$_	435,630	\$_	46,811	\$_	\$	<u> </u>	482,441	
Less accumulated depreciation: Buildings and improvements Equipment	\$	(48,737) (93,055)		(17,252) (14,683)		- \$ -	S	(65,989) (107,738)	
Total accumulated depreciation	\$_	(141,792)	\$_	(31,935)	\$_	\$	<u> </u>	(173,727)	
Net capital assets being depreciated	\$	293,838	\$	14,876	\$	- \$	<u> </u>	308,714	
Net capital assets	\$	293,838	\$	45,774	\$	- Ş	_	339,612	

Depreciation expense was charged to functions/programs of the primary government and Component Unit School Board as follows:

Primary Government:		
Governmental activities:		
General government administration	\$	227,198
Judicial administration		287,528
Public safety		709,660
Public works		96,138
Health and welfare		19,668
Education		299,757
Parks, recreation and cultural		75,164
Community development		1,805
Total	\$	1,716,918
Component Unit School Board	\$	1,844,957
Depreciation/Amortization Expense	\$	1,844,957
Joint tenancy transfer of accumulated depreciation	_	(299,757)
Total additions to accumulated depreciation		
/amortization, previous page	\$_	1,545,200
Component Unit Parks and Recreation Authority	\$	31,935
	_	

Notes to Financial Statements At June 30, 2023 (Continued)

Note 5 - Compensated Absences:

The County has accrued the liability arising from compensated absences.

County employees earn vacation and sick leave at various rates. No benefits or pay is received for unused sick leave upon termination. The County and School Board had outstanding accrued vacation pay as follows:

Primary Government	\$_	497,720
Component Unit School Board	\$	449,711

Note 6 - Due From/To Primary Government/Component Units:

Fund	 Due from		Due to
General	\$ -	\$	166,312
School Board	166,312		-
Total	\$ 166,312	\$	166,312
Fund	 Transfers In	-	Transfers Out
General	\$ 289,532	\$	1,647,022
Capital Improvement	1,647,022		289,532
Total	\$ 1,936,554	\$	1,936,554

Note 7 - Pension Plan:

Plan Description

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

Notes to Financial Statements At June 30, 2023 (Continued)

Note 7 - Pension Plan: (Continued)

Benefit Structures

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

- a. Employees with a measurement date before July 1, 2010, vested as of January 1, 2013, and have not taken a refund, are covered under Plan 1, a defined benefit plan. Non-hazardous duty employees are eligible for an unreduced retirement benefit beginning at age 65 with at least 5 years of service credit or age 50 with at least 30 years of service credit. Non-hazardous duty employees may retire with a reduced benefit as early as age 55 with at least 5 years of service credit or age 50 with at least 10 years of service credit. Hazardous duty employees (law enforcement officers, firefighters, and sheriffs) are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit or age 50 with at least 25 years of service credit. Hazardous duty employees may retire with a reduced benefit as early as age 50 with at least 5 years of service credit.
- b. Employees with a membership date from July 1, 2010 to December 31, 2013, that have not taken a refund or employees with a membership date prior to July 1, 2010 and not vested before January 1, 2013, are covered under Plan 2, a defined benefit plan. Non-hazardous duty employees are eligible for an unreduced benefit beginning at their normal social security retirement age with at least 5 years of service credit or when the sum of their age plus service 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. Hazardous duty employees are eligible for an unreduced benefit beginning at age 60 with at least 5 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 measurement 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.

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.

Notes to Financial Statements At June 30, 2023 (Continued)

Note 7 - Pension Plan: (Continued)

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, 2021 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	66	40
Inactive members:		
Vested inactive members	20	15
Non-vested inactive members	39	17
Inactive members active elsewhere in VRS	56	13
Total inactive members	115	45
Active members	115	41
Total covered employees	296	126

Notes to Financial Statements At June 30, 2023 (Continued)

Note 7 - Pension Plan: (Continued)

Contributions

The contribution requirement for active employees is governed by §51.1-145 of the <u>Code of Virginia</u>, 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, 2023 was 11.31% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the County were \$693,929 and \$598,232 for the years ended June 30, 2023 and June 30, 2022, respectively.

The Component Unit School Board's contractually required contribution rate for nonprofessional employees for the year ended June 30, 2023 was 0.00% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Component Unit School Board's nonprofessional employees were \$0 and \$0 for the years ended June 30, 2023 and June 30, 2022, respectively.

Net Pension Liability/Asset

The net pension liability/asset (NPL) is calculated separately for each employer and represents that particular employer's total pension liability determined in accordance with GASB Statement No. 68, less that employer's fiduciary net position. The County's and Component Unit School Board's (nonprofessional) net pension liability/asset were measured as of June 30, 2022. The total pension liabilities used to calculate the net pension liability/asset were determined by an actuarial valuation performed as of June 30, 2021, and rolled forward to the measurement date of June 30, 2022.

Notes to Financial Statements At June 30, 2023 (Continued)

Note 7 - 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, 2021, 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, 2022.

Inflation 2.50%

Salary increases, including inflation 3.50% - 5.35%

Investment rate of return 6.75%, net of pension plan investment

expenses, including inflation

Mortality rates:

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Notes to Financial Statements At June 30, 2023 (Continued)

Note 7 - Pension Plan (Continued)

Actuarial Assumptions - General Employees: (Continued)

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. 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, 2021, 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, 2022.

Inflation 2.50%

Salary increases, including inflation 3.50% - 4.75%

Investment rate of return 6.75%, net of pension plan investment

expenses, including inflation

Mortality rates:

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

Pre-Retirement:

Pub-2010 Amount Weighted Safety Employee Rates projected generationally with a Modified MP-2020 Improvement Scale; 95% of rates for males; 105% 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

Notes to Financial Statements At June 30, 2023 (Continued)

Note 7 - Pension Plan: (Continued)

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

Mortality rates: (Continued)

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, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. 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

Notes to Financial Statements At June 30, 2023 (Continued)

Note 7 - 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 weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class (Strategy)	Long-Term Target Asset Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return*
Public Equity	34.00%	5.71%	1.94%
Fixed Income	15.00%	2.04%	0.31%
Credit Strategies	14.00%	4.78%	0.67%
Real Assets	14.00%	4.47%	0.63%
Private Equity	14.00%	9.73%	1.36%
MAPS - Multi-Asset Public Strategies	6.00%	3.73%	0.22%
PIP - Private Investment Partnership	3.00%	6.55%	0.20%
Total	100.00%		5.33%
		Inflation	2.50%
	Expected arithmeti	c nominal return**	7.83%

^{*} The above allocation provides a one-year expected return of 7.83%. 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 6.72%, including expected inflation of 2.50%.

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions; the County and Component Unit School Board (nonprofessional) was also provided with an opportunity to use an alternative employer contribution rate.

^{**}On October 10, 2019, the VRS Board elected a long-term rate of return of 6.75% which was roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11%, including expected inflation of 2.50%.

Notes to Financial Statements At June 30, 2023 (Continued)

Note 7 - Pension Plan: (Continued)

Discount Rate: (Continued)

For the year ended June 30, 2023, the alternate rate was the employer contribution rate used in FY 2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2021 actuarial valuations, whichever was greater. Through the fiscal year ended June 30, 2022, 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 100% of the actuarially determined contribution rate. From July 1, 2022 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		Plan		Net		
	Pension		Fiduciary		Pension		
	Liability		Net Position		Liability (Asset)		
	(a)	_	(b)		(a) - (b)		
Balances at June 30, 2021	\$ 22,199,027	\$_	23,095,814	\$	(896,787)		
Changes for the year:							
Service cost	\$ 821,988	\$	-	\$	821,988		
Interest	1,519,169		-		1,519,169		
Differences between expected							
and actual experience	(1,321,968)		-		(1,321,968)		
Contributions - employer	-		598,233		(598,233)		
Contributions - employee	-		282,290		(282,290)		
Net investment income	-		(29,206)		29,206		
Benefit payments, including refunds							
of employee contributions	(1,029,628)		(1,029,628)		-		
Administrative expenses	-		(14,316)		14,316		
Other changes	-		538		(538)		
Net changes	\$ (10,439)	\$	(192,089)	\$	181,650		
Balances at June 30, 2022	\$ 22,188,588	\$	22,903,725	\$	(715,137)		

Notes to Financial Statements At June 30, 2023 (Continued)

Note 7 - Pension Plan: (Continued)

Changes in Net Pension Liability (Asset) (Continued)

	 Component School Board (nonprofessional)						
	Increase (Decrease)						
	 Total Pension Liability (a)		Plan Fiduciary Net Position (b)		Net Pension Liability (Asset) (a) - (b)		
Balances at June 30, 2021	\$ 3,898,377	\$_	5,173,440	\$	(1,275,063)		
Changes for the year:							
Service cost	\$ 70,855	\$	-	\$	70,855		
Interest	261,360	·	-	·	261,360		
Changes of assumptions	-		-		-		
Differences between expected							
and actual experience	(59,788)		-		(59,788)		
Contributions - employer	-		2		(2)		
Contributions - employee	-		40,429		(40,429)		
Net investment income	-		(3,462)		3,462		
Benefit payments, including refunds							
of employee contributions	(194,476)		(194,476)		-		
Administrative expenses	-		(3,251)		3,251		
Other changes	-	_	118		(118)		
Net changes	\$ 77,951	\$	(160,640)	\$	238,591		
Balances at June 30, 2022	\$ 3,976,328	\$_	5,012,800	\$	(1,036,472)		

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)	\$	2,355,749 \$	(715,137) \$	(3,202,223)
Component Unit School Board (nonprofessional) Net Pension Liability (Asset)	\$	(546,511) \$	(1,035,472) \$	(1,436,850)

Notes to Financial Statements At June 30, 2023 (Continued)

Note 7 - Pension Plan: (Continued)

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

For the year ended June 30, 2023, the County and Component Unit School Board (nonprofessional) recognized pension expense of \$336,025 and (\$98,748), respectively. At June 30, 2023, 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:

Component Unit School

						Component Unit School			
		Primary Government				Board (nonprofessional)			
	•	Deferred		Deferred		Deferred		Deferred	
		Outflows of		Inflows of		Outflows of		Inflows of	
		Resources		Resources		Resources		Resources	
Differences between expected and actual experience	\$	122,207	 S	1,022,161	-	-	· ·	39,521	
experience	Ş	122,207	Ç	1,022,101	Ş	-	Ç	37,321	
Change in assumptions		334,079		-		15,659		-	
Net difference between projected and actual earnings on pension plan investments		-		644,371		-		152,038	
Employer contributions subsequent to the measurement date		693,929		_		_		_	
medadi emene date		5/3,7£7			-				
Total	\$	1,150,215	\$	1,666,532	\$	15,659	\$	191,559	

\$693,929 and \$0 reported as deferred outflows of resources related to pensions resulting from the County's and Component Unit School Board's (nonprofessional) contributions, respectively, subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ended June 30, 2024. 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)
2024	\$ (361,669)	\$	(76,343)
2025	(542,607)		(67,381)
2026	(622,506)		(101,648)
2027	316,536		69,472

Pension Plan Data

Information about the VRS Political Subdivision Retirement Plan is also available in the separately issued VRS 2022 Annual Comprehensive Financial Report (Annual Report). A copy of the 2022 VRS Annual Report may be downloaded from the VRS website at https://www.varetire.org/Pdf/Publications/2022-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

Notes to Financial Statements At June 30, 2023 (Continued)

Note 7 - Pension Plan: (Continued)

Component Unit School Board (professional)

Plan Description

All full-time, salaried permanent (professional) employees of public school divisions are automatically covered by the VRS Teacher Retirement Plan upon employment. This is a cost-sharing multiple employer plan administered by the Virginia Retirement System (the system). Additional information 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 <u>Code of Virginia</u>, 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, 2023 was 16.62% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate, 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 Board were \$1,862,061 and \$1,721,935 for the years ended June 30, 2023 and June 30, 2022, respectively.

In June 2022, the Commonwealth made a special contribution of approximately \$442.4 million to the VRS Teacher Retirement Plan. This special payment was authorized by a budget amendment included in Chapter 1 of the 2022 Appropriation Act, and is classified as a non-employer contribution.

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

At June 30, 2023, the school division reported a liability of \$11,035,326 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2022 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation performed as of June 30, 2021, and rolled forward to the measurement date of June 30, 2022. 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, 2022, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2022, the school division's proportion was 0.11591% as compared to 0.11377% at June 30, 2021.

For the year ended June 30, 2023, the school division recognized pension expense of \$335,076. 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.

Notes to Financial Statements At June 30, 2023 (Continued)

Note 7 - Pension Plan: (Continued)

Component Unit School Board (professional)

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

At June 30, 2023, 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	\$ -	\$ 760,929
Change in assumptions	1,040,409	-
Net difference between projected and actual earnings on pension plan investments	-	1,438,775
Changes in proportion and differences between employer contributions and proportionate share of contributions	203,900	590,709
Employer contributions subsequent to the measurement date	1,862,061	 <u>-</u>
Total	\$ 3,106,370	\$ 2,790,413

\$1,862,061 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, 2024. 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 3	80	
2024	ć	((0(405)
2024	\$	(606,405)
2025		(658,551)
2026		(978,794)
2027		697,646
2028		-

Notes to Financial Statements At June 30, 2023 (Continued)

Note 7 - 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, 2021, 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, 2022.

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

Notes to Financial Statements At June 30, 2023 (Continued)

Note 7 - Pension Plan: (Continued)

Component Unit School Board (professional): (Continued)

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. 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, 2022, NPL amounts for the VRS Teacher Employee Retirement Plan is as follows (amounts expressed in thousands):

	_	Teacher Employee Retirement Plan
Total Pension Liability Plan Fiduciary Net Position Employer's Net Pension Liability (Asset)	\$ \$_	54,732,329 45,211,731 9,520,598
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		82.61%

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.

Notes to Financial Statements At June 30, 2023 (Continued)

Note 7 - Pension Plan: (Continued)

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	
	(5.75%)	 (6.75%)	(7.75%)
School division's proportionate share of the VRS Teacher Employee Retirement Plan			
Net Pension Retirement Plan Liability (Asset)	\$ 19,709,937	\$ 11,035,326 \$	3,972,285

Pension Plan Fiduciary Net Position

Detailed information about the VRS Teacher Retirement Plan's Fiduciary Net Position is available in the separately issued VRS 2022 Annual Comprehensive Financial Report (Annual Report). A copy of the 2022 VRS Annual Report may be downloaded from the VRS website at https://www.varetire.org/pdf/publications/2022-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Aggregate Pension Information

VRS Pension Plans:

				Net Pension	
	-	Deferred Outflows	Deferred Inflows	Liability (Asset)	Pension Expense
Primary Government	\$	1,150,215 \$	1,666,532 \$	(715,137) \$	336,025
Totals	\$	1,150,215 \$	1,666,532 \$	(715,137) \$	336,025
Component Unit School Board					
School Board Nonprofessional	\$	15,659 \$	191,559 \$	(1,035,472) \$	(98,748)
School Board Professional		3,106,370	2,790,413	11,035,326	335,076
Totals	\$	3,122,029 \$	2,981,972 \$	9,999,854 \$	236,328

Notes to Financial Statements At June 30, 2023 (Continued)

Note 8 - Long-Term Obligations:

Primary Government-Long-term Obligations:

Changes in Long-Term Obligations:

The following is a summary of long-term obligation transactions for the year ended June 30, 2023:

		Balance at July 1, 2022*	Issuances/ Increases	Retirements/ Decreases	Balance at June 30, 2023	Amounts Due Within One Year
Governmental Activities:						
Direct Borrowings and Direct Placements:						
Public Facility Lease Revenue Bond	\$	16,147,000 \$	- \$	466,000 \$	15,681,000 \$	480,000
Public Facility Lease Revenue						
Refunding Bonds		7,204,000	-	556,000	6,648,000	596,000
Landfill closure liability		268,493	2,876	33,921	237,448	33,921
Notes payable		231,296	-	38,890	192,406	12,716
Lease liabilities		476,314	-	107,727	368,587	75,049
Subscription liabilities		238,639	-	69,121	169,518	64,929
Net OPEB liabilities:						
Net Health Insurance OPEB liability	\$	626,931 \$	73,167 \$	36,226 \$	663,872 \$	-
Net Group Life Insurance OPEB liability		317,148	212,935	196,307	333,776	-
Total net OPEB liability	\$	944,079 \$	286,102 \$	232,533 \$	997,648 \$	-
Compensated absences	_	463,650	77,140	43,070	497,720	49,772
Total governmental activities	\$_	25,973,471 \$	366,118 \$	1,547,262 \$	24,792,327 \$	1,312,387

^{*}Beginning balances have been adjusted for implementation of GASB 96.

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

		Direct Borre	owings and D	irect Placem	ents						
		Public Fa	cility	Public Fa	acility						
Year		Lease Rev	venue	Lease Re	venue						
Ending		Bond	d	Refunding	g Bond	Notes Pa	yable	Lease Lia	bilities	Subscription	Liabilities
June 30,	-	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$	480,000 \$	470,430 \$	596,000 \$	158,631 \$	12,716 \$	8,398 \$	75,049 \$	10,490 \$	64,929 \$	4,959
2025		493,000	456,030	611,000	144,409	13,300	7,814	30,171	9,437	66,828	3,060
2026		507,000	441,240	626,000	129,831	13,911	7,203	24,800	8,652	32,818	1,106
2027		523,000	426,030	640,000	114,893	14,550	6,564	23,873	7,848	4,943	146
2028		538,000	410,340	655,000	99,622	15,218	5,896	25,836	6,995	-	-
2029-2033		2,925,000	1,800,390	3,520,000	255,938	87,243	18,326	162,601	19,616	-	-
2034-2038		6,377,000	1,139,850	-	-	35,468	1,480	26,257	339	-	-
2039-2041		3,838,000	232,470	-	-	-	-	-	-	-	-
	-		·								
Total	\$	15,681,000 \$	5,376,780 \$	6,648,000 \$	903,324 \$	192,406 \$	55,681 \$	368,587 \$	63,377 \$	169,518 \$	9,271

Notes to Financial Statements At June 30, 2023 (Continued)

Note 8 - Long-Term Obligations: (Continued)

Details of Long-Term Obligations:

	_	Amount Outstanding		Amounts Due Within One Year
Public Facility Lease Revenue Bond: \$16,600,000 Public Facilities Lease Revenue Bond, Series 2020A issued June 24, 2020 due in varying installments through February 2041. Interest is payable annually at 3.00%.	\$_	15,681,000	\$	480,000
Public Facility Lease Revenue Refunding Bonds: \$1,625,000 Public Facilities Lease Revenue Refunding Bond, Series 2020B issued June 24, 2020 due in varying installments through February 2033. Interest is payable annually at 2.37%.	\$	1,281,000	s -	115,000
\$6,416,000 Public Facilities Lease Revenue Refunding Bond, Series 2020C issued June 24, 2020 due in varying installments through February 2033. Interest is payable annually at 2.39%.	•	5,367,000	,	481,000
Total Public Facility Lease Revenue Refunding Bonds	\$	6,648,000	\$	596,000
Notes Payable:	-		_	· · · · · · · · · · · · · · · · · · ·
\$230,000 note payable issued March 24, 2020, due in monthly installments of principal and interest of \$1,759 through March 2035. Interest is payable at 4.50%. A building was acquired through the financing.	¢	192,406	ς	12,716
Total Notes Payable	۲ د	192,406	۔ ب ج	12,716
Lease Liabilities:	۲-	172, 100	·	12,710
Lease for a cell phone tower issued on November 2, 2020, due in \$2,200 monthly payments through 2034. The monthly payments will increase 3.50%		000 110		40.500
	\$	299,413	\$	18,583
Various leases for equipment, payble in monthly payments ranging from \$115 to \$3,965 through May 2026. The discount rates range from 0.751% to 1.335%.		69,174		56,466
Total Lease Liabilities	\$	368,587	\$	75,049
Subscription Liabilities: Various IT subscriptions payable monthly through 2027 in various installments	-		_	
at discount rates ranging from 2.884% to 2.907%.	\$_	169,518	\$	64,929
Landfill closure liability	\$_	237,448	\$_	33,921
Net OPEB liabilities	\$_	997,648	\$	-
Compensated absences	\$_	497,720	\$	49,772
Total long-term obligations	\$_	24,792,327	\$	1,312,387

Notes to Financial Statements At June 30, 2023 (Continued)

Note 8 - Long-Term Obligations: (Continued)

<u>Discretely Presented Component Unit-School Board Obligations:</u>

The following is a summary of long-term obligation transactions for the fiscal year ended June 30, 2023:

	_	Balance at July 1, 2022	Issuances/ Increases	Retirements/ Decreases	Balance at June 30, 2023	Amounts Due Within One Year
Compensated absences	\$	303,342 \$	176,703 \$	30,334 \$	449,711 \$	44,971
Lease liabilities		278,931	-	68,343	210,588	69,261
Net pension liability		8,832,076	8,793,951	6,590,701	11,035,326	-
Net OPEB liabilities:						
Net Health Insurance OPEB liability	\$	1,307,707 \$	161,408 \$	48,164 \$	1,420,951 \$	-
Net Group Life Insurance OPEB liability		614,968	392,696	361,786	645,878	-
Net Health Insurance Credit OPEB liability		1,565,989	348,230	362,548	1,551,671	-
Total net OPEB liability	\$	3,488,664 \$	902,334 \$	772,498 \$	3,618,500 \$	-
Total Component Unit	\$	12,903,013 \$	9,872,988 \$	7,461,876 \$	15,314,125 \$	114,232

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

Year Ending	Lease Liabilities				
June 30,	Principal	Interest			
2024	\$ 69,261 \$	2,392			
2025	70,192	1,461			
2026	71,135	517			
Total	\$ 210,588 \$	4,370			

Notes to Financial Statements At June 30, 2023 (Continued)

Note 8 - Long-Term Obligations: (Continued)

<u>Discretely Presented Component Unit-School Board Obligations: (Continued)</u>

	_	Amount Outstanding	<u>-</u>	Amounts Due Within One Year
Lease Liabilities: Five-year lease for office equipment, due in \$673 quarterly				
payments through April 29, 2026. Discount rate at 1.335%.	\$	7,905	\$	2,600
Five-year lease for equipment, due in \$5,747 monthly payments,				
through June 9, 2026. Discount rate at 1.335%.	_	202,683	-	66,661
Total Lease Liabilities	\$_	210,588	\$	69,261
Compensated absences	\$_	449,711	\$_	44,971
Net pension liability	\$_	11,035,326	\$	-
Net OPEB obligation liabilities	\$_	3,618,500	\$	-
Total long-term obligations	\$	15,314,125	\$	114,232

Discretely Presented Component Unit-Parks and Recreation Authority:

The following is a summary of long-term obligation transactions for the fiscal year ended June 30, 2023:

		Balance at			Balance at		Amounts
	_	July 1, 2022	ssuances/ Increases	Retirements/ Decreases	June 30, 2023		Due Within One Year
Note Payable	\$	- (\$ 29,250	\$ 4,875	\$ 24,375	\$_	4,875

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

Year Ending	Note Payable					
June 30,	Principal	_	Interest			
2024	\$ 4,875	\$	-			
2025	4,875		-			
2026	4,875		-			
2027	4,875		-			
2028	4,875	_				
Total	\$ 24,375	\$				

Notes to Financial Statements At June 30, 2023 (Continued)

Note 8 - Long-Term Obligations: (Continued)

Discretely Presented Component Unit-Parks and Recreation Authority: (Continued)

	_	Amount Outstanding	Amounts Due Within One Year	í
Note payable:				
Note payable for equipment, due in \$4,875 annual payments through September 20, 2027. Interest				
rate at 0.00%.	\$_	24,375	\$ 4,875	_

Note 9 - Deferred/Unavailable/Unearned Revenue:

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

	G	overnment-wide Statements	Balance Sheet
		Governmental	Governmental
	_	Activities	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.	\$	- 9	\$ 909,434
2nd half assessments due after June 30th		6,495,029	6,495,029
Prepaid property tax revenues representing collections received for property taxes that are applicable to the subsequent budget year.	_	365,345	365,345
Total deferred/unavailable property tax revenue:	\$	6,860,374	5 7,769,808
Unavailable opioid settlement revenue:	\$		\$ 153,882
Total governmental activities	\$	6,860,374	57,923,690

Notes to Financial Statements At June 30, 2023 (Continued)

Note 10 - Contingent Liabilities:

Federal programs in which the County and its component units participate were audited in accordance with the provisions of Uniform Guidance. Pursuant to the provisions of this circular, all major programs and certain other programs were tested for compliance with applicable grant requirements. While no matters of noncompliance were disclosed by audit, the federal government may subject grant programs to additional compliance tests which may result in disallowed expenditures. In the opinion of management, any future disallowances of current grant program expenditures, if any, would be immaterial.

Note 11 - Surety Bonds:

	_	Amount
Virginia Department of Risk Management - Surety		_
Stephanie Murray, Treasurer	\$	400,000
Leeta D. Louk, Clerk of the Circuit Court		25,000
Brian Daniel, Commissioner of the Revenue		3,000
Erik Weaver, Sheriff		30,000
Above constitutional officers' employees - blanket bond		50,000
Madison County Department of Social Services employee blanket bond		100,000
Virginia Association of Counties Group Self Insurance Risk Pool		
Madison County School Board Public Officials Liability		1,000,000
Madison County Public Officials Liability		250,000
Madison County Crime Coverage		250,000

Note 12 - Risk Management:

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

The County is insured by the Virginia Association of Counties (VACO) for all risks of losses. Settled claims from these risks have not exceeded commercial coverage in any of the past three fiscal years. Worker's Compensation is also carried through VACO.

Note 13 - Landfill Closure and Postclosure Care Cost:

State and federal laws and regulations require the County to place a final cover on its landfill site when it stops accepting waste, which occurred in fiscal year 2005, and to perform certain maintenance and monitoring functions at the site for thirty years after closure. The \$237,448 reported as landfill closure and postclosure care liability at June 30, 2023, represents the cumulative amount reported based on the use of 100 percent of the estimated capacity of the landfill. These amounts are based on what it would cost to perform all postclosure care in 2023. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. The County intends to fund these costs from any funds accumulated for this purpose in the General Fund.

Notes to Financial Statements At June 30, 2023 (Continued)

Note 13 - Landfill Closure and Postclosure Care Cost: (Continued)

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 14 - Health Insurance - Pay-as-you-Go (OPEB Plan):

County:

Plan Description

The County post-retirement health care plan is a single employer defined benefit healthcare plan that offers insurance benefits for employees who are eligible for retirement benefits. All full-time employees who have at least 10 years of service with Madison County, and is eligible for immediate retirement benefits under VRS, or have at least 10 years of service with Madison County and is eligible for immediate disability retirement benefits under VRS. Once the participant is Medicare eligible they are no longer eligible to remain in the plan. The County's post-retirement health care Plan does not issue a separate, audited GAAP basis report.

Benefits Provided

Postemployment benefits are provided to eligible retirees include health insurance. The benefits that are provided for active employees are the same for eligible retirees, spouses and dependents of eligible retirees. For participating retirees, the retirees pay 100% of the published rates for individual and dependent coverage until age 65. Surviving spouses are not allowed access to the plan.

Plan Membership

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

Total active employees with coverage	94
Total retirees with coverage	3
Total	97

Contributions

The board does not pre-fund benefits; therefore, no assets are accumulated in a trust fund. The current funding policy is to pay benefits directly from general assets on a pay-as-you-go basis. The funding requirements are established and may be amended by the County Board.

Total OPEB Liability

The County's total OPEB liability was measured as of June 30, 2023. The total OPEB liability was determined by an actuarial valuation as of July 1, 2021.

Notes to Financial Statements At June 30, 2023 (Continued)

Note 14 - Health Insurance - Pay-as-you-Go (OPEB Plan): (Continued)

County: (Continued)

Actuarial Assumptions

The total OPEB liability in the July 1, 2021 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	Ranging from 3.50% to 5.35% depending on years of service per year for general salary inflations
Discount Rate	3.65%

Mortality rates for Active employees and healthy retirees were based on a RP-2014 Total Dataset Mortality Table fully generational using scale BB while mortality rates for disabled retirees were based on a RP-2014 Disabled Mortality Table fully generational using scale BB.

The date of the most recent actuarial experience study for which significant assumptions were based is July 1, 2021.

Discount Rate

The final equivalent single discount rate used for this year's valuation is 3.65% as of the end of the fiscal year with the expectation that the County will continue contributing the Actuarially Determined Contribution and paying the pay-go cost.

Changes in Total OPEB Liability

_	Primary Government Total OPEB Liability		
\$	626,931		
	30,811		
	22,648		
	19,708		
	(36,226)		
•	36,941		
\$	663,872		
	\$ \$		

Notes to Financial Statements At June 30, 2023 (Continued)

Note 14 - Health Insurance - Pay-as-you-Go (OPEB Plan): (Continued)

County: (Continued)

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

The following amounts present the total OPEB liability of the County, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.65%) or one percentage point higher (4.65%) than the current discount rate:

			Rate		
	1% Decrease (2.65%)		Current Discount Rate (3.65%)		1% Increase (4.65%)
	(2.0370)		race (5.05%)		(1.0370)
\$	740,593	\$	663,872	\$	595,789

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

The following presents the total OPEB liability of the County calculated using healthcare cost trend rates that are one percentage point lower (3.50% decreasing to 2.90% after 2073) or one percentage point higher (5.50% decreasing to 4.90% after 2073) than the current healthcare cost trend rates:

_			Rates	
-			Healthcare Cost	
	1% Decrease		Trend	1% Increase
_	(3.50% decreasing to 2.90% after 2073)	_	(4.50% decreasing to 3.90% after 2073)	 (5.50% decreasing to 4.90% after 2073)
\$	568,744	\$	663,872	\$ 778,040

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

For the year ended June 30, 2023, the County recognized OPEB expense in the amount of \$71,409. At June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resouces		Deferred Inflows of Resources		
Differences between expected and actual experience Changes in assumptions	\$ 106,292 93,118	\$	121,821 91,796		
Total	\$ 199,410	\$	213,617		

Notes to Financial Statements At June 30, 2023 (Continued)

Note 14 - Health Insurance - Pay-as-you-Go (OPEB Plan): (Continued)

County: (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	_	
2024	\$	17,950
2025		17,873
2026		17,122
2027		(14,295)
2028		(35,237)
Thereafter		(17,620)

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

School Board:

Plan Description

The School Board Retiree Service Program is a single employer defined benefit healthcare plan that offers health insurance for retirees. Employees who receive an unreduced retirement benefit from VRS, has at least seven consecutive years of service immediately preceding retirement, is a full time, salaried employee of the school division at the time of applying for the program, and is not eligible for disability retirement benefits under VRS are eligible for the program. The School Board Extended Service Program does not issue a separate GAAP basis report.

Benefits Provided

Postemployment benefits are provided to eligible retirees include Health insurance. The benefits that are provided for active employees are the same for eligible retirees, spouses and dependents of eligible retirees. The School Board Extended Service Program is a single employer defined benefit healthcare plan that offers health insurance for retirees. For participating retirees the School Board pays an amount per month towards the monthly premium and the retiree contributes remaining funds towards the monthly premium. Coverage ceases after seven years and there is no benefit provided after age 65. Surviving spouses are not allowed access to the plan.

Plan Membership

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

Total active employees with coverage	232
Total retirees with coverage	4
Total retirees without coverage	1
Total	237

Notes to Financial Statements At June 30, 2023 (Continued)

Note 14 - Health Insurance - Pay-as-you-Go (OPEB Plan): (Continued)

School Board: (Continued)

Contributions

The board does not pre-fund benefits; therefore, no assets are accumulated in a trust fund. The current funding policy is to pay benefits directly from general assets on a pay-as-you-go basis. The funding requirements are established and may be amended by the School Board.

Total OPEB Liability

The School Board's total OPEB liability was measured as of June 30, 2023. The total OPEB liability was determined by an actuarial valuation as of July 1, 2021.

Actuarial Assumptions

The total OPEB liability in the July 1, 2021 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	Ranging from 3.50% to 5.95% depending on years of service per	
	year for general salary inflations	
Discount Rate	3.65%	

Mortality rates for Active employees and healthy retirees were based on a RP-2014 Total Dataset Mortality Table fully generational using scale BB while mortality rates for disabled retirees were based on a RP-2014 Disabled Mortality Table fully generational using scale BB.

The date of the most recent actuarial experience study for which significant assumptions were based is July 1, 2021.

Discount Rate

The final equivalent single discount rate used for this year's valuation is 3.65% as of the end of the fiscal year with the expectation that the School Board will continue contributing the Actuarially Determined Contribution and paying the pay-go cost.

Notes to Financial Statements At June 30, 2023 (Continued)

Note 14 - Health Insurance - Pay-as-you-Go (OPEB Plan): (Continued)

School Board: (Continued)

Changes in Total OPEB Liability

	 School Board Total OPEB Liability
Balances at June 30, 2022	\$ 1,307,707
Changes for the year:	
Service cost	65,699
Interest	47,774
Changes in assumptions	47,935
Benefit payments	(48,164)
Net changes	 113,244
Balances at June 30, 2023	\$ 1,420,951

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

The following amounts present the total OPEB liability of the County, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.65%) or one percentage point higher (4.65%) than the current discount rate:

		Rate		
1% Decrease (2.65%)	Current Discount Rate (3.65%)		1% Increase (4.65%)	
\$ 1,536,339	\$	1,420,951	\$	1,312,070

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

The following presents the total OPEB liability of the School Board was calculated using healthcare cost trend rates that are one percentage point lower (4.90% decreasing to 3.50% after 2073) or one percentage point higher (6.90% decreasing to 5.50% after 2073) than the current healthcare cost trend rates:

			Rates		
_			Healthcare Cost		
	1% Decrease		Trend		1% Increase
(4.90% decreasing to 3.50% after 2073)		_	(5.90% decreasing to 4.50% after 2073)		(6.90% decreasing to 5.50% after 2073)
\$	1,242,099	\$	1,420,951	\$	1,631,295

Notes to Financial Statements At June 30, 2023 (Continued)

Note 14 - Health Insurance - Pay-as-you-Go (OPEB Plan): (Continued)

School Board: (Continued)

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

For the year ended June 30, 2023, the School Board recognized OPEB expense in the amount of \$108,180. At June 30, 2023, the School Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

		Deferred Outflows of Resouces	 Deferred Inflows of Resources
Differences between expected and actual experience	\$	78,381	\$ 118,762
Changes in assumptions		153,391	142,397
Total	\$	231,772	\$ 261,159

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	
2024	\$ (5,293)
2025	(5,293)
2026	(5,895)
2027	(6,808)
2028	(3,818)
Thereafter	(2,280)

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

Note 15 - Health Insurance Credit (HIC) Plan (OPEB Plan):

Plan Description

The Political Subdivision Health Insurance Credit (HIC) Plan was established pursuant to \$51.1-1400 et seq. of the <u>Code of Virginia</u>, 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.

Notes to Financial Statements At June 30, 2023 (Continued)

Note 15 - Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Plan Description: (Continued)

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

Eligible Employees

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

Benefit Amounts

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

HIC Plan Notes

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

Employees Covered by Benefit Terms

As of the June 30, 2021 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	8	14
Inactive members: Vested inactive members	1	1
Total inactive members	9	15
Active members	50	41
Total covered employees	59	56

Notes to Financial Statements At June 30, 2023 (Continued)

Note 15 - Health Insurance Credit (HIC) Plan (OPEB 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, 2023 was 0.10% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the County to the HIC Plan were \$2,805 and \$3,307 for the years ended June 30, 2023 and June 30, 2022, respectively. The School Board's contractually required employer contribution rate for the year ended June 30, 2023 was 1.20% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the School Board to the HIC Plan were \$12,656 and \$8,669 for the years ended June 30, 2023 and June 30, 2022, respectively.

Net HIC OPEB Liability

The County and School Board's net HIC OPEB liability was measured as of June 30, 2022. The total HIC OPEB liability was determined by an actuarial valuation performed as of June 30, 2021, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2022.

Actuarial Assumptions

The total HIC OPEB liability was based on an actuarial valuation as of June 30, 2021, 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, 2022.

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

Notes to Financial Statements At June 30, 2023 (Continued)

Note 15 - Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Actuarial Assumptions: (Continued)

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

Pre-Retirement:

Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 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, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

Notes to Financial Statements At June 30, 2023 (Continued)

Note 15 - Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Actuarial Assumptions: (Continued)

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement Scale:

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

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. 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

Notes to Financial Statements At June 30, 2023 (Continued)

Note 15 - Health Insurance Credit (HIC) Program (OPEB Plan): (Continued)

Long-Term Expected Rate of Return

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

Asset Class (Strategy)	Long-term Target Asset Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-term Expected Rate of Return*
Public Equity	34.00%	5.71%	1.94%
Fixed Income	15.00%	2.04%	0.31%
Credit Strategies	14.00%	4.78%	0.67%
Real Assets	14.00%	4.47%	0.63%
Private Equity	14.00%	9.73%	1.36%
MAPS - Multi-Asset Public Strategies	6.00%	3.73%	0.22%
PIP - Private Investement Partnership	3.00%	6.55%	0.20%
Total	100.00%		5.33%
		Inflation	2.50%
	**Expected ar	rithmetic nominal return	7.83%

^{*}The above allocation provides a one-year return of 7.83%. 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 6.72%, including expected inflation of 2.50%.

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, 2022, the rate contributed by the entity for the HIC OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 100% of the actuarially determined contribution rate. From July 1, 2022 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.

^{**}On October 10, 2019, the VRS Board elected a long-term rate of return of 6.75% which was roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11%, including expected inflation of 2.50%.

Note 15 - Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Changes in Net HIC OPEB Liability (Asset)

		Increase (Decrease)				
	_	Total HIC OPEB Liability (a)	Plan Fiduciary Net Position (b)		Net HIC OPEB Liability (Asset) (a) - (b)	
Primary Government	_					
Balances at June 30, 2021	\$_	73,792 \$	85,044	\$	(11,252)	
Changes for the year: Service cost Interest Differences between expected	\$	3,597 \$ 5,021		\$	3,597 5,021	
and actual experience Assumption changes Contributions - employer Net investment income		(8,089) (7,895) -	3,306 162		(8,089) (7,895) (3,306) (162)	
Benefit payments Administrative expenses Other changes		(6,005) - -	(6,005) (151) 4,783		151 (4,783)	
Net changes	Ş -	(13,371) \$	2,095	\$	(15,466)	
Balances at June 30, 2022	\$ _	60,421 \$	87,139	\$	(26,718)	
Component School Board (nonprofessional)	_					
Balances at June 30, 2021	\$_	110,971 \$	9,149	\$	101,822	
Changes for the year: Service cost Interest Differences between expected	\$	2,396 \$ 7,514	-	\$	2,396 7,514	
and actual experience Assumption changes Contributions - employer		281 3,189 -	- - 8,669		281 3,189 (8,669)	
Net investment income Benefit payments		- (4,085)	(88) (4,085)		88	
Administrative expenses Net changes	ş <u> </u>	9,295 \$	(28) 4,468	\$	4,827	
Balances at June 30, 2022	\$_	120,266 \$	13,617	\$	106,649	

Notes to Financial Statements At June 30, 2023 (Continued)

Note 15 - Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

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

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

	Rate			
	1% Decrease	Current Discount	1% Increase	
	(5.75%)	(6.75%)	(7.75%)	
County's Net HIC OPEB Liability (Asset)	\$ (20,077) \$	(26,718) \$	(32,326)	
Component Unit School Board (nonprofessional) Net HIC OPEB Liability (Asset)	\$ 118,486 \$	106,649 \$	96,527	

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

For the year ended June 30, 2023, the County and School Board recognized HIC Plan OPEB expense of (\$3,139) and \$10,364, respectively. At June 30, 2023, the County and School Board reported deferred outflows of resources and deferred inflows of resources related to the County's HIC Plan from the following sources:

				Component l	Jnit School	
		Primary Gov	vernment	Board (nonprofessional)		
	•	Deferred Outflows of	Deferred Inflows of	Deferred Outflows of	Deferred Inflows of	
Differences between expected and actual		Resources	Resources	Resources	Resources	
experience	\$	15,589 \$	12,299 \$	226 \$	-	
Net difference between projected and actual			2.445	4.42		
earnings on HIC OPEB plan investments		-	2,115	143	-	
Change in assumptions		1,024	7,390	4,067	-	
Employer contributions subsequent to the						
measurement date		2,805		12,656		
Total	\$	19,418 \$	21,804 \$	17,092 \$	-	

Notes to Financial Statements At June 30, 2023 (Continued)

Note 15 - Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

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

\$2,805 and \$12,656 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, 2024. 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 June 30	_	Primary Government	Component Unit School Board (nonprofessional)
2024	\$	(1,296) \$	1,198
2025	•	(1,357)	1,198
2026		(1,748)	1,194
2027		1,857	846
2028		260	-
Thereafter		(2,907)	-

HIC Plan Data

Information about the VRS Political Subdivision HIC Plan is available in the separately issued VRS 2022 Annual Comprehensive Financial Report (Annual Report). A copy of the 2022 VRS Annual Report may be downloaded from the VRS website at http://www.varetire.org/pdf/publications/2022-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Note 16 - 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 <u>Code of Virginia</u>, 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 Plan OPEB, including eligibility, coverage, and benefits is described below:

Notes to Financial Statements At June 30, 2023 (Continued)

Note 16 - Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Eligible Employees

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

Benefit Amounts

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

HIC Plan Notes

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

Contributions

The contribution requirements for active employees is governed by §51.1-1401(E) of the <u>Code of Virginia</u>, 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, 2023 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, 2021. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the school division to the VRS Teacher Employee HIC Plan were \$141,502 and \$130,472 for the years ended June 30, 2023 and June 30, 2022, respectively.

In June 2022, the Commonwealth made a special contribution of approximately \$12 million to the VRS Teacher HIC Plan. This special payment was authorized by a budget amendment included in Chapter 1 of the 2022 Appropriation Act, and is classified as a non-employer contribution.

Notes to Financial Statements At June 30, 2023 (Continued)

Note 16 - Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

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

At June 30, 2023, the school division reported a liability of \$1,445,022 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, 2022 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, 2021 and rolled forward to the measurement date of June 30, 2022. 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, 2022, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2022, the school division's proportion of the VRS Teacher Employee HIC Plan was 0.1157% as compared to 0.1141% at June 30, 2021.

For the year ended June 30, 2023, the school division recognized VRS Teacher Employee HIC Plan OPEB expense of \$98,665. Since there was a change in proportionate share between measurement dates, a portion of the VRS Teacher Employee HIC Plan Net OPEB expense was related to deferred amounts from changes in proportionate share and differences between actual and expected contributions.

At June 30, 2023, 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:

	D-	eferred Outflows of Resources	 Deferred Inflows of Resources
Differences between expected and actual experience	\$	-	\$ 58,901
Net difference between projected and actual earnings on Teacher HIC OPEB plan investments		-	1,450
Change in assumptions		42,216	3,690
Changes in proportionate share and differences between actual and expected contributions		24,078	94,070
Employer contributions subsequent to the measurement date	_	141,502	
Total	\$	207,796	\$ 158,111

Notes to Financial Statements At June 30, 2023 (Continued)

Note 16 - Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

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

\$141,502 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, 2024. 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,	
2024	\$ (21,228)
2025	(21,973)
2026	(23,305)
2027	(13,855)
2028	(8,999)
Thereafter	(2,457)

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, 2021, 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, 2022.

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

Notes to Financial Statements At June 30, 2023 (Continued)

Note 16 - Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Actuarial Assumptions: (Continued)

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

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. 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

Notes to Financial Statements At June 30, 2023 (Continued)

Note 16 - Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

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, 2022, NOL amounts for the VRS Teacher Employee HIC Plan are as follows (amounts expressed in thousands):

		Teacher Employee HIC OPEB Plan
	_	
Total Teacher Employee HIC OPEB Liability	\$	1,470,891
Plan Fiduciary Net Position		221,845
Teacher Employee net HIC OPEB Liability (Asset)	\$ =	1,249,046
Plan Fiduciary Net Position as a Percentage		
of the Total Teacher Employee HIC OPEB Liability		15.08%

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.

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Notes to Financial Statements At June 30, 2023 (Continued)

Note 16 - Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Long-Term Expected Rate of Return

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

Asset Class (Strategy)	Long-Term Target Asset Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-term Expected Rate of Return*
Public Equity	34.00%	5.71%	1.94%
Fixed Income	15.00%	2.04%	0.31%
Credit Strategies	14.00%	4.78%	0.67%
Real Assets	14.00%	4.47%	0.63%
Private Equity	14.00%	9.73%	1.36%
MAPS - Multi-Asset Public Strategies	6.00%	3.73%	0.22%
PIP - Private Investment Partnership	3.00%	6.55%	0.20%
Total	100.00%		5.33%
		Inflation	2.50%
	**Expected arithme	tic nominal return	7.83%

^{*}The above allocation provides a one-year return of 7.83%. 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 6.72%, including expected inflation of 2.50%.

^{**}On October 10, 2019, the VRS Board elected a long-term rate of 6.75% which was roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11%, including expected inflation of 2.50%.

Notes to Financial Statements At June 30, 2023 (Continued)

Note 16 - 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, 2022, 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, 2022 on, all agencies are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the Teacher Employee HIC OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total Teacher Employee HIC OPEB liability.

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

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

		Rate	
	1% Decrease	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
School division's proportionate			
share of the VRS Teacher			
Employee HIC OPEB Plan			
Net HIC OPEB Liability	\$ 1,628,556	\$ 1,445,022	\$ 1,289,444

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 2022 Annual Comprehensive Financial Report (Annual Report). A copy of the 2022 VRS Annual Report may be downloaded from the VRS website at http://www.varetire.org/pdf/publications/2022-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Notes to Financial Statements At June 30, 2023 (Continued)

Note 17 - 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 <u>Code of Virginia</u>, 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 GLI coverage, the insurer bills employers directly for the premiums. Employers deduct these premiums from members' paychecks and pay the premiums to the insurer. Since this is a separate and fully insured program, it is not included as part of the GLI 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 \$8,984 as of June 30, 2023.

Notes to Financial Statements At June 30, 2023 (Continued)

Note 17 - Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Contributions

The contribution requirements for the GLI Plan are governed by \$51.1-506 and \$51.1-508 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the GLI Plan was 1.34% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.80% (1.34% x 60%) and the employer component was 0.54% (1.34% x 40%). Employers may elect to pay all or part of the employee contribution; however, the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2023 was 0.54% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the GLI Plan from the entity were \$35,620 and \$32,562 for the years ended June 30, 2023 and June 30, 2022, respectively, for the County; \$5,695 and \$4,777 for the years ended June 30, 2023 and June 30, 2022, respectively, for the School Board (nonprofessional); and \$63,150 and \$58,227 for the years ended June 30, 2022, 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 GLI Plan OPEB

At June 30, 2023, the entity reported a liability of \$333,776, \$49,007, and \$596,871 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, 2022 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, 2021, and rolled forward to the measurement date of June 30, 2022. 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, 2022 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2022, the participating employer's proportion was 0.02770%, 0.00410%, and 0.04960% as compared to 0.02720%, 0.00400%, and 0.04890% at June 30, 2021 for the County, School Board Nonprofessional, and School Board Professional, respectively.

For the year ended June 30, 2023, the participating employer recognized GLI OPEB expense of \$21,807, \$1,284, and \$11,117 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.

Notes to Financial Statements At June 30, 2023 (Continued)

Note 17 - Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

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

At June 30, 2023, 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	\$	26,431	\$	13,390
Net difference between projected and actual earnings on GLI OPEB plan investments		-		20,856
Change in assumptions		12,449		32,511
Changes in proportionate share		30,743		45
Employer contributions subsequent to the measurement date		35,620		-
Total Primary Government	\$_	105,243	\$	66,802
Component Unit School Board (nonprofessional)				
Differences between expected and actual experience	\$	3,881	\$	1,966
Net difference between projected and actual earnings on GLI OPEB plan investments		-		3,062
Change in assumptions		1,828		4,773
Changes in proportionate share		2,063		3,502
Employer contributions subsequent to the measurement date		5,695		
Total Component Unit School Board (nonprofessional)	\$_	13,467	\$	13,303
Component Unit School Board (professional)				
Differences between expected and actual experience	\$	47,265	\$	23,945
Net difference between projected and actual earnings on GLI OPEB plan investments		-		37,296
Change in assumptions		22,262		58,138
Changes in proportionate share		10,077		38,866
Employer contributions subsequent to the measurement date		63,150		_
Total Component Unit School Board (professional)	ς_	142,754	ς -	158,245
Total component offic school board (professional)	~ =	174,137		130,273

Notes to Financial Statements At June 30, 2023 (Continued)

Note 17 - Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

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

\$35,620, \$5,695 and \$63,150 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, 2024. 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)
2024	 2.027	· ·	(4.4.40) 6	(20.50()
2024	\$ 3,937	\$	(1,140) \$	(20,506)
2025	2,985		(1,464)	(20,787)
2026	(10,214)		(3,059)	(37,376)
2027	7,493		243	2,842
2028	(1,380)		(111)	(2,814)
Thereafter	_		-	_

Actuarial Assumptions

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2021, 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, 2022. The assumptions include several employer groups as noted below. 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 Locality - General employees	3.50% - 5.95% 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

Notes to Financial Statements At June 30, 2023 (Continued)

Note 17 - Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Actuarial Assumptions: (Continued)

Mortality Rates - Teachers

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:

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

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. 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

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

Pre-Retirement:

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

Post-Retirement:

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

Notes to Financial Statements At June 30, 2023 (Continued)

Note 17 - Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Actuarial Assumptions: (Continued)

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

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:

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

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Notes to Financial Statements At June 30, 2023 (Continued)

Note 17 - Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Actuarial Assumptions: (Continued)

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

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, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. 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, 2022, NOL amounts for the GLI Plan are as follows (amounts expressed in thousands):

	_	GLI OPEB Plan
Total GLI OPEB Liability	\$	3,672,085
Plan Fiduciary Net Position		2,467,989
GLI Net OPEB Liability (Asset)	\$	1,204,096
Plan Fiduciary Net Position as a Percentage		
of the Total GLI OPEB Liability		67.21%

Notes to Financial Statements At June 30, 2023 (Continued)

Note 17 - Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

NET GLI OPEB Liability: (Continued)

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.

Long-Term Expected Rate of Return

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

Asset Class (Strategy)	Long-Term Target Asset Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-term Expected Rate of Return*
Public Equity	34.00%	5.71%	1.94%
Fixed Income	15.00%	2.04%	0.31%
Credit Strategies	14.00%	4.78%	0.67%
Real Assets	14.00%	4.47%	0.63%
Private Equity	14.00%	9.73%	1.36%
MAPS - Multi-Asset Public Strategies	6.00%	3.73%	0.22%
PIP - Private Investment Partnership	3.00%	6.55%	0.20%
Total	100.00%		5.33%
		Inflation	2.50%
	**Expected arithme	7.83%	

^{*}The above allocation provides a one-year return of 7.83%. 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 6.72%, including expected inflation of 2.50%.

^{**}On October 10, 2019, the VRS Board elected a long-term rate of return of 6.75% which was roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11%, including expected inflation of 2.50%.

Notes to Financial Statements At June 30, 2023 (Continued)

Note 17 - 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 and 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, 2022, 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 100% of the actuarially determined contribution rate. From July 1, 2022 on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the GLI OPEB's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total GLI OPEB liability.

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

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

Rate				
1% Decrease	Current Discount	1% Increase		
(5.75%)	(6.75%)	(7.75%)		
		•		
\$ 485,682	\$ 333,776	\$ 211,014		
\$ 71,311	\$ 49,007	\$ 30,982		
S 868.517	\$ 596,871	\$ 377,343		
	(5.75%) \$ 485,682 \$ 71,311	1% Decrease Current Discount		

GLI Plan Fiduciary Net Position

Detailed information about the GLI Plan's Fiduciary Net Position is available in the separately issued VRS 2022 Annual Comprehensive Financial Report (Annual Report). A copy of the 2022 VRS Annual Report may be downloaded from the VRS website at https://www.varetire.org/pdf/publications/2022-annual-report. pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Notes to Financial Statements At June 30, 2023 (Continued)

Note 18 - Aggregate OPEB Information:

V	RS	OI	PF	B	PΙ	aı	าร

VIO 01 E	D I talis				
				Net OPEB	
		Deferred	Deferred	Liability	OPEB
		Outflows	Inflows	(Asset)	Expense
Primary Government					
Group Life Insurance Program (Note 17):					
County	\$	105,243 \$	66,802 \$	333,776	21,807
County Health Insurance Credit Plan (Note 15)	•	19,418	21,804	(26,718)	(3,139)
County Stand-Alone Plan (Note 14)		199,410	213,617	663,872	71,409
Totals	\$	324,071 \$	302,223 \$	970,930 \$	90,077
	•				
Component Unit School Board					
Group Life Insurance Plan (Note 17):					
School Board Nonprofessional	\$	13,467 \$	13,303 \$	49,007	1,284
School Board Professional		142,754	158,245	596,871	11,117
School Board Health Insurance Credit Plan (Note 15)		17,092	-	106,649	10,364
Teacher Health Insurance Credit Plan (Note 15)		207,796	158,111	1,445,022	98,665
School Stand-Alone Plan (Note 14)		231,772	261,159	1,420,951	108,180
Totals	\$	612,881 \$	590,818 \$	3,618,500	229,610

Note 19 - Litigation:

At June 30, 2023, there were no matters of litigation involving the County or its component units that would have an adverse material effect on the financial position of the reporting entity.

Note 20 - Fair Value Measurements:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The County maximizes the use of observable inputs and minimizes the use of unobservable inputs. Observable inputs are inputs that market participants would use in pricing the asset or liability based on market data obtained from independent sources. Unobservable inputs reflect assumptions that market participants would use in pricing the asset or liability based on the best information available in the circumstances. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels as follows:

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

Notes to Financial Statements At June 30, 2023 (Continued)

Note 20 - Fair Value Measurements: (Continued)

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

The County has the following recurring fair value measurements as of June 30, 2023:

			Fair Value Measurements Using					
			Quoted Prices	Significant		6. 16.		
			in Active	Other		Significant		
			Markets or	Observable		Unobservable		
			Identical Assets	Inputs		Inputs		
Investment	 6/30/2023	_	(Level 1)	(Level 2)		(Level 3)		
U.S. Government Securities	\$ 60,586	\$	60,586 \$	-	\$	-		
	\$ 60,586	\$	60,586 \$	· <u>-</u>	\$	-		

Note 21—Adoption of Accounting Principles:

The County implemented provisions of Governmental Accounting Standards Board Statement No. 96, Subscription-Based IT Arrangements (SBITAs) during the fiscal year ended June 30, 2023. Statement No. 96, SBITAs requires recognition of certain subscription assets and liabilities for certain contracts that convey control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. No restatement of beginning net position was required as a result of this implementation. Using the facts and circumstances that existed at the beginning of the year of implementation, the following balances were recognized as of July 1, 2022 related to the subscription(s):

		Governmental Activities
Subscription assets	\$ \$	238,639
Subscription liabilities	\$	23

Note 22 - Upcoming Pronouncements:

Statement No. 99, Omnibus 2023, enhances the comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The effective dates differ based on the requirements of the Statement, ranging from April 2022 to reporting periods beginning after June 15, 2023.

Notes to Financial Statements At June 30, 2023 (Continued)

Note 22 - Upcoming Pronouncements: (Continued)

Statement No. 100, Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62, enhances accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for reporting periods beginning after June 15, 2023.

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

Implementation Guide No. 2021-1, *Implementation Guidance Update*—2021, with dates ranging from reporting periods beginning after June 15, 2022 to reporting periods beginning after June 15, 2023.

Implementation Guide No. 2023-1, *Implementation Guidance Update*—2023, effective for fiscal years beginning after June 15, 2023.

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

Note 23 - COVID-19 Pandemic Subsequent Event:

The COVID-19 pandemic and its impact on operations continues to evolve. Specific to the County, COVID-19 impacted various parts of its 2023 operations and financial results including, but not limited to, costs for emergency preparedness and shortages of personnel. Federal relief has been received through various programs. Management believes the County is taking appropriate actions to mitigate the negative impact. The extent to which COVID-19 may impact operations in subsequent years remains uncertain, and management is unable to estimate the effects on future results of operations, financial condition, or liquidity for fiscal year 2023.

ARPA Funding

On March 11, 2023, the American Rescue Plan (ARPA) Act of 2023 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 were to receive funds in two tranches, with 50% provided beginning in May 2021 and the balance delivered approximately 12 months later.

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. Unspent funds in the amount of \$2,537,577 from both allocations are reported as unearned revenue as of June 30.

- Required Supplementary Information -

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual -- General Fund Year Ended June 30, 2023

	_	Original Budget	Budget As Amended	Actual	Variance With Amended Budget Positive (Negative)
Revenues:		40.007.050.6	40.007.050 6	10.075 (10. 6	070 240
General property taxes	\$	18,997,250 \$	18,997,250 \$	19,975,618 \$	978,368
Other local taxes		3,277,500	3,277,500	4,205,478	927,978
Permits, privilege fees and regulatory licenses		220,375	220,375	305,842	85,467
Fines and forfeitures		150,800	150,800	124,873	(25,927)
Revenue from use of money and property		21,500	21,500	878,979	857,479
Charges for services		543,794	543,794	801,155	257,361
Miscellaneous		86,733	118,918	429,422	310,504
Intergovernmental: Contribution from Component Unit School Boa	rd		399,642	399,642	
Commonwealth	ıu	5,514,130	5,553,854	5,001,598	(552,256)
Federal		4,423,582	4,431,082	1,709,680	(2,721,402)
	_				
Total revenues	\$_	33,235,664 \$	33,714,715 \$	33,832,287 \$	117,572
Expenditures: Current: General government administration Judicial administration Public safety	\$	2,369,502 \$ 1,223,637 8,088,126	2,324,917 \$ 1,260,860 8,226,119	2,285,361 \$ 1,212,787 8,186,958	39,556 48,073 39,161
Public works		1,260,006	1,269,486	1,322,559	(53,073)
Health and welfare		5,848,533	5,848,533	4,454,652	1,393,881
Education		9,697,040	9,715,840	9,691,233	24,607
Parks, recreation, and cultural		479,315	508,115	495,974	12,141
Community development		685,886	685,886	674,878	11,008
Nondepartmental		303,519	210,647	8,123	202,524
Debt service:			-,-	-, -	- /-
Principal retirement		1,060,890	1,060,890	1,060,890	-
Interest and other fiscal charges		666,064	666,064	666,063	1_
Total expenditures	\$	31,682,518 \$	31,777,357 \$	30,059,478 \$	1,717,879
Excess (deficiency) of revenues over (under) expenditures	\$_	1,553,146 \$	1,937,358 \$	3,772,809 \$	1,835,451
Other Financing Sources (uses):					
Transfers in	\$	- \$	289,532 \$	289,532 \$	-
Transfers (out)		(3,043,264)	(3,909,983)	(1,647,022)	2,262,961
Total other financing sources (uses)	\$_	(3,043,264) \$	(3,620,451) \$	(1,357,490) \$	2,262,961
Net change in fund balances	\$	(1,490,118) \$	(1,683,093) \$	2,415,319 \$	4,098,412
Fund balances at beginning of year	_	1,490,118	1,735,093	24,090,854	22,355,761
Fund balances at end of year	\$_	- \$	52,000 \$	26,506,173 \$	26,454,173

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios Primary Government

For the Measurement Dates of June 30, 2014 through June 30, 2022

		2014	2015	2016	2017	2018
Total pension liability	_	_				_
Service cost	\$	541,330 \$	541,394 \$	516,914 \$	561,082 \$	570,023
Interest		977,153	1,037,311	1,078,393	1,111,394	1,174,284
Differences between expected and actual						
experience		-	(156,191)	(282,251)	140,511	(508,725)
Changes in assumptions		-	-	-	(44,022)	-
Benefit payments, including refunds of						
employee contributions	_	(578,303)	(739,879)	(931,371)	(751,849)	(989,214)
Net change in total pension liability	\$	940,180 \$	682,635 \$	381,685 \$	1,017,116 \$	246,368
Total pension liability - beginning		14,248,481	15,188,661	15,871,296	16,252,981	17,270,097
Total pension liability - ending (a)	\$	15,188,661 \$	15,871,296 \$	16,252,981 \$	17,270,097 \$	17,516,465
	=		 -			
Plan fiduciary net position						
Contributions - employer	\$	506,793 \$	471,484 \$	489,952 \$	390,309 \$	394,766
Contributions - employee		198,721	201,091	208,419	219,531	222,548
Net investment income		1,957,999	663,732	261,173	1,825,862	1,217,607
Benefit payments, including refunds of						
employee contributions		(578,303)	(739,879)	(931,371)	(751,849)	(989,214)
Administrative expense		(10,342)	(9,028)	(9,269)	(10,482)	(10,613)
Other		103	(137)	(110)	(1,626)	(1,085)
Net change in plan fiduciary net position	\$	2,074,971 \$	587,263 \$	18,794 \$	1,671,745 \$	834,009
Plan fiduciary net position - beginning	_	12,290,513	14,365,484	14,952,747	14,971,541	16,643,286
Plan fiduciary net position - ending (b)	\$_	14,365,484 \$	14,952,747 \$	14,971,541 \$	16,643,286 \$	17,477,295
County's net pension liability (asset) -						
ending (a) - (b)	\$	823,177 \$	918,549 \$	1,281,440 \$	626,811 \$	39,170
ending (a) - (b)	ڔ	023,177 \$	910,549 \$	1,201,440 \$	020,011 3	39,170
Plan fiduciary net position as a percentage						
of the total pension liability		94.58%	94.21%	92.12%	96.37%	1
Covered payroll	\$	3,980,282 \$	4,048,172 \$	4,233,595 \$	4,466,281 \$	4,584,440
County's net pension liability (asset) as a						
percentage of covered payroll		20.68%	22.69%	30.27%	14.03%	0.85%

Schedule is intended to show information for 10 years. Information prior to the 2014 valuation is not available. However, additional years will be included as they become available.

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios Primary Government

For the Measurement Dates of June 30, 2014 through June 30, 2022

	_	2019	2020	2021	2022
Total pension liability					
Service cost	\$	606,878 \$	677,748 \$	719,477 \$	821,988
Interest		1,189,868	1,251,916	1,355,401	1,519,169
Differences between expected and actual					
experience		182,252	592,229	(175,389)	(1,321,968)
Changes in assumptions		564,680	-	731,791	-
Benefit payments, including refunds of					
employee contributions		(1,036,713)	(953,051)	(1,024,525)	(1,029,628)
Net change in total pension liability	\$	1,506,965 \$	1,568,842 \$	1,606,755 \$	(10,439)
Total pension liability - beginning		17,516,465	19,023,430	20,592,272	22,199,027
Total pension liability - ending (a)	\$	19,023,430 \$	20,592,272 \$	22,199,027 \$	22,188,588
Plan fiduciary net position					
Contributions - employer	\$	407,989 \$	427,549 \$	561,114 \$	598,233
Contributions - employee	Y	239,126	251,406	265,127	282,290
Net investment income		1,157,589	347,959	5,011,306	(29,206)
Benefit payments, including refunds of		1,137,307	347,737	3,011,300	(27,200)
employee contributions		(1,036,713)	(953,051)	(1,024,525)	(1,029,628)
Administrative expense		(11,514)	(11,849)	(12,328)	(14,316)
Other		(728)	(412)	474	538
Net change in plan fiduciary net position	\$	755,749 \$	61,602 \$	4,801,168 \$	(192,089)
Plan fiduciary net position - beginning	•	17,477,295	18,233,044	18,294,646	23,095,814
Plan fiduciary net position - ending (b)	\$_	18,233,044 \$	18,294,646 \$	23,095,814 \$	22,903,725
	_				
County's net pension liability (asset) -	ć	700 204 6	2 207 (2) 6	(004 7 0 7) ¢	(745 427)
ending (a) - (b)	\$	790,386 \$	2,297,626 \$	(896,787) \$	(715,137)
Plan fiduciary net position as a percentage					
of the total pension liability		95.85%	88.84%	104.04%	103.22%
Covered payroll	\$	4,940,970 \$	5,244,199 \$	5,573,211 \$	5,954,892
County's net pension liability (asset) as a					
percentage of covered payroll		16.00%	43.81%	-16.09%	-12.01%

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios Component Unit School Board (nonprofessional)

For the Measurement Dates of June 30, 2014 through June 30, 2022

		2014	2015	2016	2017	2018
Total pension liability						
Service cost	\$	76,301 \$	74,089 \$	66,822 \$	68,751 \$	63,158
Interest		218,017	226,502	227,787	220,674	221,119
Differences between expected and actual experience		-	(103,073)	(210,778)	(61,562)	8,879
Changes in assumptions		-	-	-	(21,588)	-
Benefit payments, including refunds of employee contributions		(141,719)	(204,473)	(153,861)	(217,007)	(182,847)
Net change in total pension liability	Ś	152,599 \$	(6,955) \$	(70,030) \$	(10,732) \$	110,309
Total pension liability - beginning	•	3,185,382	3,337,981	3,331,026	3,260,996	3,250,264
Total pension liability - ending (a)	\$	3,337,981 \$	3,331,026 \$	3,260,996 \$	3,250,264 \$	3,360,573
Plan fiduciary net position						
Contributions - employer	\$	41,634 \$	33,962 \$	34,045 \$	1,243 \$	1,208
Contributions - employee		38,268	35,046	35,144	37,596	39,120
Net investment income		515,077	167,887	64,136	444,970	293,037
Benefit payments, including refunds of employee						
contributions		(141,719)	(204,473)	(153,861)	(217,007)	(182,847)
Administrative expense		(2,804)	(2,399)	(2,362)	(2,689)	(2,597)
Other		27	(38)	(27)	(391)	(258)
Net change in plan fiduciary net position	\$	450,483 \$	29,985 \$	(22,925) \$	263,722 \$	147,663
Plan fiduciary net position - beginning		3,282,575	3,733,058	3,763,043	3,740,118	4,003,840
Plan fiduciary net position - ending (b)	\$_	3,733,058 \$	3,763,043 \$	3,740,118 \$	4,003,840 \$	4,151,503
School Division's net pension liability (asset) - ending (a) - (b)	\$	(395,077) \$	(432,017) \$	(479,122) \$	(753,576) \$	(790,930)
Plan fiduciary net position as a percentage of the total pension liability		111.84%	112.97%	114.69%	123.19%	123.54%
Covered payroll	\$	765,340 \$	707,545 \$	731,331 \$	763,392 \$	841,045
School Division's net pension liability (asset) as a percentage of covered payroll		-51.62%	-61.06%	-65.51%	-98.71%	-94.04%

Schedule is intended to show information for 10 years. Information prior to the 2014 valuation is not available. However, additional years will be included as they become available.

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios Component Unit School Board (nonprofessional)

For the Measurement Dates of June 30, 2014 through June 30, 2022

		2019	2020	2021	2022
Total pension liability	_				
Service cost	\$	70,774 \$	72,976 \$	71,699 \$	70,855
Interest		228,352	232,552	243,627	261,360
Differences between expected and actual experience		(19,974)	49,027	(51,672)	(59,788)
Changes in assumptions		94,551	-	123,659	-
Benefit payments, including refunds of employee					
contributions	_	(196,793)	(184,535)	(196,439)	(194,476)
Net change in total pension liability	\$	176,910 \$	170,020 \$	190,874 \$	77,951
Total pension liability - beginning		3,360,573	3,537,483	3,707,503	3,898,377
Total pension liability - ending (a)	\$	3,537,483 \$	3,707,503 \$	3,898,377 \$	3,976,328
	_				
Plan fiduciary net position					
Contributions - employer	\$	3,454 \$	3,252 \$	- \$	2
Contributions - employee		38,555	38,491	37,796	40,429
Net investment income		272,231	80,870	1,133,738	(3,462)
Benefit payments, including refunds of employee					
contributions		(196,793)	(184,535)	(196,439)	(194,476)
Administrative expense		(2,800)	(2,825)	(2,899)	(3,251)
Other		(170)	(95)	106	118
Net change in plan fiduciary net position	\$	114,477 \$	(64,842) \$	972,302 \$	(160,640)
Plan fiduciary net position - beginning	_	4,151,503	4,265,980	4,201,138	5,173,440
Plan fiduciary net position - ending (b)	\$_	4,265,980 \$	4,201,138 \$	5,173,440 \$	5,012,800
School Division's net pension liability (asset) -					
ending (a) - (b)	\$	(728,497) \$	(493,635) \$	(1,275,063) \$	(1,036,472)
Plan fiduciary net position as a percentage of the					
total pension liability		120.59%	113.31%	132.71%	126.07%
Covered payroll	\$	831,157 \$	837,116 \$	817,250 \$	884,559
School Division's net pension liability (asset) as a					
percentage of covered payroll		-87.65%	-58.97%	-156.02%	-117.17%

Schedule of Employer's Share of Net Pension Liability VRS Teacher Retirement Plan For the Measurement Dates of June 30, 2014 through June 30, 2022

	_	2014	2015	2016	2017	2018
Employer's Proportion of the Net Pension Liability (Asset)		0.13142%	0.12919%	0.12492%	0.12619%	0.12517%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$	15,882,000 \$	16,260,000 \$	17,507,000 \$	15,518,000 \$	14,720,000
Employer's Covered Payroll		9,603,425	9,660,903	9,359,189	10,295,095	10,210,771
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll		165.38%	168.31%	187.06%	150.73%	144.16%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		70.88%	70.68%	68.28%	72.92%	74.81%

Schedule is intended to show information for 10 years. Information prior to the 2014 valuation is not available. However, additional years will be included as they become available.

Schedule of Employer's Share of Net Pension Liability VRS Teacher Retirement Plan For the Measurement Dates of June 30, 2014 through June 30, 2022

	_	2019	2020	2021	2022
Employer's Proportion of the Net Pension Liability (Asset)		0.12028%	0.11584%	0.11377%	0.11591%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$	15,829,532 \$	16,857,762 \$	8,832,076 \$	11,035,326
Employer's Covered Payroll		10,176,839	10,214,762	10,088,200	10,782,790
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll		155.54%	165.03%	87.55%	102.34%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		73.51%	71.47%	85.46%	82.61%

Schedule of Employer Contributions - Pension Years Ended June 30, 2014 through June 30, 2023

Date	Contractually Required Contribution (1)*		Contributions in Relation to Contractually Required Contribution (2)*	 Contribution Deficiency (Excess) (3)	 Employer's Covered Employee Payroll (4)	 Contributions as a % of Covered Employee Payroll (5)
Primary Government						
2023 \$	693,929	\$	693,929	\$ -	\$ 6,531,655	\$ 10.62%
2022	598,232		598,232	-	5,954,892	10.05%
2021	561,113		561,113	-	5,573,211	10.07%
2020	429,701		429,701	-	5,244,199	8.19%
2019	407,487		407,487	-	4,940,970	8.25%
2018	394,774		394,774	-	4,584,440	8.61%
2017	393,926		393,926	-	4,466,281	8.82%
2016	493,214		493,214	-	4,233,595	11.65%
2015	471,612		471,612	-	4,048,172	11.65%
2014	507,088		507,088	-	3,980,282	12.74%
Component Unit Scho	ol Board (nonpro	fes	sional)			
2023 \$	-	\$	-	\$ -	\$ 1,054,629	\$ 0.00%
2022	-		-	-	884,559	0.00%
2021	46		46	-	817,250	0.01%
2020	199		199	-	837,116	0.02%
2019	1,333		1,333	-	831,157	0.16%
2018	1,201		1,201	-	841,045	0.14%
2017	4,002		4,002	-	763,392	0.52%
2016	35,470		35,470	-	731,331	4.85%
2015	34,316		34,316	-	707,545	4.85%
2014	41,634		41,634	-	765,340	5.44%
Component Unit Scho	ol Board (profess	ion	al)			
2023 \$	1,862,061	\$	1,862,061	\$ -	\$ 11,694,412	\$ 15.92%
2022	1,721,935		1,721,935	-	10,782,790	15.97%
2021	1,609,602		1,609,602	-	10,088,200	15.96%
2020	1,539,369		1,539,369	-	10,214,762	15.07%
2019	1,541,453		1,541,453	-	10,176,839	15.15%
2018	1,590,403		1,590,403	-	10,210,771	15.58%
2017	1,509,261		1,509,261	-	10,295,095	14.66%
2016	1,315,902		1,315,902	-	9,359,189	14.06%
2015	1,400,831		1,400,831	-	9,660,903	14.50%

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

The School Board Professional Schedule is intended to show information for 10 years. Information prior to the 2014 valuation is not available. However, additional years will be included as they become available.

Notes to Required Supplementary Information - Pension Pension Plans Year Ended June 30, 2023

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, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. 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	Update to Pub-2010 public sector mortality tables. For future
healthy, and disabled)	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,
neattry, and disabled)	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	Update to Pub-2010 public sector mortality tables. For future
healthy, and disabled)	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

For the Measurement Dates of June 30, 2018 through June 30, 2023

		2018	2019		2020	2021		2022	2023
Total OPEB liability	-			-			-		
Service cost	\$	18,953 \$	18,578	\$	28,207 \$	40,138	\$	40,682 \$	30,811
Interest		15,356	16,760		16,541	19,391		19,629	22,648
Changes in assumptions		(13,048)	17,115		150,855	4,546		(120,900)	19,708
Differences between expected and									
actual experience		-	-		231,344	-		(166,119)	-
Benefit payments	_	(18,464)	(15,016)		(30,191)	(37,902)		(28,669)	(36,226)
Net change in total OPEB liability	\$	2,797 \$	37,437	\$	396,756 \$	26,173	\$	(255,377) \$	36,941
Total OPEB liability - beginning		419,145	421,942		459,379	856,135		882,308	626,931
Total OPEB liability - ending	\$	421,942 \$	459,379	\$	856,135 \$	882,308	\$	626,931 \$	663,872
	-			-			-		
Covered employee payroll	\$	4,288,858 \$	4,288,858	\$	5,220,405 \$	5,220,405	\$	4,977,693 \$	4,977,693
5									
County's total OPEB liability (asset) as a percentage of covered employee payroll		9.84%	10.71%		16.40%	16.90%		12.59%	13.34%

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

Schedule of Changes in Total OPEB Liability (Asset) and Related Ratios Component Unit School Board For the Measurement Dates of June 30, 2018 through June 30, 2023

		2018	2019	2020	2021	2022	2023
Total OPEB liability	_						
Service cost	\$	57,167 \$	56,266 \$	56,693 \$	76,387 \$	83,662 \$	65,699
Interest		39,196	43,605	43,237	28,603	29,722	47,774
Changes in assumptions		(26,737)	35,146	188,216	4,870	(179,844)	47,935
Economic/demographic gains or losses		-	-	(229,238)	-	104,951	-
Benefit payments		(34,934)	(38,827)	(14,635)	(24,779)	(46,040)	(48,164)
Net change in total OPEB liability	\$	34,692 \$	96,190 \$	44,273 \$	85,081 \$	(7,549) \$	113,244
Total OPEB liability - beginning		1,055,020	1,089,712	1,185,902	1,230,175	1,315,256	1,307,707
Total OPEB liability - ending	\$	1,089,712 \$	1,185,902 \$	1,230,175 \$	1,315,256 \$	1,307,707 \$	1,420,951
	_						
Covered employee payroll	\$	9,729,827 \$	9,729,827 \$	9,522,007 \$	9,522,007 \$	10,082,562 \$	10,082,562
School Board's total OPEB liability (asset) as							
a percentage of covered employee payroll		11.20%	12.19%	12.92%	13.81%	12.97%	14.09%

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

Notes to Required Supplementary Information - County and Component Unit School Board OPEB Year Ended June 30, 2023

Valuation Date: 7/1/2021 Measurement Date: 6/30/2023

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

Methods and assumptions used to determine OPEB liability:

Actuarial Cost Method	Entry age normal level % of salary
Discount Rate	3.65%
Inflation	2.50%
Healthcare Trend Rate	The healthcare trend rate assumption starts at 4.50% in 2021 and gradually declines to 3.90% by the year 2073
Salary Increase Rates	The salary increase rate starts at 5.35% salary increase for 1 year of service and gradually declines to 3.50% salary increase for 20 or more years of service
Retirement Age	The average age of retirement is 62
Mortality Rates	The mortality rates for active and healthy retirees was calculated using the RP-2014 Total Dataset Mortality Table fully generational using scale BB. The mortality rates for disabled retirees and calculated using the RP-2014 Disabled Mortality Table fully generational using scale BB.

Schedule of Changes in the County's Net OPEB Liability (Asset) and Related Ratios Health Insurance Credit (HIC) Plan Primary Government

For the Measurement Dates of June 30, 2017 through June 30, 2022

	_	2017	2018	2019	2020	2021	2022
Total HIC OPEB Liability		_	_				
Service cost	\$	2,985 \$	3,059 \$	3,438 \$	3,021 \$	3,147 \$	3,597
Interest		3,183	3,350	2,686	3,090	4,511	5,021
Differences between expected and							
actual experience		-	(13,071)	3,974	20,211	1,513	(8,089)
Changes in assumptions		(2,242)	-	1,353	-	435	(7,895)
Benefit payments		(234)	(2,817)	(2,846)	(5,238)	(5,296)	(6,005)
Net change in total HIC OPEB liability	\$	3,692 \$	(9,479) \$	8,605 \$	21,084 \$	4,310 \$	(13,371)
Total HIC OPEB Liability - beginning		45,580	49,272	39,793	48,398	69,482	73,792
Total HIC OPEB Liability - ending (a)	\$	49,272 \$	39,793 \$	48,398 \$	69,482 \$	73,792 \$	60,421
Plan fiduciary net position							
Contributions - employer	\$	1,632 \$	1,683 \$	1,645 \$	1,747 \$	3,082 \$	3,306
Net investment income	•	6,718	4,655	4,385	1,417	17,982	162
Benefit payments		(234)	(2,817)	(2,846)	(5,238)	(5,296)	(6,005)
Administrative expense		(111)	(109)	(95)	(132)	(208)	(151)
Other		335	(335)	(5)	(1)	-	4,783
Net change in plan fiduciary net position	\$	8,340 \$	3,077 \$	3,084 \$	(2,207) \$	15,560 \$	2,095
Plan fiduciary net position - beginning		57,190	65,530	68,607	71,691	69,484	85,044
Plan fiduciary net position - ending (b)	\$	65,530 \$	68,607 \$	71,691 \$	69,484 \$	85,044 \$	87,139
County's net HIC OPEB liability (asset) - ending (a) - (b)	\$	(16,258) \$	(28,814) \$	(23,293) \$	(2) \$	(11,252) \$	(26,718)
Plan fiduciary net position as a percentage of the total HIC OPEB liability		133.00%	172.41%	148.13%	100.00%	115.25%	144.22%
Covered payroll	\$	1,812,803 \$	1,870,043 \$	2,056,575 \$	2,182,925 \$	2,369,969 \$	2,543,671
County's net HIC OPEB liability as a percentage of covered payroll		-0.90%	-1.54%	-1.13%	0.00%	-0.47%	-1.05%

Schedule is intended to show information for 10 years. Information prior to the 2018 valuation is not available. However, additional years will be included as they become available.

Schedule of Changes in the County's Net OPEB Liability (Asset) and Related Ratios Health Insurance Credit (HIC) Plan

Component Unit School Board (nonprofessional)

For the Measurement Dates of June 30, 2020 through June 30, 2022

		2020		2021		2022
Total HIC OPEB Liability						
Service cost	\$	-	\$	1,363	\$	2,396
Interest		-		6,770		7,514
Changes of benefit terms		100,300		-		-
Differences between expected and actual experience		-		2		281
Changes in assumptions		-		2,536		3,189
Benefit payments		-		-		(4,085)
Net change in total HIC OPEB liability	\$	100,300	\$	10,671	\$	9,295
Total HIC OPEB Liability - beginning		-		100,300		110,971
Total HIC OPEB Liability - ending (a)	\$	100,300	\$	110,971	\$	120,266
Plan fiduciary net position						
Contributions - employer	\$	_	\$	8,009	ς	8,669
Net investment income	Y	_	Ÿ	1,176	Ÿ	(88)
Benefit payments		_		-		(4,085)
Administrative expense		_		(36)		(28)
Net change in plan fiduciary net position	s	_	s —	9,149	Ś	4,468
Plan fiduciary net position - beginning	•	_	•	-,	•	9,149
Plan fiduciary net position - ending (b)	\$	-	\$	9,149	\$	13,617
School Division's net HIC OPEB liability (asset) -						
ending (a) - (b)	\$	100,300	\$	101,822	Ś	106,649
	7	100,300	7	101,022	7	100,017
Plan fiduciary net position as a percentage of the total						
HIC OPEB liability		0.00%		8.24%		11.32%
Covered payroll	\$	837,116	\$	817,250	\$	884,559
School Division's net HIC OPEB liability as a						
percentage of covered payroll		11.98%		12.46%		12.06%

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

Schedule of Employer Contributions
Health Insurance Credit (HIC) Plan
Primary Government and Component Unit School Board (nonprofessional)
Years Ended June 30, 2014 through June 30, 2023

			(Contributions in	1				
				Relation to					Contributions
		Contractually		Contractually		Contribution		Employer's	as a % of
		Required		Required		Deficiency		Covered	Covered
		Contribution		Contribution		(Excess)		Payroll	Payroll
Date		(1)	_	(2)	_	(3)	_	(4)	(5)
Primary Go	verr	ment					=		
2023	\$	2,805	\$	2,805	\$	-	\$	2,805,480	0.10%
2022		3,307		3,307		-		2,543,671	0.13%
2021		3,081		3,081		-		2,369,969	0.13%
2020		1,746		1,746		-		2,182,925	0.08%
2019		1,645		1,645		-		2,056,575	0.08%
2018		1,683		1,683		-		1,870,043	0.09%
2017		1,632		1,632		-		1,812,803	0.09%
2016		2,052		2,052		-		1,710,367	0.12%
2015		1,942		1,942		-		1,618,587	0.12%
2014		942		942		-		1,570,676	0.06%
Component	Uni	t School Board (nor	nprofessional)					
2023	\$	12,656	\$	12,656	\$	-	\$	1,054,629	1.20%
2022		8,669		8,669		-		884,559	0.98%
2021		8,009		8,009		-		817,250	0.98%

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

Notes to Required Supplementary Information Health Insurance Credit (HIC) Plan Primary Government and Component Unit School Board (nonprofessional) Year Ended June 30, 2023

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, 2021, valuation were based on the results of an actuarial experience study for the period from July 1, 2016 though June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. 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	Update to Pub-2010 public sector mortality tables. Increased
healthy, and disabled)	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 Madison County School Board's Share of Net OPEB Liability Teacher Employee Health Insurance Credit (HIC) Plan For the Measurement Dates of June 30, 2017 through June 30, 2022

				Employer's Proportionate Share	
		Employer's		of the Net HIC OPEB	
	Employer's	Proportionate		Liability (Asset)	Plan Fiduciary
	Proportion of the	Share of the	Employer's	as a Percentage of	Net Position as a
Date	Net HIC OPEB Liability (Asset)	Net HIC OPEB Liability (Asset)	Covered Payroll	Covered Payroll (3)/(4)	Percentage of Total HIC OPEB Liability
(1)	(2)	(3)	(4)	(5)	(6)
	(-)	(5)	(')	(5)	(0)
2022	0.1157% \$	1,445,022	\$ 10,782,790	13.40%	15.08%
2021	0.1141%	1,464,167	10,088,200	14.51%	13.15%
2020	0.1165%	1,520,023	10,214,762	14.88%	9.95%
2019	0.1213%	1,588,328	10,176,839	15.61%	8.97%
2018	0.1264%	1,604,000	10,218,425	15.70%	8.08%
2017	0.1272%	1,614,000	10,038,856	16.08%	7.04%

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

Schedule of Employer Contributions Teacher Employee Health Insurance Credit (HIC) Plan Years Ended June 30, 2014 through June 30, 2023

		Contributions in Relation to				Contributions
	Contractually Required Contribution	Contractually Required Contribution	Contribution Deficiency (Excess)		Employer's Covered Payroll	as a % of Covered Payroll
Date	 (1)	 (2)	 (3)	_	(4)	(5)
2023	\$ 141,502	\$ 141,502	\$ -	\$	11,694,412	1.21%
2022	130,472	130,472	-		10,782,790	1.21%
2021	122,067	122,067	-		10,088,200	1.21%
2020	122,577	122,577	-		10,214,762	1.20%
2019	122,122	122,122	-		10,176,839	1.20%
2018	125,687	125,687	-		10,218,425	1.23%
2017	111,431	111,431	-		10,038,856	1.11%
2016	100,960	100,960	-		9,524,521	1.06%
2015	101,806	101,806	-		9,604,352	1.06%
2014	106,683	106,683	-		9,611,082	1.11%

Notes to Required Supplementary Information Teacher Employee Health Insurance Credit (HIC) Plan Year Ended June 30, 2023

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, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. 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, 2022

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 Go	overnment				
2022	0.02770%	\$ 333,776	\$ 6,030,040	5.54%	67.21%
2021	0.02720%	317,148	5,624,685	5.64%	67.45%
2020	0.02570%	428,891	5,289,525	8.11%	52.64%
2019	0.02538%	413,001	4,974,756	8.30%	52.00%
2018	0.02430%	369,000	4,621,166	7.98%	51.22%
2017	0.02441%	367,000	4,502,245	8.15%	48.86%
Componen	t Unit School Board (nonp	rofessional)			
2022	0.00410%	•	\$ 884,559	5.54%	67.21%
2021	0.00400%	46,105	817,250	5.64%	67.45%
2020	0.00407%	67,921	837,116	8.11%	52.64%
2019	0.00425%	69,159	834,058	8.29%	52.00%
2018	0.00442%	68,000	841,045	8.09%	51.22%
2017	0.00413%	63,000	762,592	8.26%	48.86%
Componen	t Unit School Board (profe	essional)			
2022	0.04960%	•	\$ 10,782,790	5.54%	67.21%
2021	0.04890%	568,863	10,088,200	5.64%	67.45%
2020	0.04963%	828,244	10,214,762	8.11%	52.64%
2019	0.05191%	844,714	10,176,839	8.30%	52.00%
2018	0.05374%	816,000	10,218,425	7.99%	51.22%
2017	0.05445%	819,000	10,042,981	8.15%	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, 2014 through June 30, 2023

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 Go	overnment						
2023	\$ 35,620	\$ 35,620	\$	-	\$	6,596,231	0.54%
2022	32,562	32,562		-		6,030,040	0.54%
2021	30,373	30,373		-		5,624,685	0.54%
2020	27,506	27,506		-		5,289,525	0.52%
2019	25,869	25,869		-		4,974,756	0.52%
2018	24,030	24,030		-		4,621,166	0.52%
2017	23,412	23,412		-		4,502,245	0.52%
2016	20,338	20,338		-		4,237,107	0.48%
2015	19,517	19,517		-		4,066,077	0.48%
2014	19,138	19,138		-		3,987,155	0.48%
Componen	t Unit School Board	(nonprofessional)					
2023	\$ 5,695	\$ 5,695	\$	-	\$	1,054,629	0.54%
2022	4,777	4,777		-		884,559	0.54%
2021	4,413	4,413		-		817,250	0.54%
2020	4,353	4,353		-		837,116	0.52%
2019	4,337	4,337		-		834,058	0.52%
2018	4,373	4,373		-		841,045	0.52%
2017	3,965	3,965		-		762,592	0.52%
2016	3,510	3,510		-		731,331	0.48%
2015	3,475	3,475		-		724,051	0.48%
2014	3,674	3,674		-		765,340	0.48%
Componen	t Unit School Board	(professional)					
2023	\$ 63,150	\$ 63,150	\$	-	\$	11,694,412	0.54%
2022	58,227	58,227		-		10,782,790	0.54%
2021	54,476	54,476		-		10,088,200	0.54%
2020	53,117	53,117		-		10,214,762	0.52%
2019	52,920	52,920		-		10,176,839	0.52%
2018	53,136	53,136		-		10,218,425	0.52%
2017	52,224	52,224		-		10,042,981	0.52%
2016	45,745	45,745		-		9,530,192	0.48%
2015	46,101	46,101		-		9,604,352	0.48%
2014	46,133	46,133		-		9,611,082	0.48%

Notes to Required Supplementary Information Group Life Insurance (GLI) Plan Year Ended June 30, 2023

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, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. 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 Statements and Schedules

Capital Improvement Fund Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual Year Ended June 30, 2023

	_	Budgeted A	Amounts		Variance with Final Budget -
		Original	Final	Actual Amounts	Positive (Negative)
REVENUES					
Miscellaneous	\$_	- \$	- \$		<u> </u>
Total revenues	\$_	- \$	- \$	- 9	-
EXPENDITURES					
Capital projects	\$_	7,278,853 \$	7,853,570 \$	2,126,451	5,727,119
Total expenditures	\$	7,278,853 \$	7,853,570 \$	2,126,451	5,727,119
Excess (deficiency) of revenues over					
(under) expenditures	\$_	(7,278,853) \$	(7,853,570) \$	(2,126,451)	5,727,119
OTHER FINANCING SOURCES (USES)					
Transfers in	\$	3,047,064 \$	3,738,555 \$	1,647,022	(2,091,533)
Transfers out		(289,532)	(289,532)	(289,532)	
Total other financing sources (uses)	\$	2,757,532 \$	3,449,023 \$	1,357,490	(2,091,533)
Net change in fund balances	\$	(4,521,321) \$	(4,404,547) \$	(768,961)	3,635,586
Fund balances at beginning of year	_	4,317,042	4,352,547	336,407	(4,016,140)
Fund balances at end of year	\$_	(204,279) \$	(52,000) \$	(432,554)	(380,554)

Combining Balance Sheet - Discretely Presented Component Unit - School Board At June $30,\,2023$

		School Operating Fund		School Cafeteria Fund		School Capital Fund		Nonmajor Funds		School Activities Fund		Total
ASSETS	•				_		_					
Cash and cash equivalents Accounts receivable Due from other governmental units Due from Primary Government Prepaid expenditures Inventory	\$	1,095,281 16,716 1,164,727 166,312 6,656	\$	874,692 6,330 21,719 - - 19,337	\$	- - - - -	-\$	52,997 S	\$	275,232 - - - - -	\$	2,298,202 23,046 1,186,446 166,312 6,656 19,337
Total assets	\$	2,449,692	\$	922,078	\$	-	\$	52,997	\$_	275,232	\$_	3,699,999
LIABILITIES												
Accounts payable Accrued liabilities	\$	218,489 1,135,922	\$	34,851 30,531	\$	-	\$	- <u>-</u>	\$ _	-	\$	253,340 1,166,453
Total liabilities	\$	1,354,411	\$	65,382	\$	-	\$	- 9	\$_	-	\$	1,419,793
FUND BALANCES Nonspendable Restricted Committed Unassigned	\$	6,656 1,095,281 - (6,656)		19,337 - 837,359 -	\$	- - - -	\$	52,997 - -	\$	- 15,856 259,376 -	\$	25,993 1,164,134 1,096,735 (6,656)
Total fund balances	\$	1,095,281	\$	856,696	\$	-	\$	52,997	\$_	275,232	\$	2,280,206
Total liabilities and fund balances	\$	2,449,692	\$	922,078	\$	-	\$	52,997	\$_	275,232		
Detailed explanation of adjustments of position: When capital assets (land, buildings, expurchased or constructed, the costs of funds. However, the statement of net	qui f th	pment) that a	are e r	to be used in reported as ex	go pei	vernmental nditures in	l a	activities are overnmental				
School Board as a whole.												9,381,222
The net pension asset is not an availab												1,035,472
Deferred inflows related to measurem pay for current-period expenditures Deferred inflows related to pensions Deferred inflows related to OPEB	ent	of net pensi	on	and OPEB liab	oili	ty/asset no	ot	available to				(2,981,972) (590,818)
Pesnion and OPEB contributions subsetwill be a reduction to the net pension not reported in the funds. Deferred outflows related to pensions Deferred outflows related to OPEB	and											3,122,029 612,881
Long-term liabilities applicable to the	ne (School Board's	5 0	overnmental	act	rivities are	r	not due and				312,001
payable in the current period and account both current and long-termare report	orc	lingly are not	re	ported as fund	d li							(15,314,125)
Net position of General Government Ad	tiv	ities									_ \$	(2,455,105)
net position of deficial dovernment At	. C1 V	icics									٠ <u> </u>	(2,733,103)

Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds - Discretely Presented Component Unit - School Board Year Ended June 30, 2023

	_	School Operating Fund	School Cafeteria Fund	 School Capital Fund		Nonmajor Funds	 School Activities Fund	Total
Revenues:								
Revenue from use of money and property	\$	353 \$		\$ -	\$	5	\$ - \$	358
Charges for services		4,300	226,727	-		-	-	231,027
Miscellaneous Intergovernmental:		285,192	-	23,734		-	490,897	799,823
County contribution to School Board		9,686,233	-	-		-	-	9,686,233
County contribution to School Board-CARES Act		-	-	-		-	-	-
Commonwealth		12,559,720	33,351	-		-	-	12,593,071
Federal	-	3,867,548	1,155,667	 -	-	-	 - -	5,023,215
Total revenues	\$_	26,403,346 \$	1,415,745	\$ 23,734	\$_	5	\$ 490,897 \$	28,333,727
Expenditures:								
Current:								
Education	\$	25,346,065 \$	1,435,654	\$ -	\$	-	\$ 484,996 \$	27,266,715
Capital projects	-		-	 423,376	_	-	 	423,376
Total expenditures	\$	25,346,065 \$	1,435,654	\$ 423,376	\$_	-	\$ 484,996 \$	27,690,091
Excess (deficiency) of revenues over								
(under) expenditures	\$	1,057,281 \$	(19,909)	\$ (399,642)	\$_	5	\$ 5,901 \$	643,636
Changes in fund balances	\$	1,057,281 \$	(19,909)	\$ (399,642)	\$	5	\$ 5,901 \$	643,636
Fund balances at beginning of year	-	38,000	876,605	 399,642	_	52,992	 269,331	1,636,570
Fund balances at end of year	\$	1,095,281 \$	856,696	\$ -	\$_	52,997	\$ 275,232 \$	2,280,206

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities - Discretely Presented Component Unit - School Board Year Ended June 30, 2023

	-	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	\$	643,636
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/amortization expense. This is the amount by which the depreciation/amortization exceeded capital outlays in the current period computed as follows:		
Capital additions \$ Depreciation/amortization expense	1,230,459 (1,545,200)	(314,741)
Change in deferred inflows related to the measurement of the net pension liability/asset		4,829,679
Change in deferred inflows related to the measurement of the net OPEB liability/asset		185,224
The issuance of long-term obligations (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term obligations 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:		
Principal retired on lease liabilities	\$	68,343
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	(146,369)	
Change in net pension liability/asset	(2,442,841)	
Change in deferred outflows related to ODER	(242,992)	
Change in deferred outflows related to OPEB Change in net OPEB liability	16,393 (129,836)	(2,945,645)
		, , , ,
Transfer of joint tenancy assets from Primary Government to the Component Unit	-	422,313
Change in net position of governmental activities	\$	2,888,809

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Discretely Presented Component Unit - School Board Year Ended June 30, 2023

				School Op	erat	ing Fund		
		Original Budget		Budget As Amended		Actual		Variance From Amended Budget Positive (Negative)
Revenues:								
Revenue from use of money and property	\$	1,500	\$	1,500	\$	353	\$	(1,147)
Charges for services Miscellaneous Intergovernmental:		261,071		261,071		4,300 285,192		4,300 24,121
County contribution to School Board		9,692,040		9,710,840		9,686,233		(24,607)
Commonwealth		12,673,684		12,737,436		12,559,720		(177,716)
Federal		2,832,069		4,370,661	_	3,867,548		(503,113)
Total revenues	\$	25,460,364	\$	27,081,508	\$	26,403,346	\$	(678,162)
Expenditures: Current: Education Capital projects	\$	25,460,364	\$	27,081,508	\$	25,346,065	\$	1,735,443
		25 460 264		27 004 500		25 246 065		1 725 442
Total expenditures	^{\$}	25,460,364	- ^{>} _	27,081,508	- ^{>} _	25,346,065	-\$_	1,735,443
Excess (deficiency) of revenues over (under) expenditures	Ś	_	\$	_	\$	1,057,281	Ś	1,057,281
(,	· —		- * -		-	.,,	- * -	.,,
Changes in fund balances	\$	-	\$	-	\$	1,057,281	\$	1,057,281
Fund balances at beginning of year	_	-	_	-		38,000	_	38,000
Fund balances at end of year	\$	-	\$	-	\$	1,095,281	\$	1,095,281

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Discretely Presented Component Unit - School Board Year Ended June 30, 2023

		School Cat	feteria Fund			School Cap	ital Fund	
	Original Budget	Budget As Amended	Actual	Variance From Amended Budget Positive (Negative)	Original Budget	Budget As Amended	Actual	Variance From Amended Budget Positive (Negative)
Revenues:								
Revenue from use of money and property	\$ -				- \$	- \$	- \$	-
Charges for services	100,000	100,000	226,727	126,727	-	-	-	-
Miscellaneous	55,000	55,000	-	(55,000)	-	-	23,734	23,734
Intergovernmental: County contribution to School Board	-	-	-	-	-	171,428	-	(171,428)
Commonwealth	30,000	230,000	33,351	(196,649)	-	-	-	-
Federal	1,081,500	1,081,500	1,155,667	74,167	-			
Total revenues	\$ 1,266,500	\$ <u>1,466,500</u> \$	1,415,745 \$	(50,755) \$	\$	171,428 \$	23,734 \$	(147,694)
Expenditures: Current: Education Capital projects	\$ 1,266,500	\$ 1,466,500 \$ -	1,435,654 \$	30,846 \$	- \$ 399,642	- \$ 571,070	- \$ 423,376	- 147,694
,	Ć 4 2// 500		4 425 454 6	20.04/ 6	 _	 -		
Total expenditures	\$ 1,266,500	\$ 1,466,500 \$	1,435,654 \$	30,846 \$	399,642 \$	571,070 \$	423,376 \$	147,694
Excess (deficiency) of revenues over (under) expenditures	\$	\$ <u> </u>	(19,909) \$	(19,909) \$	(399,642) \$	(399,642) \$	(399,642) \$	<u>-</u>
Changes in fund balances	\$ -	\$ - \$	(19,909) \$	(19,909) \$	(399,642) \$	(399,642) \$	(399,642) \$	-
Fund balances at beginning of year			876,605	876,605	399,642	399,642	399,642	
Fund balances at end of year	\$	\$ <u> </u>	856,696 \$	856,696 \$	\$	\$	- \$	_

Combining Balance Sheet Nonmajor Special Revenue Funds - Discretely Presented Component Unit - School Board As of June 30, 2023

	 School Textbook Fund	 Total
ASSETS		
Cash and cash equivalents	\$ 52,997	\$ 52,997
Total assets	\$ 52,997	\$ 52,997
FUND BALANCES		
Restricted	\$ 52,997	\$ 52,997
Total fund balances	\$ 52,997	\$ 52,997
Total liabilities and fund balances	\$ 52,997	\$ 52,997

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances Nonmajor Special Revenue Funds - Discretely Presented Component Unit - School Board For the Year Ended June 30, 2023

	-	School Fextbook	
		Fund	Total
REVENUES			
Revenue from the use of money and property	\$	5 5	55
Total revenues	\$	5 5	5
Excess (deficiency) of revenues over (under)			
expenditures	\$	5	55
Net change in fund balances	\$	5 \$	5 5
Fund balances - beginning		52,992	52,992
Fund balances - ending	\$	52,997	52,997

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual Nonmajor Special Revenue Funds - Discretely Presented Component Unit - School Board For the Year Ended June 30, 2023

			School Text	ook Fund	
	_				Variance with Final Budget
		Budgeted Ar	nounts		Positive
		Original	Final	Actual	(Negative)
REVENUES					
Revenue from the use of money					
and property	\$	- \$	- \$	5	\$ 5
Total revenues	\$	- \$	- \$	5	\$ 5
Excess (deficiency) of revenues					
over (under) expenditures	\$	- \$	- \$	5	\$5
Net change in fund balances	\$	- \$	- \$	5	\$ 5
Fund balances - beginning		-	-	52,992	52,992
Fund balances - ending	\$	- \$	- \$	52,997	\$ 52,997

Statement of Fiduciary Net Position - Fiduciary Fund Discretely Presented Component Unit - School Board At June 30, 2023

		Scholarship Private- Purpose Trust Fund
ASSETS		
Cash and cash equivalents	\$_	76,466
Total assets	\$	76,466
NET POSITION		
Held in trust for scholarships	\$_	76,466
Total net position	\$_	76,466
Total liabilities and net position	\$	76,466

Statement of Changes in Fiduciary Net Position - Fiduciary Fund Discretely Presented Component Unit - School Board Year Ended June 30, 2023

	Scholarship Private- Purpose Trust Fund
Additions:	
Interest income	\$ (1,325)
Total additions	\$ (1,325)
Deductions:	
Scholarships awarded	\$ 4,123
Total deductions	\$ 4,123
Change in net position	\$ (5,448)
Net position - beginning of year	81,914
Net position - end of year	\$ 76,466

Discretely Presented Component Unit - Madison County Parks and Recreation Authority Statement of Net Position At June 30, 2023

Assets		
Current assets:		
Cash and cash equivalents	\$	179,026
Prepaid expense	_	4,529
Total current assets	\$_	183,555
Noncurrent assets:		
Capital assets (net of depreciation):		
Construction in progress	\$	30,898
Building improvements		246,348
Equipment	_	62,366
Total capital assets	\$_	339,612
Total assets	\$_	523,167
Liabilities		
Current liabilities:		
Accrued expenses	\$	3,519
Note payable - current portion		4,875
Total current liabilities	\$	8,394
Noncurrent liabilities:		
Note payable - net of current portion	\$_	19,500
Total liabilities	\$_	27,894
Net Position		
Net investment in capital assets	\$	315,237
Unrestricted	_	180,036
Total net position	\$_	495,273

Discretely Presented Component Unit - Madison County Parks and Recreation Authority Statement of Revenues, Expenses, and Changes in Net Position Year Ended June 30, 2023

Operating revenues		
Charges for services	\$	262,082
Miscellaneous	·	140,192
Total operating revenues	\$	402,274
Operating Expenses		
Personal services	\$	48,146
Fringe benefits		3,726
Contractual services		214,599
Other charges		387,948
Depreciation		31,935
Total operating expenses	\$	686,354
Operating income (loss)	\$	(284,080)
Nonoperating revenues		
Contribution from Madison County and Madison County School Board	\$	337,715
Total nonoperating revenues	\$	337,715
Change in net position	\$	53,635
Net position, beginning of year		441,638
Net position, end of year	\$	495,273

Discretely Presented Component Unit - Madison County Parks and Recreation Authority Statement of Cash Flows Year Ended June 30, 2023

Cash flows from operating activities	÷	100.074
Receipts from customers	\$	402,274
Payments to employees		(50,478)
Payments to suppliers		(607,076)
Net cash provided by (used for) operating activities	\$_	(255,280)
Cash flows from capital and related financing activities		
Purchases of capital assets	\$	(77,709)
Proceeds from note payable		29,250
Payment of note payable		(4,875)
Net cash provided by (used for) capital and related financing activities	\$_	(53,334)
Cash flows from noncapital financing activities		
Contribution from Madison County and Madison County School Board	\$_	337,715
Net cash provided by (used for) financing activities	\$	337,715
Net increase (decrease) in cash and cash equivalents	\$	29,101
Cash and cash equivalents, beginning of year		149,925
Cash and cash equivalents, end of year	\$	179,026
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income (loss)	\$	(284,080)
Depreciation		31,935
Change in assets and liabilities:		
Prepaid expenses		(4,529)
Accrued expenses		1,394
Net cash provided by (used for) operating activities	\$	(255,280)

- Other Supplementary Information - Supporting Schedules

Governmental Funds -Schedule of Revenues -- Budget and Actual Year Ended June 30, 2023

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	Ś	13,138,000	Ś	13,138,000 \$	13,350,434 \$	212,434
Real and personal public service corporation	•	,,	•	10,100,000 4	10,000,000	,
property taxes		365,000		365,000	342,579	(22,421)
Personal property taxes		4,850,000		4,850,000	5,894,015	1,044,015
Mobile home taxes		6,750		6,750	(73)	(6,823)
Machinery and tools taxes		132,000		132,000	-	(132,000)
Merchants capital taxes		187,500		187,500	(403)	(187,903)
Penalties		151,000		151,000	196,424	45,424
Interest		105,000		105,000	111,348	6,348
Tax collection fee	_	62,000		62,000	81,294	19,294
Total general property taxes	\$_	18,997,250	\$_	18,997,250 \$	19,975,618 \$	978,368
Other local taxes:						
Local sales and use taxes	\$	1,300,000	\$	1,300,000 \$	1,711,465 \$	411,465
Cigarette tax	•	120,000	·	120,000	199,765	79,765
Consumers' utility taxes		355,000		355,000	372,270	17,270
Local consumption tax		40,000		40,000	42,631	2,631
Restaurant food taxes		500,000		500,000	653,495	153,495
Transient occupancy taxes		187,500		187,500	396,947	209,447
Gross receipts taxes		15,000		15,000	9,189	(5,811)
Bank stock taxes		115,000		115,000	162,194	47,194
Motor vehicle licenses		465,000		465,000	484,730	19,730
Taxes on recordation and wills	_	180,000		180,000	172,792	(7,208)
Total other local taxes	\$_	3,277,500	\$_	3,277,500 \$	4,205,478 \$	927,978
Permits, privilege fees and regulatory licenses:						
Animal licenses	\$	3,000	\$	3,000 \$	7,556 \$	4,556
Building and related permits		191,875	·	191,875	272,546	80,671
Land transfer fees		500		500	540	40
Land use application fees	_	25,000		25,000	25,200	200
Total permits, privilege fees and regulatory licenses	\$_	220,375	\$_	220,375 \$	305,842 \$	85,467
Fines and Forfeitures:						
Court fines and forfeitures	\$_	150,800	\$_	150,800 \$	124,873 \$	(25,927)
Total fines and forfeitures	\$_	150,800	\$_	150,800 \$	124,873 \$	(25,927)
Revenue from use of money and property:						
Revenue from use of money	\$	18,000	\$	18,000 \$	618,163 \$	600,163
Revenue from use of property	_	3,500	· -	3,500	260,816	257,316
Total revenue from use of money and property	\$_	21,500	\$	21,500 \$	878,979 \$	857,479

Governmental Funds -Schedule of Revenues -- Budget and Actual Year Ended June 30, 2023 (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)						
Charges for services: Sheriff's fees	\$	344	ċ	344 \$	344	
Commonwealth attorney fees	Ş	1,200	Ş	1,200	1,004	(196)
Courthouse maintenance fees		5,000		5,000	5,534	534
Courtroom security fees		25,000		25,000	50,723	25,723
Other charges for services		14,750		14,750	12,839	(1,911)
Ambulance transportation fees		315,000		315,000	439,888	124,888
Waste collection and disposal charges		182,500		182,500	290,823	108,323
	_			,		
Total charges for services	\$_	543,794	\$_	543,794_\$	801,155	\$ 257,361
Miscellaneous:						
Expenditure refunds	\$	50,000	\$	53,286 \$		
CSA		23,033		23,033	76,558	53,525
Opioid settlement funds				-	60,939	60,939
Miscellaneous	_	13,700		42,599	89,845	47,246
Total miscellaneous	\$_	86,733	\$_	118,918 \$	429,422	\$ 310,504
Total revenue from local sources	\$_	23,297,952	\$_	23,330,137 \$	26,721,367	\$ 3,391,230
Intergovernmental:						
Noncategorical aid:						_
Contribution from Component Unit School Board	\$_	-	\$_	399,642 \$	399,642	\$
Revenue from the Commonwealth:						
Noncategorical aid:						
Motor vehicle carrier's tax	\$	250	\$	250 \$		
Rental tax - DMV		-		-	276	276
Peer-to-peer vehicle sharing tax		-		-	152	152
Moped ATV sales tax		500		500	146	(354)
Mobile home titling taxes		10,000		10,000	26,483	16,483
PPTRA Communication taxes		1,029,053 427,000		1,029,053 427,000	1,029,053 403,015	(23,985)
Total noncategorical aid	 \$	1,466,803	٠ -	1,466,803 \$	1,459,426	
	٧	1,400,003	- ۲ -	1,400,005_5	1,737,720	<u> </u>
Categorical aid:						
Shared expenses:						
Commonwealth's attorney Sheriff	\$	194,371 881,634	\$	194,371 \$ 881,634	193,331 873,709	\$ (1,040) (7,925)
Commissioner of the Revenue		120,633		120,633	120,893	260
Treasurer		103,621		103,621	103,515	(106)
Registrar/electoral board		40,469		40,469	66,157	25,688
Clerk of the Circuit Court	_	251,776		251,776	251,936	160
Total shared expenses	\$_	1,592,504	\$	1,592,504 \$	1,609,541	\$ 17,037

Governmental Funds -Schedule of Revenues -- Budget and Actual Year Ended June 30, 2023 (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 Commonwealth: (continued)						
Other categorical aid:		40.007	,	40.007. Ć	F4 (02 Ć	4.707
Fire programs	\$	49,897	\$	49,897 \$	54,693 \$	
Litter Control		6,000		15,570	9,570	(6,000)
Four for life		15,000		15,000	16,007	1,007
Domestic Violence		22,500		22,500	45,000	22,500
Victim witness		15,000		15,000	18,560	3,560
Department of Juvenile Justice		8,000		8,000	-	(8,000)
E-911		48,000		48,000	54,912	6,912
PSAP State 911 grant		-		-	197	197
Comprehensive Services Act		1,428,626		1,428,626	667,952	(760,674)
Sheriff - asset forfeiture		-		-	7,463	7,463
Public assistance and welfare		843,865		843,865	899,088	55,223
Other state grants	_	17,935		48,089	159,189	111,100
Total other categorical aid	\$_	2,454,823	\$_	2,494,547 \$	1,932,631 \$	(561,916)
Total categorical aid	\$_	4,047,327	\$	4,087,051 \$	3,542,172 \$	(544,879)
Total revenue from the Commonwealth	\$_	5,514,130	\$_	5,553,854 \$	5,001,598 \$	(552,256)
Revenue from the Federal Government:						
Payments in lieu of taxes	\$_	95,000	\$_	95,000 \$	104,289 \$	9,289
Categorical aid:						
Public assistance and welfare	\$	1,732,818	\$	1,732,818 \$	1,451,130 \$	(281,688)
Victim Witness		48,000		48,000	43,304	(4,696)
FEMA		7,500		15,000	12,850	(2,150)
ARPA Victim Fund		-		-	22,500	22,500
LATCF funds		-		-	50,000	50,000
ARPA funds		2,540,264		2,540,264	-	(2,540,264)
ARPA funds - tourism grant	_	-		<u> </u>	25,607	25,607
Total categorical aid	\$_	4,328,582	\$_	4,336,082 \$	1,605,391 \$	(2,730,691)
Total revenue from the Federal Government	\$_	4,423,582	\$_	4,431,082 \$	1,709,680 \$	(2,721,402)
Total General Fund	\$	33,235,664	\$_	33,714,715 \$	33,832,287 \$	117,572

Governmental Funds -Schedule of Revenues -- Budget and Actual Year Ended June 30, 2023 (continued)

Fund, Major and Minor Revenue Source		Original Budget		Budget As Amended	Actual	Variance From Amended Budget Positive (Negative)
Discretely Presented Component Unit - School Board:			_			, ,
School Operating Fund:						
Revenue from local sources:						
Revenue from use of money and property:						
Revenue from use of property	\$	1,500	\$	1,500 \$	353 \$	(1,147)
Charges for services:	· <u>-</u>	,		· · ·	· -	· · · · · · · · · · · · · · · · · · ·
Charges for education	\$	_	\$	- \$	4,300 \$	4,300
-	\$ \$	_				
Total charges for services	^_		- > _		4,300 \$	4,300
Miscellaneous:						
Rebates and refunds	\$	206,071	\$	206,071 \$	209,685 \$	3,614
Miscellaneous	_	55,000		55,000	75,507	20,507
Total miscellaneous	\$	261,071	\$	261,071 \$	285,192 \$	24,121
Total revenue from local sources	\$	262,571	\$	262,571 \$	289,845 \$	27,274
Intergovernmental:	_		_			
County contribution to School Board	\$	9,692,040	ς	9,710,840 \$	9,686,233 \$	(24,607)
Total County contribution	*_ \$	9,692,040		9,710,840 \$	9,686,233 \$	(24,607)
Total County Contribution	_د	9,092,040	_ ۲ _	9,710,640 3	9,000,233 3	(24,007)
Revenue from the Commonwealth:						
Categorical aid:						
Share of state sales tax	\$	2,519,496	\$	2,519,496 \$	3,084,429 \$	564,933
Basic school aid		4,626,714		4,626,714	4,510,342	(116,372)
Compensation supplement		307,862		307,862	288,090	(19,772)
Special ed SOQ		359,445		359,445	358,485	(960)
Vocational SOQ		144,125		144,125	161,925	17,800
At risk funds		457,548		457,548	313,304	(144,244)
Remedial education		155,412		155,412	154,997	(415)
Technology School construction		154,000		154,000	154,000 1,343,495	1,343,495
Early reading intervention		162,721		162,721	64,285	(98,436)
Textbook payments		114,935		114,935	114,629	(306)
Primary class size		118,535		118,535	123,683	5,148
Fringe benefits		930,737		930,737	940,375	9,638
Lottery		348,614		348,614	349,818	1,204
Other state funds		2,273,540		2,337,292	597,863	(1,739,429)
Total categorical aid	\$	12,673,684	ς -	12,737,436 \$	12,559,720 \$	(177,716)
Total revenue from the Commonwealth	\$ \$	12,673,684		12,737,436 \$	12,559,720 \$	(177,716)
	~ _	12,073,001	- ~ -	12,737,130 3	12,337,720 3	(177,710)
Revenue from the federal government: Categorical aid:						
Title I	\$	323,401	ċ	323,401 \$	343,800 \$	20,399
Title III	Ş	986	Ş	323,401 \$ 986	2,861	1,875
Title III Title VI - B Special Education		460,577		460,577	469,516	8,939
ARPA		329,441		498,333	168,892	(329,441)
Emergency connectivity grant		327,441		-70,333	65,125	65,125
Vocational education		27,493		27,493	34,615	7,122
Preschool		_,,,,,			11,759	11,759
ESSER		1,584,559		2,951,259	2,365,130	(586,129)
Governor's emergency education relief fund		13,683		16,683	-,,	(16,683)
Other funds		26,000		26,000	316,359	290,359
Title II		65,929		65,929	89,491	23,562
Total categorical aid	\$	2,832,069	\$	4,370,661 \$	3,867,548 \$	(503,113)
Total revenue from the federal government	\$	2,832,069		4,370,661 \$	3,867,548 \$	(503,113)
_	· · · · ·		_			
Total School Operating Fund	\$_	25,460,364	٠ ۽	27,081,508 \$	26,403,346 \$	(678,162)

Fund, Major and Minor Revenue Source		Original Budget	_	Budget As Amended	Actual	Variance From Amended Budget Positive (Negative)
Discretely Presented Component Unit School Board: (Co	ntinued)					
Special Revenue Funds: School Cafeteria Fund:						
Revenue from local sources:						
Charges for services:						
Cafeteria sales	\$	100,000	\$_	100,000 \$	226,727 \$	126,727
Total charges for services	\$	100,000	\$_	100,000 \$	226,727 \$	126,727
Miscellaneous:						
Miscellaneous	\$	55,000	\$_	55,000 \$	- \$	(55,000)
Total revenue from local sources	\$	155,000	\$_	155,000 \$	226,727 \$	71,727
Intergovernmental: Revenue from the Commonwealth: Categorical aid:	\$	20,000	ċ	220 000 É	22 254 ¢	(104 440)
School food grant		30,000	- د	230,000 \$	33,351 \$	(196,649)
Revenue from the federal government: Categorical aid:						
School food grant	\$	1,081,500	\$	1,081,500 \$	1,155,667 \$	74,167
Total School Cafeteria Fund	\$	1,266,500	\$	1,466,500 \$	1,415,745 \$	(50,755)
School Capital Fund: Revenue from local sources: Miscellaneous revenue:						
Miscellaneous	\$	-	\$	<u> </u>	23,734 \$	23,734
Total revenue from local sources	\$	-	\$_	- \$	23,734 \$	23,734
Intergovernmental:						
County contribution to School Board	\$	-	\$_	171,428 \$	- \$	(171,428)
Total School Capital Fund	\$	-	\$_	171,428 \$	23,734 \$	(147,694)
School Textbook Fund: Revenue from local sources: Revenue from use of money and property: Revenue from use of money	\$	-	\$_	- \$	5 \$	5
Total revenue from use of money and property	\$	-	\$	- \$	5 \$	5
Total revenue from local sources	\$	-	\$	- \$	5 \$	5
Total School Textbook Fund	· \$	-	· _ \$	- \$		5
	-		· ' =			

Fund, Function, Activities and Elements		Original Budget	Budget As Amended	Actual		Variance From Amended Budget Favorable (Unfavor.)
Primary Government:						
General Fund:						
General government administration:						
Legislative:						
Board of supervisors	\$_	65,019	65,019	\$ 59,16	9 \$	5,850
General and financial administration:						
County administrator	\$	283,714 \$	284,873	\$ 276,24	9 \$	8,624
Legal services		88,064	85,837	101,31	1	(15,474)
Independent auditor		73,000	73,000	77,97	9	(4,979)
Commissioner of the revenue		298,228	298,228	282,43	0	15,798
Personal property		5,335	5,335	2,72	7	2,608
Information technology		601,287	552,142	549,60		2,542
Land use		1,900	1,900	1,88	7	13
Assessor		10,750	16,378	16,12	8	250
Finance department		407,264	407,264	395,48	6	11,778
Treasurer	_	319,504	319,504	337,37	0	(17,866)
Total general and financial administration	\$_	2,089,046	2,044,461	\$ 2,041,16	7_\$_	3,294
Board of Elections:						
Electoral board and officials	\$	69,110 \$	69,110	\$ 35,47	2 \$	33,638
Registrar	·	146,327	146,327	149,55		(3,226)
Total board of elections	\$_	215,437	215,437	\$ 185,02	5 \$	30,412
Total general government administration	\$_	2,369,502	2,324,917	\$ 2,285,36	1 \$_	39,556
Judicial administration:						
Courts:						
Circuit court	\$	27,200 \$	27,200			(18,716)
Combined court		10,550	10,550	6,53		4,015
Clerk of the circuit court		449,261	482,536	490,32	6	(7,790)
Sheriff - court security		179,934	179,934	145,40	1	34,533
Magistrates		500	500		4	406
Victim witness program		66,416	66,416	61,79		4,622
Commissioner of accounts	_	900	900		0	180
Total courts	\$_	734,761	768,036	\$ 750,78	6 \$_	17,250
Commonwealth's attorney:						
Commonwealth's attorney	\$_	488,876	492,824	\$ 462,00	1 \$_	30,823
Total judicial administration	\$_	1,223,637	1,260,860	\$ 1,212,78	7 \$	48,073

Primary Government: (Continued) General Fund: (Continued) Public safety: Law enforcement and traffic control: Sheriff \$ 2,517,599 \$ 2,576,384 \$ 2,597,349 \$ Public safety 42,450 52,050 21,377 E-911 system 1,189,036 1,193,412 1,153,182 Total law enforcement and traffic control \$ 3,749,085 \$ 3,821,846 \$ 3,771,908 \$ Fire and rescue services: Volunteer fire department \$ 145,000 \$ 145,000 \$ 149,693 \$ Volunteer fire department \$ 145,000 \$ 145,000 \$ 149,693 \$ \$ 2,704,884 EMS Council 1,000 1,000 1,000 1,000 1,000 1,000 Total fire and rescue services \$ 2,758,160 \$ 2,759,510 \$ 2,855,577 \$ \$ 2,855,577 \$ Correction and detention: \$ 400 \$ 400 \$ 70 \$ \$ \$ 2,855,577 \$ Correction and detention: \$ 400 \$ 400 \$ 70 \$ \$ \$ 2,755,556 \$ Juvenile detention \$ 117,166 \$ 117,166 \$ 100,729 \$ \$ 2,753 \$ 32,073 \$ Juvenile detention \$ 117,166 \$ 117,166 \$ 100,729 \$ \$ 4,850 \$ Total correction and detention \$ 887,851 \$ 907,903 \$ 863,278 \$ \$ 100,729 \$	
Public safety: Law enforcement and traffic control: \$ 2,517,599 \$ 2,576,384 \$ 2,597,349 \$ Sheriff \$ 2,517,599 \$ 2,576,384 \$ 2,597,349 \$ Public safety 42,450 52,050 21,377 E-911 system 1,189,036 1,193,412 1,153,182 Total law enforcement and traffic control \$ 3,749,085 \$ 3,821,846 \$ 3,771,908 \$ Fire and rescue services: Volunteer fire department \$ 145,000 \$ 145,000 \$ 149,693 \$ Emergency medical services 2,612,160 2,613,510 2,704,884 EMS Council 1,000 1,000 1,000 1,000 Total fire and rescue services \$ 2,758,160 \$ 2,759,510 \$ 2,855,577 \$ Correction and detention: Confinement of prisoners \$ 400 \$ 400 \$ 70 \$ Regional jail 736,673 736,673 736,673 725,556 Jefferson area community corrections 12,073 32,073 32,073 32,073 Juvenile detention 117,166 117,166 100,729 Probation office 21,539 21,591 4,850 Total correction and detention \$ 887,851 \$ 907,903 \$ 863,278 \$	
Law enforcement and traffic control: Sheriff	
Sheriff \$ 2,517,599 \$ 2,576,384 \$ 2,597,349 \$ Public safety 42,450 52,050 21,377 E-911 system 1,189,036 1,193,412 1,153,182 Total law enforcement and traffic control \$ 3,749,085 \$ 3,821,846 \$ 3,771,908 \$ Fire and rescue services: Volunteer fire department \$ 145,000 \$ 145,000 \$ 149,693 \$ Emergency medical services 2,612,160 2,613,510 2,704,884 EMS Council 1,000 1,000 1,000 1,000 Total fire and rescue services \$ 2,758,160 \$ 2,759,510 \$ 2,855,577 \$ Correction and detention: Confinement of prisoners \$ 400 \$ 400 \$ 70 \$ Regional jail 736,673 736,673 725,556 Jefferson area community corrections 12,073 32,073 32,073 32,073 Juvenile detention 117,166 117,166 100,729 Probation office 21,539 21,591 4,850 Total correction and detention \$ 887,851 \$ 907,903 \$ 863,278 \$	
Public safety 42,450 52,050 21,377 E-911 system 1,189,036 1,193,412 1,153,182 Total law enforcement and traffic control \$ 3,749,085 \$ 3,821,846 \$ 3,771,908 \$ Fire and rescue services: Volunteer fire department \$ 145,000 \$ 145,000 \$ 149,693 \$ Emergency medical services 2,612,160 2,613,510 2,704,884 2,704,884 EMS Council 1,000	(20,965)
E-911 system 1,189,036 1,193,412 1,153,182 Total law enforcement and traffic control \$ 3,749,085 \$ 3,821,846 \$ 3,771,908 \$ Fire and rescue services: Volunteer fire department \$ 145,000 \$ 145,000 \$ 149,693 \$ Emergency medical services 2,612,160 2,613,510 2,704,884 EMS Council 1,000 1,000 1,000 Total fire and rescue services \$ 2,758,160 \$ 2,759,510 \$ 2,855,577 \$ Correction and detention: Confinement of prisoners \$ 400 \$ 400 \$ 70 \$ Regional jail 736,673 736,673 725,556 Jefferson area community corrections 12,073 32,073 32,073 Juvenile detention 117,166 117,166 100,729 Probation office 21,539 21,591 4,850 Total correction and detention \$ 887,851 \$ 907,903 \$ 863,278	30,673
Fire and rescue services: Volunteer fire department Emergency medical services EMS Council Total fire and rescue services Confinement of prisoners Regional jail Jefferson area community corrections Juvenile detention Total correction and detention Total correction and detention Services Servic	40,230
Volunteer fire department \$ 145,000 \$ 145,000 \$ 149,693 \$ 2,704,884 Emergency medical services 2,612,160 2,613,510 2,704,884 EMS Council 1,000 1,000 1,000 1,000 Total fire and rescue services \$ 2,758,160 \$ 2,759,510 \$ 2,855,577 \$ Correction and detention: Confinement of prisoners \$ 400 \$ 400 \$ 70 \$ 70 \$ 70 \$ 70 \$ 70 \$ 7	49,938
Emergency medical services 2,612,160 2,613,510 2,704,884 EMS Council 1,000 1,000 1,000 Total fire and rescue services \$ 2,758,160 \$ 2,759,510 \$ 2,855,577 \$ Correction and detention: Confinement of prisoners \$ 400 \$ 400 \$ 70 \$ Regional jail 736,673 736,673 725,556 3 32,073 32,073 32,073 32,073 32,073 32,073 32,073 32,073 32,073 32,073 4,850 117,166 117,166 117,166 1100,729 4,850 117,166 <td< td=""><td></td></td<>	
EMS Council 1,000 1,000 1,000 Total fire and rescue services \$ 2,758,160 \$ 2,759,510 \$ 2,855,577 \$ Correction and detention: Confinement of prisoners \$ 400 \$ 400 \$ 70 \$ Regional jail 736,673 736,673 725,556	(4,693)
Total fire and rescue services \$ 2,758,160 \$ 2,759,510 \$ 2,855,577 \$ Correction and detention: Confinement of prisoners \$ 400 \$ 400 \$ 70 \$ Regional jail 736,673 736,673 736,673 725,556 725,556 Jefferson area community corrections 12,073 32,073 32,073 32,073 32,073 100,729 Juvenile detention 117,166 117,166 100,729 117,166 117,166 100,729 Probation office 21,539 21,591 4,850 Total correction and detention \$ 887,851 \$ 907,903 \$ 863,278 \$	(91,374)
Correction and detention: \$ 400 \$ 400 \$ 70 \$ Confinement of prisoners \$ 736,673 736,673 725,556 Regional jail 736,673 736,673 725,556 Jefferson area community corrections 12,073 32,073 32,073 32,073 Juvenile detention 117,166 117,166 100,729 Probation office 21,539 21,591 4,850 Total correction and detention \$ 887,851 \$ 907,903 \$ 863,278 \$	
Confinement of prisoners \$ 400 \$ 400 \$ 70 \$ Regional jail 736,673 736,673 736,673 725,556 Jefferson area community corrections 12,073 32,073 32,073 32,073 Juvenile detention 117,166 117,166 100,729 Probation office 21,539 21,591 4,850 Total correction and detention \$ 887,851 \$ 907,903 \$ 863,278 \$	(96,067)
Regional jail 736,673 736,673 725,556 Jefferson area community corrections 12,073 32,073 32,073 Juvenile detention 117,166 117,166 100,729 Probation office 21,539 21,591 4,850 Total correction and detention \$ 887,851 \$ 907,903 \$ 863,278 \$	
Jefferson area community corrections 12,073 32,073 32,073 Juvenile detention 117,166 117,166 100,729 Probation office 21,539 21,591 4,850 Total correction and detention \$ 887,851 \$ 907,903 \$ 863,278 \$	330
Juvenile detention 117,166 117,166 100,729 Probation office 21,539 21,591 4,850 Total correction and detention \$ 887,851 \$ 907,903 \$ 863,278 \$	11,117
Probation office 21,539 21,591 4,850 Total correction and detention \$ 887,851 \$ 907,903 \$ 863,278 \$	- 16,437
Total correction and detention \$ 887,851 \$ 907,903 \$ 863,278 \$	16,741
	44,625
Building \$ 286,703 \$ 330,533 \$ 323,124 \$	7,409
Total inspections \$ 286,703 \$ 330,533 \$ 323,124 \$	7,409
Other protection:	
Animal control and shelter facility \$ 344,927 \$ 344,927 \$ 325,223 \$	19,704
Line of Duty Act 57,000 57,000 44,088	12,912
Services to abused families 1,000 1,000 1,000	-
Foothills Child Advocacy Center 2,600 2,600 2,600	-
Medical examiner (coroner) 800 800 160	640
Total other protection \$ 406,327 \$ 406,327 \$ 373,071 \$	33,256
Total public safety \$ 8,088,126 \$ 8,226,119 \$ 8,186,958 \$	39,161
Public works:	
Sanitation and waste removal:	
County landfill \$ 629,739 \$ 639,309 \$ 709,654 \$	(70,345)
Total sanitation and waste removal \$ 629,739 \$ 639,309 \$ 709,654 \$	(70,345)
Maintenance of general buildings and grounds:	
General properties \$ 630,267 \$ 630,177 \$ 612,905 \$	17,272
Total maintenance of general buildings and grounds \$ 630,267 \$ 630,177 \$ 612,905 \$	17,272
Total public works \$ 1,260,006 \$ 1,269,486 \$ 1,322,559 \$	

Fund, Function, Activities and Elements		Original Budget		Budget As Amended		Actual	V	'ariance From Amended Budget Favorable (Unfavor.)
Primary Government: (Continued) General Fund: (Continued)								
Health and welfare:								
Health:								
Supplement of local health department	\$_	204,121	\$_	204,121	\$	204,130	\$	(9)
Total health	\$	204,121	\$_	204,121	\$	204,130	\$_	(9)
Mental health and mental retardation:								
Chapter X board	\$_	202,576	\$_	202,576	\$	202,576	\$	-
Total mental health and mental retardation	\$	202,576	\$_	202,576	\$	202,576	\$_	
Welfare:								
Administration	\$	3,141,836	\$	3,141,836	\$	3,053,969	\$	87,867
CSA - at risk youth	_	2,300,000		2,300,000		993,977	_	1,306,023
Total welfare	\$_	5,441,836	\$_	5,441,836	\$	4,047,946	\$	1,393,890
Total health and welfare	\$_	5,848,533	\$_	5,848,533	\$	4,454,652	\$_	1,393,881
Education:								
Contributions to community colleges	\$	5,000	\$	5,000	\$	5,000	\$	-
Contributions to component unit school board	_	9,692,040		9,710,840		9,686,233	_	24,607
Total education	\$_	9,697,040	\$_	9,715,840	\$	9,691,233	\$_	24,607
Parks, recreation and cultural:								
Parks and recreation:								
Parks and recreation	\$	212,710	\$	212,710	\$	200,569	\$	12,141
Recreation authority	_	104,005		132,805		132,805	_	-
Total parks and recreation	\$_	316,715	\$_	345,515	\$	333,374	\$_	12,141
Cultural enrichment:								
Boys and girls club	\$	1,000	\$	1,000	\$	1,000	\$	-
Senior center		500		500		500		-
Madison county fair	_	500		500	_	500	_	-
Total cultural enrichment	\$	2,000	\$_	2,000	\$	2,000	\$_	
Library:								
County library	\$	160,600	\$_	160,600	\$	160,600	\$_	-
Total parks, recreation and cultural	\$_	479,315	\$_	508,115	\$	495,974	\$	12,141

Foothills housing 7,000 7,000 7,000 Aging together 3,000 3,000 3,000 Board of zoning appeals 4,135 4,135 1,164 Board of building code appeals 400 400 - Tourism 50,000 50,000 88,096 (3 Planning district commission 16,863 16,863 16,863 Virginia regional transit 7,000 7,000 7,000 Geographic information system 21,000 21,000 8,529 1 Piedmont workforce network 500 500 500 500 Central Virginia Economic development 10,000 10,000 10,000 Skyline CAP 48,502 48,502 48,502 Total planning and community development \$ 523,114 \$ 523,114 \$ 525,390 \$ Environmental management: \$ 31,333 \$ 31,333 \$ 31,333 \$ 31,333 \$ 5,942 Forestry service 5,942 5,942 5,942 5,942 5,942	or.)
Community development: Planning and community development: Planning and community development: Planning commission \$ 13,090 \$ 13,090 \$ 10,929 \$ Zoning and planning 199,517 199,517 192,314 Economic development 142,107 142,107 131,493 1 Foothills housing 7,000 7,000 7,000 Aging together 3,000 3,000 3,000 Board of zoning appeals 4,135 4,135 1,164 Board of building code appeals 400 400 - Tourism 50,000 50,000 88,096 (3 Virginia regional transit 7,000 7,000 7,000 Geographic information system 21,000 21,000 8,529 Piedmont workforce network 500 500 500 Central Virginia Economic development 10,000 10,000 10,000 Skyline CAP 48,502 48,502 48,502	
Community development: Planning and community development: Planning commission \$ 13,090 \$ 13,090 \$ 10,929 \$ Zoning and planning 199,517 199,517 192,314 Economic development 142,107 142,107 131,493 1 Foothills housing 7,000 7,000 7,000 7,000 Aging together 3,000 3,000 3,000 3,000 3,000 Board of zoning appeals 4,135 4,135 1,164 Board of building code appeals 400 400 - Tourism 50,000 50,000 88,096 (3 Planning district commission 16,863 16,863 16,863 16,863 Virginia regional transit 7,000 7,000 7,000 7,000 Geographic information system 21,000 21,000 8,529 19 Piedmont workforce network 500 500 500 500 Central Virginia Economic development 10,000 10,000 10,000 10,000 Skyline CAP 48,502 48,502 48,502 Total planning and community development \$ 523,114 \$ 523,114 \$ 525,390 \$ Environmental management: \$ 31,333 \$ 31,333 \$ 31,333 \$ 31,333 \$ 5,942 Forestry service 5,942 5,942 5,942 5,942	
Planning and community development: \$ 13,090 \$ 13,090 \$ 10,929 \$ Zoning and planning 199,517 199,517 192,314 Economic development 142,107 142,107 131,493 Foothills housing 7,000 7,000 7,000 Aging together 3,000 3,000 3,000 3,000 Board of zoning appeals 4,135 4,135 1,164 Board of building code appeals 400 400 - Tourism 50,000 50,000 88,096 Planning district commission 16,863 16,863 16,863 Virginia regional transit 7,000 7,000 7,000 7,000 Geographic information system 21,000 21,000 8,529 19 Piedmont workforce network 500 500 500 500 Central Virginia Economic development 10,000 10,000 10,000 10,000 Skyline CAP 48,502 48,502 48,502 Environmental management: \$ 31,333 \$ 31,333 \$ 31,333 \$ 31,333 \$ 52,942 Soil and water conservation district \$ 31,333 \$ 31,333 \$ 31,333 \$ 5,942	
Planning commission \$ 13,090 \$ 13,090 \$ 10,929 \$ Zoning and planning 199,517 199,517 192,314 Economic development 142,107 142,107 131,493 1 Foothills housing 7,000 7,000 7,000 Aging together 3,000 3,000 3,000 Board of zoning appeals 4,135 4,135 1,164 Board of building code appeals 400 400 - Tourism 50,000 50,000 88,096 (3 Planning district commission 16,863 16,863 16,863 Virginia regional transit 7,000 7,000 7,000 Geographic information system 21,000 21,000 8,529 1 Piedmont workforce network 500 500 500 Central Virginia Economic development 10,000 10,000 10,000 Skyline CAP 48,502 48,502 48,502 Total planning and community development \$ 523,114 \$ 523,114 \$ 525,314 \$ 525,390 \$ \$ Environmental management: \$ 31,333 \$ 31,333 \$ 31,333 \$ 31,333 \$ 50,333 \$ 50,333 \$ 50,333 \$ 50,333 \$ 50,333 \$ 50,333 \$ 50,333 \$ 50	
Zoning and planning 199,517 199,517 192,314 Economic development 142,107 142,107 131,493 1 Foothills housing 7,000 7,000 7,000 3,000 Aging together 3,000 3,000 3,000 3,000 Board of zoning appeals 4,135 4,135 1,164 Board of building code appeals 400 400 - Tourism 50,000 50,000 88,096 (3 Planning district commission 16,863 16,863 16,863 Virginia regional transit 7,000 7,000 7,000 Geographic information system 21,000 21,000 8,529 10 Piedmont workforce network 500 500 500 500 Central Virginia Economic development 10,000 10,000 10,000 10,000 Skyline CAP 48,502 48,502 48,502 48,502 Environmental management: \$ 523,114 \$ 523,114 \$ 525,390 \$ Environmental management: \$ 31,333 \$ 31,333 \$ 31,333 \$ 31,333	2,161
Economic development 142,107 142,107 131,493 1 Foothills housing 7,000 7,000 7,000 Aging together 3,000 3,000 3,000 Board of zoning appeals 4,135 4,135 1,164 Board of building code appeals 400 400 - Tourism 50,000 50,000 88,096 (3 Planning district commission 16,863 16,863 16,863 16,863 16,863 16,863 16,863 16,863 10,000 7,000 4,100 4,135 4,135 4,135 <td>7,203</td>	7,203
Foothills housing 7,000 7,000 7,000 Aging together 3,000 3,000 3,000 Board of zoning appeals 4,135 4,135 1,164 Board of building code appeals 400 400 - Tourism 50,000 50,000 88,096 (3 Planning district commission 16,863 16,863 16,863 Virginia regional transit 7,000 7,000 7,000 Geographic information system 21,000 21,000 8,529 1 Piedmont workforce network 500 500 500 500 Central Virginia Economic development 10,000 10,000 10,000 Skyline CAP 48,502 48,502 48,502 Total planning and community development \$ 523,114 \$ 523,114 \$ 525,390 \$ Environmental management: \$ 31,333 \$ 31,333 \$ 31,333 \$ 31,333 \$ 5,942 Forestry service 5,942 5,942 5,942 5,942 5,942	10,614
Aging together 3,000 3,000 3,000 Board of zoning appeals 4,135 4,135 1,164 Board of building code appeals 400 400 - Tourism 50,000 50,000 88,096 (3 Planning district commission 16,863 16,863 16,863 Virginia regional transit 7,000 7,000 7,000 Geographic information system 21,000 21,000 8,529 1 Piedmont workforce network 500 500 500 500 Central Virginia Economic development 10,000 10,000 10,000 10,000 Skyline CAP 48,502 48,502 48,502 48,502 Total planning and community development \$ 523,114 \$ 523,114 \$ 525,390 \$ Environmental management: \$ 31,333 \$ 31,333 \$ 31,333 \$ 31,333 \$ 5,942 Forestry service 5,942 5,942 5,942 5,942 5,942	-
Board of zoning appeals 4,135 4,135 1,164 Board of building code appeals 400 400 - Tourism 50,000 50,000 88,096 (3 Planning district commission 16,863 16,863 16,863 Virginia regional transit 7,000 7,000 7,000 Geographic information system 21,000 21,000 8,529 1 Piedmont workforce network 500 500 500 500 Central Virginia Economic development 10,000 10,000 10,000 10,000 Skyline CAP 48,502 48,502 48,502 48,502 Total planning and community development \$ 523,114 \$ 523,114 \$ 525,390 \$ Environmental management: \$ 31,333 \$ 31,333 \$ 31,333 \$ 31,333 \$ 525,390 \$ Forestry service 5,942 5,942 5,942 5,942 5,942	_
Board of building code appeals 400 400 - Tourism 50,000 50,000 88,096 (3 Planning district commission 16,863 16,863 16,863 Virginia regional transit 7,000 7,000 7,000 Geographic information system 21,000 21,000 8,529 10 Piedmont workforce network 500 500 500 500 Central Virginia Economic development 10,000 10,000 10,000 10,000 Skyline CAP 48,502 48,502 48,502 Total planning and community development \$ 523,114 \$ 523,114 \$ 525,390 \$ Environmental management: \$ 31,333 \$ 31,333 \$ 31,333 \$ 31,333 \$ 5,942 Forestry service 5,942 5,942 5,942 5,942	2,971
Tourism 50,000 50,000 88,096 (3 Planning district commission 16,863 16,863 16,863 16,863 Virginia regional transit 7,000 7,000 7,000 7,000 Geographic information system 21,000 21,000 8,529 Piedmont workforce network 500 500 500 Central Virginia Economic development 10,000 10,000 10,000 Skyline CAP 48,502 48,502 48,502 Total planning and community development \$ 523,114 \$ 523,114 \$ 525,390 \$ Environmental management: Soil and water conservation district \$ 31,333 \$ 31,333 \$ 31,333 \$ Forestry service 5,942 5,942	400
Planning district commission 16,863 16,863 16,863 Virginia regional transit 7,000 7,000 7,000 Geographic information system 21,000 21,000 8,529 10 Piedmont workforce network 500 500 500 Central Virginia Economic development 10,000 10,000 10,000 Skyline CAP 48,502 48,502 48,502 Total planning and community development \$ 523,114 \$ 523,114 \$ 525,390 \$ Environmental management: \$ 31,333 \$ 31,333 \$ 31,333 \$ 31,333 \$ 5,942 5,942 Forestry service 5,942 5,942 5,942 5,942 5,942 5,942	38,096)
Virginia regional transit 7,000 7,000 7,000 Geographic information system 21,000 21,000 8,529 1 Piedmont workforce network 500 500 500 Central Virginia Economic development 10,000 10,000 10,000 Skyline CAP 48,502 48,502 48,502 Total planning and community development \$ 523,114 \$ 523,114 \$ 525,390 \$ Environmental management: \$ 31,333 \$ 31,333 \$ 31,333 \$ 31,333 \$ 5,942 5,942 5,942	-
Geographic information system 21,000 21,000 8,529 1 Piedmont workforce network 500 500 500 Central Virginia Economic development 10,000 10,000 10,000 Skyline CAP 48,502 48,502 48,502 Total planning and community development \$ 523,114 \$ 523,114 \$ 525,390 \$ Environmental management: Soil and water conservation district \$ 31,333 \$ 31,333 \$ 31,333 \$ 31,333 \$ 5,942 5,942 <td>_</td>	_
Piedmont workforce network 500 500 500 Central Virginia Economic development 10,000 10,000 10,000 Skyline CAP 48,502 48,502 48,502 Total planning and community development \$ 523,114 \$ 523,114 \$ 525,390 \$ Environmental management: \$ 31,333 \$ 31,333 \$ 31,333 \$ 31,333 \$ 5,942 5,942	12,471
Central Virginia Economic development 10,000 10,000 10,000 Skyline CAP 48,502 48,502 48,502 Total planning and community development \$ 523,114 \$ 523,114 \$ 525,390 \$ Environmental management: \$ 31,333 \$ 31,333 \$ 31,333 \$ 31,333 \$ 5,942 5,942	_,
Skyline CAP 48,502 48,502 48,502 48,502 Total planning and community development \$ 523,114 \$ 523,114 \$ 525,390 \$ Environmental management: Soil and water conservation district \$ 31,333 \$ 31,333 \$ 31,333 \$ 31,333 \$ 5,942 5,942	_
Total planning and community development \$ 523,114 \$ 523,114 \$ 525,390 \$ Environmental management: Soil and water conservation district \$ 31,333 \$ 31,333 \$ 31,333 \$ Forestry service \$ 5,942 5,942	_
Environmental management: Soil and water conservation district \$ 31,333 \$ 31,333 \$ 31,333 \$ Forestry service \$ 5,942 5,942	
Soil and water conservation district \$ 31,333 \$ 31,333 \$ \$ 31,333 \$ Forestry service 5,942 5,942 5,942	(2,276)
Soil and water conservation district \$ 31,333 \$ 31,333 \$ \$ 31,333 \$ Forestry service 5,942 5,942 5,942	
Forestry service 5,942 5,942 5,942	_
	_
Water quality management 1,000 1,000 1,000	_
	
Total environmental management \$ 38,275 \$ 38,275 \$ 38,275 \$	
Cooperative extension program:	
	13,284
Northern VA 4-H center 750 750 750	-
Total cooperative extension program \$ 124,497 \$ 124,497 \$ 111,213 \$ 1	13,284
Total community development \$ 685,886 \$ 685,886 \$ 674,878 \$ 1	11,008
Nondepartmental:	
	(1,623)
)4,147
Total nondepartmental \$ 303,519 \$ 210,647 \$ 8,123 \$ 20	02,524
Total nondepartmental \$ 303,519 \$ 210,647 \$ 8,123 \$ 20	12,324
Debt service:	
Principal retirement \$ 1,060,890 \$ 1,060,890 \$ 1,060,890 \$	-
Interest and fiscal charges 666,064 666,064 666,063	1
Total debt service \$ 1,726,954 \$ 1,726,953 \$	1
Total General Fund \$31,682,518_\$31,777,357_\$30,059,478_\$1,71	7 070

Fund, Function, Activities and Elements		Original Budget	Budget As Amended	Actual	Variance From Amended Budget Favorable (Unfavor.)
Primary Government: (Continued)					
Capital Improvement Fund:					
Capital Projects: EMS station	ċ	E00 000 ¢	772 247	\$ 502,317 \$	370 000
Renovations of existing facilities	\$	500,000 \$ 152,130	772,317 232,905	213,818	270,000 19,087
Public safety radio system		3,397,510	3,373,801	686,242	2,687,559
ERP system upgrades		305,797	305,796	308,793	(2,997)
IT network upgrades		140,654	195,231	17,794	177,437
Motor vehicles		145,698	345,456	313,930	31,526
Miscellaneous		93,000	84,000	83,157	843
ARPA - Broadband		2,540,264	2,540,264	-	2,540,264
School capital projects - debt funded		3,800	3,800	400	3,400
Total capital projects	_ \$	7,278,853 \$	7,853,570		
Total Capital Improvement Fund	*_ S	7,278,853 \$	7,853,570		
Total ExpendituresPrimary Government	·=	38,961,371 \$	39,630,927		
Discretely Presented Component Unit School Board: School Operating Fund: Education:					
Instruction	\$	17,621,098 \$	18,222,990		
Administration, attendance and health		1,352,009	1,372,731	1,346,131	26,600
Pupil transportation services		1,686,575	1,836,575	1,682,275	154,300
Operation and maintenance services School food		2,596,584	3,078,614	3,318,706	(240,092)
Facilities		55,555 675,914	55,555 717,414	40,397 1,003,477	15,158 (286,063)
Technology		1,472,629	1,797,629	1,003,477	1,797,629
Total education	\$	25,460,364 \$	27,081,508	\$ 25,346,065 \$	
Total School Operating Fund	\$	25,460,364 \$	27,081,508	\$ 25,346,065 \$	1,735,443
Special Revenue Funds: School Cafeteria Fund: Education:					
School food program	\$ <u></u>	1,266,500 \$	1,466,500	\$ <u>1,435,654</u> \$	30,846
School Capital Fund: Capital Projects:					
Contribution to Primary Government School projects	\$ _	399,642 \$ 	399,642 171,428	\$ 399,642 \$ 23,734	- 147,694
Total capital projects	\$_	399,642 \$	571,070	\$ 423,376 \$	147,694
Total School Capital Fund	\$_	399,642 \$	571,070	\$ 423,376 \$	147,694

- Statistical Information -

COUNTY OF MADISON, VIRGINIA

Government-Wide Expenses by Function Last Ten Fiscal Years

Total	7,875,143	24,281,054	25,966,427	25,497,481	25,478,369	26,558,548	27,424,047	29,803,723	29,536,914	30,751,521
Interest on Debt	511,140 \$ 315,760 \$ 27,875,143	292,905 24	282,647 25	268,648 25	275,811 25	229,642 26	459,142 27	704,675 29	682,318 29	654,156 30
Community Development	511,140 \$	588,519	524,074	541,843	633,599		572,111	773,315	653,808	664,450
Parks Recreation and Cultural De	422,822 \$	450,261	477,023	571,513	434,972	527,645	600,917	745,580	500,030	568,670
R	13,029,097 \$	9,350,811	10,374,212	9,248,253	10,024,701	10,078,642	9,555,127	9,976,023	10,249,899	10,413,303
Health and Welfare	958,957 \$ 4,752,444 \$ 13,029,097 \$	4,932,052	5,537,755	5,865,685	4,684,211	4,838,295	5,051,572	4,794,982	4,163,500	4,417,398
Public Works		948,947	956,205	925,800	936,466	1,108,676	1,113,930	1,149,357	1,238,100	1,331,217
Public Safety	5,486,234 \$	5,199,293	5,300,042	5,551,564	5,857,718	6,474,917	7,131,266	8,241,198	8,452,990	8,604,997
Judicial Adminis- tration	1,207,655 \$	1,133,013	1,153,156	1,257,440	1,249,955	1,193,398	1,292,747	1,418,930	1,367,865	1,451,671
General Sovernment Adminis- tration	2013-14 \$ 1,191,034 \$ 1,207,655 \$	1,385,253	1,361,313	1,266,735	1,380,936	1,556,893	1,647,235	1,999,663	2,228,404	2,645,659
G Fiscal Year	2013-14 \$	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23

COUNTY OF MADISON, VIRGINIA

Government-Wide Revenues Last Ten Fiscal Years

					Total	290,046 \$ 29,579,439	25,574,410	26,049,981	26,520,566	26,456,921	27,962,527	28,820,585	31,843,535	31,642,936	33,611,661
				Miscella-	neous	290,046 \$	290,340	386,279	308,067	350,384	724,702	271,285	261,175	1,095,995	399,114
	Revenues	from the	Use of	Money &	Property	120,246 \$	106,236	115,497	131,991	163,658	239,955	176,786	70,109	42,005	878,979
	Grants and	Contributions	Not Restricted	to Specific	Programs	1,749,820 \$	1,727,109	1,736,350	1,716,160	1,709,968	1,667,646	1,646,300	1,594,100	1,567,927	1,563,715
General Revenues			Other	Local	Taxes	408,787 \$	421,898	432,878	472,885	448,124	508,854	453,308	742,448	871,852	983,518
General			Restaurant	Food	Taxes	351,835 \$	380,853	401,303	445,670	463,480	502,163	479,074	558,670	671,726	653,495
			Motor	Vehicle	Licenses	322,800 \$ 425,198 \$	436,137	447,600	446,360	456,558	468,604	472,768	465,000	433,793	484,730
			Consumers'	Utility	Тах	322,800	334,364	334,021	339,369	345,329	354,993	356,731	361,341	365,160	372,270
		Local	Sales	and	Use Tax	865,583 \$	965,923	982,248	1,021,382	1,040,502	1,074,001	1,223,259	1,486,571	1,562,757	1,711,465
			General	Property	Taxes	14,730,276 \$	14,880,317	14,881,805	15,244,661	15,727,481	16,437,813	17,245,381	18,026,546	19,133,165	19,785,300
se			Capital	Grants and	Contributions	4,650,409 \$ 4,601,477 \$ 14,730,276 \$						254,935	200,689		399,642
Program Revenues			Operating	Grants and	Contributions	4,650,409 \$	5,016,167	5,301,202	5,510,808	4,843,204	4,995,475	5,311,740	7,210,089	4,735,878	5,147,563
Pı			Charges	for	Services	2013-14 \$ 1,062,962 \$	1,015,066	1,030,798	883,213	908,233	988,321	929,018	866,797	1,162,678	1,231,870
'	ı			Fiscal	Year	2013-14 \$	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23

COUNTY OF MADISON, VIRGINIA

General Government Revenues by Source (1) Last Ten Fiscal Years

Total	35,733,183	36,703,658 37,644,775	38,621,519	38,690,659	40,619,472	41,250,277	45,103,956	46,475,863	52,080,139
Inter- governmental (2)	16,795,001 \$	17,107,278 17,568,139	18,154,186	17,888,757	17,755,080	18,758,379	21,573,132	21,241,802	24,327,564
Miscel- laneous	519,461 \$	697,966 1,063,394	1,106,690	407,068	1,646,439	999,950	655,547	1,514,611	1,229,245
Charges for Services	968,135 \$	919,345 968,408	827,494	1,552,193	828,719	840,731	614,713	792,324	1,032,182
Revenues from the Use of Money & Property	152,516 \$	128,613 123,980	132,017	165,346	241,999	178,819	70,114	42,010	879,337
Fines & Forfeitures	189,681 \$	218,303 170,894	170,298	182,666	159,000	135,608	49,818	181,714	124,873
Permits, Privilege Fees & Regulatory Licenses	242,529 \$	176,783 212,473	222,790	188,292	262,981	214,208	242,448	274,127	305,842
Other Local Taxes	2,374,203 \$	2,539,175 2,598,050	2,725,666	2,753,993	2,908,615	2,985,140	3,614,030	3,905,288	4,205,478
General Property Taxes	14,491,657 \$	14,916,195 14,939,437	15,282,378	15,552,344	16,816,639	17,137,442	18,284,154	18,523,987	19,975,618
Fiscal	40-	2014-15 2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23

⁽¹⁾ Includes General and Capital Improvement Funds of the primary government and its discretely presented component unit school board.

(2) The General Fund contributions to the Component Unit School Board and vice versa are not included.

COUNTY OF MADISON, VIRGINIA

General Government Expenditures by Function (1) Last Ten Fiscal Years

Total	39,421,332	42,175,516	36,881,685	37,379,721	39,932,900	38,688,648	51,106,608	52,215,995	45,780,621	50,189,787
Debt Service	4,663,682 \$ 1,232,766 \$ 39,421,332	1,428,288	1,447,093	1,453,435	3,517,411	1,488,661	9,571,001	1,073,942	1,727,498	1,726,953
Capital Projects	4,663,682 \$	6,539,841	400,226	38,000	180,048	416,203	2,673,011	10,642,501	1,130,382	2,549,827
Non- departmental	36,702 \$	5,584	1,116	64,096	702	5,911	4,795	5,002	925	8,123
Community Develop- ment	\$ 776,809	595,144	535,745	544,945	631,453	569,985	826,062	759,866	662,267	674,878
Recreation and Cultural	435,199 \$	420,701	476,491	356,465	361,640	454,131	521,812	661,889	428,605	495,974
Education(2)	4,731,099 \$ 19,094,380 \$	19,626,160	19,804,268	20,194,751	21,052,695	20,821,906	21,379,062	21,666,022	25,062,494	27,271,715
Health and Welfare	4,731,099 \$	4,950,311	5,582,522	5,900,655	4,692,827	4,881,655	5,001,895	4,738,790	4,188,927	4,454,652
Public Works	999,430 \$	1,025,561	950,854	946,045	921,347	1,132,134	1,168,473	1,143,992	1,234,989	1,322,559
Public Safety	5,634,475 \$	5,465,454	5,506,166	5,609,963	918,471 6,167,216	6,443,324	7,321,576	8,706,521	8,154,915	8,186,958
Judicial Admini- stration	865,373 \$	819,898	848,738	918,656	918,471	899,824	944,204	1,039,955	1,127,067	1,212,787
General Admini- stration	2013-14 \$ 1,219,249 \$	1,298,574	1,328,466	1,352,710	1,489,090	1,574,914	1,694,717	1,777,515	2,062,552	2,285,361
Fiscal Year	2013-14 \$	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23

⁽¹⁾ Includes General and Capital Improvement Funds of the primary government and its discretely presented component unit.

(2) The General Fund contributions to the Component Unit School Board are not included.

COUNTY OF MADISON, VIRGINIA

Property Tax Levies and Collections Last Ten Fiscal Years

		Current	Percent	Delinquent (1)	Total	Percent of Total Tax	Outstanding (1)	Percent of Delinquent
Fiscal Year	Total (1) Tax Levy	Tax (1) (3) Collections	of Levy Collected	Tax (2) Collections	Tax Collections	Collections to Tax Levy	Delinquent Taxes	Taxes to Tax Levy
2013-14 \$	2013-14 \$ 14,346,454 \$	13,203,008 \$	92.03% \$	931,044 \$	14,134,052	98.52% \$	1,359,533	9.48%
2014-15	14,599,617	13,851,493	94.88%	702,747	14,554,240	%69.66	1,457,348	86.6
2015-16	14,705,489	13,404,674	91.15%	1,175,209	14,579,883	99.15%	1,457,348	9.91%
2016-17	14,974,584	13,894,171	92.79%	1,013,226	14,907,397	99.55%	1,454,428	9.71%
2017-18	15,436,200	14,218,972	92.11%	962,988	15,181,960	98.35%	1,455,940	9.43%
2018-19	16,035,565	15,090,736	94.11%	1,260,211	16,350,947	101.97%	1,295,330	8.08%
2019-20	16,916,735	15,555,982	91.96%	1,274,956	16,830,938	99.49%	1,282,875	7.58%
2020-21	17,510,314	16,700,999	95.38%	1,241,098	17,942,097	102.47%	1,143,439	6.53%
2021-22	18,945,636	17,307,710	91.35%	2,278,842	19,586,552	103.38%	1,528,705	8.07%
2022-23	19,515,072	18,971,416	97.21%	615,136	19,586,552	100.37%	1,386,025	7.10%

⁽¹⁾ Exclusive of penalties and interest.

(3) Includes Commonwealth of Virginia Personal Property Tax Relief Act funds.

⁽²⁾ Does not include land redemptions.

COUNTY OF MADISON, VIRGINIA

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

				Machinery			
Fiscal	Real	Personal	Mobile	and	Merchants'	Public	To to T
ומש	באמופ	riopeity	S I I I I	Sign	Capital	361 4106	וסנמו
2013-14 \$	1,591,460,450 \$	117,824,549 \$	1,104,500 \$		20,776,576 \$	44,805,961 \$	1,779,816,863
2014-15	1,605,038,450	118,207,845	1,142,200	4,144,481	24,428,195	48,828,075	1,801,789,246
2015-16	1,620,377,400	114,334,699	1,160,600	4,071,363	24,036,071	47,366,304	1,811,346,437
2016-17	1,635,149,750	118,763,510	1,192,500	4,469,521	26,384,953	45,692,315	1,831,652,549
2017-18	1,677,006,075	125,966,256	1,224,400	4,997,202	28,532,503	47,090,233	1,884,816,669
2018-19	1,703,493,550	131,516,620	1,287,500	4,738,091	25,940,260	47,201,812	1,914,177,833
2019-20	1,759,341,250	138,003,080	1,077,500	7,984,750	27,559,017	50,521,011	1,984,486,608
2020-21	1,775,753,150	142,521,415	1,001,000	8,153,340	27,539,360	52,655,352	2,007,623,617
2021-22	1,796,013,900	160,914,954	1,114,300	8,756,231	21,002,128	49,868,588	2,037,670,101
2022-23	1,821,805,500	198,881,670	1,442,330	8,191,014	33,712,618	46,294,427	2,110,327,559

(1) 100% fair market value.

Property Tax Rates (1) Last Ten Fiscal Years

Fiscal Years	Real Estate	Personal Property (2)	Mobile Homes	and Tools (2)	Merchants' Capital (2)
4 \$	0.67/0.68 \$	3.45 \$	\$ 29.0	1.67 \$	0.86
15	0.68	3.45	0.68	1.67	0.86
16	0.68	3.45	0.68	1.67	0.86
17	0.68	3.45	0.68	1.67	0.86
8	0.68	3.45	0.68	1.67	0.86
2018-19	0.70/0.68	3.45	0.68	1.67	0.86
70	0.70/0.71	3.45	0.70	1.67	0.86
21	0.71/0.74	3.45	0.71	1.67	0.86
2021-22	0.74	3.45	0.71	1.67	0.86
2022-23	0.74	3.45	0.71	1.67	0.86

(1) Per \$100 of assessed value.

(2) Levied at 100% of fair market value

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

Net Bonded Debt per Capita	926	086	946	872	793	869	1,877	1,760	1,688	1,614
Ratio of Net General Obligation Debt to Assessed Value	0.0072	0.0072	0.0069	0.0063	0.0056	0.0048	0.0126	0.0121	0.0115	0.0106
Net Bonded Debt	12,881,500	12,939,000	12,483,000	11,513,000	10,466,510	9,282,490	24,951,000	24,347,000	23,351,000	22,329,000
Gross Bonded Debt (3)	12,881,500	12,939,000	12,483,000	11,513,000	10,466,510	9,282,490	24,951,000	24,347,000	23,351,000	22,329,000
Assessed Value (2)	1,779,816,863	1,801,789,246	1,811,346,437	1,831,652,549	1,884,816,669	1,914,177,833	1,984,486,608	2,007,623,617	2,037,670,101	2,110,327,559
Population (1)	13,200	13,200	13,200	13,200	13,200	13,295	13,295	13,837	13,837	13,837
Fiscal	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23

⁽¹⁾ Bureau of the Census.

⁽²⁾ From Table 6.

⁽³⁾ Includes all long-term general obligation bonded debt and Literary Fund Loans.

Excludes compensated absences, landfill closure liability, lease liabilities and subscription liabilities.

Ratio of Annual Debt Service Expenditures for General Bonded Debt to Total General Governmental Expenditures Last Ten Years

					Total	Debt Service
Fiscal				Total Debt	General Governmental	to General Governmental
Year	I	Principal	Interest	Service	Expenditures (1)	Expenditures
2013-14	∽	1,008,153 \$	274,563 \$	1,282,716 \$	39,421,332	3.25%
2014-15		1,119,911	308,377	1,428,288	42,175,516	3.39%
2015-16		1,147,420	299,673	1,447,093	36,881,685	3.92%
2016-17		1,165,198	288,237	1,453,435	37,379,721	3.89%
2017-18		3,245,829	271,582	3,517,411	39,932,900	8.81%
2018-19		1,241,178	247,483	1,488,661	38,688,648	3.85%
2019-20		8,996,962 (2)	428,425 (2)	9,425,387	51,106,608	18.44%
2020-21		640,316	433,626	1,073,942	52,215,995	2.06%
2021-22		1,033,580	693,918	1,727,498	45,780,621	3.77%
2022-23		1,060,890	666,063	1,726,953	50,189,787	3.44%

(1) Includes primary government and discretely presented component unit school board.

⁽²⁾ Includes debt that was refunded in FY 20.

- Compliance -



ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

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 Madison, Virginia

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of County of Madison, Virginia, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the County of Madison, Virginia's basic financial statements, and have issued our report thereon dated March 21, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County of Madison, 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 Madison, Virginia's internal control. Accordingly, we do not express an opinion on the effectiveness of the County of Madison, Virginia's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

Additionally, Low Associates

Charlottesville, Virginia

March 21, 2024



ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

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

To the Honorable Members of the Board of Supervisors County of Madison, Virginia

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited County of Madison, 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 Madison, Virginia's major federal programs for the year ended June 30, 2023. County of Madison, 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 Madison, Virginia complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

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 Madison, 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 Madison, 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 Madison, 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 Madison, 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 Madison, 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 Madison, 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 Madison, 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 Madison, Virginia's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

Report on Internal Control over Compliance: (Continued)

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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.

Charlottesville, Virginia

March 21, 2024

Primary Government Vignita Department of Justice Vignita		Federal Assistance	Pass-through Entity Identifying	Passed through to	Federal
Virginia Department of Justice Pasts Through Pymments	Federal Grantor/Pass - Through Grantor/Program or Cluster Title	Listing	Number	Subrecipients	Expenditures
Past Through Payments:	Primary Government:				
Past Through Payments:	Virginia Department of Justice				
Critical Department of Justice 16.575	· ·				
Critical Department of Justice 16.575	3 ,				
Past Through Payments Past Through Payment Past Through Payments Payments Past Through Payments Past Thr	· ·	16.575	CJS5601701	\$ -	\$ 43,304
Pass Through Payments:	Total Department of Justice			\$	\$ 43,304
Virginia Department of Social Services: Guardinanship Assistance	Department of Health and Human Services:				
Supering	Pass Through Payments:				
Supering	Virginia Department of Social Services:				
Title IV-E Prevention Program		93.090	1110121/1110122	\$ -	\$ 73
ManyLee Allen Promoting Safe and Stable Famillies Program 93.556 0950109/0950110	·	93.472	1140122	· .	2,647
COUND-19 - MaryLee Allen Promoting Safe and Stable Families Program \$1.556 \$1.5,670	<u> </u>	93.556			,
Total 93.556 S 5,670 Temporary Assistance for Needy Families 93.558 0400109/0400110 120,267 Refugee and Entrant Assistance - State/Replacement 93.566 0500109/0500110 240,655				_	
Refugee and Entrant Assistance - State/Replacement Designee Administered Programs 93.566 0500109/0500110 24,665 24,66		75.555	0,5010,7,0,501.10	\$ -	
Designee Administered Programs	Temporary Assistance for Needy Families	93.558	0400109/0400110	-	120,267
Concession Con	Refugee and Entrant Assistance - State/Replacement				
Child Care Mandatory and Matching Funds of the Child Care and Development Fund(CCDF Cluster) 93.596 0760109/0760110	Designee Administered Programs	93.566	0500109/0500110	-	497
Care and Development FundICCDF Cluster) 93.596 0760109/0760110 - 28,741 Chafee Education and Training Vouchers Program 93.599 9160110 - 13,329 COVID-19 - Chafee Education and Training Vouchers Program 93.599 9160110 - 1899 Total 93.599 1760110 - 1899 Total 93.599 9160110 - 1899 Potential Program of Successful 93.667 91512019/1200110 - 1899 Potential 93.599 9160110 - 1899 Potential 93.599 91.599	Low-Income Home Energy Assistance	93.568	0600409/0600410	-	24,665
Chafee Education and Training Vouchers Program 93.599 9160110 183.329 COVID-19 - Chafee Education and Training Vouchers Program 93.599 9160110 189 Total 93.599 7501 93.599 7501 93.599 7501 93.693 1130116/1130117 75 13.518 7501 7	Child Care Mandatory and Matching Funds of the Child				
COVID-19 - Chafee Education and Training Vouchers Program 73.599 9160110 \$. 139 Total 93.599 \$. \$. \$. \$. \$. \$. \$. \$. \$. \$	Care and Development Fund(CCDF Cluster)	93.596	0760109/0760110	-	28,741
COVID-19 - Chafee Education and Training Vouchers Program 93.599 9160110 \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	Chafee Education and Training Vouchers Program	93.599	9160110	-	13,329
Adoption and Legal Guardianship Incentive Payments 93.603 1130116/1130117 . 1,980 Stephanie Tubbs Jones Child Welfare Services Program 93.645 0900109/0900110 . 220 Foster Care - Title IV-E 93.658 1100109/1100110 . 122,891 Adoption Assistance 93.659 1120109/1120110 . 490,558 Social Services Block Grant 93.667 1000109/1000110 . 125,196 John H. Chafee Foster Care Program for Successful Transition to Adulthood 93.674 915120/9150121 . 3,796 COVID-19 - John H. Chafee Foster Care Program for Successful Transition to Adulthood 93.674 915120/9150121 . 17,395 Total 94.900 Children's Health Insurance Program 93.767 9540109/0540110 . 1,398 Medical Assistance Program (Medicaid Cluster) 93.778 120019/1200110 . 162,858 Total Department of Homeland Security: Pass Through Payments: Virginia Department of Emergency Management: Emergency Management Performance Grants 97.042 Not available \$ \$ \$ 7,500 Disaster Grants-Public Assistance (Presidentially Declared Disasters) 97.036 N/A \$ \$ 5,350 Total Department of Homeland Security \$ \$ \$ \$ 7,500 Disaster Grants-Public Assistance (Presidentially Declared Disasters) 97.036 N/A \$ \$ 5,350 Total Department of Homeland Security \$ \$ \$ \$ \$ 12,850 State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP Cluster) 10.561 001011/0010112/0040111/004011 \$ \$ \$ \$ \$ \$ 314,270	COVID-19 - Chafee Education and Training Vouchers Program	93.599	9160110	-	
Stephanie Tubbs Jones Child Welfare Services Program 93.645 0900109/0900110	Total 93.599			\$ -	\$ 13,518
Stephanie Tubbs Jones Child Welfare Services Program 93.645 0900109/0900110	Adoption and Legal Guardianship Incentive Payments	93.603	1130116/1130117	-	1,980
Foster Care - Title IV-E		93.645	0900109/0900110		•
Adoption Assistance Social Services Block Grant John H. Chafee Foster Care Program for Successful Transition to Adulthood OVID-19 - John H. Chafee Foster Care Program for Successful Transition to Adulthood OVID-19 - John H. Chafee Foster Care Program for Successful Transition to Adulthood OVID-19 - John H. Chafee Foster Care Program for Successful Transition to Adulthood Transition to Adulthood OVID-19 - Stider Abuse Prevention Interventions Program (Nade Interventions Program Inte	·			_	
Social Services Block Grant John H. Chafee Foster Care Program for Successful Transition to Adulthood Transition to Adulthood Transition to Adulthood Transition to Adulthood Total 93.674 COVID-19 - John H. Chafee Foster Care Program for Successful Transition to Adulthood Total 93.674 COVID-19 - Elder Abuse Prevention Interventions Program Page 17.795 Total Department of Health and Human Services Department of Homeland Security: Pass Through Payments: Virginia Department of Emergency Management: Emergency Management Performance Grants Disaster Grants-Public Assistance (Presidentially Declared Disasters) Total Department of Homeland Security Pass Through Payments: Virginia Department of Homeland Security Emergency Management (Presidentially Declared Disasters) Total Department of Homeland Security Pass Through Payments: Virginia Department of Homeland Security Emergency Management (Presidentially Declared Disasters) Total Department of Homeland Security Pass Through Payments: Virginia Department of Homeland Security Social Services: State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP Cluster) 10.561 0010111/0010112/0040111/0040112 Social Services: State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP Cluster) 10.561 0010111/0010112/0040111/0040112 Social Services: State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP Cluster) 10.561 0010111/0010112/0040111/0040111 Social Services: State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP Cluster)				_	,
John H. Chafee Foster Care Program for Successful Transition to Adulthood 93.674 915120/9150121 - 3,796 COVID-19 - John H. Chafee Foster Care Program for Successful Transition to Adulthood 93.674 915120/9150121 - 17,395 Total 93.674 \$ 95.21,191 COVID-19 - Elder Abuse Prevention Interventions Program 93.747 8000221/8000321 - 4,490 Children's Health Insurance Program 93.767 0540109/0540110 - 13,398 Medical Assistance Program (Medicaid Cluster) 93.778 1200109/1200110 - 162,858 Total Department of Health and Human Services \$ \$ \$ \$ 1,136,860 Department of Homeland Security: Pass Through Payments: Virginia Department of Emergency Management: Emergency Management Performance Grants 97.042 Not available \$ \$ 7,500 Disaster Grants-Public Assistance (Presidentially Declared Disasters) 97.036 N/A - 5,350 Total Department of Homeland Security \$ \$ \$ \$ 12,850 Department of Agriculture: Pass Through Payments: Virginia Department of Social Services: State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP Cluster) 10.561 0010111/0010112/0040111/0040112 \$ \$ \$ \$ 314,270	•				•
Transition to Adulthood 93.674 915120/9150121 - 3,796 COVID-19 - John H. Chafee Foster Care Program for Successful Transition to Adulthood 93.674 915120/9150121 - 17,395 Total 93.674 915120/9150121 - 17,395 Total 93.674 9000221/8000321 - 4,490 COVID-19 - Elder Abuse Prevention Interventions Program 93.747 8000221/8000321 - 4,490 Children's Health Insurance Program (Medicaid Cluster) 93.767 0540109/0540110 - 162,858 Total Department of Health and Human Services \$ 1,136,860 Department of Homeland Security: Pass Through Payments: Virginia Department of Emergency Management: Emergency Management Performance Grants 97.042 Not available \$ 5, 5, 5,350 Disaster Grants-Public Assistance (Presidentially Declared Disasters) 97.036 N/A - 5,350 Total Department of Homeland Security Department of Homeland Security Pass Through Payments: Virginia Department of Social Services: State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP Cluster) 10.561 0010111/0010112/0040111/0040112 \$ 5, \$ 314,270		73.007	10001077 1000110		123,170
COVID-19 - John H. Chafee Foster Care Program for Successful Transition to Adulthood Total 93.674 915120/9150121 - 17,395 Total 93.674 COVID-19 - Elder Abuse Prevention Interventions Program 93.747 8000221/8000321 - 4,490 Children's Health Insurance Program 93.767 O540109/0540110 - 16,398 Medical Assistance Program (Medicaid Cluster) 93.778 1200109/1200110 - 162,858 Total Department of Health and Human Services Department of Homeland Security: Pass Through Payments: Virginia Department of Emergency Management: Emergency Management Performance Grants 97.042 Not available S Disaster Grants-Public Assistance (Presidentially Declared Disasters) 97.036 N/A - 5,350 Total Department of Homeland Security Department of Homeland Security Department of Agriculture: Pass Through Payments: Virginia Department of Social Services: State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP Cluster) 10.561 0010111/0010112/0040111/0040112 9.5314,270	-	93 674	915120/9150121		3 796
Transition to Adulthood 93.674 915120/9150121 70tal 93.674 97		75.074	71312077130121		3,770
Total 93.674 COVID-19 - Elder Abuse Prevention Interventions Program 93.747 8000221/8000321 - 4,490 Children's Health Insurance Program 93.767 0540109/0540110 - 1,398 Medical Assistance Program (Medicaid Cluster) 93.778 1200109/1200110 - 162,858 Total Department of Health and Human Services Pass Through Payments: Virginia Department of Emergency Management: Emergency Management Performance Grants Disaster Grants-Public Assistance (Presidentially Declared Disasters) 97.042 Not available N/A - 5,350 Total Department of Homeland Security Pass Through Payments: Virginia Department of Homeland Security Department of Homeland Security S - \$ 12,850 Total Department of Homeland Security S - \$ 312,850 N/A - 3314,270 Nutrition Assistance Program (SNAP Cluster) 10.561 0010111/0010112/0040111/0040112 S - \$ 314,270	<u> </u>	93 674	915120/9150121	_	17 305
COVID-19 - Elder Abuse Prevention Interventions Program 93.747 8000221/8000321 - 4,490 Children's Health Insurance Program 93.767 0540109/0540110 - 1,398 Medical Assistance Program (Medicaid Cluster) 93.778 1200109/1200110 - 162,858 Total Department of Health and Human Services \$ - \$ 1,136,860 Department of Homeland Security: Pass Through Payments: Virginia Department of Emergency Management: Emergency Management Performance Grants 97.042 Not available \$ - \$ 7,500 Disaster Grants-Public Assistance (Presidentially Declared Disasters) 97.036 N/A - 5,350 Total Department of Homeland Security \$ - \$ 12,850 Department of Agriculture: Pass Through Payments: Virginia Department of Social Services: State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP Cluster) 10.561 0010111/0010112/0040111/0040112 \$ - \$ 314,270		75.074	713120/7130121	¢	
Children's Health Insurance Program 93.767 0540109/0540110 - 1,398 Medical Assistance Program (Medicaid Cluster) 93.778 1200109/1200110 - 162,858 Total Department of Health and Human Services \$\$\frac{1}{2}\$\$ - \$\$\$ 1,136,860\$ Department of Homeland Security: Pass Through Payments: Virginia Department of Emergency Management: Emergency Management Performance Grants 97.042 Not available \$\$-\$\$7,500\$ Disaster Grants-Public Assistance (Presidentially Declared Disasters) 97.036 N/A - 5,350 Total Department of Homeland Security \$\$-\$\$\$\$12,850\$ Department of Agriculture: Pass Through Payments: Virginia Department of Social Services: State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP Cluster) 10.561 0010111/0010112/0040111/0040112 \$\$-\$\$\$314,270\$		03 747	8000221/8000321	· ·	
Medical Assistance Program (Medicaid Cluster) 93.778 1200109/1200110 - 162,858 Total Department of Health and Human Services Department of Homeland Security: Pass Through Payments: Virginia Department of Emergency Management: Emergency Management Performance Grants Disaster Grants-Public Assistance (Presidentially Declared Disasters) 70.042 Not available \$ - \$ 7,500 N/A - 5,350 Total Department of Homeland Security Pass Through Payments: Virginia Department of Agriculture: Pass Through Payments: Virginia Department of Social Services: State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP Cluster) 10.561 0010111/0010112/0040111/0040112 \$ - \$ 314,270	•				•
Total Department of Health and Human Services \$\frac{1}{1},136,860\$ Department of Homeland Security: Pass Through Payments: Virginia Department of Emergency Management: Emergency Management Performance Grants 97.042 Not available \$\frac{1}{2}\$ \$\frac	<u> </u>				•
Department of Homeland Security: Pass Through Payments: Virginia Department of Emergency Management: Emergency Management Performance Grants 97.042 Not available \$ - \$ 7,500 Disaster Grants-Public Assistance (Presidentially Declared Disasters) 97.036 N/A - 5,350 Total Department of Homeland Security \$ - \$ 12,850 Department of Agriculture: Pass Through Payments: Virginia Department of Social Services: State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP Cluster) 10.561 0010111/0010112/0040111/0040112 \$ - \$ 314,270	Medical Assistance Program (Medicald Cluster)	73.770	1200109/1200110	<u>-</u> _	102,036
Pass Through Payments: Virginia Department of Emergency Management: Emergency Management Performance Grants 97.042 Not available \$ - \$ 7,500 Disaster Grants-Public Assistance (Presidentially Declared Disasters) 97.036 N/A - 5,350 Total Department of Homeland Security \$ - \$ 12,850 Department of Agriculture: Pass Through Payments: Virginia Department of Social Services: State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP Cluster) 10.561 0010111/0010112/00401111/0040112 \$ - \$ 314,270	Total Department of Health and Human Services			\$	\$ 1,136,860
Pass Through Payments: Virginia Department of Emergency Management: Emergency Management Performance Grants 97.042 Not available \$ - \$ 7,500 Disaster Grants-Public Assistance (Presidentially Declared Disasters) 97.036 N/A - 5,350 Total Department of Homeland Security \$ - \$ 12,850 Department of Agriculture: Pass Through Payments: Virginia Department of Social Services: State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP Cluster) 10.561 0010111/0010112/00401111/0040112 \$ - \$ 314,270	Department of Homeland Security:				
Virginia Department of Emergency Management: Emergency Management Performance Grants 97.042 Not available \$ - \$ 7,500 Disaster Grants-Public Assistance (Presidentially Declared Disasters) 97.036 N/A - 5,350 Total Department of Homeland Security \$ - \$ 12,850 Department of Agriculture: Pass Through Payments: Virginia Department of Social Services: State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP Cluster) 10.561 0010111/0010112/0040111/0040112 \$ - \$ 314,270	· ·				
Emergency Management Performance Grants 97.042 Not available \$ - \$ 7,500 Disaster Grants-Public Assistance (Presidentially Declared Disasters) 97.036 N/A - 5,350 Total Department of Homeland Security \$ - \$ 12,850 Department of Agriculture: Pass Through Payments: Virginia Department of Social Services: State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP Cluster) 10.561 0010111/0010112/0040111/0040112 \$ - \$ 314,270					
Disaster Grants-Public Assistance (Presidentially Declared Disasters) 97.036 N/A - 5,350 Total Department of Homeland Security \$ - \$ 12,850 Department of Agriculture: Pass Through Payments: Virginia Department of Social Services: State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP Cluster) 10.561 0010111/0010112/0040111/0040112 \$ - \$ 314,270		07.042	Mark and Stability	ć	ć 7.500
Total Department of Homeland Security \$ \$ 12,850 Department of Agriculture: Pass Through Payments: Virginia Department of Social Services: State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP Cluster) 10.561 0010111/0010112/0040111/0040112 \$ \$ 314,270				\$ -	, , , , , , , , , , , , , , , , , , , ,
Department of Agriculture: Pass Through Payments: Virginia Department of Social Services: State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP Cluster) 10.561 0010111/0010112/0040111/0040112 \$ - \$ 314,270	Disaster Grants-Public Assistance (Presidentially Declared Disasters)	97.036	N/A	-	5,350
Pass Through Payments: Virginia Department of Social Services: State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP Cluster) 10.561 0010111/0010112/0040111/0040112 \$ \$ 314,270	Total Department of Homeland Security			\$	\$ 12,850
Pass Through Payments: Virginia Department of Social Services: State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP Cluster) 10.561 0010111/0010112/0040111/0040112 \$ \$ 314,270	Department of Agriculture:				
Virginia Department of Social Services: State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP Cluster) 10.561 0010111/0010112/0040111/0040112 \$ - \$ 314,270	•				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP Cluster) 10.561 0010111/0010112/0040111/0040112 \$ \$ 314,270	• •				
Nutrition Assistance Program (SNAP Cluster) 10.561 0010111/0010112/0040111/0040112 \$ \$ 314,270					
		10 561	0010111/0010112/0040111/0040112	\$ -	\$ 314 270
Total Department of Agriculture \$ \$ 314,270	nacition assistance mogram (star cluster)	10.501	33.31117.001011127.00401117.0040112	<u> </u>	7 317,270
	Total Department of Agriculture			\$	\$ 314,270

	Federal Assistance	Pass-through Entity Identifying	Passed through to	Federal
Federal Grantor/Pass - Through Grantor/Program or Cluster Title	Listing	Number	Subrecipients	Expenditures
Primary Government: (continued) Department of Treasury: Direct Payments:				
COVID-19-Coronavirus State and Local Fiscal Recovery Funds Pass Through Payments: Virginia Department of Criminal Justice Services:	21.027	N/A	\$ - 9	75,607
COVID-19-Coronavirus State and Local Fiscal Recovery Funds Total 21.027	21.027	Not available	\$ <u> </u>	22,500 98,107
Total Expenditures of Federal Awards-Primary Government			\$	1,605,391
Component Unit School Board:				
Department of Agriculture: Pass Through Payments: Virginia Department of Agriculture: Food Distribution (Child Nutrition Cluster)	10.555	2013IN109941/2014IN109941	\$ - 9	5 91,198
Virginia Department of Education:			·	, ,,,,,
National School Lunch Program (Child Nutrition Cluster) Total 10.555	10.555	2013IN109941/2014IN109941	ş <u> </u>	636,709 727,907
School Breakfast Program (Child Nutrition Cluster)	10.553	2013IN109941/2014IN109941	-	203,341
Virginia Department of Agriculture: Food Distribution (Child Nutrition Cluster) Summer Food Service Program for Children	10.559	2013IN109941/2014IN109941	-	222
(Child Nutrition Cluster) Total 10.559	10.559	2013IN109941/2014IN109941	\$ - 9	34,773 34,995
Total Child Nutrition Cluster Child and Adult Care Food Program	10.558	202222N11994	\$ - 9	966,243 166,701
Virginia Department of Education: COVID-19-Pandemic EBT Administrative Costs	10.649	2021215900941	-	628
Total Department of Agriculture			\$ - 9	1,133,572
Department of Education: Pass Through Payments: Virginia Department of Education: Title I Grants to Local Educational Agencies Supporting Effective Instruction State Grants	84.010 84.367	S010A120046/S010130046 S367A120044/S367A13044	\$ - 9	343,800 89,491
English Language Acquisition State Grants	84.365	Not Available	-	2,861
Special Education - Grants to States (Special Education Cluster) Special Education - Preschool Grants (Special Education Cluster) Total Special Education Cluster	84.027 84.173	H027A120107/H027A130107 H173A120112/H173A130112	\$ - <u>-</u>	468,081 13,194 481,275
COVID-19 Education Stabilization Fund: Governor's Emergency Education Relief Fund Elementary and Secondary School Emergency Relief Fund Governor's Emergency Relief Fund	84.425C 84.425D 84.425U	\$425C200042 \$425D200008 \$425U210008	- -	13,682 968,302 1,371,437
Total COVID-19 Education Stabilization Fund Career and Technical Education - Basic Grants to States	84.048	V048A120046/V048A130046	\$ - 9	2,353,421 34,615
Total Department of Education			\$ - 9	3,305,463
Department of Treasury: Pass Through Payments: Virginia Department of Education:				
COVID-19-Coronavirus State and Local Fiscal Recovery Funds Department of Health and Human Services: Virginia Department of Education:	21.027	Not available	\$	498,333
COVID-19 Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response Federal Communications Commission:	93.354	Not Available	\$	20,722
Pass Through Payments: Virginia Department of Education:	22.000	N		
COVID-19 Emergency Connectivity Fund Program	32.009	Not available	\$	·
Total Expenditures of Federal Awards Poporting Entity			\$	
Total Expenditures of Federal Awards-Reporting Entity			\$	6,628,606
See accompanying notes to the schedule of expenditures of federal awards	5.			

Notes to Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2023

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the County of Madison, Virginia under programs of the federal government for the year ended June 30, 2023. 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 Madison, Virginia, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County of Madison, 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 the fair market value of the commodities received and disbursed.

Note 4 - De Minimis Cost Rate

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

Note 5 - Loan Balances

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

Note 6 - Relationship to Financial Statements

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

Intergovernmental federal revenues per the basic financial statements:

Primary government:		
General Fund	\$_	1,709,680
Total primary government	\$_	1,709,680
Component Unit School Board:		
School Operating Fund	\$	3,867,548
School Cafeteria Fund	_	1,155,667
Total component unit school board	\$	5,023,215
Total federal expenditures per basic financial	_	
statements	\$_	6,732,895
Payments in lieu of taxes	\$_	(104,289)
Total federal expenditures per the Schedule of Expenditures of Federal Awards	\$_	6,628,606

Schedule of Findings and Questioned Costs Year Ended June 30, 2023

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

Significant deficiency(ies) identified?

None reported

Noncompliance material to financial statements noted?

Federal Awards

Internal control over major programs:

Material weakness(es) identified?

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)?

Identification of major programs:

Assistance Listing # Name of Federal Program or Cluster

21.027 COVID-19-Coronavirus State and Local Fiscal Recovery Funds
84.425 COVID-19 Education Stabilization Fund

Dollar threshold used to distinguish between Type A and Type B $\,$

programs \$750,000

Auditee qualified as low-risk auditee? Yes

Section II - Financial Statement Findings

There are no financial statement findings to report.

Section III - Federal Award Findings and Questioned Costs

There are no federal award findings and questioned costs to report.

Section IV - Prior Year Findings and Questioned Costs

There are no prior year findings and questioned costs to report.