ORANGE COUNTY

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Annual Comprehensive Financial Report

Orange County, Virginia

Fiscal Year Ended June 30, 2023

COUNTY OF ORANGE, VIRGINIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

YEAR ENDED JUNE 30, 2023

PREPARED BY

FINANCE DEPARTMENT
ORANGE, VIRGINIA

COUNTY OF ORANGE, VIRGINIA

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INTRODUCTORY SECTION

ORANGE COUNTY, VIRGINIA

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December 13, 2023

To the Board of Supervisors and the Citizens of Orange County:

It is my pleasure to submit to you the Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2023. This report has been prepared in accordance with Section 15.2-2511 of the Code of Virginia, 1950, as amended. The report is designed to present fairly the respective financial position of the government activities, business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Orange, Virginia ("County" or "Orange County") in all material respects, and to demonstrate compliance with applicable finance-related legal and contractual provisions.

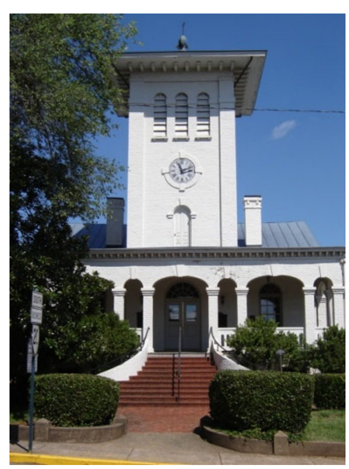
Management assumes full responsibility for the completeness and reliability of the information presented in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal controls should not outweigh their benefits, Orange County's framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement.

PBMares, LLP, a firm of licensed certified public accountants, has audited and issued an unmodified "clean" opinion on the financial statements of Orange County for the fiscal year ended June 30, 2023. The Independent Auditor's report is presented as the first component of the financial section of this report.

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

PROFILE OF THE GOVERNMENT

Orange County, Virginia, is a rural, but developing county with a landscape dominated by gently rolling hillsides, spectacular views of the beautiful Blue Ridge Mountains, the Rapidan River and several of Virginia's most significant historic areas. Located in Virginia's north-central Piedmont region, the County is 72 miles northwest of Richmond, 55 miles southwest of Washington, D.C. and 25 miles northeast of Charlottesville. The County consists of 344 square miles of land that ranges in elevation from 175 feet above sea level along the Rapidan River to 1,200 feet above sea level in the mountains and has an estimated population of 37,991. The County was named after William IV, Prince of Orange, and was formed in 1734. The Town of Orange became Orange County's judicial seat in 1749 when Culpeper County was formed making the previous courthouse location at Raccoon Ford far from the center of the new County.


Orange County Courthouse

The County includes two incorporated towns, the Towns of Gordonsville (population 1,498) and Orange (population 5,353), which are two of the main centers of commercial and industrial activity. The Route 3 Corridor in the eastern end of the County is also a commercial center. A planned residential community known as the Lake of the Woods is located on this corridor within the County and offers a private residential setting with recreation and open space areas.

The County operates under the traditional Board of Supervisors/County Administrator form of government as defined under Virginia law. The governing body of the County is the Board of Supervisors, which establishes policies for the administration of the County. The Board of Supervisors consists of five members representing the five election districts. The Chairman of the Board of Supervisors is elected from the Board of Supervisors and serves in addition to being a District Supervisor. The Board of Supervisors appoints a County Administrator to serve as the administrative manager of the County. The County Administrator serves at the pleasure of the Board of Supervisors, carries out policies established by the Board of Supervisors, and directs business and administrative procedures with the County government. In addition to the elected Board of Supervisors, five constitutional officers are elected. These officers include the Commissioner of Revenue, the Commonwealth's Attorney, the Clerk of the Circuit Court, the Sheriff, and the Treasurer.

The County provides a full range of services to its residents, including education, public safety, judicial services, solid waste disposal, community and economic development, airport, parks and recreation activities, public libraries, health and welfare, and general administration.

Orange County is financially accountable for a legally separate school district, which is reported separately within the financial statements as a component unit. Orange County Public Schools is the single largest service provided by the County. The School Board is composed of five elected members from each of the election districts. The School Board appoints a Superintendent to administer the policies of the School Board. The school system is comprised of one high school, two middle schools, five elementary schools and one primary school. The average daily membership for establishing the amounts of state school aid for school year 2022-2023 was 4,784. This represents an increase of 62 students from the prior year mainly due to population growth over prior year. The mission statement adopted by the Orange County Public Schools is: "*Improving the future by empowering our students to value learning, achieve their full potential, and pursue their dreams."*

The Economic Development Authority (EDA) is a component unit of the County and has the power to issue tax-exempt industrial development revenue bonds to qualifying enterprises wishing to utilize that form of financing. Those bonds represent limited obligations of the EDA to be repaid solely from the revenue and receipts from the project funded with these proceeds. The debt outstanding does not constitute a debt or pledge of the faith and credit of the County or the EDA.

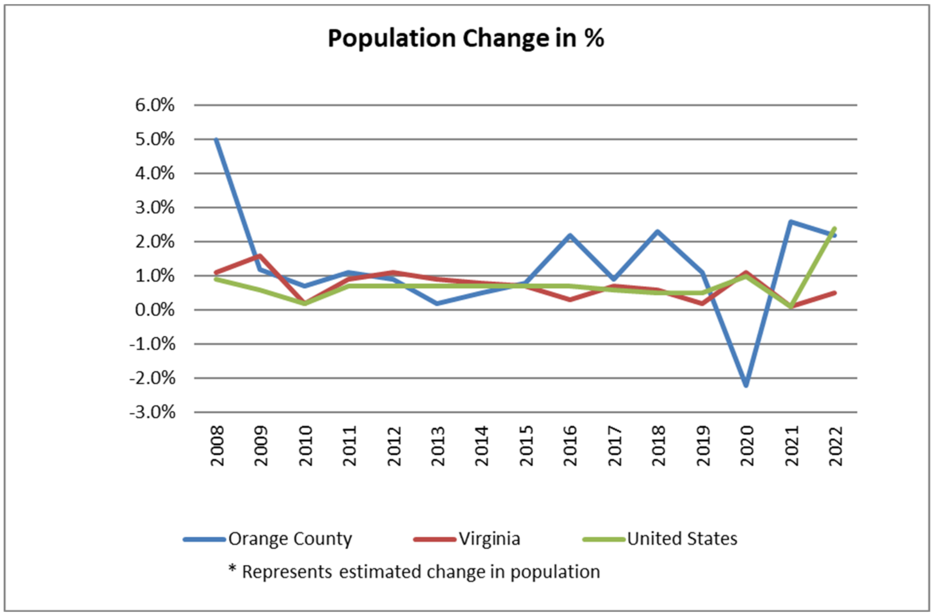
On April 26, 2016, the Board of Supervisors adopted a resolution authorizing the creation of the Orange County Broadband Authority, another component unit of the County. The Broadband Authority was created to facilitate the provision of affordable broadband service to businesses, governmental agencies, and the public. Access to affordable, reliable high-speed broadband, particularly in the rural geography of the County, is important for fostering economic development, improving educational opportunities, ensuring public safety, and enhancing the overall quality of life for the citizens of Orange County. In August 2020, Orange County Broadband Authority began operating under the name "FiberLync". On April 6, 2021, FiberLync connected its first customer. As of June 30, 2023, FiberLync has installed 331.9 miles of fiber passing over 7,354 potential subscribers. A total of 4,108 households and businesses signed up for FiberLync's internet services as of the end of fiscal year 2023.

Virginia law requires the County to maintain a balanced budget in each fiscal year. The annual budget serves as the foundation of the County's financial planning and control. County departments and agencies begin their budget preparation each fall. In February, the County Administrator submits a proposed operating and capital budget. The operating and capital budget includes proposed expenditures and the means of financing such expenditures. Work sessions are scheduled to further refine the proposal and align it with the County's Comprehensive Plan, Strategic Plan, Capital Improvement Plan and other goals and objectives. A public hearing is conducted to obtain citizen comments on the proposed budget and tax rates. After consideration of public comment, the Board approves and appropriates the budget and sets property tax rates. The legal level of budgetary control (the level at which management cannot adjust the budget without the approval of the governing body) is the functional level. Functional categories include General Administration, Judicial Administration, Public Safety, Public Works, Health & Welfare, Education, Parks, Recreation & Culture, and Community Development.

Economic Conditions and Outlook

Like much of the world, Orange County's economy was impacted due to the Global Coronavirus (COVID-19) pandemic. In 2023, the County has experienced signs of recovery as travel, tourism, and hospitality industries are seeing growth from the original decline. Agricultural businesses and non-discretionary retail sectors have remained stable, the construction and real estate industry has seen a rapid increase. At June 30, 2023, Orange County received a combined total of $19.2 Million in funds from 2020-2023 to help the County mitigate the spread of the virus and recover from the pandemic. These funds were used to assist the economic recovery of small business, expand broadband to citizens, modify local government offices to provide social distancing, assist regional non-profits, provide personal protective equipment and supplies to emergency personnel, and financially assist citizens impacted by the virus, along with various other county projects.

A major driver of the County's economy during the 2000's was population growth with many new residents moving in to enjoy the County's rural and picturesque location and proximity to the markets of Richmond, Charlottesville, Culpeper, Fredericksburg, and the Washington D.C./Northern Virginia metropolitan area. As indicated in the following chart, Orange County's population growth prior to 2009 was well above the state and national rates and growth in the commercial and service sectors of the economy accompanied the new residents. Orange County's population change has appeared to bounce back after the pandemic and is now in line with the country's growth.



Tourism is an important and rapidly growing component of Orange County's economy. It was first officially recognized for its potential as an economic driver through a study conducted by Mangum Economics during the fiscal year 2015. Additional Visitor Profile studies were conducted by Buxton research in 2018 and Economic Impact studies are conducted annually by the Virginia Tourism Corporation. Orange County is home to many historical sites, vineyards, breweries, attractions, and agritourism businesses which have flourished during the past decade even considering the profound impact of the recent pandemic.

Visitors to Orange County spent $52.8 million in 2022. This represents a 4.5% percent increase over 2021 expenditures. Local tourism-supported 485 jobs, generating $15.4 million in payroll, while state and local tourism-related taxes generated $3.6 million. All data was received by the Virginia Tourism Corporation (VTC) from US Travel Association and is based on domestic visitor spending (travelers from within the United States) from trips taken 50 miles or more away from home. 2023 data has not yet been published through the US Travel Association and Virginia Tourism Corporation.

Tourism businesses directly contribute to these increases by creating and aiding in the retention of jobs, increasing economic diversity, taking advantage of existing rural and agricultural assets, generating new business opportunities for complimentary products and services, providing entry level positions which develop soft skills in first-time workers, and fostering the development of critical customer and local supplier networks.

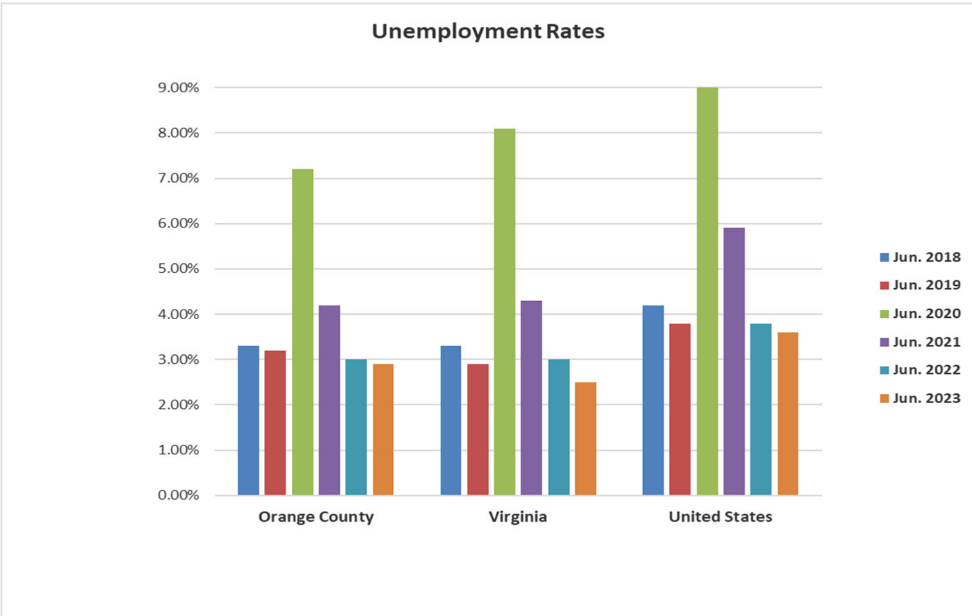
Orange County's largest attraction is James Madison's Montpelier, a 2,650-acre estate which was the lifelong home of James Madison. The estate was originally settled by James Madison's grandfather in the 1720s, and later served as an encampment for Civil War soldiers. In 1901, Montpelier was purchased by William duPont, a leading industrialist, and remained in the DuPont family for most of the 20th century. Marion DuPont Scott and her brother, William transformed the estate into one of the nation's leading equestrian estates and played an important role in establishing and promoting flat track and steeple chase racing in America.

James Madison's Montpelier

Following Mrs. Scott's death, and in accordance with her bequest, ownership of Montpelier was transferred to the National Trust for Historic Preservation which later established The Montpelier Foundation. In 2003, the Montpelier Foundation began restoration of the property to the 1820s home that James and Dolley Madison called home. Today, the lifelong home of James Madison, Father of the Constitution, Architect of the Bill of Rights, and fourth President of the United States, is more than a museum. As a monument to James Madison, a museum of American history, and a center for constitutional education, Montpelier engages the public with the enduring legacy of Madison's most powerful idea: government by the people. The historic home and 2,650-acre grounds are open to visitors and student groups throughout the year; and the Robert H. Smith Center for the Constitution at Montpelier offers world-class residential and online educational programs. Montpelier is a National Trust for Historic Preservation site. The estate currently receives an estimated 125,000 visitors a year and continues to also host the annual Montpelier Hunt Races.

Agriculture continues to play a major role in the County's economic life. The number of farms in the County has grown over the last several years even though the acreage devoted to farming has declined slightly. In addition to farming, however, the County is home to several related agribusinesses including two greenhouse facilities that supply a national retail chain, a producer of high-quality, wood framing systems for a national chain, new residential construction projects such as single-family homes, townhouses, duplexes, and condos, nine wineries, three breweries, two meat processing facilities, and a laboratory specializing in natural pesticides and herbicides that have no adverse impact on the environment. Orange County is also home to the largest corn-maze (34 acres) in the United States, several pick-your-own fruit, vegetable, and flower farms, and a 1,000-acre farm which is home to one of the largest retail tree nurseries in Virginia.

Orange County retains a strong core of manufacturing businesses taking advantage of the County's location, skilled labor force, and business friendly atmosphere. The County is the location for production and distribution facilities of nationally recognized industry leaders in such diverse sectors as plumbing tools, production molding, hardcover books, adhesive bonding, and rocket propulsion systems.



Due to recovery from the pandemic, unemployment rates in the County continued to decrease slightly in 2023 fiscal year along with state and national rates. Information provided by the Virginia Employment Commission indicates a county unemployment rate at June 30, 2023 of 2.9%; a state average of 2.5% and the national unemployment rate of 3.6%. According to the Bureau of Economic Analysis, in 2022 (the most recent year available), Orange County per capita personal income ($58,942) rose by 1.9% over the previous year compared to the state-wide increase of 3.2%. The national increase in per capita personal income was 1.6%.

During fiscal year 2023, property taxes were billed as follows:

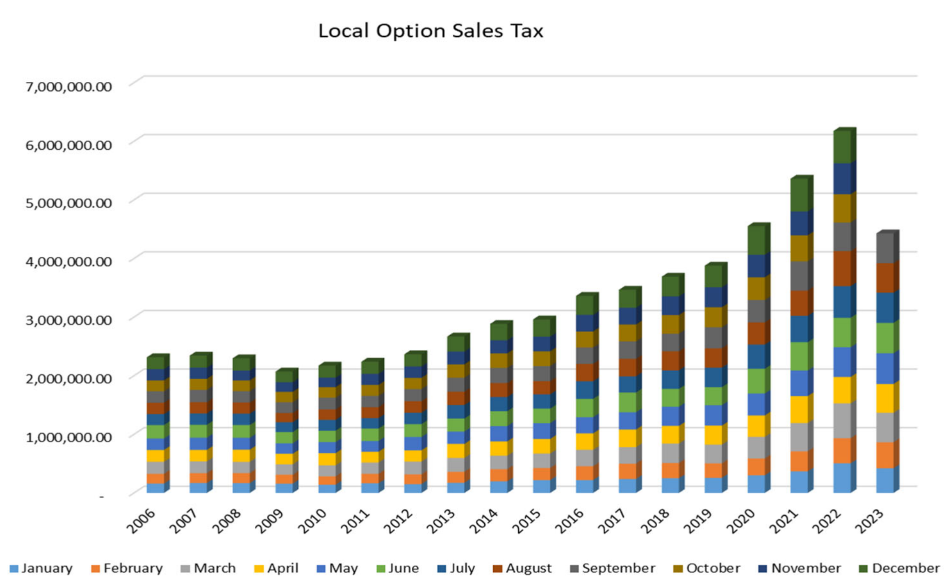
- 2nd Half Real Estate – 2022 Tax Year
- Public Service Companies – 2022 Tax Year
- All Personal Property – 2022 Tax Year
- 1st Half Real Estate– 2023 Tax Year

Real estate values for tax year 2023 increased by 2.1% over the 2022 values. Regular personal property values for tax year 2022, which includes automobiles, increased by 33.9%. Machinery and Tools assessed values decreased by 8.9%. Business and Heavy Equipment values also decreased by 1.9%. Merchants Capital assessed values decreased by 3.2% for the 2022 tax year and assessed values for RVs and Campers increased by approximately 21.9% over the prior year. Total 2022 assessed values for Aircraft increased by 38.1% and the assessed values for Boats increased by 30.2%. Total property assessments for all property types increased by 2.3% for tax year 2021 and increased by 3.6% for tax year 2022. For tax year 2023, total property assessments increased by 1.9%.

On February 27, 2018, the Board approved a change in the billing of property taxes for Public Service Companies (PSC). The billing schedule was changed from semi-annual for real estate and annual for personal property to an annual billing for both. The annual billing will enable the Commissioner of the Revenue to receive the certified values from the Virginia Department of Taxation prior to billing for the year. In the past, the first half PSC real estate taxes were estimated and once the values were received, the second half bills were adjusted to reflect any differences.

In tax year 2016, values for aircraft decreased reflecting the fact that several other neighboring localities with airports had reduced their property tax rates on aircraft. The Orange County Airport was experiencing a competitive disadvantage to recruit and locate new aircraft at the airport due to the continued assessment of the property tax. As an economic development strategy, the personal property tax on aircraft was eliminated in Orange County as part of the fiscal year 2016-2017 approved budget. It was anticipated that T-hanger and tie-down rentals at the Orange County Airport would increase by the elimination of the tax and by extension, fuel sales and service work at the airport would increase as well. An evaluation is planned in the upcoming fiscal year to study the current strategy to determine if changes should be made to the tax rate for aircraft.

Orange county receives a 1% Local Option Sales Tax which is collected by the Virginia Department of Taxation and remitted to the County in which the sale occurred. Because this portion of sales tax is directly related to sales activity within the County, it provides a unique perspective on the County's local economy. The following chart is a historical representation of Local Option Sales Tax vendor collections through September 2023. The Local Option Sales Tax revenue is remitted to the County by the Virginia Department of Taxation two months after it is collected by the vendor.



According to a recent report by the Fredericksburg Area Association of Realtors, there was a decrease of four sales (down by 5.58%) during the June of 2023 compared to prior year. The average home sales price within the county increased by 20.2% during the twelve-month period ending June 2023, and the median length of time on the market has increased by 14 days during the same period. The supply of active units on the market increased in Orange County by 2.9%.

The Orange County EDA adopted a revised strategic plan in May 2021. This document will guide economic development efforts throughout the County through 2025. To refine the focus within this strategic plan, Orange County Economic Development hired Platinum PR, an economic development and tourism marketing firm, to engage the community. In Fall 2020, Platinum PR conducted a series of interviews and meetings to build excitement for Orange County Economic Development's trajectory. This planning process called upon residents, business owners, staff, community organizations, key industries, educators, municipal leaders, partners, and other stakeholders to shape the vision for Orange County.

The following four focus areas were identified throughout this process:

- Attraction and Retention
- Workforce Development
- Small Business Development and Entrepreneurship
- Quality of Life

Orange County Economic Development prioritizes the attraction, growth, and retention of industries that invigorate our communities. Orange County aligns its target industry list with Central Virginia Partnership for Economic Development (CVPED), the regional marketing arm out of Charlottesville, Virginia, which provides business attraction efforts for the nine communities of Albemarle County, City of Charlottesville, Culpeper County, Fluvanna County, Greene County, Louisa County, Madison County, Nelson County, and Orange County. In 2012, a base industry study detailed the region's labor supply. The results refined target industries for future growth. Many identified industries are in high-growth sectors, thus diversifying the economic base for Orange County, Virginia. These industries inspire workforce development initiatives locally and inform the path forward. A 2017 study by Camoin Associates and its subsequent updates continue to affirm the original industry targets. Based on the available data, CVPED's suggested target industries are as follows:

TARGETED INDUSTRIES BY LOCALITY

	Albemarle	Charlottesville	Culpeper	Fluvanna	Greene	Louisa	Madison	Nelson	Orange
Bioscience & Medical Devices	•	•							
Business & Financial Services	•	•	•	•	•	•	•	•	•
Information Technology	•	•	•		•				
Defense & Security	•	•	•		•				
Health Services	•	•	•	•	•				•
Agribusiness, Food Processing & Tech	•					•	•	•	•
Transportation & Logistics				•		•			•
Chemicals & Plastics						•			
Forest & Wood Products				•		•		•	
Light Manufacturing			•	•		•			•
Arts, Design, Sports & Media	•	•			•		•	•	

Stakeholders and partner organizations also suggested the following areas for industry growth in Orange County:

- Government contracting
- High yield / low workforce companies
- Manufacturing (medical device, specialty, etc.)
- Warehousing
- Healthcare
- Ag/forestry – hemp, beverage manufacturing, tourism
- Technology-based companies
- Hospitality

Orange County's narrative is a bright one, characterized by focused action and fruitful collaborations at the state, local, and industry levels.

Major Initiatives

Orange County received the 2022 Digital Counties Survey award, presented in recognition of the breakthrough advances made across the digital sphere by staff and members across almost all departments. The Digital Counties Survey is offered by the Center for Digital Government, in partnership with the National Association of Counties (NACo). According to the Center for Digital Government, the Digital Counties Survey award "identifies the best technology practices among U.S. counties, including initiatives that streamline delivery of government services; encourage open data, collaboration, and shared services; enhance cybersecurity; and contribute to disaster response and recovery efforts." Orange County's submission included the recent improvements to our emergency operations connectivity, the efforts of the Orange County Broadband Authority (FiberLync), our public communication efforts, the expansion of our Information Technology Department, advancements in cybersecurity, and several additional functions related to our "Digital Citizen Initiative." Additionally, FiberLync was awarded the "Conquering the Digital Divide: One Connection at a Time" 2023 Achievement Award from NACo.

Orange County's Fire and EMS Department's Whole Blood Project received a 2022 Achievement Award of "Best Small County Achievement Award" from Virginia Association of Counties (VACo). This recognition is available only to counties with population of 50,000 or less, and its receipt indicates that this project was judged to be one of the top three submission in Virginia.

Orange County is pleased to announce that MPS, a division of Macmillan Publishers, will invest $26+ million over the next three years to expand its distribution operation in Orange County. Macmillan Publishers, based in New York, NY, is a global trade and higher education publishing company operating in over 70 countries, with imprints in the United States, Germany, the United Kingdom, Australia, South Africa, and India. Macmillan Publishers is a division of the Holtzbrinck Publishing Group, a large family-owned media company headquartered in Stuttgart, Germany. MPS first opened its' doors in Orange County in 1997 and then expanded in 2000 to add their Returns Facility, located in the Thomas E. Lee Industrial Park. The Orange County distribution facility handles all distribution for the United States and Canada, and some international customers. This expansion is anticipated to create 10 new jobs over the next three (3) years. The Economic Development Authority incentivized MPS to expand its operations in the County by offering a $250,000 real estate and machinery and tools performance tax grant, in exchange for their $26+ million investment.

Orange County is pleased to announce that MITRE Corporation is launching a new drone range in Orange County. The drone range promises to bring world-leading cutting-edge research and technology to Orange County. As a not-for-profit technology and R&D company, MITRE Corporation connects government, academic, and industry partnerships to tackle complex national and global challenges. For the past 65 years, McLean, Virginia based MITRE Corporation has worked without commercial conflicts of interest to solve problems for a safer world. This expansion is anticipated to create many new jobs over the next four years. The Economic Development Authority has entered into a land lease agreement with MITRE Corporation, for a 16-acre parcel in the county-owned Thomas E. Lee Industrial Park.

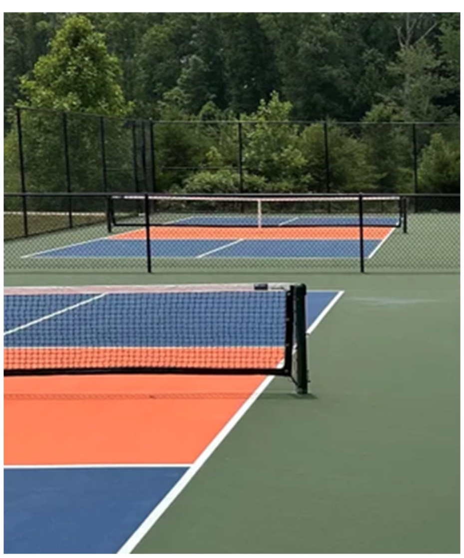
In Spring 2023, eight new entry way signs were installed at various entrance points into Orange County. These signs were the end result of several years of effort and planning.

In Spring 2023, the EDA engaged the services of Timmons Group to begin analyzing and developing site planning documents for lots 14 and 15 in the Thomas E. Lee Industrial Park. Information gleamed from these studies will allow staff and the EDA to make informed decisions and develop funding strategies related to future industrial site development on these lots.

In October 2022, Orange County hosted the Edna Lewis 50th Anniversary Celebration, Menu Trail, and Historical Marker. The Edna Lewis Media Event and Menu Trail programs were conceived to tell the story of Edna Lewis' life growing up in Orange County, Virginia and to commemorate the 50th Anniversary of the publication of her first cookbook– *the Edna Lewis Cookbook*. Edna Lewis is called the Grand Dame of Southern Cooking. Through her four cookbooks and her restaurant notoriety, she introduced the world to the black history and culinary culture she grew up with in rural Orange County, Virginia. She was one of the first to talk about the seasonality of ingredients, the importance of fresh, local agriculture and southern culinary traditions at the national level. The Media Event was a tribute to her legacy and her family, as well as a tangible way to introduce mainstream media and the traveling public to her powerful story. In addition to the multi-course tasting menu the media also experienced a full-day tour of Edna Lewis' Orange County. They visited her home church, received a driving tour with a local historian, and visited her grave/family cemetery along with other Orange County attractions and black history sites. Over 20 Orange County businesses participated in the execution of this program in one way or another. Orange County's Department of Economic Development and Tourism used the Edna Lewis Media Event and Menu Trail opportunity to highlight the county in its entirety, to celebrate local agriculture and to feature black history and current culinary attractions. The county also used the Menu Trail and Media Event to spur other efforts such as the installation of new Highway Marker honoring Lewis and approved by the Virginia Department of Historic Resources and a proclamation by Representative Abigail Spanberger honoring Lewis's many contributions to the Commonwealth. This initiative won both a 2023 National Association of Counties (NACo) and Virginia Association of Counties (VACo) Achievement Award.

The EDNA LEWIS MENU TRAIL

NACo ACHIEVEMENT AWARD WINNER



Orange County Parks and Recreation completed construction of several outdoor facilities to include Skydog Orange Dog Park, Pickleball Courts, Unionville Park, and renovations at Booster Park playground.

In July 2020, the Board of Supervisors authorized a bond sale totaling $15,166,000 to fund the renovation of Gordon Barbour Elementary School, construction of an expansion to landfill cell II, continued Fiber Optics/Rural Broadband Initiative, facility securement for a Career Technical Center, and the purchase of an Ambulance. The new projects will provide new and updated spaces for the continued growth of our education system as well as ensure the county is able to serve our citizens in the future with their refuse needs. The broadband component of the project continues the County's initiative to serve unserved and underserved areas within Orange County. During fiscal year 2023, the broadband project continued to expand their construction efforts to provide residents and businesses consumer choice for affordable and reliable high-speed fiberoptic broadband. The Broadband Authority (FiberLync) has assumed the responsibility of maintaining and managing the broadband project. The expansion of Landfill Cell II construction was completed, and the renovation of Gordon Barbour Elementary is still in progress.

Long-Term Financial Planning

Historically, the Finance Department has provided a financial forecast of revenues to the County Administrator and the Board of Supervisors. The forecast serves as a first step in the budget process for the upcoming fiscal year and is meant to provide a very preliminary view of the County's ability to meet its obligations and funding needs under a prescribed set of assumptions. The most recent revenue forecast included the following major assumptions:

- 1% increases in assessed values for real property
- 2.5% increases in assessed values for personal property (excluding vehicle and trucks which were forecasted without an increase due to significant recent increases in values)
- 5% increases in other local taxes
- 5% increases in permits and privilege licenses
- 2% increases in fines and forfeitures

The results of the forecast are shown below and indicate ongoing challenges in balancing the County's annual budget with existing tax rates. The County's goal is to continue limiting the use of fund balance to one-time expenditures to avoid structural imbalance in the budget. As part of future budget discussions, the County will consider funding alternatives for the major capital projects as well as tax rate adjustments if necessary. The County is actively pursuing the creation of an in-house real estate assessment office utilizing a tech-centric model with annual revaluation to more reliably capture property value increases, improve revenues, and increase customer service.

Orange County Government
Five-Year General Fund Forecast

	2022-2023 Budget	2023-2024 Budget	2024-2025 Forecast	2025-2026 Forecast	2026-2027 Forecast	2027-2028 Forecast
Revenue:						
General Property Taxes	44,191,973	$ 45,032,419	$ 45,707,905	$ 46,393,524	$ 47,321,394	$ 48,267,822
Other Local Taxes	9,973,451	10,713,462	11,249,135	11,811,592	12,402,171	13,022,280
Permits, Fees, License	712,141	763,625	801,806	841,897	883,991	928,191
Fines and Forfeitures	118,150	97,850	99,807	101,803	103,839	105,916
Use of Money and Property	154,500	551,013	555,168	559,354	563,571	567,820
Charges for Service	866,601	942,781	971,064	1,000,196	1,030,202	1,061,108
Miscellaneous Revenue	198,750	226,500	233,295	240,294	247,503	254,928
Recovered Costs	1,554,222	1,662,183	1,525,194	1,527,888	1,533,289	1,546,394
State Aid	8,918,868	9,075,550	9,266,137	9,460,725	9,659,401	9,862,248
Federal Grants	77,096	154,447	159,080	163,853	168,768	173,831
Transfer In from Other Funds	97,834	111,439	117,011	122,861	129,005	135,455
Total Revenue & Other Sources	**66,863,586**	**69,331,269**	**70,685,603**	**72,223,987**	**74,043,135**	**75,925,994**

Orange County Government
Five-Year Fire/EMS Levy Fund Forecast

	2022-2023 Budget	2023-2024 Budget	2024-2025 Forecast	2025-2026 Forecast	2026-2027 Forecast	2027-2028 Forecast
Revenue:						
General Property Taxes	$ 6,915,667	$ 7,054,951	$ 7,125,501	$ 7,196,756	$ 7,268,723	$ 7,341,410
Charges for Service	1,514,721	1,775,339	1,828,599	1,883,457	1,939,961	1,998,160
Miscellaneous Revenue						
State Aid	188,900	204,577	209,589	214,724	219,985	225,374
Federal Grants	563,472	86,500	-	-	-	-
Transfer In from Other Funds						
Total Fire/EMS Levy Fund Revenue	**$ 9,182,760**	**$ 9,121,367**	**$ 9,163,689**	**$ 9,294,937**	**$ 9,428,669**	**$ 9,564,944**

Relevant Financial Policies

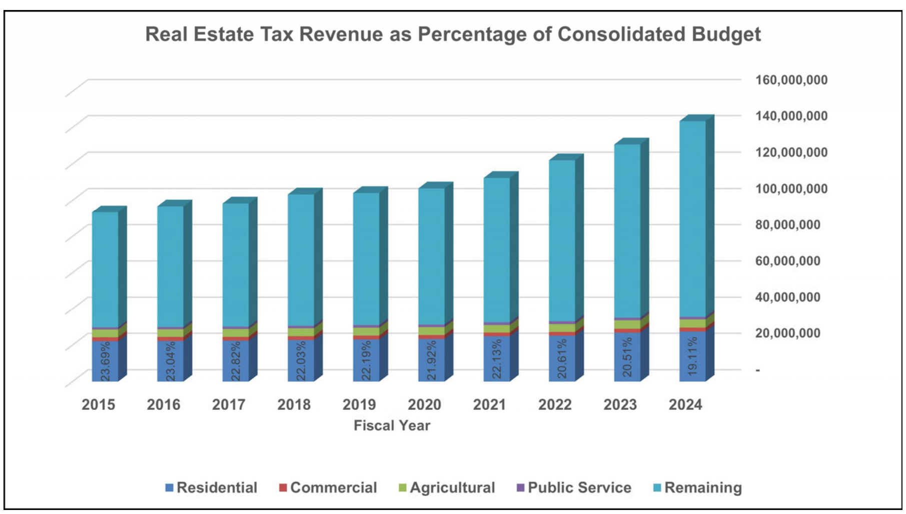
Following discussions at the 2014 planning retreat, the Board of Supervisors established a committee to draft several high-level financial policies for guiding future financial and budgetary decisions. The following policies were adopted by the Board on January 27, 2015 and amended on August 9, 2022.

Tax Revenue Generation

The Board's overall policy is not to raise tax rates and to do so only in cases where the County must meet legal mandates, fund specific capital projects, or when a revenue source is significantly diminished or lost.

Supporting Financial Operations

- Budget should be based on plans to achieve specific outcomes and the assessment of priorities rather than simply across-the-board increases.
- County services are maintained at existing levels and standards as a function of population changes, keeping a strong focus on maintaining high quality law enforcement, Fire/EMS, and public education.
- County services are subject to continuous improvement and innovation to gain cost and operational efficiencies.
- Typically, Real Property will be reassessed every four years.
- The Board's first priority is to expand the County's economy as a growing source of tax revenue to lessen the tax burden on residential real estate, which currently funds 24% of the total consolidated annual budget.



Debt

- Short-Term Debt such as lease purchase agreements used primarily for capital equipment purchases should be used for aiding and smoothing cash flow.
- Long-Term Debt should only be used for durable infrastructure such as real estate, buildings, and major IT systems.
- Long-Term Debt should NEVER be used for cash flow purposes.

Capital Improvement Plan and Budget

- The County will prepare annual updates of a five-year Capital Improvements Plan (CIP) which will specify proposed funding sources for capital projects, estimate the impact of any new debt, and include the level of annual General Fund contributions required for capital and debt service.
- The County will establish a Capital Projects Reserve Account to serve as the primary source of monies for the CIP. The Reserve may be funded through a combination of sources including transfers from the General Fund, carry-forward funds, user fees, debt proceeds, grants, donations, reserves, and unbudgeted revenue.
- Future combined budgets for General Fund contributions for Debt Service *(net of the amounts reimbursable as an obligation of another entity)* and Capital Projects will be no less than the amounts approved in the fiscal year 2014-2015 adopted budget.
- The County will consider additional appropriations to the Capital Projects Reserve Account from the General Fund Unassigned Fund Balance when funds may be available above the minimum amount established by the adopted Reserves Policy.

Reserves

The Board continued its Reserves Policy which sets the minimum level of acceptable unassigned General Fund balance for a fiscal stability reserve at 15% of the combined budgeted operating expenditures of the General Fund and School Operating Fund (net of inter-fund transfers). In addition, the Board's policy stated that unassigned general fund balance should not exceed 18%. In August 2022, the board approved a revision to the current reserve policy requiring an additional reserve requirement of 8% of the total expected health insurance program expenses beginning June 30, 2022. At June 30, 2023, unassigned General Fund balance, which excludes the Fire and EMS Fund, decreased from 26.70% to 23.22% of expenditures as defined in the policy. After June 30, 2023, reappropriation requests were approved, and additional fund balance amounts assigned of $812,290 bringing the percentage to 22.53% of operating expenditures. The Board of Supervisors continues to discuss options to apply the excess balance to appropriate purposes.

The Board amended the Reserves Policy to include additional reporting requirements and disclosures of cash balances each quarter. The policy also stipulates that if the Unassigned Fund Balance falls below the 15% minimum level, the Board must approve and adopt a plan to restore this balance to the minimum level within 24 months.

AWARDS & ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County of Orange for its annual comprehensive financial report (ACFR) for the fiscal year ended June 30, 2022. The award for fiscal year 2022 was the seventeenth consecutive year the County has achieved this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

This report reflects the results of the Board of Supervisors' strong financial policies. The Board's support and cooperation in planning and conducting the financial operations of the County is acknowledged and appreciated. We also acknowledge and extend special recognition to the staff of the Finance and Treasurer's departments for their efficient and dedicated service to the County. Their efforts to maintain the accounting and financial reporting system of the County have led to the high quality of information being reported to the Board of Supervisors and citizens of the County, as well as present and potential investors.

Respectfully submitted,

Theodore L. Voorhees
County Administrator

Sara L. Keeler
Finance Director

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

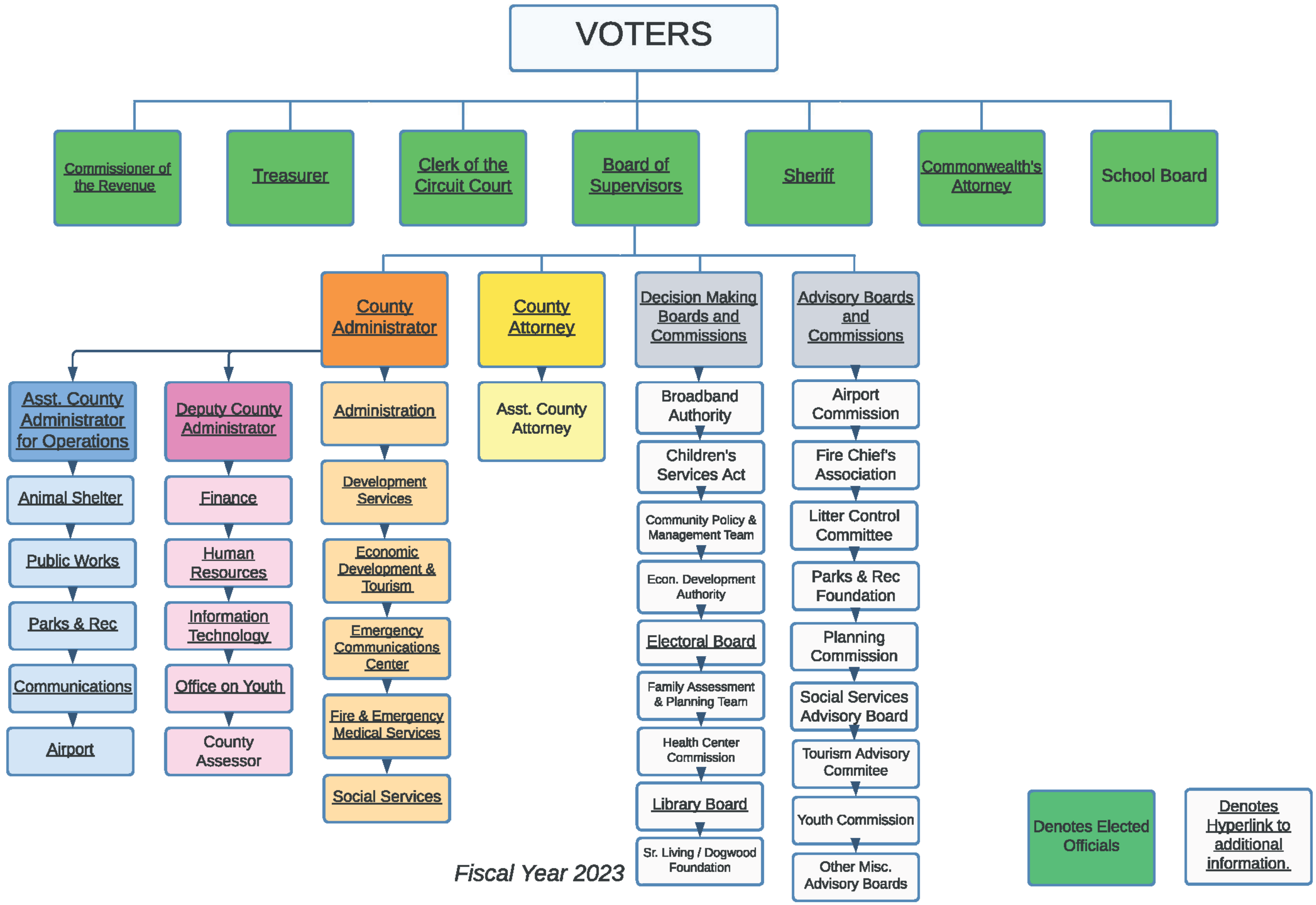
Orange County
Virginia

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morrill
Executive Director/CEO

Orange County Organizational Chart



COUNTY OF ORANGE, VIRGINIA

Directory of Principal Officials
June 30, 2023

Board of Supervisors

R. Mark Johnson, Chair
James P. Crozier, Vice Chair

James K. White	Keith F. Marshall	Lee H. Frame

School Board

Sherrie Page, Chair
Jim Hopkins, Vice Chair

Melissa Anderson	Chelsea Quintern	Michael Jones

Other Officials

Chief Judge of the Circuit Court	Claude V. Worrell
Clerk of the Circuit Court	Teresa T. Carroll
Chief Judge of the General District Court	Claiborne H. Stokes, Jr.
Chief Judge of the Juvenile & Domestic Relations Court	Deborah S. Tinsley
Clerk of the General & Juvenile & Domestic Relations Court	Barbara B. Miller
County Attorney	Thomas E. Lacheney
Commonwealth's Attorney	Diana O'Connell
Commissioner of the Revenue	Renee Pope
Treasurer	Dawn Herndon
Sheriff	Mark A. Amos
Superintendent of Schools	Dr. Daniel Hornick
Clerk of the School Board	Laura Byram
Director of Social Services	Crystal Hale
County Administrator	Theodore L. Voorhees
Deputy County Administrator	Glenda Bradley
Assistant County Administrator for Operations	Stephanie Straub
School Board Chief Financial Officer	Gary Honaker
Finance Director	Sara Keeler

INDEPENDENT AUDITORS

PBMares, LLP

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Orange, Virginia (County), 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 accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS); 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 and specifications are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 20 to the financial statements, the 2022 financial statements have been restated due to the implementation of a new accounting policy. Our opinion is 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 the County's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's 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 auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require Management's Discussion and Analysis and the required supplementary information on pages 4-14 and 119-145, respectively, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying supplementary information listed in the table of contents is presented for purposes of additional analysis and is 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 accompanying supplementary information listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2023 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

PBMares, LLP

Harrisonburg, Virginia
December 13, 2023

Management's Discussion and Analysis

As management of the County of Orange (the County), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the year ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i through xi of this report.

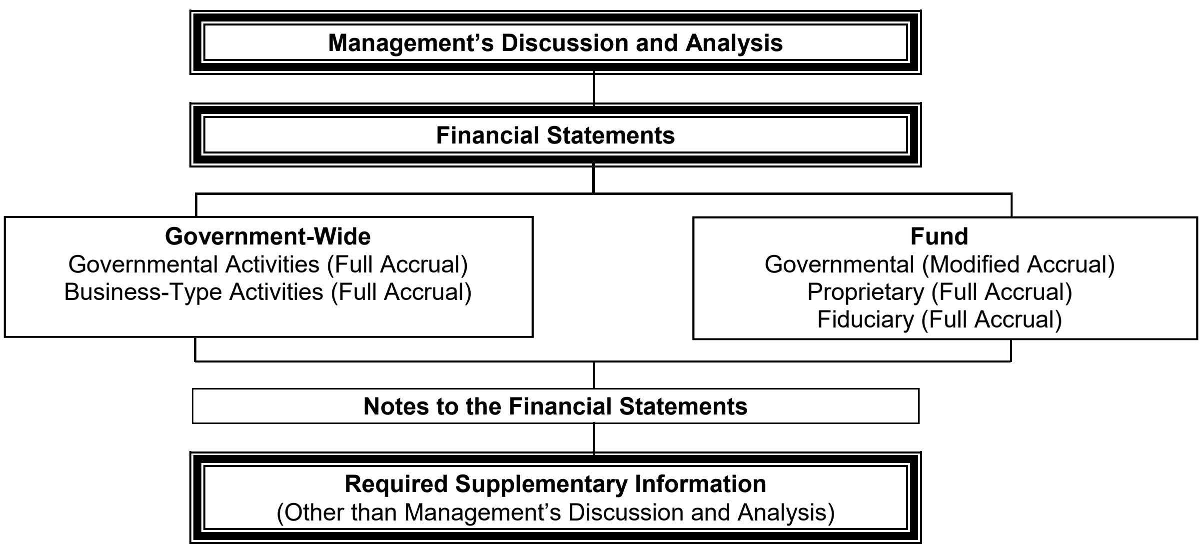
Financial Highlights

- Total assets and deferred outflows of resources of the County of Orange (primary government) exceeded total liabilities and deferred inflows of resources at the close of the most recent fiscal year by $58,095,398 (*net position*). Of this amount, $45,760,253 resulted from governmental activities and $12,335,145 from business-type activities.
- On a government-wide basis for governmental activities, the County had expenses net of program revenues of $63,515,385, which was $2,533,201 less than the general revenues and transfers of $66,048,586.
- On a government-wide basis for business-type activities, the County had expenses net of program revenues of $2,728,643. The net position for business-type activities was increased by a total of $160,588.
- At June 30, 2023, unassigned General Fund balance was $27,194,081 or 23.22% of budgeted operating expenditures as defined by the County's fund balance policy.

Using the Annual Comprehensive Financial Report

The Annual Comprehensive Financial Report consists of four sections: introductory, financial, statistical, and compliance. As illustrated in the chart below, the financial section of this report has three components: management's discussion and analysis (this section), the basic financial statements, and required supplementary information.

<u>Components of the Financial Section</u>



The County's financial statements present two different kinds of statements (government-wide and fund), with two different approaches and views of the County's finances. The government-wide statements provide information on the overall financial status of the County. This method is more comparable to the method used in private industry. The fund financial statements focus on the individual funds of the County government, reporting the operations in more detail than the government-wide statements. When presented in a single report, both perspectives allow the user to address relevant questions, broaden the basis for comparison, and enhance the County's accountability.

Government-Wide Financial Statements

The government-wide statements report information about the County as a whole, using accounting methods similar to those used by private-sector companies. These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the accrual method of accounting. All of the year's revenue and expenses are considered, regardless of when the cash is received or paid.

The two government-wide statements, the Statement of Net Position and the Statement of Activities, report the County's net position and changes in it. The County's net position can be thought of as the difference between assets, liabilities, and deferred inflows/outflows of resources, which is one way to measure the County's financial position. Over time, increases and decreases in net position can be one indicator that the County's financial health is improving or deteriorating.

The Statement of Net Position presents information on all the County's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Net position is presented in three categories: net investment in capital assets, restricted, and unrestricted. To accurately use changes as an indicator of the County's financial health, the factors that contribute to the increases and decreases must be analyzed. Other factors, such as the County's tax rate, changes in the property tax base, and the condition of capital assets must also be considered when using the Statement of Net Position as a financial indicator.

The Statement of Activities provides information on how the County's net position changed during the year. Since the government-wide financial statements use the accrual method of accounting, changes in net position are recognized when an event occurs, regardless of the timing of cash. This will result in revenues and expenses being reported in this statement for some items that will not impact cash flow until a later time in another fiscal period.

The Statement of Net Position and the Statement of Activities are divided into the following types of activities:

- <u>Governmental Activities</u>: These activities are supported primarily by property taxes and report the County's basic services, such as general government and judicial administration, public safety, public works, health and welfare, education, parks, recreation and cultural, and community development.
- <u>Business-Type Activities</u>: These activities charge fees to customers to help cover the costs of the service. The County's Airport and Landfill Funds are the two business-type activities for Orange County.
- <u>Component Units</u>: The Orange County Public School Board, the Economic Development Authority, and the Broadband Authority are component units of the County. Component units are legally separate entities but are reported in the County's financial statements because the County is financially accountable and provides operating and capital funding.

Fund Financial Statements

Fund financial statements are the traditional governmental financial statements. They focus on the most significant funds instead of the County. Orange County operates three types of funds:

- <u>Governmental Funds</u>: The governmental funds report most of the County's basic services. The governmental funds serve essentially the same function as the governmental activities in the government-wide financial statements. The governmental fund financial statements focus on near-term cash flows and the amount of spendable resources available at the end of the fiscal year. It provides the reader a short-term view of the financial position. Since the information provides a narrow focus, the government-wide statements will provide additional information. Reconciliation from the fund statements is provided to facilitate this comparison.

- <u>Proprietary Funds</u>: There are two types of proprietary funds: Enterprise Funds and Internal Service Funds. Enterprise Funds report the same functions as the business-type activities in the government-wide financial statements. Internal Service Funds account for the goods and services provided by one department or agency to other departments or agencies of the County. The County of Orange currently has two Enterprise Funds and one Internal Service Fund. The Internal Service Fund accounts for the activities of a self-insured health plan and is classified as a governmental activity.

- <u>Fiduciary Funds</u>: Fiduciary funds are used to report assets held in trustee or agency capacity for others and cannot be used to support the government's own programs. The County is responsible for ensuring that the assets reported in these funds are used for their intended purpose. The County's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. Assets for Special Welfare and the Commonwealth of Virginia are held in fiduciary funds. These fiduciary activities are excluded from the County's government-wide financial statements because they are custodial fund activities and 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. The notes to the financial statements can be found on page 28 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning Orange County's progress in funding its obligation to provide pension and other postemployment benefits to its employees. Required supplementary information can be found in the labeled section of this report.

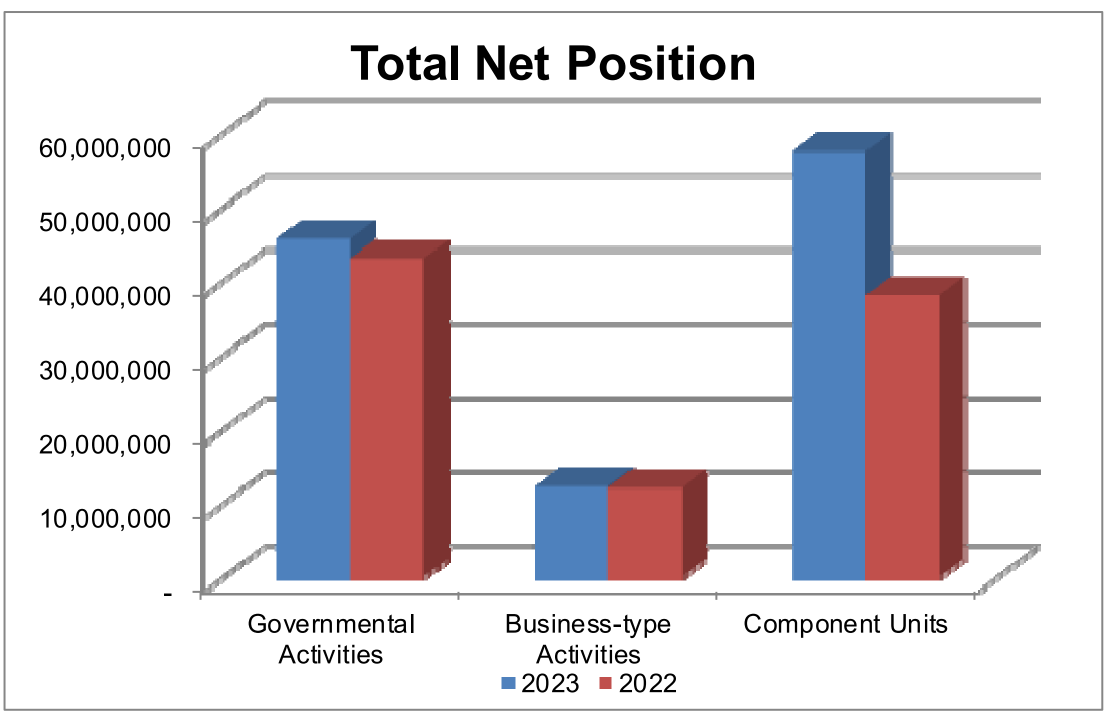
The combining statements, in connection with non-major governmental funds, are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found in the other supplementary information section of this report.

Government-Wide Financial Analysis

The following table presents the condensed Statement of Net Position:

Orange County, VA
Summary Statement of Net Position

	Primary Government					
	Governmental Activities		Business-type Activities		Component Units	
	2023	2022	2023	2022	2023	2022
Current and Other Assets	$ 69,174,957	$ 77,777,750	$ 7,029,565	$ 7,007,035	$ 16,350,476	$ 15,531,293
Capital Assets (net)	56,866,613	57,639,853	12,528,586	13,407,565	113,081,951	94,695,107
Total Assets	126,041,570	135,417,603	19,558,151	20,414,600	129,432,427	110,226,400
Total Deferred Outflows of Resources	3,202,053	3,643,193	59,230	209,221	11,291,048	11,361,287
Long-term Liabilities	73,830,086	81,020,422	6,959,253	7,522,956	68,090,886	55,140,995
Other Liabilities	6,208,927	8,327,237	252,816	435,838	4,816,476	5,101,885
Total Liabilities	80,039,013	89,347,659	7,212,069	7,958,794	72,907,362	60,242,880
Total Deferred Inflows of Resources	3,444,357	6,593,644	70,167	490,470	10,257,204	23,272,496
Net Position:						
Net Investment in Capital Assets	6,431,880	5,531,857	9,236,730	10,038,412	88,193,463	74,208,700
Restricted	438,675	-	10,915	-	3,605,924	2,390,961
Unrestricted (deficit)	38,889,698	37,587,636	3,087,500	2,136,145	(34,240,478)	(38,527,350)
Total Net Position	$ 45,760,253	$ 43,119,493	$ 12,335,145	$ 12,174,557	$ 57,558,909	$ 38,072,311



The following table presents the condensed Statement of Activities:

Orange County, VA
Summary Statement of Activities

	Primary Government					
	Governmental Activities		Business-type Activities		Component Units	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program Revenues:						
Charges for Services	$ 4,277,647	$ 4,073,785	$ 1,249,232	$ 1,042,899	$ 3,988,229	$ 2,589,551
Operating Grants and Contributions	11,037,785	13,464,979	26,696	241,174	49,976,706	43,294,384
Capital Grants and Contributions	-	214,871	-		4,553,798	3,389,275
General Revenues:						
General Property Taxes	51,932,616	48,430,839	-	-	-	-
Other Local Taxes	9,799,608	9,650,426	-	-	-	-
Grants and Contributions Not Restricted to Specific Programs	-	-	-	-	23,677,788	22,993,671
Intergovernmental, Non-Categorical Aid	3,923,018	3,921,889	-	-		
Use of Property and Money	1,611,304	14,796	-	-	132,763	4,451
Miscellaneous	1,670,067	474,986	1,204	11,883	283,870	184,432
Lease revenue	-	-	-	-	4,155	-
Gain on sale of land	-	-	-	-	4,000	115,000
Total Revenues	84,252,045	80,246,571	1,277,132	1,295,956	82,621,309	72,570,764
Expenses:						
General Government Administration	6,093,696	5,235,472	-	-	89,595	149,575
Judicial Administration	2,366,409	2,284,473	-	-	-	-
Public Safety	18,138,848	16,514,769	-	-	-	-
Public Works	1,774,744	3,590,009	-	-	3,173,915	1,988,664
Health and Human Services	10,041,448	8,609,225	-	-	-	-
Education	31,243,752	27,559,351	-	-	59,871,201	56,141,247
Parks, Recreation, and Cultural	1,910,573	1,584,918	-	-	-	-
Community Development	4,967,592	3,949,626	-	-	-	-
Interest	2,293,755	2,445,323	-	-	-	-
Airport	-	-	1,338,371	1,225,657	-	-
Landfill	-	-	2,666,200	3,480,468	-	-
Total Expenses	78,830,817	71,773,166	4,004,571	4,706,125	63,134,711	58,279,486
Change in Net Position Before Transfers	5,421,228	8,473,405	(2,727,439)	(3,410,169)	19,486,598	14,291,278
Transfers In (Out)	(2,888,027)	(2,813,091)	2,888,027	2,813,091	-	-
Change in Net Position	2,533,201	5,660,314	160,588	(597,078)	19,486,598	14,291,278
Net Position, beginning, as restated	43,227,052	37,459,179	12,174,557	12,771,635	38,072,311	23,781,033
Net Position, ending	$ 45,760,253	$ 43,119,493	$ 12,335,145	$ 12,174,557	$ 57,558,909	$ 38,072,311

Net Position

The Primary Government's governmental net position increased by $2,533,201 or 5.9% during the year ended June 30, 2023. This increase was primarily due to increased General Property Tax Revenue related to increased assessed values. The County's net position increased in the business-type activities mainly due to transfers in from the general fund and a decrease in corrective action related to cell closure expenses related to changes in the independent analysis calculations. Expenses (including depreciation) continue to outpace revenues, particularly in the Landfill Fund. In fiscal year 2023, the change in net position increased compared to a decrease in fiscal year 2022. The increase in the change in net position for the fiscal year was $160,588 compared a loss of $(597,078) in the prior year. Salary and benefits expenses increased $137,788 or 17.3% due to the implementation of a class and compensation study. Equipment rental charges increased $40,400 due to the temporary rental of a front loader truck for the Landfill. The Landfill saw decreased expenses for interest, corrective action related to cell closure expenses, and depreciation. The change in interest was related to interest on funds to construct a new landfill cell. Interest expenses were $120,397, or 90.8% lower than fiscal year 2022. Corrective Action expenses decreased $938,585 or 199.7% over prior year. This expense is amortization of closure cost-based capacity analysis completed annually. Depreciation also decreased $164,172, or 36.9%. Charges for Service in the Landfill Fund increased by 23.4% over the prior year. The decrease in Operating Grants and Contributions in business-type activities was due to federal grants received in the Airport Fund in prior year that did not repeat. Charges for Service in the Airport Fund (including fuel sales) increased 12.6% over the prior year. Net position in the County's component units increased by a total of $19,486,598 during fiscal year 2023.

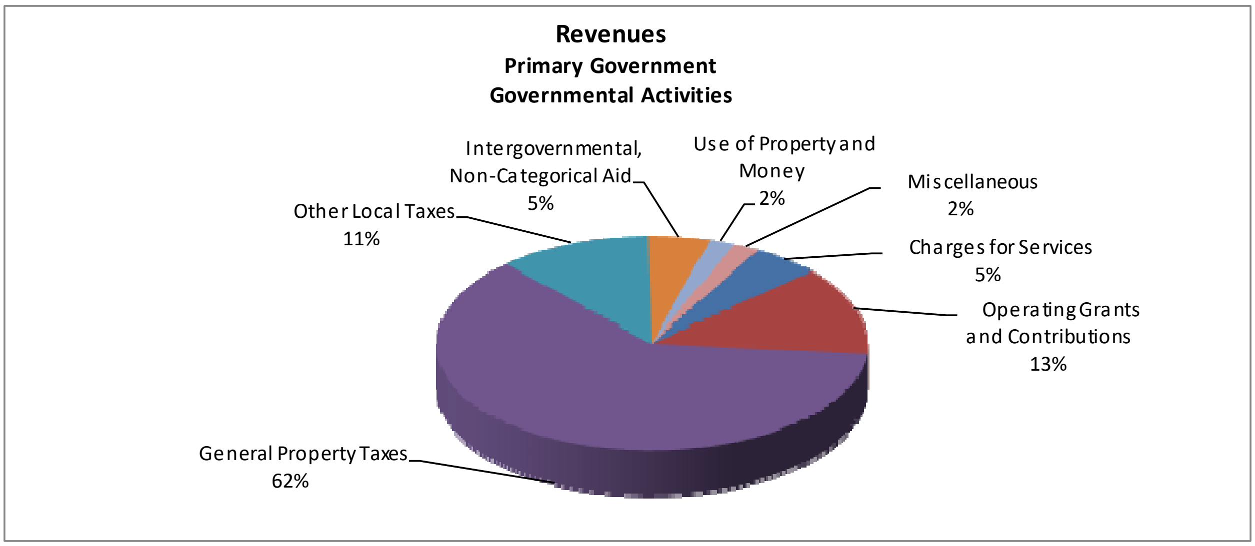
Unrestricted governmental net position increased by $1,302,062.

Revenues

For the fiscal year ended June 30, 2023, revenues generated by the Primary Government's governmental activities totaled $84,252,045. General property taxes, the County's largest revenue source, were $51,932,616. Included in this total are real and personal property levies, which are due on June 5th and December 5th each year. The real estate tax rate for fiscal year 2023 was $.75/$100. This rate represents a combined rate; one for general purposes and one specifically for Fire/EMS services. In fiscal year 2023, the county collects real estate taxes for the second half of tax year 2022 and the first half of tax year 2023. Both the general real estate tax and the Fire/EMS tax rate remained unchanged.

Fiscal year 2023 continues to reflect the changes in the Personal Property Tax Relief Act (PPTRA) that were approved by the General Assembly in 2005. This legislation capped the amount localities receive from the state. The new legislation established a fixed amount to be provided to localities for funding tax relief for vehicles valued at less than $20,000. The PPTRA became effective with the 2006 tax year and is based on the amount collected for 2004 taxes through December 2005. The total amount Orange County receives under the program is $2,763,073. This amount enabled the County to provide car tax relief of 25.46% up to the first $20,000 in value for fiscal year 2023.

The other local tax category includes sales tax, consumer utilities tax, consumption tax, recordation tax, motor vehicle license tax, food and beverage tax, and cigarette tax. Local sales and use tax revenue increased by $249,622 or 4.8% from the previous fiscal year. Consumption Tax revenue remained level, with a slight decrease by $957 or less than 1%, overall Consumer Utility Tax increased slightly by 1.7%. Motor Vehicle License Tax revenue was up 1.9% from the prior year, and Recordation Tax decreased 33.3%. Cigarette Taxes, new in FY22, increased $168,371 or 100.0% from the previous fiscal year. Restaurant Food Taxes revenue also reflected an increase of 5.4% from the prior year.



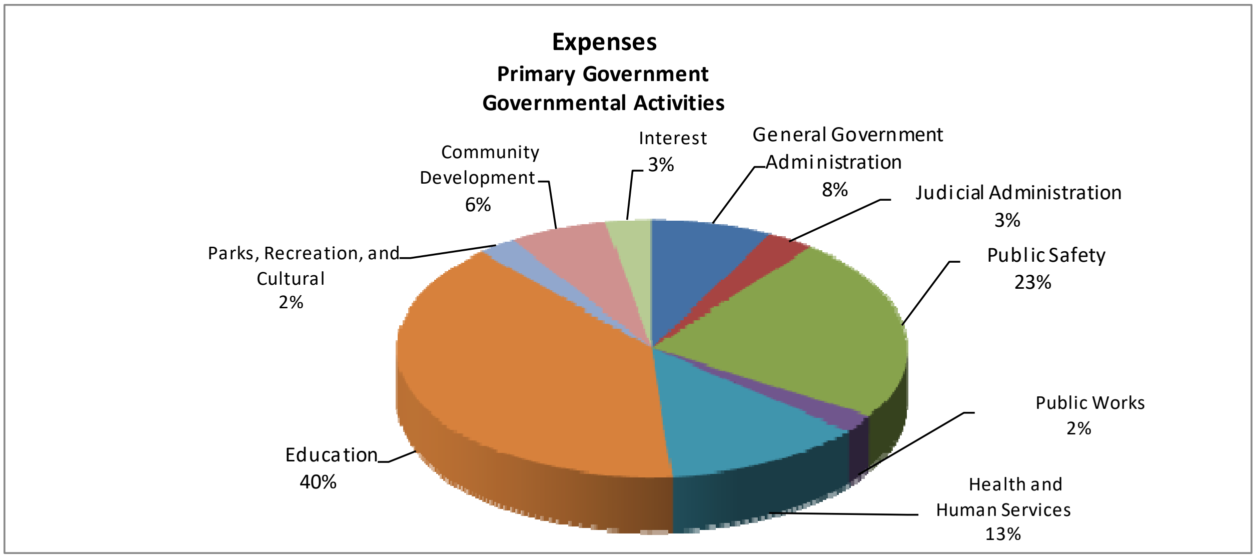
Program revenues are derived from the program itself and reduce the cost of the function to the County. This category includes charges for services and operating and capital grant revenues. Total program revenues for governmental activities were $15,315,432, a decrease of $2,438,203, or 13.7% from the previous year. This decrease is mainly attributable to a decrease in American Rescue Plan Act (ARPA) funds of 64.5%. Program revenues in the governmental funds include charges for services that totaled $4,277,647, and includes charges for ambulance fees, recreation and childcare programs, and building permits. This category reflects an increase from the prior year of $203,862, which was distributed across functional areas of expenditures. Capital grant revenue decreased by $214,871 or 100% over the prior year due to a grant for Emergency Services in prior year that did not repeat.

Proprietary funds generated program revenues of $1,249,232 from charges for services and $26,696 in operating grant revenues and contributions. Charges for services increased in the Landfill Fund and in the Airport Fund. Federal grants decreased $221,531 due to grants received in FY21 from the FAA Airport Improvement Program that did not repeat. Within the component units, program revenues increased by $9,245,523.

Expenses

For the fiscal year ended June 30, 2023, expenses for governmental activities totaled $78,830,817, an increase of 9.8% or $7,057,651. Expenses include the cost of employee compensation, contributions to the school board, and interest on governmental debt. The largest increases are reflected in the Education category, which increased by $3,684,401, and the Public Safety category, which increased $1,624,079. The increase in the Education category was mainly due to increases in salaries and benefits and the increase in the Public Safety category was due to the additional of eight school resource officers and implementation of the compensation study. Interest charges decreased $151,568 compared to the previous fiscal year.

In the Primary Government category, personnel expenses for fiscal year 2023 included increases in general government health insurance costs and increased personnel costs. In FY2023, the County added a Wellness Coordinator, GIS Analyst, Accounting Specialist, (8) School Resource Officers, Emergency Services Training Officer, Maintenance Technician, Program Coordinator (Parks & Rec), Circulation Supervisor, and additional EMT/Medic/ Firefighters. A county-wide market wage adjustment of 5% was implemented for all positions, with many positions also receiving additional adjustments based on the class and compensation study. Required retirement contributions increased slightly from prior year to 9.26% of covered payroll for the year.



Expenses within the other functional areas of governmental activities increased by amounts related to the allocation of expenses incurred by the self-insurance fund, changes in compensated absences, pension expenses, and other long-term liabilities included in the entity-wide financial statements. Interest on long-term debt reflects a decrease of $151,568.

The County's Proprietary Funds reflect a total of $4,004,571 in expenses compared to $4,706,125 for fiscal year 2022. The Airport Fund reflects expenses that were $112,714 or 9.2% higher than the previous year. This increase is mainly attributed to a tree and obstruction removal project in fiscal year 2023. The Landfill Fund reflects a decrease in expenses of 23.4%, or $814,268. The decrease in the Landfill Fund was due to decreased expenses for interest, corrective action related to cell closure expenses, and depreciation. The interest decrease was related to a misstatement of interest in FY22 and the decrease in cell closure expenses were related to changes in the independent capacity analysis.

Within the School Board component unit, overall expenses increased by $3,729,954 or 6.6%. The Economic Development Authority reflects expenses that are $59,980 lower than the prior year due to the issuance of a revolving loan fund program in fiscal year 2022 to assist businesses and organizations who have suffered losses during the pandemic. The Orange County Virginia Broadband Authority expenses increased by $1,185,251, with most of these expenses being related to personnel expenses and internet service costs.

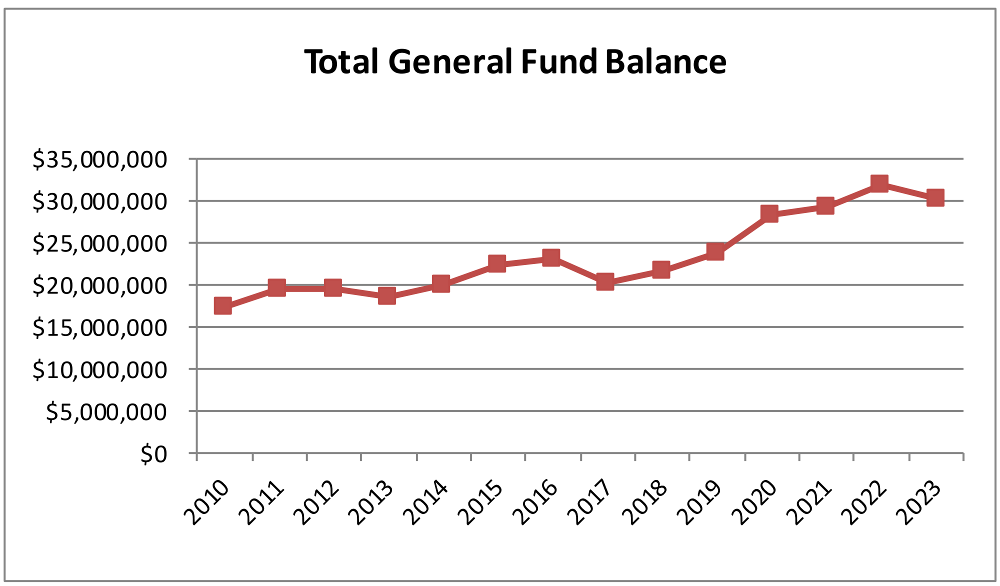
Financial Analysis of the Government's Funds

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

For the fiscal year ended June 30, 2023, the County's governmental funds reflected a combined fund balance of $46,673,978, some of which is reserved for specific purposes, such as capital outlay, debt service, and fire and EMS related expenditures. The decrease of $6,056,963 over fiscal year 2022 reflects a decrease in funds restricted to capital projects, which decreased by $5,175,764 over prior year. The General Fund reflected a decrease in fund balance of $1,588,583, which is attributable to a planned use of budgeted fund balance. Other fund balance totals within governmental funds are assigned, committed, or restricted for specific purposes.

At June 30, 2023, unassigned General Fund balance was $27,194,081 or 23.22% of budgeted operating expenditures as defined by the County's fund balance policy. Total unassigned general fund balance decreased by $399,802 from fiscal year 2022. General Fund revenues were more than prior year by $8,187,043 due to increased General Property Tax Revenue and increased Operating Grants. General Fund expenditures were more than prior year by $6,946,770. This increase was mainly due to additional budgeted positions and the implementation of the class and compensation study.

The Board of Supervisors has established a fund balance policy, which sets the minimum level of acceptable unreserved General Fund balance at 15% of the combined budgeted operating expenditures of the General Fund and School Operating Fund (net of inter-fund transfers). In addition, the Board's policy states that unassigned general fund balance should not exceed 18%. In August 2022, the board approved a revision to the current reserve policy requiring an additional reserve requirement of 8% of the total expected health insurance program expenses beginning June 30, 2022. At June 30, 2023, unassigned General Fund balance, decreased from 26.70% to 23.22% of expenditures as defined in the policy. The Board of Supervisors continues to discuss options to apply the excess balance to appropriate purposes.



Fund balance in the Virginia Public Assistance Fund remained stable and only decreased slightly by $1 for fiscal year 2023. Fund balance within the Debt Service Fund balance remained $0. Normally, this fund does not accumulate a fund balance because it is funded solely by transfers from the General Fund in an amount equal to the annual debt service due.

Fund balance in the Capital Projects Fund decreased by $5,175,764 mainly due to the progress of projects within the fund such as renovating an elementary school and contributing to further construction of the broadband network. The Capital Projects Fund is assigned to specific capital projects as approved in the adopted Capital Improvements Plan.

General Fund Budgetary Highlights

Differences between the original operating budget and the final operating budget resulted in a net increase of $6,259,688 in additional appropriations. Highlights of the budget amendments are as follows:

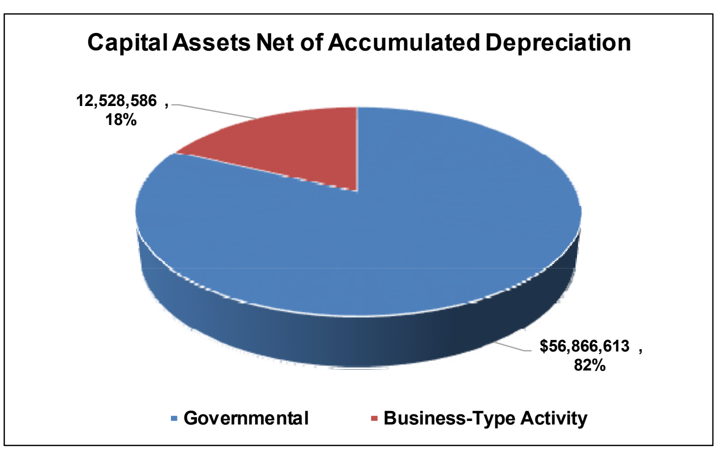
Budget Amendment	Amount
Health Insurance Contributions Adjustment (Cty & Schools)	$ 1,347,024
Fund Eight School Resource Officers (one for each school)	1,120,092
Reappropriations from FY22 for ongoing projects-County	926,863
Drug Court Grant-Federal	549,842
Net Increase in Childrens' Services Act expenses	447,508
Wilderness Shores Way project	374,000
Reappropriation for FY22 Open PO Balances	235,183
Insurance Recoveries for various property & equipment damage	205,613
Fund Disability Insurance for all employees	113,525
Economic Development Grants	122,150
Clerk of Court Technology Trust Funds	101,625
Gordonsville Pool Project Contribution	100,000
American Rescue Plan Act (ARPA) Childcare Grants	54,870
Animal Shelter Donations	47,719
Additional State Library Aid	23,984
Office on Youth Fundraising	21,279
Tourism Marketing Grant	20,000
Cigarette Tax-FY22 True Up Startup Expenses	19,789
Sheriff's Triad Program Donations	19,288
Library Donations	14,270
E-rate Library Technology Reimbursement	13,057
Total	**$ 5,877,681**

The largest budget amendment was for health insurance contribution adjustments due to increased health insurance claims. The next largest amendment was to fund eight school resource officer positions to allow for each school to have an officer present. Carryforward of unspent funds from fiscal year 2023 for ongoing projects included appropriations of expenditures planned for projects, grants, and other items that were incomplete at the end of the fiscal year for a variety of reasons.

Differences between the final amended budget and actuals included property tax collections that exceeded budget estimates by a total of $788,959, primarily in the personal property tax category. Other local tax revenues were lower than budget estimates by $184,132, and Recovered Costs exceeded budget estimates by $20,774. Total commonwealth intergovernmental revenues were lower than budget estimates by $354,299. The largest expenditure variance between the final amended budget and actuals was in the Education category of $1,820,904. This variance represented less appropriations needed than budgeted to fund school operations due to some items not procured during the fiscal year as planned. Many of these items will be re-appropriated in fiscal year 2024.

Capital Assets

The County of Orange's investment in capital assets for its governmental and business-type activities as of June 30, 2023, amounted to $69,395,199 (net of accumulated depreciation). This investment in capital assets included land, construction in progress, landfill development, buildings and systems, improvements, machinery and equipment, park facilities, right to use lease assets, and right to use subscription assets.



Orange County, VA
Primary Government
Change in Capital Assets

	Balance June 30, 2022	Net Increase/ (Decrease)	Balance June 30, 2023
Governmental Activities:			
Non-Depreciable Assets:			
Land	$ 2,332,288	$ 324,422	$ 2,656,710
Easements	41,990	-	41,990
Construction in Progress	24,280,723	(23,464,754)	815,969
Other Capital Assets:			
Buildings & Improvements	21,916,140	12,576,029	34,492,169
Infrastructure	-	3,863,397	3,863,397
Right-to-use leased buildings	1,057,229	-	1,057,229
School Buildings & Improvements	18,222,345	(2,844,280)	15,378,065
Furniture, Equipment and Vehicles	14,343,486	10,431,748	24,775,234
Right-to-use subscription assets	464,246	110,791	575,037
Less: Accumulated Depreciation	(24,554,348)	(2,234,839)	(26,789,187)
Business-type Activities:			
Non-Depreciable Assets:			
Land	1,823,260	641,904	2,465,164
Construction in Progress	3,354,151	(3,354,151)	-
Other Capital Assets:			
Buildings & Improvements	12,034,768	(7,023,455)	5,011,313
Infrastructure	-	7,023,455	7,023,455
Landfill Development Costs	3,349,705	2,401,774	5,751,479
Furniture and Other Equipment	1,629,518	(28,759)	1,600,759
Less: Accumulated Depreciation	(8,783,837)	(539,747)	(9,323,584)
Net Capital Assets	$ 71,511,664	$ (2,116,465)	$ 69,395,199

School Board capital assets are jointly owned by the County (Primary Government) and the Component Unit School Board for as long as the County owes general obligation debt on such assets. The County reports depreciation on these assets as an element of its share of the costs of the public-school system. Readers desiring more detailed information on capital asset activity should refer to Note 9 in the notes to the financial statements.

Long-Term Debt

The Constitution of Virginia, Article VII, Section 10, and the Public Finance Act provide the authority for a County to issue General Obligation (GO) Debt with no limit on the amount of GO Debt that a County may issue. All debt secured by the general obligation of the County must be approved by the Board of Supervisors and a public referendum, with the exception of Virginia Public School Authority (VPSA) Bonds and State Literary Fund Loans, which do not need approval by referendum.

The County operates a debt service fund for debt associated with the county and its school system. Debt for an Assisted Living Facility is also included; however, that facility makes lease payments to the County equal to the debt service each year. Funding for the repayment of county and school debt comes directly from the County's General Fund.

The County occasionally uses lease-purchase financing (private placement notes) to acquire large equipment items as approved in the annual operating budget process. At June 30, 2023, the County had six such notes outstanding, which were for the purchase of a front loader for the landfill, an ambulance, a tanker unit, and five brush trucks, all in FY22; an ambulance in FY21; and a roll-off truck for the landfill in FY19. The FY22 financing for the front loader carries a four-year term with an interest rate of 3.696%. The FY22 financing for the ambulance and brush trucks carry a three-year term with an interest rate of 3.463%. The FY22 financing for the tanker unit carries a ten-year term with an interest rate of 3.916%. The financing for the FY21 lease-purchase for the ambulance carries a three-year term with an interest rate of 1.728%. The roll-off truck purchased during 2019 carries a seven-year term with an interest rate of 3.35%.

The School Board also occasionally uses lease-purchase financing to acquire large equipment items. During fiscal year 2013, the School Board entered an Energy Performance Contract for $6,198,242 at an interest rate of 2.59% over a fifteen-year term. The proceeds from this issue were spent to acquire energy-saving equipment throughout the division, which has generated energy savings over the term in amounts sufficient to fund the debt service. A second phase of the Energy Performance Contract was entered in fiscal year 2016 with a fifteen-year term, an interest rate of 2.39% and a total amount of $1,259,830. At June 30, 2023, the School board had one note outstanding for bus purchases. The FY23 purchase of $850,758 for school buses carries a two-year term with an interest rate of 2.41%

In November 2016, the Board of Supervisors authorized a lease-revenue bond sale totaling $52,508,303 for the refinancing of the 2007 Bonds ($25,265,030) as well as new bonds to fund the construction of a Public Safety Communications System ($9,333,922), Consolidated E-911 Dispatch and Facility ($13,719,262), Dispatch Consolidation and Modernization Project ($2,975,089) and a Fiber Optics/Rural Broadband Initiative ($1,215,000). Prior to the sale, the County received an upgrade of its lease-revenue bond rating from Standard & Poor's from AA- to AA and an upgrade of its general obligation bond rating from AA to AA+. In addition, the County received its first bond ratings from Moody's: Aa3 for lease-revenue and Aa2 for general obligation bonds. The refinancing portion of the 2016 Bonds did not extend the original maturity, which was 2034, and the final maturity for the new project bonds is 2036. The true interest cost (TIC) on the entire issue was 3.31%. The final savings on the refinancing over the term of the bonds was $3,018,203.

In July 2020, the Board of Supervisors authorized a lease-revenue bond sale totaling $15,166,000 to fund the renovation of Gordon Barbour Elementary School ($6,300,000), construction of a new landfill cell ($3,000,000), continued Fiber Optics/Rural Broadband Initiative ($3,000,000), facility securement for a Career Technical Center ($2,500,000), and the purchase of an Ambulance ($225,000). The new projects will provide new and updated spaces for the continued growth of our education system as well as ensure the county is able to serve our citizens in the future with their refuse disposal needs. The broadband component of the project continues the County's initiative to serve unserved and underserved areas within Orange County. During fiscal year 2023, the broadband project continued to expand their construction efforts to provide residents and businesses consumer choice for affordable and reliable high-speed fiberoptic broadband. The Broadband Authority (FiberLync) has assumed the responsibility of maintaining and managing the broadband project. The expansion of Landfill Cell II was completed in fiscal year 2023, and the renovation of Gordon Barbour Elementary is still in progress. These bonds mature in November 2028 and the true interest cost (TIC) on the entire issue was 2.29% in aggregate.

In January 2021, the Board of Supervisors authorized a short-term interest free line of credit to the Broadband Authority in the amount of $2,000,000 to begin operations as a separate unit from the county. The line of credit was utilized in FY2021 and held a balance due of $2,000,000 at June 30, 2021. In July 2021, the County forgave this $2,000,000 loan to the Broadband Authority. The County used funding from the American Rescue Plan Act to apply to the forgiveness of the loan.

In May 2021, the Broadband Authority authorized a lease-revenue bond sale totaling $15,830,000 to fund further construction of fiber in Orange County to expand services to underserved citizens. These bonds mature in 2036 and the true interest cost (TIC) on the entire issue was 2.44%. Although the Broadband Authority's revenues are expected to be sufficient to pay the debt service on the bonds, an accompanying support agreement offers a non-binding moral obligation for the County to fund any annual deficiencies in the revenues of the Broadband Authority that would otherwise prevent the Broadband Authority from making its scheduled debt service payments to the Virginia Resources Authority. Although the Board of Supervisors is not empowered to make any binding commitment to make appropriations in future fiscal years, the support agreement declares its intent to make such appropriations in future fiscal years.

In September 2022, the Broadband Authority authorized a lease-revenue bond sale totaling $6,065,000 to fund further construction of fiber in Orange County to expand services to underserved citizens, specifically located in the Lake of the Woods subdivision. These bonds mature in 2037 and the true interest cost (TIC) on the entire issue was 4.10%.

The Primary Government's outstanding debt and other long-term liabilities at June 30, 2023 are as follows:

General Obligation Bonds:		
School Bond Series 2005D	$	2,228,014
General Obligation Bond Premiums		1,175,056
Virginia Public School Authority Bonds (VPSA):		
Series 2007 B		1,300,000
Series 2009 B		10,675,000
Lease Revenue Bonds:		
Series 2016		38,135,000
Series 2020		14,641,000
Lease Revenue Bond Premiums		2,782,800
Private Placement Notes		1,298,822
Leases Payable		727,777
Subscriptions Payable		234,471
Landfill Obligation		3,545,000
Other Postemployment Benefits		2,195,717
Compensated Absences		1,850,681
Grand Total	$	80,789,338

The Component Unit School Board's outstanding debt and other long-term liabilities at June 30, 2023 are as follows:

Private Placement Notes	$	4,401,769
Other Postemployment Benefits		10,106,220
Compensated Absences		1,368,909
Net Pension Liability		30,090,804
Grand Total	$	45,967,702

The Component Unit Broadband Authority's outstanding debt and other long-term liabilities at June 30, 2023 are as follows:

Lease Revenue Bonds:		
Series 2021	$	15,830,000
Series 2022		6,065,000
Leases Payable		106,242
Subscriptions Payable		26,324
Other Postemployment Benefits		38,049
Compensated Absences		25,659
Grand Total	$	22,091,274

Additional information on the County's long-term debt can be found in Note 10 of this report.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the funds it receives. Questions concerning this report or requests for additional information should be directed to:

Sara Keeler, Finance Director
P. O. Box 111, Orange, VA 22960
Phone (540) 661-5379
E-mail skeeler@orangecountyva.gov
http://orangecountyva.gov

BASIC FINANCIAL STATEMENTS

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 1

STATEMENT OF NET POSITION
June 30, 2023

	Primary Government			Component Units		
	Governmental Activities	Business-type Activities	Totals	School Board	EDA	Broadband Authority
ASSETS						
Cash and cash equivalents	$ 33,264,416	$ 5,414,076	$ 38,678,492	$ 3,476,804	$ 464,156	$ 2,117,362
Investments	6,430,346	1,408,609	7,838,955	180,376	528,524	-
Receivables, net:						
Taxes receivable	3,133,212	-	3,133,212	-	-	-
Accounts receivable	2,213,835	154,381	2,368,216	223,844	-	524,072
Leases receivable	-	-	-	-	498,569	-
Due from other governments	1,676,487	5,206	1,681,693	4,454,914	-	19,365
Inventory	-	29,061	29,061	-	-	-
Other assets	-	-	-	-	-	4,723
Prepaid items	136,572	-	136,572	-	-	9,672
Note receivable	11,630,000	-	11,630,000	-	-	-
Restricted investment	-	-	-	-	-	1,209,625
Restricted cash	9,957,343	-	9,957,343	-	-	986,723
Net pension asset	732,746	18,232	750,978	1,626,672	-	25,075
Capital assets:						
Land	2,656,710	2,465,164	5,121,874	1,855,343	1,033,388	-
Easements	41,990	-	41,990	-	-	-
Infrastructure	3,863,397	7,023,455	10,886,852	-	-	32,194,500
Intangible right-to-use lease buildings	1,057,229	-	1,057,229	-	-	116,807
Buildings and improvements	34,492,169	5,011,313	39,503,482	149,435,674	-	-
School buildings and improvements	15,378,065	-	15,378,065	(15,378,065)	-	-
Landfill development costs	-	5,751,479	5,751,479	-	-	-
Intangible right-to-use subscription assets	575,037	-	575,037	58,346	-	133,374
Furniture, equipment and vehicles	24,775,234	1,600,759	26,375,993	15,943,411	-	392,072
Construction in progress	815,969	-	815,969	12,939,277	132,624	-
Less accumulated depreciation and amortization	(26,789,187)	(9,323,584)	(36,112,771)	(85,443,479)	-	(331,321)
Total assets	126,041,570	19,558,151	145,599,721	89,373,117	2,657,261	37,402,049
DEFERRED OUTFLOWS OF RESOURCES						
Deferred charge on refunding	870,596	-	870,596	-	-	-
Pension plan	1,915,494	47,661	1,963,155	8,712,377	-	42,141
Other postemployment benefits	415,963	11,569	427,532	2,491,264	-	45,266
Total deferred outflows of resources	3,202,053	59,230	3,261,283	11,203,641	-	87,407
LIABILITIES						
Accounts payable and accrued expenses	4,640,299	240,907	4,881,206	4,326,181	1,592	280,990
Accrued interest payable	641,234	11,909	653,143	25,284	-	114,176
Unearned revenue	190,179	-	190,179	-	-	-
Insurance benefit claims	737,215	-	737,215	-	-	-
Due to primary government	-	-	-	-	-	68,253
Long-term liabilities:						
Due within one year:						
Bonds payable	6,415,620	-	6,415,620	-	-	1,020,000
Leases payable	168,204	-	168,204	-	-	10,994
Subscriptions payable	75,114	-	75,114	10,070	-	11,540
Private placement notes	447,045	79,340	526,385	839,661	-	-
Compensated absences	1,304,997	49,781	1,354,778	110,000	-	13,856
Due in more than one year:						
Bonds payable, net	61,493,250	3,028,000	64,521,250	-	-	20,865,915
Leases payable	559,573	-	559,573	-	-	95,248
Private placement notes	587,922	184,515	772,437	3,562,108	-	-
Compensated absences	482,670	13,234	495,904	1,258,909	-	11,803
Subscriptions payable	159,357	-	159,357	30,925		14,784
Total other postemployment benefits liability	2,136,334	59,383	2,195,717	10,106,220	-	38,049
Landfill obligation	-	3,545,000	3,545,000	-	-	-
Net pension liability	-	-	-	30,090,804	-	-
Total liabilities	80,039,013	7,212,069	87,251,082	50,360,162	1,592	22,545,608
DEFERRED INFLOWS OF RESOURCES						
Property taxes collected in advance	688,418	-	688,418	-	-	-
Leases related	-	-	-	-	494,414	-
Pension plan	2,209,565	54,978	2,264,543	7,749,769	-	-
Other postemployment benefits	546,374	15,189	561,563	2,005,409	-	7,612
Total deferred inflows of resources	3,444,357	70,167	3,514,524	9,755,178	494,414	7,612
NET POSITION						
Net investment in capital assets	6,431,880	9,236,731	15,668,611	74,527,213	1,165,452	12,500,798
Restricted	438,675	10,915	449,590	1,349,984	-	2,255,940
Unrestricted (deficit)	38,889,698	3,087,499	41,977,197	(35,415,779)	995,803	179,498
Total net position	$ 45,760,253	$ 12,335,145	$ 58,095,398	$ 40,461,418	$ 2,161,255	$ 14,936,236

See Notes to Financial Statements.

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 2

STATEMENT OF ACTIVITIES
Year Ended June 30, 2023

		Program Revenues			Net (Expense) Revenue and Changes in Net Position					
					Primary Government			Component Units		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Totals	School Board	EDA	Broadband Authority
Primary Government:										
Governmental activities:										
General government administration	$ 6,093,696	$ 1,000,619	$ 694,821	$ -	$ (4,398,256)	$ -	$ (4,398,256)	$ -	$ -	$ -
Judicial administration	2,366,409	178,430	436,781	-	(1,751,198)	-	(1,751,198)	-	-	-
Public safety	18,138,848	2,379,681	4,125,539	-	(11,633,628)	-	(11,633,628)	-	-	-
Public works	1,774,744	8,210	-	-	(1,766,534)	-	(1,766,534)	-	-	-
Health and human services	10,041,448	537,162	5,461,903	-	(4,042,383)	-	(4,042,383)	-	-	-
Education	31,243,752	-	-	-	(31,243,752)	-	(31,243,752)	-	-	-
Parks, recreation and cultural	1,910,573	75,923	196,591	-	(1,638,059)	-	(1,638,059)	-	-	-
Community development	4,967,592	97,622	122,150	-	(4,747,820)	-	(4,747,820)	-	-	-
Interest	2,293,755	-	-	-	(2,293,755)	-	(2,293,755)	-	-	-
Total governmental activities	78,830,817	4,277,647	11,037,785	-	(63,515,385)	-	(63,515,385)	-	-	-
Business-type activities:										
Airport	1,338,371	395,912	12,562	-	-	(929,897)	(929,897)	-	-	-
Landfill	2,666,200	853,320	14,134	-	-	(1,798,746)	(1,798,746)	-	-	-
Total business-type activities	4,004,571	1,249,232	26,696	-	-	(2,728,643)	(2,728,643)	-	-	-
Total primary government	$ 82,835,388	$ 5,526,879	$ 11,064,481	$ -	(63,515,385)	(2,728,643)	(66,244,028)	-	-	-
Component Units:										
School Board	$ 59,871,201	$ 244,551	$ 49,794,058	$ 943,073	-	-	-	(8,889,519)	-	-
Economic Development Authority	89,595	8,759	171,818	-	-	-	-	-	90,982	-
Broadband Authority	3,173,915	3,734,919	10,830	3,610,725	-	-	-	-	-	4,182,559
Total component units	$ 63,134,711	$ 3,988,229	$ 49,976,706	$ 4,553,798	-	-	-	(8,889,519)	90,982	4,182,559

General Revenues:						
Taxes:						
General property taxes	51,932,616	-	51,932,616	-	-	-
Other local taxes:						
Local sales and use	5,539,952	-	5,539,952	-	-	-
Consumer utility tax	662,478	-	662,478	-	-	-
Consumption taxes	100,790	-	100,790	-	-	-
Motor vehicle licenses	1,120,255	-	1,120,255	-	-	-
Taxes on recordation and wills	757,662	-	757,662	-	-	-
Restaurant food taxes	1,158,678	-	1,158,678	-	-	-
Other taxes	459,793	-	459,793	-	-	-
Grants and contributions not restricted to specific programs	-	-	-	23,677,788	-	-
Intergovernmental, non-categorical aid	3,923,018	-	3,923,018	-	-	-
Use of money and property	1,611,304	-	1,611,304	2,708	14,117	115,938
Miscellaneous	1,670,067	1,204	1,671,271	280,795	3,075	-
Lease revenue	-	-	-	-	4,155	-
Gain on sale of land	-	-	-	-	4,000	-
Transfers	(2,888,027)	2,888,027	-	-	-	-
Total general revenues and transfers	66,048,586	2,889,231	68,937,817	23,961,291	25,347	115,938
Change in net position	2,533,201	160,588	2,693,789	15,071,772	116,329	4,298,497
Net position, beginning, as restated	43,227,052	12,174,557	55,401,609	25,389,646	2,044,926	10,637,739
Net position, ending	$ 45,760,253	$ 12,335,145	$ 58,095,398	$ 40,461,418	$ 2,161,255	$ 14,936,236

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 3

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2023

	General	Virginia Public Assistance	EMS & Fire	COVID-19	Debt Service	Capital Projects	Other Governmental Funds	Total
ASSETS								
Cash and cash equivalents	$ 23,132,986	$ -	$ -	$ 2,535,840	$ -	$ 6,284,159	$ 7,654	$ 31,960,639
Investments	6,091,136	-	-	-	-	-	-	6,091,136
Receivables, net:								
Taxes	2,916,185	-	217,027	-	-	-	-	3,133,212
Accounts receivable	1,673,311	8,694	493,015	-	-	-	799	2,175,819
Due from other governments	1,232,905	323,933	113,946	5,703	-	-	-	1,676,487
Note receivable	11,630,000	-	-	-	-	-	-	11,630,000
Prepaid items	50,000	-	-	-	-	-	-	50,000
Restricted cash	1,461,857	95,815	1,921,482	-	-	6,405,488	72,701	9,957,343
Total assets	$ 48,188,380	$ 428,442	$ 2,745,470	$ 2,541,543	$ -	$ 12,689,647	$ 81,154	$ 66,674,636
LIABILITIES								
Accounts payable and accrued expenditures	$ 3,265,168	$ 161,422	$ 378,985	$ 17,952	$ -	$ 694,278	$ 9,941	$ 4,527,746
Unearned revenue	-	190,179	-	-	-	-	-	190,179
Total liabilities	3,265,168	351,601	378,985	17,952	-	694,278	9,941	4,717,925
DEFERRED INFLOWS OF RESOURCES								
Property taxes collected in advance	570,601	-	117,817	-	-	-	-	688,418
Unavailable revenue	14,061,055	-	533,260	-	-	-	-	14,594,315
Total deferred inflows of resources	14,631,656	-	651,077	-	-	-	-	15,282,733
FUND BALANCES								
Nonspendable	50,000	-	-	-	-	-	-	50,000
Committed	-	76,841	-	-	-	-	71,213	148,054
Assigned	3,047,475	-	1,715,408	2,523,591	-	11,995,369	-	19,281,843
Unassigned	27,194,081	-	-	-	-	-	-	27,194,081
Total fund balances	30,291,556	76,841	1,715,408	2,523,591	-	11,995,369	71,213	46,673,978
Total liabilities, deferred inflows of resources and fund balances	$ 48,188,380	$ 428,442	$ 2,745,470	$ 2,541,543	$ -	$ 12,689,647	$ 81,154	$ 66,674,636

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 4

RECONCILIATION OF THE BALANCE SHEET OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
June 30, 2023

		Governmental Funds
Total fund balances - total governmental funds		$ 46,673,978
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.		
Governmental capital assets	$ 83,655,800	
Less accumulated depreciation and amortization	(26,789,187)	
Net capital assets		56,866,613
Long-term assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental fund.		
Net pension asset		732,746
Deferred outflows of resources represent a consumption of net position that applies to a future period and are not recognized as deferred outflows of resources in the governmental funds.		
Pension plan	1,915,494	
Other postemployment benefits	415,963	
		2,331,457
Unavailable revenue represents amounts that were not available to fund current expenditures and, therefore, is not reported as revenue in the governmental funds.		14,594,315
Internal service funds are used by management to charge the costs of goods provided to other departments or funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.		917,807
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Bonds payable, including unamortized premiums and discounts	(67,908,870)	
Private placement note	(1,034,967)	
Compensated absences	(1,787,667)	
Leases payable	(727,777)	
Subscriptions payable	(234,471)	
Interest payable	(641,234)	
Deferred charge on refunding	870,596	
Total other postemployment benefits liability	(2,136,334)	
		(73,600,724)
Deferred inflows of resources represent an acquisition of net position that applies to a future period and are not recognized as deferred inflows of resources in the governmental funds.		
Pension plan	(2,209,565)	
Other postemployment benefits	(546,374)	
		(2,755,939)
Net position of governmental activities		$ 45,760,253

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 5

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2023

	General	Virginia Public Assistance	EMS & Fire	COVID-19	Debt Service	Capital Projects	Other Governmental Funds	Total
Revenues:								
General property taxes	$ 44,980,932	$ -	$ 6,681,341	$ -	$ -	$ -	$ -	$ 51,662,273
Other local taxes	9,809,108	-	-	-	-	-	-	9,809,108
Permits, privilege fees and regulatory licenses	674,847	-	-	-	-	-	-	674,847
Fines and forfeitures	99,849	-	-	-	-	-	-	99,849
Use of money and property	1,273,246	-	1,374	-	-	335,738	946	1,611,304
Charges for services	818,183	-	1,554,376	-	-	-	7,040	2,379,599
Miscellaneous	367,414	-	4,470	-	-	947,610	-	1,319,494
Recovered costs	1,850,528	-	17,417	-	-	-	-	1,867,945
Payments from the component unit	-	-	-	-	-	341,019	-	341,019
Intergovernmental:								
Commonwealth	9,263,799	1,099,464	200,860	-	-	-	34,842	10,598,965
Federal	205,807	2,062,089	48,274	2,045,668	-	-	-	4,361,838
Total revenues	69,343,713	3,161,553	8,508,112	2,045,668	-	1,624,367	42,828	84,726,241
Expenditures:								
Current:								
General government administration	4,935,436	-	-	52,235	-	-	-	4,987,671
Judicial administration	2,582,149	-	-	-	-	-	10,312	2,592,461
Public safety	10,337,137	-	6,931,293	617,962	-	-	4,009	17,890,401
Public works	2,096,997	-	-	-	-	-	-	2,096,997
Health and human services	5,968,195	4,531,705	-	1,561	-	-	-	10,501,461
Education	23,721,386	-	-	-	-	-	-	23,721,386
Parks, recreation and cultural	1,828,009	-	-	-	-	-	-	1,828,009
Community development	1,900,383	-	-	55,034	-	-	-	1,955,417
Nondepartmental	102,712	-	-	-	-	-	-	102,712
Capital outlay	-	-	-	-	-	12,146,391	-	12,146,391
Debt service:								
Principal	106,572	15,645	165,990	-	6,991,030	-	-	7,279,237
Interest and fiscal charges	1,481	-	11,235	-	2,828,857	-	-	2,841,573
Total expenditures	53,580,457	4,547,350	7,108,518	726,792	9,819,887	12,146,391	14,321	87,943,716
Excess (deficiency) of revenues over (under) expenditures	15,763,256	(1,385,797)	1,399,594	1,318,876	(9,819,887)	(10,522,024)	28,507	(3,217,475)
Other financing sources (uses):								
Transfers in	105,109	1,386,971	1,175	-	9,819,887	6,592,391	-	17,905,533
Transfers out	(17,456,948)	(1,175)	(1,445,897)	(594,870)	-	(1,246,131)	-	(20,745,021)
Other financing sources (uses), net	(17,351,839)	1,385,796	(1,444,722)	(594,870)	9,819,887	5,346,260	-	(2,839,488)
Net change in fund balances	(1,588,583)	(1)	(45,128)	724,006	-	(5,175,764)	28,507	(6,056,963)
Fund balance, beginning	31,880,139	76,842	1,760,536	1,799,585	-	17,171,133	42,706	52,730,941
Fund balance, ending	$ 30,291,556	$ 76,841	$ 1,715,408	$ 2,523,591	$ -	$ 11,995,369	$ 71,213	$ 46,673,978

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 6

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2023

		Governmental Funds
Net change in fund balances - total governmental funds		$ (6,056,963)
Reconciliation of amounts reported for governmental activities in the Statement of Activities:		
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 and amortization expense. This is the amount by which capital outlays exceeded depreciation and amortization in the current period.		
Expenditures for capital assets	$ 4,100,535	
Less depreciation and amortization expense	(2,648,426)	
Excess of capital outlays over depreciation and amortization		1,452,109
Transfer of joint tenancy assets from Primary Government to the School Board Component Unit:		
Transfer of capital assets to component unit	(2,844,280)	
Transfer of depreciation to component unit	408,481	
		(2,435,799)
The net effect of miscellaneous transactions involving capital assets (i.e. sales, trade-ins and donations) is to decrease net position.		
Disposals of capital assets		(253,796)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		
Unavailable revenue		(474,196)
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		
Debt issued or incurred:		
Transfer of lease revenue refunding bonds		(729)
Principal repayments:		
General obligation debt	2,641,990	
Lease revenue refunding bonds	3,916,000	
Lease payable	165,990	
Subscriptions payable	122,216	
Private placement note	433,041	
		7,279,237
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.		
Accrued interest	83,295	
Compensated absences	(223,455)	
Changes in OPEB liabilities and related deferred outflows and inflows of resources	(92,612)	
Amortization of deferred charge on refunding	(79,145)	
Amortization of premium	544,397	
Changes in pension liabilities and related deferred outflows and inflows of resources	1,181,487	
		1,413,967
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net income of the internal service funds are reported with governmental activities.		
Total revenues	10,358,538	
Total expenses	(8,749,167)	
		1,609,371
Change in net position of governmental activities		$ 2,533,201

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 7

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2023

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Airport	Landfill	Total	
ASSETS				
Current assets:				
Cash and cash equivalents	$ 823,095	$ 4,590,981	$ 5,414,076	$ 1,303,777
Investments	214,149	1,194,460	1,408,609	339,210
Receivables, net	20,859	133,522	154,381	38,016
Prepaid asset	-	-	-	86,572
Due from other governments	5,206	-	5,206	-
Inventory	29,061	-	29,061	-
Total current assets	1,092,370	5,918,963	7,011,333	1,767,575
Noncurrent assets:				
Net pension asset	4,125	14,107	18,232	-
Capital assets:				
Land	2,400,559	64,605	2,465,164	-
Buildings and improvements	4,944,192	67,121	5,011,313	-
Infrastructure	7,023,455	-	7,023,455	-
Landfill development costs	-	5,751,479	5,751,479	-
Furniture, equipment and vehicles	223,444	1,377,315	1,600,759	-
Less accumulated depreciation and amortization	(5,894,609)	(3,428,975)	(9,323,584)	-
Total capital assets, net of accumulated depreciation and amortization	8,697,041	3,831,545	12,528,586	-
Total noncurrent assets	8,701,166	3,845,652	12,546,818	-
Total assets	9,793,536	9,764,615	19,558,151	1,767,575
DEFERRED OUTFLOWS OF RESOURCES				
Pension plan	10,783	36,878	47,661	-
Other postemployment benefits	3,162	8,407	11,569	-
Total deferred outflows of resources	13,945	45,285	59,230	-
LIABILITIES				
Current liabilities:				
Accounts payable	29,305	154,644	183,949	112,553
Compensated absences	1,472	48,309	49,781	-
Accrued payroll	8,227	48,731	56,958	-
Accrued interest	-	11,909	11,909	-
Private placement note	-	79,340	79,340	-
Insurance and benefit claims	-	-	-	737,215
Total current liabilities	39,004	342,933	381,937	849,768
Noncurrent liabilities:				
Compensated absences	392	12,842	13,234	-
Private placement note	-	184,515	184,515	-
Total other postemployment benefits liability	15,759	43,624	59,383	-
Revenue Bonds	-	3,028,000	3,028,000	-
Landfill obligation	-	3,545,000	3,545,000	-
Total noncurrent liabilities	16,151	6,813,981	6,830,132	-
Total liabilities	55,155	7,156,914	7,212,069	849,768
DEFERRED INFLOWS OF RESOURCES				
Pension plan	12,439	42,539	54,978	-
Other postemployment benefits	3,989	11,200	15,189	-
Total deferred inflows of resources	16,428	53,739	70,167	-
NET POSITION				
Net investment in capital assets	8,697,041	539,690	9,236,731	-
Restricted	2,469	8,446	10,915	-
Unrestricted (deficit)	1,036,388	2,051,111	3,087,499	917,807
Total net position	$ 9,735,898	$ 2,599,247	$ 12,335,145	$ 917,807

See Notes to Financial Statements.

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 8

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
Year Ended June 30, 2023

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Airport	Landfill	Totals	
Operating revenues:				
Charges for services	$ 345,533	$ 849,703	$ 1,195,236	$ 10,358,070
Recovered costs	50,379	3,617	53,996	-
Miscellaneous	1,179	25	1,204	468
Total operating revenues	397,091	853,345	1,250,436	10,358,538
Operating expenses:				
Personal services	146,436	819,343	965,779	-
Fringe benefits	13,313	110,841	124,154	-
Contractual services	147,498	966,830	1,114,328	-
Other charges	625,615	476,861	1,102,476	-
Insurance claims and other expenses	-	-	-	8,700,628
Depreciation and amortization	405,509	280,162	685,671	-
Total operating expenses	1,338,371	2,654,037	3,992,408	8,700,628
Operating income (loss)	(941,280)	(1,800,692)	(2,741,972)	1,657,910
Nonoperating revenues (expenses):				
Intergovernmental	12,562	14,134	26,696	-
Interest expense	-	(12,163)	(12,163)	-
Income (loss) before transfers	(928,718)	(1,798,721)	(2,727,439)	1,657,910
Transfers in	212,717	2,675,310	2,888,027	-
Transfers out	-	-	-	(48,539)
Change in net position	(716,001)	876,589	160,588	1,609,371
Total net position (deficit), beginning	10,451,899	1,722,658	12,174,557	(691,564)
Total net position, ending	$ 9,735,898	$ 2,599,247	$ 12,335,145	$ 917,807

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 9
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STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended June 30, 2023

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Airport	Landfill	Totals	
Cash flows from operating activities:				
Receipts from interfund services provided	$ -	$ -	$ -	$ 10,320,054
Receipts from customers	415,191	1,173,033	1,588,224	-
Claims and benefits paid	-	-	-	(8,940,551)
Payments to suppliers for goods and services	(520,486)	(2,040,436)	(2,560,922)	-
Payments to employees for services	(177,741)	(991,621)	(1,169,362)	-
Other receipts	51,558	3,642	55,200	468
Net cash provided by (used in) operating activities	(231,478)	(1,855,382)	(2,086,860)	1,379,971
Cash flows from noncapital financing activities:				
Intergovernmental	12,562	14,134	26,696	-
Transfers to other funds	-	-	-	(48,539)
Transfers from other funds	212,717	2,675,310	2,888,027	-
Net cash provided by (used in) noncapital financing activities	225,279	2,689,444	2,914,723	(48,539)
Cash flows from capital and related financing activities:				
Principal payments on private placement notes	-	(76,568)	(76,568)	-
Principal payments on revenue bonds	-	(729)	(729)	-
Interest payments on private placement notes	-	(12,163)	(12,163)	-
Acquisition and construction of capital assets	(17,665)	(99,500)	(117,165)	-
Net cash used in capital and related financing activities	(17,665)	(188,960)	(206,625)	-
Cash flows from investing activities:				
Purchase of investments	(679)	(160,346)	(161,025)	(278,549)
Net cash used in investing activities	(679)	(160,346)	(161,025)	(278,549)
Net change in cash and cash equivalents	(24,543)	484,756	460,213	1,052,883
Cash and cash equivalents:				
Beginning	847,638	4,106,225	4,953,863	250,894
Ending	$ 823,095	$ 4,590,981	$ 5,414,076	$ 1,303,777

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 9
Page 2

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended June 30, 2023

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service
	Airport	Landfill	Totals	Fund
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	$ (941,280)	$ (1,800,692)	$ (2,741,972)	$ 1,657,910
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	405,509	280,162	685,671	-
Loss on disposal	310,472	-	310,472	-
Increase in pension & OPEB related deferred outflows of resources	36,664	113,327	149,991	-
Decrease in pension & OPEB related deferred inflows of resources	(102,508)	(317,795)	(420,303)	-
Changes in assets and liabilities:				
Decrease (increase) in:				
Receivables	69,657	323,330	392,987	(38,016)
Prepaid assets	-	-	-	(86,572)
Inventory	11,423	-	11,423	-
Increase (decrease) in:				
Accounts payable	(69,267)	(55,903)	(125,170)	(153,351)
Accrued liabilities	1,389	(53,635)	(52,246)	-
Unearned revenue	-	(2,500)	(2,500)	-
Landfill obligation	-	(476,000)	(476,000)	-
Pension liability	47,501	146,798	194,299	-
OPEB liability	(1,038)	(12,474)	(13,512)	-
Net cash provided by (used in) operating activities	$ (231,478)	$ (1,855,382)	$ (2,086,860)	$ 1,379,971

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 10

STATEMENT OF NET POSITION
FIDUCIARY FUNDS
June 30, 2023

	Custodial Funds
ASSETS	
Restricted cash	$ 99,512
Accounts receivable	1,201
Total assets	100,713
LIABILITIES	
Accounts payable	20,929
Total liabilities	20,929
NET POSITION	
Restricted for:	
Individuals	73,794
Other governments	5,990
Total net position	$ 79,784

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 11

STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
Year Ended June 30, 2023

	Custodial Funds
ADDITIONS	
Benefits collected on behalf of others	$ 682,655
Total additions	682,655
DEDUCTIONS	
Payments to beneficiaries or other governments	699,771
Total deductions	699,771
Net decrease in fiduciary net position	(17,116)
Total net position, beginning	96,900
Total net position, ending	$ 79,784

See Notes to Financial Statements.

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The County of Orange, Virginia (the County) is a political subdivision of the Commonwealth of Virginia governed by an elected five-member Board of Supervisors. The accompanying financial statements present the County and its component units, entities for which the County is considered to be financially accountable. The County has taxing powers subject to statewide restrictions and tax limits, and provides a full range of services to its citizens including law enforcement, fire, social services, public improvements, planning and zoning, education, sanitation, and airport services. The County is the primary government for the reporting entity.

Discretely Presented Component Units – The component unit columns in the financial statements include the financial data of the County's discretely presented component units. They are reported in separate columns to emphasize that they are legally separate from the County.

The Orange County School Board operates the elementary and secondary public schools in the County. School Board members are popularly elected. The School Board is fiscally dependent upon the County because the County approves all debt issuances and provides significant funding for operations as the School Board does not have separate taxing powers. The Orange County School Board does not prepare separate financial statements.

The Orange County Economic Development Authority (EDA) is included as a component unit because the EDA's primary use of funds is to provide for economic development of the County, thereby benefiting the County. The County appoints all members of the EDA's Board of Directors. The County may significantly influence the fiscal affairs of the EDA. The EDA prepares separate financial statements, which can be obtained from the County.

The Orange County Broadband Authority (FiberLync) (Authority) is included as a component unit because the Authority's primary use of funds is to provide qualifying communications services to residents of the County. The County appoints all members of the Authority's Board of Directors. The County may significantly influence the fiscal affairs of the Authority and a financial burden exists. The Authority prepares separate financial statements, which can be obtained from the Authority.

Related Organization – The Airport Commission serves as an advisory body to the Orange County Board of Supervisors. The Airport Commission serves as a liaison between the airport users, the Board of Supervisors, and the citizens of the community. The Airport Commission is to consult and advise the Board of Supervisors in matters affecting aviation policies, programs, personnel, finances and the acquisition and disposal of lands and properties related to the community aviation program, and to its long-range project program for aviation.

Jointly Governed Organizations – The County, in conjunction with other localities, has created the Central Virginia Regional Jail, the Rappahannock-Rapidan Planning District Commission and the Rappahannock-Rapidan Community Services Board. The governing bodies of these organizations are appointed by the respective governing bodies of the participating jurisdictions.

Note 1. Summary of Significant Accounting Policies (Continued)

B. Government-Wide and Fund Financial Statements

1. Government-Wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all non-fiduciary activities of the primary government and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. Interfund services provided and used are not eliminated in the process of consolidation. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely significantly on fees charged to external parties. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The Statement of Net Position presents both governmental and business-type activities on the accrual basis of accounting, which incorporates long-term assets and receivables, as well as long-term debt and obligations.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses 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.

2. Fund Financial Statements

These statements are organized based on funds, each of which is considered a separate accounting entity. The emphasis is on major governmental and proprietary funds. The County reports the following major governmental funds:

The *General Fund* is the primary operating fund of the County and accounts for all revenues and expenditures applicable to the general operations not accounted for in other funds. Revenues are derived primarily from property and other local taxes, licenses, permits, charges for services, use of money and property, and intergovernmental grants.

The *Special Revenue Funds* account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. The major special revenue funds are the Virginia Public Assistance Fund, which accounts for the operation of various programs under the Orange County Department of Social Services, the EMS & Fire Fund, which accounts for emergency services performed by Orange County, and the Covid-19 Fund, which accounts for Covid-19 related revenues and expenditures. The Virginia Public Assistance and Covid-19 Funds are reported as major due to public interest. Revenues are derived primarily from state and Federal grants in the Special Revenue Funds.

Note 1. Summary of Significant Accounting Policies (Continued)

B. Government-Wide and Fund Financial Statements (Continued)

2. Fund Financial Statements (Continued)

The *Debt Service Fund* accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt.

The *County Capital Project Fund* accounts for financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary funds.

The County reports the following major proprietary funds:

The *Airport Fund* is an enterprise fund used to account for the activities of the Orange County Airport. The cost of airport services is primarily financed through user charges.

The *Landfill Fund* is an enterprise fund used to account for waste disposal operations of the County's landfill. The cost of waste disposal services is primarily financed through user charges to the County, residents and commercial customers.

The *Insurance Internal Service Fund* is an internal service fund used to account for employee fringes provided to other departments or agencies of the government, or to other governments, on a cost reimbursement basis. The Internal Service Fund consists of the Insurance Fund.

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

Additionally, the County reports the following fund types:

The *Nonmajor Special Revenue Funds* account for proceeds of specific revenue sources restricted for expenditures for specified purposes. The County reports the Asset Forfeiture Fund and Law Library Fund as nonmajor special revenue funds.

The *Fiduciary Funds* account for assets held by the government in a trustee capacity or as agent or custodian for individuals or other governmental units. Fiduciary funds include the Special Welfare and Commonwealth.

Note 1. Summary of Significant Accounting Policies (Continued)

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

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when they become susceptible to accrual, that is, when they become both measurable and available to finance expenditures of the current period. General fund tax revenues are considered measurable when they have been levied and available if collected within 60 days of year end. Grant revenues are considered measurable and available when related grant expenditures are incurred. All other revenue items are considered measurable and available when cash is received. Expenditures are recorded when a liability is incurred, as under accrual accounting. However, debt service, compensated absences, other postemployment benefits, as well as expenditures related to claims and judgements are recorded only when payment is due.

As a result of the different measurement focus and basis of accounting used in preparing the government-wide statements versus the governmental fund financial statements, a reconciliation between the government-wide and fund financial statements are necessary. The reconciliations are presented as Exhibits in the governmental fund financial statements. As part of the reconciliation process, non-departmental indirect expenditures are allocated to functional expenses based on a percent of functional expenditures.

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Fund Balance/Net Position

1. Deposits and Investments

Cash and Cash Equivalents

For purposes of reporting cash flows, the County considers all cash accounts, including cash on hand, demand deposits, and all short-term investments with a maturity of three months or less to be cash equivalents.

Investments

Cash of individual funds is combined to form a pool of cash and investments. The pool consists primarily of demand deposits, certificates of deposit and external local government investment pools if maturing in more than one year. Interest earned as a result of pooling is distributed to the appropriate funds utilizing a formula based on average monthly balances.

Note 1. Summary of Significant Accounting Policies (Continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Fund Balance/Net Position (Continued)

2. Restricted Cash and Investments

The General Fund reports restricted cash of $1,461,857, which consists of bonds held, escrow funds, and surplus sale of LGIP funds.

The Virginia Public Assistance Fund reports restricted cash at $95,815, which consists of unspent settlement proceeds. The EMS & Fire Fund reports restricted cash of $1,921,482, which consists of unspent EMS & Fire levy proceeds. The Capital Projects Funds report restricted cash of $6,405,488, which consists of unspent bond proceeds. Other Governmental Funds report restricted cash of $72,701, which consists of asset forfeiture amounts. The custodial funds report restricted cash of $99,512, which consists of special welfare amounts and taxes due to the state. The Broadband Authority reports restricted cash and investments of $2,196,348, which consists of unspent bond proceeds.

3. Interfund Receivables and Payables

Outstanding balances between funds are reported as due to/from other funds, if applicable. Any residual balances outstanding between the governmental and business-type activities are reported in the government-wide statements as internal balances. Outstanding balances between the County and the component units are reported as due to/from component unit or due to/from primary government.

4. Prepaid Items

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

5. Inventories

Inventories are valued using the first-in, first-out method. Inventories in the airport fund consist of fuel.

6. Taxes Receivable

Property is assessed at its estimated fair value and property taxes attach as an enforceable lien as of January 1st. Real estate taxes are payable in two installments on June 5th and December 5th. Personal property taxes are payable on December 5th. The County bills and collects its own property taxes.

Note 1. Summary of Significant Accounting Policies (Continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Fund Balance/Net Position (Continued)

7. Note Receivable

During 2007, the County issued a lease revenue and refunding bond to finance construction at the County courthouse and renovations at a privately owned nursing home in the County, which serves the community's needs. The County agreed to finance the nursing home renovations as part of its bond issuance and is obligated to repay the funds to the bondholders. In relation to the agreement, a note was signed which requires the nursing home to reimburse the County principal and interest outstanding under the bond obligation as it becomes due. In December 2016, the bond was refunded and a revised agreement was entered into, reducing the note receivable by $1,540,000 to $15,845,000. The County additionally requires the nursing home to maintain a minimum of two years' worth of debt service payments in an escrow account. The County has not recorded this escrow account as it does not become property of the County until a default on the note occurs. The receivable has been deferred in the governmental funds as the amounts are not considered available; however, is recognized in the fund statements as recovered costs when normal payments are received. The note is due in the following installments:

	Governmental Activities	
Year(s) Ending June 30,	Principal	Interest
2024	$ 825,000	$ 491,213
2025	865,000	448,963
2026	910,000	404,588
2027	960,000	357,838
2028	1,015,000	308,463
2029-2033	5,765,000	843,631
2034	1,290,000	25,800
	$ 11,630,000	$ 2,880,496

8. Capital Assets

Capital assets, which include property, intangible right-to-use lease buildings, buildings, intangible right-to-use lease equipment, equipment, and intangible right-to-use subscription assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined as assets with an initial, individual cost of more than $10,000 for the County, $5,000 for the School Board, and $10,000 for the Broadband Authority and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed (except for intangible right-to-use lease assets, and intangible right-to-use subscription assets, the measurement of which is discussed in Note 1.D.12. and Note 1.D.13, respectively, below). Donated capital assets are recorded at acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of contribution.

Note 1. Summary of Significant Accounting Policies (Continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Fund Balance/Net Position (Continued)

8. Capital Assets (Continued)

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its life are not capitalized. There were no impaired capital assets at June 30, 2023.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Prior to the adoption of GASB 89, accounting for interest cost incurred during the construction phase of capital assets of business-type activities was included as part of the capitalized value of the assets constructed.

Most capital assets are depreciated using the straight-line method over the following estimated useful lives:

Buildings	50 years
Intangible right-to-use lease buildings	2-7 years
Building improvements	10-50 years
Intangible right-to-use subscription assets	5-20 years
Intangible right-to-use lease equipment	3 years
Furniture, equipment and vehicles	5-12 years

Landfill development costs are depreciated based on the percentage of capacity used compared to the total estimated capacity.

9. Deferred Outflows and Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County and discretely presented component unit, the School Board, have several items that qualify for reporting in this category. One item is a deferred charge on refunding resulting from the difference in carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the life of the refunded or refunding debt. The remaining items relate to the pension and other postemployment benefits (OPEB) plans. See Notes 13 through 15 for more information.

Note 1. Summary of Significant Accounting Policies (Continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Fund Balance/Net Position (Continued)

9. Deferred Outflows and Inflows of Resources (Continued)

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. Several types of items qualify for reporting in this category. Accordingly, one item, unavailable revenue, which arises under the modified accrual basis of accounting, is reported only in the governmental funds Balance Sheet. The governmental funds report unavailable revenue from property taxes, EMS billings, a long-term note receivable, amounts due from the Towns of Gordonsville and Orange, and other items not collected within the available period. This amount is deferred and recognized as an inflow of resources in the period that the amounts become available. The remaining items relate to the pension and OPEB plans. See Notes 13 through 15 for more information.

10. Compensated Absences

The County and School Board have policies to allow the accumulation and vesting of limited amounts of paid leave and sick leave until termination or retirement. Amounts of such absences are accrued when incurred in the government-wide, proprietary and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds when the amounts are due for payment.

11. Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

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

Note 1. Summary of Significant Accounting Policies (Continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Fund Balance/Net Position (Continued)

12. Leases

Lessor: The Economic Development Authority is a lessor for a noncancellable lease of land. The Authority recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of the lease, the Authority initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgements include how the Authority determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The Authority uses its estimated incremental borrowing rate as the discount rate for leases.

- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

Lessee: The County and Broadband Authority are lessees for noncancellable leases of buildings and equipment. The County and Authority recognize lease liabilities and intangible right-to-use lease assets (lease assets) in the government-wide financial statements. The County recognized lease liabilities with an initial, individual value of $10,000 or more. The Broadband Authority recognizes lease liabilities with an initial, individual value of $10,000 or more.

At the commencement of the lease, the County and Authority initially measure the lease liabilities at the present value of payments expected to be made during the lease term. Subsequently, the lease liabilities are reduced by the principal portion of lease payments made. The lease assets are initially measured as the initial amount of the lease liabilities, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease assets are amortized on a straight-line basis over its useful life.

Key estimates and judgements related to leases include how the County and Authority determine (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

Note 1. Summary of Significant Accounting Policies (Continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Fund Balance/Net Position (Continued)

12. Leases (Continued)

- The County and Authority use the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the County and Authority generally use its estimated incremental borrowing rate as the discount rate for leases.

- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the County is reasonably certain to exercise.

The County monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

13. Subscription-based information technology arrangements (SBITAs)

The County and Authority adopted GASB Statement No. 96 on July 1, 2022.

For new or modified contracts, the County and Authority determines whether the contract is a SBITA. If a contract is determined to be, or contain, a SBITA with a non-cancellable term in excess of 12 months (including any options to extend or terminate the subscription when exercise is reasonably certain), the County and Authority records an intangible right-to-use subscription asset and subscription liability which is calculated based on the value of the discounted future subscription payments over the term of the subscription. If the interest rate implicit in the subscription is not readily determinable, the County and Authority will use the applicable incremental borrowing rate in the calculation of the present value of the subscription payments.

The County and Authority recognize a subscription liability and an intangible right-to-use subscription asset on the Statement of Net Position. Subscriptions with an initial, non-cancellable term of 12 months or less are not recorded on the Statement of Net Position and expense is recognized as incurred over the subscription term.

At the commencement of a SBITA, the County and Authority measures the subscription liability at the present value of payments expected to be made during the subscription term and then reduces the liability by the principal portion of the subscription payments made. The intangible right-to-use subscription asset is measured at the initial amount of the subscription liability, adjusted for subscription payments made at or before the subscription commencement date, plus certain initial direct costs, then amortized on a straight-line basis over the subscription term.

Subscription payments are apportioned between interest expense and principal based on an amortization schedule calculated using the effective interest method.

Note 1. Summary of Significant Accounting Policies (Continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Fund Balance/Net Position (Continued)

14. Pensions

The Virginia Retirement System (VRS) County and School Board Non-Professional Retirement Plan is a multiple employer, agent plan. The VRS School Board Professional Retirement Plan is a multiple employer cost-sharing plan. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the County and its component unit, the School Board, retirement plans and the additions to/deductions from the County and the School Board's retirement plans' fiduciary net 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.

15. Other Postemployment Benefits

Medical Insurance Program

The Medical Insurance Program is a single-employer plan. Experience gains or losses are amortized over the average working lifetime of all participants, which for the current period is 8.2 years. Plan amendments are recognized immediately. Changes in actuarial assumptions are amortized over the average working lifetime of all participants.

Group Life Insurance Program

The VRS Group Life Insurance Program (GLI) is a multiple employer, cost-sharing plan. It provides coverage to state employees, teachers, and employees of participating political subdivisions. The GLI was established pursuant to Section 51.1-500 et seq. of the *Code of Virginia*, as amended, and which provides the authority under which benefit terms are established or may be amended. The GLI is a defined benefit plan that provides a basic GLI benefit for employees of participating employers. For purposes of measuring the total GLI OPEB liability, deferred outflows of resources and deferred inflows of resources related to the GLI OPEB, and GLI OPEB expense, information about the fiduciary net position of the VRS GLI OPEB and the additions to/deductions from the VRS GLI OPEB's fiduciary net 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.

Note 1. Summary of Significant Accounting Policies (Continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Fund Balance/Net Position (Continued)

15. Other Postemployment Benefits (Continued)

Health Insurance Credit Program

The School Board non-professional Health Insurance Credit (HIC) Program is a multiple-employer, agent defined benefit plan that provides a credit toward the cost of health insurance coverage for retired political subdivision employees of participating employers. The School Board professional HIC Program is a multiple-employer, cost-sharing plan. Both HIC Programs were established pursuant to Section 51.1-1400 et seq. of the *Code of Virginia*, as amended, and which provide the authority under which benefit terms are established or may be amended. For purposes of measuring both HIC Programs' total OPEB liabilities, deferred outflows of resources and deferred inflows of resources related to the HIC Programs' OPEB, and the HIC Programs' OPEB expense, information about the fiduciary net position of the HIC Programs; and the additions to/deductions from both of the HIC Programs net fiduciary position have been determined on the same basis as they were reported by VRS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

16. Fund Balances/Net Position

a. Fund Balances

Fund balance is divided into five classifications based primarily on the extent to which the County is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

- *Nonspendable* – Amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans, if applicable.

- *Restricted* – Amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

- *Committed* – Amounts constrained to specific purposes determined by the adoption of an ordinance committing fund balance for a specified purpose by the County's Board of Supervisors prior to the end of the fiscal year. To be reported as committed, amounts cannot be used for any other purpose unless the Board of Supervisors takes the action to remove or change the constraint.

Note 1. Summary of Significant Accounting Policies (Continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Fund Balance/Net Position (Continued)

16. Fund Balances/Net Position (Continued)

a. Fund Balances (Continued)

- *Assigned* – Amounts are constrained by intent to be used for specific purposes but are neither restricted nor committed. Assignments are made by the County Administrator or designated department head based on governing body direction, through adoption or amendment of the budget, or through ordinance or resolution. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment.

- *Unassigned* – Amounts that are available for any purpose; positive amounts are reported only in the general fund.

The General Fund is the only fund that reports a positive unassigned fund balance amount. In governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

b. Restricted Amounts

The County applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and the unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

c. Minimum Fund Balance Policy

Within its General Fund, the County's policy is to maintain a fiscal stability reserve amount for cash liquidity purposes. That balance should be sufficient to meet the County's cyclical cash flow requirements and avoid the need for short-term tax anticipation borrowing. The fiscal stability reserve shall have a balance that is not less than 15 percent of the combined budgeted expenditures of the County General Fund and the School Board Operating Fund, net of the County's local share contribution to the School Board. Should the reserve fall below the 15 percent targeted level, the Board must approve and adopt a plan to restore this balance to the target level within 24 months, unless that timeframe would cause severe hardship to the County.

In addition, the Board, in an emergency or during periods of economic uncertainty or budget adversity, may retain an additional reserve balance above the Fiscal Stability Reserve. Such additional reserve shall not exceed three percent of the combined budgeted expenditures of the General Fund and the School Board Operating Fund, net of the County's contribution to the School Board.

Note 1. Summary of Significant Accounting Policies (Continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Fund Balance/Net Position (Continued)

16. Fund Balances/Net Position (Continued)

c. Minimum Fund Balance Policy (Continued)

Other funds of the County do not have specified fund balance or net position targets. Recommended levels of committed and/or assigned fund balance will be determined on a case by case basis, based on the needs of each fund and as recommended by officials and approved by the Board.

d. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the appropriation, is employed as an extension of formal budgetary integration in the governmental funds. In accordance with the County's adopted budget process, encumbered funds are reappropriated annually by the Board of Supervisors in the succeeding year's budget amendment. Encumbrances outstanding at year end total $7,581,931 in the General Fund. These amounts are reported as assigned fund balance since they do not constitute expenditures or liabilities.

e. Net Position

Net position is the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net investment in capital assets represent capital assets, less accumulated depreciation and any outstanding debt related to the acquisition, construction or improvement of those assets.

E. Use of Estimates

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

F. Subsequent Events

The County has evaluated subsequent events through December 13, 2023, the date on which the financial statements were available to be issued.

Note 2. Stewardship, Compliance, and Accountability

Budgetary Information

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

1. Prior to April 1, the County Administrator submits to the Board of Supervisors a proposed operating and capital budget for the fiscal year commencing July 1. The operating and capital budget includes proposed expenditures and the means of financing them. The following funds have legally adopted budgets: General Fund, Virginia Public Assistance Fund, EMS & Fire Fund, Law Library Fund, Asset Forfeiture Fund, Covid-19 Fund, School Operating Fund, School Textbook Adoptions Fund, and School Adult Education Fund.

2. Public hearings are conducted to obtain citizen comments.

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

4. The Appropriations Resolution places legal restrictions on expenditures at the function level. The appropriation for each function can be revised by the Board of Supervisors only. Amounts that do not fall under a function's control are categorized as non-departmental even though they may relate to a particular function.

5. Formal budgetary integration is employed as a management control device during the year for the General Fund and Special Revenue Funds (except the School Funds). The School Funds are integrated only at the level of legal adoption.

6. All budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP).

7. Appropriations lapse on June 30.

8. Budget data presented in the accompanying financial statements includes the original adopted budget and the revised budget as of June 30.

Note 3. Deposits and Investments

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

Custodial Credit Risk (Deposits): This is the risk that in the event of a bank failure, the County's deposits may not be returned to it. The County's investment policy requires all deposits comply with the Act. At year end, none of the County's deposits were exposed to custodial credit risk.

Note 3. Deposits and Investments (Continued)

Investments: State statutes authorize local governments and other public bodies to invest in obligations of the United States or its 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 and certain corporate notes, bankers' acceptances, repurchase agreements, the State Treasurer's Local Government Investment Pool (LGIP), the Virginia Investment Pool (VIP), and the State Non-Arbitrage Program (SNAP).

The State Treasurer's Local Government Investment Pool (LGIP) is an external investment pool and a professionally managed money market fund which invests in qualifying obligations and securities as permitted by Virginia statutes. Pursuant to Section 2.2-4605 of the *Code of Virginia*, the Treasury Board of the Commonwealth sponsors the LGIP and has delegated certain functions to the State Treasurer. The LGIP reports to the Treasury Board at their regularly scheduled monthly meetings. The County's investments in the LGIP, totaling $28,811,484, are stated at amortized cost and classified as cash and cash equivalents. The LGIP has been assigned an "AAAm" rating by Standard & Poor's (S&P). The maturity of the LGIP is less than one year.

The Virginia Investment Pool (VIP) is a commingled investment program organized as an external local government investment pool with oversight provided by a shareholder elected board of trustees. VIP is designed for the investment of longer-term monies that are not necessary for near term disbursement. VIP has a bond fund rating from S&P of AAf/S1.

The Virginia State Non-Arbitrage Program's (SNAP) SNAP Fund is a commingled investment program that operates in compliance with GASB Statement No. 79 and that was authorized by the Government Non-Arbitrage Act in 1989 (*Code of Virginia* Section 2.2-4700 et seq.). Virginia SNAP and the SNAP Fund are administered by the Treasury Board of the Commonwealth of Virginia. Virginia SNAP offers several investment options, including the SNAP Fund, and arbitrage rebate reporting services that are specifically designed for the investment of tax exempt bond proceeds.

Investment Policy: The County has adopted a formal investment policy. The primary investment goals of the County are the safeguarding of principal, the investment portfolio be managed at all times with sufficient liquidity to meet all daily and seasonal needs, as well as special projects and other operations requirements either known or which might be reasonably anticipated and with the objective of obtaining no worse than a market rate of return over the course of budgetary and economic cycles, taking into account the constraints contained herein and the cash flow patterns of the County.

Note 3. Deposits and Investments (Continued)

Investment Policy (Continued): As of June 30, 2023, the County's investment policy establishes investment types and quality levels for use by the County in the investment of its public funds:

Permitted Investment	Sector Limit	Issuer Limit
U.S. Treasury Obligations	100%	100%
Federal Agency Obligations	100%	100%
Municipal Obligations	100%	100%
Repurchase Agreements	100%	100%
Certificates of Deposit	100%	100%
Bankers' Acceptances	40%	100%
Commercial Paper	35%	5%
Corporate Notes and Bonds	100%	100%
Money Market Mutual Funds	100%	100%

Credit Risk: Credit risk is the risk that the County funds will not recover their investments due to the ability of the counterparty to fulfill its obligation. The County's policy requires commercial paper must be issued by an entity incorporated in the U.S. and rates at least A-1 by S&P or P-1 by Moody's. Corporate notes and bonds have a rating of at least AA by S&P or Aa by Moody's. Municipal obligations must have a rating of at least AA (or its equivalent) by Standard & Poor's or Moody's Investors Service. Bankers' Acceptances issued by a domestic bank or a foreign bank with an agency domiciled in the U.S., must be rated by Thomson Bankwatch at least "B/C" (issuing bank) and "I" (County of origin). Money market mutual funds must trade on a constant net asset value and invest solely in securities otherwise eligible for investment under these guidelines.

The County's investments as of June 30, 2023 are presented in the following table using the Standard & Poor's rating scale.

Rated Debt Investment	Fair Quality Ratings	
	AAAm	Aaf/S1
Local Government Investment Pool	$ 28,811,484	$ -
US Treasury Notes	1,209,625	-
Virginia Investment Pool	-	8,019,331
State Non-Arbitrage Pool	6,108,100	-

Custodial Credit Risk (Investments): This is the risk that in the event of the failure of the counterparty, the County will not be able to recover the value of items investments or collateral securities that are in the possession of an outside party.

Concentration of Credit Risk: Concentration of credit risk is defined as the risk of loss attributed to the magnitude of a government's investment in a single issuer. If certain investments in any one issuer represent five percent of total investments, there must be a disclosure for the amount and issuer. Investments issued or explicitly guaranteed by the U.S. Government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this requirement, therefore, concentration of credit risk does not apply to the LGIP, VIP or SNAP.

Note 3. Deposits and Investments (Continued)

Interest Rate Risk: Interest rate risk is defined as the risk that changes of interest rates will adversely affect the fair value of an investment. The County does not have policies related to interest rate risk. Interest rate risk does not apply to the LGIP and SNAP.

	Fair Value	Investment Maturities: Less Than 1 Year	Investment Maturities: 1 - 5 Years
Certificates of deposit	$ 528,524	$ 528,524	$ -
US Treasury Notes	1,209,625	-	1,209,625
Virginia Investment Pool	8,019,331	2,666,654	5,352,677
	$ 9,757,480	$ 3,195,178	$ 6,562,302

It is recognized that, prior to maturity, the market value of securities in the County's portfolio may fluctuate due to changes in market conditions. In view of this and the County's primary investment objectives of liquidity and preservation of principal, every effort shall be made to manage investment maturities to precede or coincide with the expected needs for funds. Accordingly, a minimum of 10 percent of the portfolio must be invested in securities maturing within 30 days and a minimum of 50 percent of the portfolio funds must be invested in securities maturing within 12 months.

The County categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

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

- Certificates of deposit of $528,524 are valued using quoted market prices (Level 1 inputs).
- Virginia Investment Pool totaling $8,019,331 is valued using quoted market prices (Level 1 inputs).
- US Treasury Notes totaling $1,209,625 are valued using quoted market prices (Level 1 inputs).

At June 30, 2023, the deposits and investments were as follows:

Deposits:	
Demand deposits	$ 18,802,030
Cash on hand	6,495
Total deposits	18,808,525
Investments:	
Certificates of deposit	528,524
Money market mutual funds	1,952,771
Local Government Investment Pool	28,811,484
US Treasury Notes	1,209,625
Virginia Investment Pool	8,019,331
State Non-Arbitrage Pool	6,108,100
Total investments	46,629,835
Total deposits and investments	$ 65,438,360

Note 3. Deposits and Investments (Continued)

Total deposits and investments are composed as follows:

Deposits and investments:	
Cash and cash equivalents:	
Governmental Activities	$ 33,264,416
Business-type Activities	5,414,076
Component Unit - School Board	3,476,804
Component Unit - EDA	464,156
Component Unit - Broadband Authority	2,117,362
Total cash and cash equivalents	44,736,814
Restricted cash:	
Governmental Activities	9,957,343
Component Unit - Broadband Authority	986,723
Total restricted cash	10,944,066
Investments:	
Governmental Activities	6,430,346
Business-type Activities	1,408,609
Component Unit - School Board	180,376
Component Unit - EDA	528,524
Total investments	8,547,855
Restricted investment:	
Component Unit - Broadband Authority	1,209,625
Total investments	1,209,625
Total deposits and investments	$ 65,438,360

Note 4. Receivables

Receivables consist of the following:

	Governmental Activities	Business-type Activities	Total Primary Government	Component Unit - School Board	Component Unit - Economic Development Authority	Component Unit - Broadband Authority
Receivables:						
Taxes	$ 3,670,885	$ -	$ 3,670,885	$ -	$ -	$ -
Less allowance for uncollectible accounts	(537,673)	-	(537,673)	-	-	-
Net taxes receivable	3,133,212	-	3,133,212	-	-	-
Accounts	2,496,672	154,381	2,651,053	223,844	-	524,072
Less allowance for uncollectible accounts	(282,837)	-	(282,837)	-	-	-
Net accounts receivable	2,213,835	154,381	2,368,216	223,844	-	524,072
Leases	-	-	-	-	498,569	-
Net leases receivable	-	-	-	-	498,569	-
Total receivables	$ 5,347,047	$ 154,381	$ 5,501,428	$ 223,844	$ 498,569	$ 524,072

Taxes receivable represent the current and past five years of uncollected tax levies for personal property taxes and the current and past 20 years for uncollected tax levies on real property. Governmental activities accounts receivable is comprised of amounts due for EMS billings and other local revenues. The allowances for uncollectible accounts are based on historical collection rates aging of receivable balances, and specific account analysis.

The component units' receivables are considered fully collectible and, therefore, an allowance for uncollectible accounts is not applicable for those receivables.

Note 5. Unavailable Revenue

Governmental funds report unavailable revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At the end of the current fiscal year, the various components of unavailable revenue reported in the governmental funds were as follows:

	Unavailable
Property taxes receivable, net of allowance	$ 2,571,929
EMS transport fees	360,847
Long-term note receivable	11,630,000
Other	31,539
	$ 14,594,315

Note 6. Due from Other Governmental Units

Amounts due from other governments consist of the following:

Primary Government:		
Governmental Funds:		
General Fund:		
Other local government:		
Town of Gordonsville	$	28,500
Commonwealth of Virginia:		
Communications sales and use taxes		157,728
Children's Services Act		747,708
Categorical aid:		
Shared costs:		
Commissioner of the Revenue		12,372
Commonwealth Attorney		30,672
Sheriff		140,237
Clerk of Circuit Court		24,468
Treasurer		14,646
Other		36,625
Federal government:		
Public safety		39,949
Total General Fund		1,232,905
Virginia Public Assistance Fund:		
Commonwealth of Virginia:		
Public assistance		129,144
Opioid settlement proceeds		194,789
Total Virginia Public Assistance Fund		323,933
EMS & Fire Fund:		
Commonwealth of Virginia:		
Public safety		82,606
Federal government:		
Public safety		31,340
Total EMS & Fire Fund		113,946
COVID-19 Fund:		
Federal government:		
Miscellaneous		5,703
Total COVID-19 Fund		5,703
Total Primary Government - Governmental Funds	$	1,676,487
Total Primary Government - Governmental Activities	$	1,676,487

Note 6. Due from Other Governmental Units (Continued)

Component Unit - School Board:	
School Operating Fund:	
Commonwealth of Virginia:	
State sales tax receipts	$ 1,323,183
Federal government:	
Education grants	1,233,224
Total School Operating Fund	2,556,407
Adult Education Fund:	
Federal government:	
Adult literacy services	130,845
Total Adult Education Fund	130,845
School Cafeteria Fund:	
Commonwealth of Virginia:	
State sales tax receipts	10,556
Federal government:	
School food program	37,057
Total School Cafeteria Fund	47,613
Head Start Fund:	
Federal government:	
Head Start program	238,795
Total Head Start Fund	238,795
School Grants Fund:	
Federal government:	
Education grants	1,481,254
Total School Grants Fund	1,481,254
Total Component Unit - School Board	$ 4,454,914

Component Unit- Broadband	
Federal government:	
Tax refund	$ 11,505
Miscellaneous	7,860
Total Component Unit - Broadband Authority	$ 19,365

Note 7. Interfund Transfers

Interfund transfers consist of the following:

Fund	Transfer In	Transfer Out
Primary Government:		
Governmental Activities:		
General	$ 105,109	$ 17,456,948
Virginia Public Assistance	1,386,971	1,175
EMS & Fire	1,175	1,445,897
Covid-19	-	594,870
Debt Service	9,819,887	-
Capital Projects	6,592,391	1,246,131
Internal Service Fund	-	48,539
Total Governmental Activities	17,905,533	20,793,560
Business-type Activities:		
Airport	212,717	-
Landfill	2,675,310	-
Total Business-type Activities	2,888,027	-
Total Primary Government	$ 20,793,560	$ 20,793,560
Component Unit - School Board:		
School Board:		
School Operating	$ -	$ 841,595
School Textbook Adoptions	629,929	-
School Capital Projects	211,666	-
Total Component Unit - School Board	$ 841,595	$ 841,595

Transfers are used to (1) move revenues from the fund that the statute of budget required to collect them to the fund that the statute or budget required to expend them and (2) use unrestricted revenues collected in the General and School Operating Fund to finance various programs accounted for in other funds.

Note 8. Interfund Receivables and Payables

Interfund and due to (from) primary government / component unit balances at June 30, 2023 are as follows:

Fund	Interfund Receivable	Interfund Payable
School Board Component Unit:		
School Operating	$ 1,410,799	$ 477,154
School Nutrition Fund	477,154	-
Adult Education	-	108,043
Head Start	-	182,090
School Grants	-	1,120,666
Total Component Unit - School Board	$ 1,887,953	$ 1,887,953

The receivables and payables are due to School Operating Fund aid in funding the operations of various School funds.

Note 9. Capital Assets

Capital asset activity for the year consists of the following:

	Beginning Balance*	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets not being depreciated or amortized:					
Land	$ 2,332,288	$ 324,422	$ -	$ -	$ 2,656,710
Easements	41,990	-	-	-	41,990
Construction in progress	24,280,723	1,453,754	(253,796)	(24,664,712)	815,969
Total capital assets not being depreciated or amortized	26,655,001	1,778,176	(253,796)	(24,664,712)	3,514,669
Capital assets being depreciated or amortized:					
Buildings and improvements	21,916,140	472,438	-	12,103,591	34,492,169
Infrastructure	-	-	-	3,863,397	3,863,397
Intangible right-to-use lease buildings	1,057,229	-	-	-	1,057,229
School buildings and improvements	18,222,345	-	(2,844,280)	-	15,378,065
Furniture, equipment and vehicle	14,343,486	1,739,130	-	8,692,618	24,775,234
Intangible right-to-use subscription assets	464,246	110,791	-	-	575,037
Total capital assets being depreciated or amortized	56,003,446	2,322,359	(2,844,280)	24,659,606	80,141,131
Less accumulated depreciation and amortization:					
Buildings and improvements	8,537,826	663,111	-	(803,522)	8,397,415
Infrastructure	-	49,431	-	803,522	852,953
Intangible right-to-use lease buildings	165,113	165,112	-	-	330,225
School buildings and improvements	4,316,338	307,560	(716,041)	-	3,907,857
Furniture, equipment and vehicle	11,535,071	1,590,800	-	(5,106)	13,120,765
Intangible right-to-use subscription assets	-	179,972	-	-	179,972
Total accumulated depreciation and amortization	24,554,348	2,955,986	(716,041)	(5,106)	26,789,187
Total capital assets being depreciated or amortized, net	31,449,098	(633,627)	(2,128,239)	24,664,712	53,351,944
Governmental activities capital assets, net	$ 58,104,099	$ 1,144,549	$ (2,382,035)	$ -	$ 56,866,613

*Beginning balances restead for GASB 96, *Subscription-based Information Technology Arrangements.*

Note 9. Capital Assets (Continued)

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type activities:					
Capital assets not being depreciated or amortized:					
Land	$ 1,823,260	$ -	$ -	$ 641,904	$ 2,465,164
Construction in progress	3,354,151	-	(310,473)	(3,043,678)	-
Total capital assets not being depreciated or amortized	5,177,411	-	(310,473)	(2,401,774)	2,465,164
Capital assets being depreciated or amortized:					
Buildings and improvements	12,034,768	-	-	(7,023,455)	5,011,313
Infrastructure	-	-	-	7,023,455	7,023,455
Landfill development costs	3,349,705	-	-	2,401,774	5,751,479
Furniture, equipment and vehicle	1,629,518	117,165	(151,030)	5,106	1,600,759
Total capital assets being depreciated or amortized	17,013,991	117,165	(151,030)	2,406,880	19,387,006
Less accumulated depreciation and amortization:					
Buildings and improvements	5,367,862	131,417	-	(2,437,421)	3,061,858
Infrastructure	-	265,057	-	2,403,386	2,668,443
Landfill development costs	2,315,830	149,608	-	-	2,465,438
Furniture, equipment and vehicle	1,100,145	139,589	(151,030)	39,141	1,127,845
Total accumulated depreciation and amortization	8,783,837	685,671	(151,030)	5,106	9,323,584
Total capital assets being depreciated or amortized, net	8,230,154	(568,506)	-	2,401,774	10,063,422
Business-type activities capital assets, net	$ 13,407,565	$ (568,506)	$ (310,473)	$ -	$ 12,528,586

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

	Governmental Activities	Business-type Activities	Total Primary Government
General government administration	$ 1,010,613	$ -	$ 1,010,613
Judicial administration	7,552	-	7,552
Public safety	1,348,529	-	1,348,529
Public works	117,090	-	117,090
Health and human services	97,636	-	97,636
Parks, recreation, and cultural	54,299	-	54,299
Community development	12,707	-	12,707
Joint tenancy - education	307,560	-	307,560
Airport	-	405,509	405,509
Landfill	-	280,162	280,162
Total depreciation expense, primary government	$ 2,955,986	$ 685,671	$ 3,641,657

Note 9. Capital Assets (Continued)

Discretely Presented Component Unit – School Board

Capital asset activity for the School Board for the year consists of the following:

	Beginning Balance	Increases	Decreases	Ending Balance
Component Unit - School Board:				
Capital assets not being depreciated or amortized:				
Land	$ 1,855,343	$ -	$ -	$ 1,855,343
Construction in progress	4,903,065	8,036,212	-	12,939,277
Total capital assets not being depreciated or amortized	6,758,408	8,036,212	-	14,794,620
Capital assets being depreciated or amortized:				
Buildings and improvements	149,390,997	44,677	-	149,435,674
Allocated to County	(18,222,345)	2,844,280	-	(15,378,065)
Intangible right-to-use subscription assets	-	58,346	-	58,346
Furniture, equipment and vehicle	15,104,976	1,733,498	(895,063)	15,943,411
Total capital assets being depreciated or amortized	146,273,628	4,680,801	(895,063)	150,059,366
Less accumulated depreciation and amortization:				
Buildings and improvements	76,517,767	3,070,222	-	79,587,989
Allocated to County	(4,316,338)	(307,560)	716,041	(3,907,857)
Intangible right-to-use subscription assets	-	9,241	-	9,241
Furniture, equipment and vehicle	9,699,186	884,147	(829,227)	9,754,106
Total accumulated depreciation and amortization	81,900,615	3,656,050	(113,186)	85,443,479
Total capital assets being depreciated or amortized, net	64,373,013	1,024,751	(781,877)	64,615,887
School Board capital assets, net	$ 71,131,421	$ 9,060,963	$ (781,877)	$ 79,410,507

Local governments in Virginia and their School Boards hold a tenancy in common with respect to capital assets constructed with long-term debt. Accordingly, school capital assets for which debt is still outstanding are included in the capital assets of the County in an amount equal to the outstanding balance of the debt. As the debt is retired, a proportional amount of the assets are transferred to the Component Unit – School Board.

Note 9. Capital Assets (Continued)

Discretely Presented Component Unit – EDA

Capital asset activity for the EDA for the year consists of the following:

	Beginning Balance	Increases	Decreases	Ending Balance
Component Unit - EDA:				
Capital assets not being depreciated:				
Land	$ 1,087,388	$ -	$ (54,000)	$ 1,033,388
Construction in progress	13,900	118,724	-	132,624
Total capital assets not being depreciated or amortized	1,101,288	118,724	(54,000)	1,166,012
EDA capital assets	$ 1,101,288	$ 118,724	$ (54,000)	$ 1,166,012

Discretely Presented Component Unit – Broadband Authority

Capital asset activity for the Broadband Authority for the year consists of the following:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Component Unit - Broadband Authority:					
Capital assets not being depreciated:					
Construction in progress	$ 22,119,052	$ -	$ -	$ (22,119,052)	$ -
Capital assets being depreciated or amortized:					
Buildings and improvements	-	10,075,448	-	22,119,052	32,194,500
Intangible right-to-use lease buildings	29,370	116,807	(29,370)	-	116,807
Intangible right-to-use subscription assets	-	35,815	-	97,559	133,374
Furniture, equipment and vehicles	372,645	168,598	(51,612)	(97,559)	392,072
Intangbile right-to-use lease equipment	2,403	-	(2,403)	-	-
Total capital assets being depreciated or amortized	404,418	10,396,668	(83,385)	22,119,052	32,836,753
Less accumulated depreciation and amortization:					
Buildings and improvements	-	134,144	-	-	134,144
Intangible right-to-use lease buildings	17,622	25,098	(29,370)	-	13,350
Intangible right-to-use subscription assets	-	36,474	-	-	36,474
Furniture, equipment and vehicles	42,382	108,405	(3,434)	-	147,353
Intangible right-to-use lease equipment	1,068	-	(1,068)	-	-
Total accumulated depreciation and amortization	61,072	304,121	(33,872)	-	331,321
Total capital assets being depreciated or amortized, net	343,346	10,092,547	(49,513)	22,119,052	32,505,432
Broadband Authority capital assets, net	$ 22,462,398	$ 10,092,547	$ (49,513)	$ -	$ 32,505,432

Note 10. Long-Term Liabilities

Changes in long-term liabilities consist of the following:

	Beginning Balance*	Increases	Decreases	Ending Balance	Due Within One Year
Governmental activities:					
General obligation bonds	$ 16,845,004	$ -	$ 2,641,990	$ 14,203,014	$ 2,522,620
Premium on bonds	1,377,343	-	202,287	1,175,056	-
	18,222,347	-	2,844,277	15,378,070	2,522,620
Lease revenue/refunding bond	53,663,271	729	3,916,000	49,748,000	3,893,000
Premium on bonds	3,124,910	-	342,110	2,782,800	-
	56,788,181	729	4,258,110	52,530,800	3,893,000
Bonds payable, net	75,010,528	729	7,102,387	67,908,870	6,415,620
Leases payable	893,767	-	165,990	727,777	168,204
Private placement notes	1,468,008	-	433,041	1,034,967	447,045
Subscriptions payable	356,687	-	122,216	234,471	75,114
Compensated absences	1,564,212	4,735,967	4,512,512	1,787,667	1,304,997
	4,282,674	4,735,967	5,233,759	3,784,882	1,995,360
	$ 79,293,202	$ 4,736,696	$ 12,336,146	$ 71,693,752	$ 8,410,980
Business-type activities:					
Private placement notes	$ 340,423	$ -	$ 76,568	$ 263,855	$ 79,340
Compensated absences	59,909	199,566	196,460	63,015	49,781
Lease revenue/refunding bond	3,028,729	-	729	3,028,000	-
Landfill obligation	4,021,000	-	476,000	3,545,000	-
	$ 7,450,061	$ 199,566	$ 749,757	$ 6,899,870	$ 129,121

*Beginning balances restead for GASB 96, *Subscription-based Information Technology Arrangements.*

Both compensated absences and other postemployment benefits for governmental activities are expected to be paid out of the General and Virginia Public Assistance Funds.

Discretely Presented Component Unit – School Board

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental activities:					
Compensated absences	$ 1,314,912	$ 614,451	$ 560,454	$ 1,368,909	$ 110,000
Private placement notes	4,606,922	850,758	1,055,911	4,401,769	839,661
Subscriptions payable	-	49,095	8,100	40,995	10,070
	$ 5,921,834	$ 1,514,304	$ 1,624,465	$ 5,811,673	$ 959,731

Note 10. Long-Term Liabilities (Continued)

Discretely Presented Component Unit – Broadband Authority

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Business-Type activities:					
VRA revenue bond	$ 15,830,000	$ 6,065,000	$ -	$ 21,895,000	$ 1,020,000
Discount on bond	(9,085)	-	-	(9,085)	-
Leases payable	13,242	116,807	23,807	106,242	10,994
Subscriptions payable	-	35,815	9,491	26,324	11,540
Compensated absences	23,753	48,817	46,911	25,659	13,856
	$ 15,857,910	$ 6,266,439	$ 80,209	$ 22,044,140	$ 1,056,390

Details of long-term obligations are as follows:

General Obligation Bonds:

School Board Projects:	
$13,935,316 school improvement general obligation bond, issued November 2005, due in annual installments of $737,620 to $747,800 through July 2025, plus semi-annual interest at 4.00 to 5.10%. The bond was issued at a premium of $1,064,684 which will be amortized over the life of the bond.	$ 2,228,014
$5,220,000 VPSA general obligation bond, issued November 2007, due in annual installments of $260,000 through July 2027, plus semi-annual interest at 4.35% to 5.10%. The bond was issued at a premium of $280,267 which will be amortized over the life of the bond.	1,300,000
$30,550,000 VPSA general obligation bond, issued November 2009, due in annual installments of $1,525,000 through July 2029, plus semi-annual interest at 4.05% to 5.05%. The bond was issued at a premium of $2,700,808 which will be amortized over the life of the bond.	10,675,000
Total General Obligation Bonds	$ 14,203,014

Lease Revenue and Refunding Bond - Governmental:

$48,110,000 lease revenue and refunding bonds for the public safety communications system, consolidated E-911 dispatch and facility, and rural broadband initiative, issued December 2016, due in annual installments of $1,345,000 to $4,035,000 through June 2037, plus interest payable annually at 3.13% to 5.00%. The bond was issued at a premium of $4,398,303 which will be amortized over the life of the bond.	$ 38,135,000
$15,166,000 lease revenue and refunding bonds (split between governmental activities and business-type activities below) for ambulance chassis, landfill expansion cell, capital projects, and rural broadband initiative, issued July 2020, due in annual installments of $878,000 to $1,289,000 through November 2028, plus interest payable annually at 2.16% to 2.28%.	11,613,000
Total Lease Revenue and Refunding Bonds for Governmental Activities	$ 49,748,000

Note 10. Long-Term Liabilities (Continued)

Lease Revenue and Refunding Bond - Business-type:

$15,166,000 lease revenue and refunding bonds (split between governmental activities above and business-type activities) for ambulance chassis, landfill expansion cell, capital projects, and rural broadband initiative, issued July 2020, due in annual installments of $878,000 to $1,289,000 through November 2028, plus interest payable annually at 2.16% to 2.28%.	$ 3,028,000
Total Lease Revenue and Refunding Bond for Business-Type Activities	$ 3,028,000

$15,830,000 VRA bond, issued May 2021, due in annual installments of $1,020,000 to $1,295,000 commencing October 2023 through October 2036, plus semi-annual interest at 0.698% to 2.596%. The bond was issued at a discount of $9,085 which will be amortized over the life of the bond.	$ 15,830,000
$6,065,000 VRA bond, issued September 2022, due in annual installments of $327,000 to $558,000 commencing November 2024 through November 2037, plus semi-annual interest at 4.100%.	6,065,000
Total Lease Revenue and Refunding Bond for Broadband Authority Component Unit	$ 21,895,000

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

Year(s) Ending June 30,	General Obligation Bonds Principal	General Obligation Bonds Interest	Governmental Activities Lease Revenue and Refunding Bond Principal	Governmental Activities Lease Revenue and Refunding Bond Interest	Private Placement Notes Principal	Private Placement Notes Interest
2024	$ 2,522,620	$ 611,412	$ 3,893,000	$ 1,854,511	$ 447,045	$ 33,072
2025	2,527,594	486,167	4,035,000	1,667,482	214,818	18,931
2026	2,532,800	368,312	4,239,000	1,471,363	51,461	14,111
2027	1,785,000	268,465	4,444,000	1,265,277	53,496	12,076
2028	1,785,000	183,911	2,832,000	1,094,610	55,612	9,961
2029-2033	3,050,000	139,728	19,546,000	3,470,594	212,535	16,967
2034-2037	-	-	10,759,000	553,361	-	-
	$ 14,203,014	$ 2,057,995	$ 49,748,000	$ 11,377,198	$ 1,034,967	$ 105,118

Year(s) Ending June 30,	Business-Type Activities Lease Revenue and Refunding Bond Principal	Business-Type Activities Lease Revenue and Refunding Bond Interest
2024	$ 450,000	$ 60,545
2025	624,000	48,946
2026	637,000	35,327
2027	651,000	21,416
2028	666,000	7,193
	$ 3,028,000	$ 173,427

Note 10. Long-Term Liabilities (Continued)

Year(s) Ending June 30,	Broadband Component Unit Lease Revenue and Refunding Bond Principal	Interest
2024	$ 1,020,000	$ 537,333
2025	1,357,000	522,706
2026	1,381,000	499,052
2027	1,405,000	472,615
2028	1,435,000	442,883
2029-2033	7,738,000	1,661,134
2034-2038	7,559,000	526,343
	$ 21,895,000	$ 4,662,066

Private Placement Notes – Governmental:

$227,639 private placement note (payable from the General Fund), issued June 2021, secured by vehicles, semi-annual maturity of $38,761 through June 2024, plus semi-annual interest at 1.728%.	$ 77,189
$268,243 private placement note (payable from the General Fund), issued June 2022, secured by vehicles, semi-annual maturity from $44,306 to $45,854 through June 2025, plus semi-annual interest at 3.463%.	135,233
$698,840 private placement note (payable from the General Fund), issued June 2022, secured by vehicles, semi-annual maturity from $115,428 to $119,460 through June 2025, plus semi-annual interest at 3.463%.	352,315
$548,826 private placement note (payable from the General Fund), issued June 2022, secured by vehicles, semi-annual maturity from $23,580 to $32,157 through June 2032, plus semi-annual interest at 3.916%.	470,230
Total private placement notes	$ 1,034,967

Private Placement Notes – Business-type:

$163,600 private placement note, issued July 2018, secured by vehicles, semi-annual maturity from $11,757 to $12,989 through January 2026, plus semi-annual interest at 3.35%.	$ 62,840
$284,750 private placement note, issued June 2022, secured by vehicles, semi-annual maturity from $26,671 to $30,318 through December 2026, plus semi-annual interest at 3.696%.	201,015
Total private placement notes	$ 263,855

Note 10. Long-Term Liabilities (Continued)

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

	Private Placement Notes	
Year Ending June 30,	Principal	Interest
2024	$ 79,340	$ 8,829
2025	82,213	5,956
2026	71,984	2,978
2027	30,318	560
	$ 263,855	$ 18,323

Private Placement Notes – School Board:

$6,198,242 private placement note, issued March 2013, secured by equipment, semi-annual maturity from $317,940 to $605,315 through September 2028, plus semi-annual interest at 2.59%.	$ 3,025,269
$1,259,830 private placement note, issued July 2015, secured by equipment, semi-annual maturity from $81,992 to $123,475 through January 2031, plus semi-annual interest at 2.39%.	815,040
$850,758 private placement note, issued September 2022, secured by vehicles, annual maturity of $290,949 through December 2024, plus annual interest at 2.41%.	561,460
	$ 4,401,769

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

	Private Placement Notes	
Year(s) Ending June 30,	Principal	Interest
2024	$ 839,661	$ 108,276
2025	880,818	87,003
2026	632,796	64,679
2027	670,364	48,269
2028	709,540	30,890
2029-2031	668,590	21,191
	$ 4,401,769	$ 360,308

The County and School Board's private placement notes contain an event of default that changes the timing of repayment of outstanding amounts to become immediately due if the County or School Board is unable to make payment.

Note 11. Leases

Lease Payable

During the current fiscal year, the County had two agreements as a lessee for buildings, ranging in lease length of five to seven years. As of June 30, 2023, the value of the lease liability was $727,777. The County is required to make yearly principal and interest payments for $52,000 and monthly principal and interest payments ranging from $10,224 to $10,435. The leases had interest rates ranging from 1.2166% to 1.3746%. The equipment has a five to seven-year estimated useful life. The value of the right-to-use leased assets as of the end of the current fiscal year was $1,057,229 and had accumulated amortization of $330,225.

The future principal and interest lease payments as of June 30, 2023 are as follows:

	Primary Government	
	Leases	
Year Ending June 30,	Principal	Interest
2024	$ 168,204	$ 9,021
2025	170,447	6,778
2026	172,720	4,505
2027	123,024	2,201
2028	93,382	536
	$ 727,777	$ 23,041

Component Unit- Economic Development Authority

Lease Receivable

During the current fiscal year, the Authority leased one piece of property to a third party. The property is land that is being leased for ten years ending on May 31, 2033. The Authority will receive yearly payments of $50,000. The County recognized $4,155 in lease revenue during the current fiscal year related to the lease. As of June 30, 2023, the Authority's receivable for lease payments was $498,569. Also, the Authority has deferred inflows of resources associated with this lease that will be recognized as revenue over the lease term. As of June 30, 2023, the balance of the deferred inflows of resources was $494,414.

Component Unit – Broadband Authority

Lease Payable

During the current fiscal year, the Authority had two lease agreements for buildings ranging from two to nine years. One of these agreements had an initial lease liability of $116,807. As of June 30, 2023, the value of the lease liability was $106,242. The Authority is required to make monthly principal and interest payments of $1,114. The lease has an interest rate of 2.84%. The building has a nine-year estimated useful life. The value of the intangible right-to-use lease assets as of the end of the current fiscal year was $116,807 and had accumulated amortization of $13,350. The other agreement was for two years and required the Authority to make monthly principal and interest payments of $1,500. The lease had an interest rate of 2.44%. The agreement for this building ended during the current fiscal year.

Note 11. Leases (Continued)

The future principal and interest lease payments as of June 30, 2023 are as follows:

	Broadband Authority	
	Leases	
Year Ending June 30,	Principal	Interest
2024	$ 10,994	$ 2,878
2025	11,732	2,556
2026	12,504	2,213
2027	13,311	1,847
2028	14,155	1,458
2029-2033	43,546	1,798
	$ 106,242	$ 12,750

Note 12. Subscription-based Information Technology Arrangements

During the current fiscal year, the County had seven subscription-based information technology arrangements (SBITAs). In accordance with the implementation of GASB Statement No. 96, an initial subscription liability was recorded in the amount of $356,687 during the current fiscal year. As of June 30, 2023, the value of the subscription liability was $234,471. The County is required to make annual fixed principal and interest payments ranging from $3,750 to $38,500. The subscriptions have an interest rate ranging from 2.024% to 3.322%. The intangible right-to-use subscription assets have a one to twenty year estimated useful life. The value of the intangible right-to-use subscription assets as of the end of the current fiscal year was $575,037 and had accumulated amortization of $179,972.

The future principal and interest lease payments as of June 30, 2023 are as follows:

	Primary Government	
	Subscription Assets	
Year Ending June 30,	Principal	Interest
2024	$ 75,114	$ 6,758
2025	30,589	4,752
2026	17,299	4,062
2027	8,631	3,620
2028	8,877	3,375
2029-2033	28,749	13,759
2034-2038	33,852	8,656
2039-2042	31,360	2,647
	$ 234,471	$ 47,629

Note 12. Subscription-based Information Technology Arrangements (Continued)

Component Unit – School Board

During the current fiscal year, the School Board had one SBITA. In accordance with the implementation of GASB Statement No. 96, an initial subscription liability was recorded in the amount of $49,095 during the current fiscal year. As of June 30, 2023, the value of the subscription liability was $40,995. The School Board is required to make annual principal and interest payments of $10,800. The subscription has an interest rate of 2.366%. The intangible right-to-use subscription asset has a five year estimated useful life. The value of the intangible right-to-use subscription assets as of the end of the current fiscal year was $58,346 and had accumulated amortization of $9,241.

The future principal and interest lease payments as of June 30, 2023 are as follows:

	School Board	
	Subscription Assets	
Year Ending June 30,	Principal	Interest
2024	$ 10,070	$ 730
2025	10,068	732
2026	10,307	493
2027	10,550	250
	$ 40,995	$ 2,205

Component Unit – Broadband Authority

During the current fiscal year, the Authority entered into a subscription agreement for software for three years. This agreement entered into by the Authority had an initial subscription liability in the amount of $35,815. As of June 30, 2023, the value of the subscription liability was $26,324. The Authority is required to make monthly principal and interest payments of $1,000. The subscription has an interest rate of 2.184%. The intangible right-to-use subscription asset has a three year estimated useful life. The value of the intangible right-to-use subscription assets as of the end of the current fiscal year was $133,374 and had accumulated amortization of $36,474.

The future principal and interest lease payments as of June 30, 2023 are as follows:

	Broadband Authority	
	Subsription Assets	
Year Ending June 30,	Principal	Interest
2024	$ 11,540	$ 460
2025	11,795	205
2026	2,989	10
	$ 26,324	$ 675

Note 13. Pension Plan

Name of Plan: Virginia Retirement System (VRS)

Identification of Plan: Agent and Cost-Sharing Multiple-Employer Pension Plans

Administering Entity: Virginia Retirement System (System)

A. Plan Description

All full-time, salaried permanent employees of the County and its component units, the School Board and Broadband Authority, are automatically covered by the VRS Retirement Plan or the VRS Teacher Retirement Plan upon employment. These plans are administered by the Virginia Retirement System (the System) along with plans for other employer groups in the Commonwealth of Virginia. Members earn one month of service credit for each month they are employed and for which they and their employer pay contributions to VRS. Members are eligible to purchase prior service, based on specific criteria as defined in the *Code of Virgini*a, as amended. Eligible prior service that may be purchased includes prior public service, active military service, certain periods of leave, and previously refunded service.

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

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
About Plan 1 Plan 1 is a defined benefit plan. The retirement benefit is based on a member's age, service credit and average final compensation at retirement using a formula.	**About Plan 2** Same as Plan 1.	**About the Hybrid Retirement Plan** The Hybrid Retirement Plan combines the features of a defined benefit plan and a defined contribution plan. • The defined benefit is based on a member's age, service credit and average final compensation at retirement using a formula. • The benefit from the defined contribution component of the plan depends on the member and employer contributions made to the plan and the investment performance of those contributions. • In addition to the monthly benefit payment payable from the defined benefit plan at retirement, a member may start receiving distributions from the balance in the defined contribution account, reflecting the contributions, investment gains or losses, and any required fees.

Note 13. Pension Plan (Continued)

A. Plan Description (Continued)

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
Eligible Members Members are in Plan 1 if their membership date is prior to July 1, 2010, they were vested before January 1, 2013, and they have not taken a refund. *Hybrid Opt-In Election* Plan 1 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014. The Hybrid Retirement Plan's effective date for eligible Plan 1 members who opted in was July 1, 2014. If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan. Members who were eligible for an optional retirement plan (ORP) and had prior service under Plan 1 were not eligible to elect the Hybrid Retirement Plan and remain as Plan 1 or ORP.	**Eligible Members** *Political subdivision employees:* Members are in Plan 2 if their membership date is on or after July 1, 2010, or their membership date is before July 1, 2010, and they were not vested as of January 1, 2013. *School division employees (teachers):* Members are in Plan 2 if their membership date is from July 1, 2010, to December 31, 2013, and they have not taken a refund. Members are covered under Plan 2 if they have a membership date prior to July 1, 2010, and they were not vested before January 1, 2013. *Hybrid Opt-In Election* Eligible Plan 2 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014. The Hybrid Retirement Plan's effective date for eligible Plan 2 members who opted in was July 1, 2014. If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan. Members who were eligible for an optional retirement plan (ORP) and have prior service under Plan 2 were not eligible to elect the Hybrid Retirement Plan and remain as Plan 2 or ORP.	**Eligible Members** Members are in the Hybrid Retirement Plan if their membership date is on or after January 1, 2014. This includes: • Political subdivision employees.* • School division employees (teachers). • Members in Plan 1 or Plan 2 who elected to opt into the plan during the election window held January 1 through April 30, 2014; the plan's effective date for opt-in members was July 1, 2014. *Non-Eligible Members Some employees are not eligible to participate in the Hybrid Retirement Plan. They include: • Political subdivision employees who are covered by enhanced benefits for hazardous duty employees. Those employees eligible for an optional retirement plan (ORP) must elect the ORP plan or the Hybrid Retirement Plan. If these members have prior service under Plan 1 or Plan 2, they are not eligible to elect the Hybrid Retirement Plan and must select Plan 1 or Plan 2 (as applicable) or ORP.

Note 13. Pension Plan (Continued)

A. Plan Description (Continued)

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
Retirement Contributions Members contribute 5% of their compensation each month to their member contribution account through a pre-tax salary reduction. Member contributions are tax-deferred until they are withdrawn as part of a retirement benefit or as a refund. The employer makes a separate actuarially determined contribution to VRS for all covered employees. VRS invests both member and employer contributions to provide funding for the future benefit payment.	**Retirement Contributions** Same as Plan 1.	**Retirement Contributions** A member's retirement benefit is funded through mandatory and voluntary contributions made by the member and the employer to both the defined benefit and the defined contribution components of the plan. Mandatory contributions are based on a percentage of the employee's creditable compensation and are required from both the member and the employer. Additionally, members may choose to make voluntary contributions to the defined contribution component of the plan, and the employer is required to match those voluntary contributions according to specified percentages.
Service Credit Service credit includes active service. Members earn service credit for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional service credit the member was granted. A member's total service credit is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit.	**Service Credit** Same as Plan 1.	**Service Credit** *Defined Benefit Component* Under the defined benefit component of the plan, service credit includes active service. Members earn service credit for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional service credit the member was granted. A member's total service credit is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit. *Defined Contribution Component* Under the defined contribution component, service credit is used to determine vesting for the employer contribution portion of the plan.

Note 13. Pension Plan (Continued)

A. Plan Description (Continued)

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
Vesting Vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members become vested when they have at least five years (60 months) of service credit. Vesting means members are eligible to qualify for retirement if they meet the age and service requirements for their plan. Members also must be vested to receive a full refund of their member contribution account balance if they leave employment and request a refund. Members are always 100% vested in the contributions that they make.	**Vesting** Same as Plan 1.	**Vesting** *Defined Benefit Component* Defined benefit vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members are vested under the defined benefit component of the Hybrid Retirement Plan when they reach five years (60 months) of service credit. Plan 1 or Plan 2 members with at least five years (60 months) of service credit who opted into the Hybrid Retirement Plan remain vested in the defined benefit component. *Defined Contribution Component* Defined contribution vesting refers to the minimum length of service a member needs to be eligible to withdraw the employer contributions from the defined contribution component of the plan. Members are always 100% vested in the contributions that they make. Upon retirement or leaving covered employment, a member is eligible to withdraw a percentage of employer contributions to the defined contribution component of the plan, based on service. • After two years, a member is 50% vested and may withdraw 50% of employer contributions. • After three years, a member is 75% vested and may withdraw 75% of employer contributions. • After four or more years, a member is 100% vested and may withdraw 100% of employer contributions. Distribution is not required, except as governed by law.

Note 13. Pension Plan (Continued)

A. Plan Description (Continued)

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
Calculating the Benefit The basic benefit is determined using the average final compensation, service credit and plan multiplier. An early retirement reduction factor is applied to the Basic Benefit if the member retires with a reduced retirement benefit. In cases where the member has elected an optional form of retirement payment an option factor specific to the option chosen is then applied.	**Calculating the Benefit** See definition under Plan 1.	**Calculating the Benefit** *Defined Benefit Component* See definition under Plan 1. *Defined Contribution Component* The benefit is based on contributions made by the member and any matching contributions made by the employer, plus net investment earnings on those contributions.
Average Final Compensation A member's average final compensation is the average of the 36 consecutive months of highest compensation as a covered employee.	**Average Final Compensation** A member's average final compensation is the average of the 60 consecutive months of highest compensation as a covered employee.	**Average Final Compensation** Same as Plan 2. It is used in the retirement formula for the defined benefit component of the plan.
Service Retirement Multiplier ***VRS:*** The retirement multiplier is a factor used in the formula to determine a final retirement benefit. The retirement multiplier for non-hazardous duty members is 1.70%.	**Service Retirement Multiplier** ***VRS:*** Same as Plan 1 for service earned, purchased or granted prior to January 1, 2013. The retirement multiplier is 1.65% for service credit earned, purchased or granted on or after January 1, 2013.	**Service Retirement Multiplier** *Defined Benefit Component* ***VRS:*** The retirement multiplier for the defined benefit component is 1.0%. For members that 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.
Sheriffs and regional jail superintendents: The retirement multiplier for sheriffs and regional jail superintendents is 1.85%.	**Sheriffs and regional jail superintendents:** Same as Plan 1.	**Sheriffs and regional jail superintendents:** Not applicable.
Political subdivision hazardous duty employees: The retirement multiplier of eligible political subdivision hazardous duty employees other than sheriffs and regional jail superintendents is 1.70% or 1.85% as elected by the employer.	**Political subdivision hazardous duty employees:** Same as Plan 1.	**Political subdivision hazardous duty employees:** Not applicable. *Defined Contribution Component* Not applicable.

Note 13. Pension Plan (Continued)

A. Plan Description (Continued)

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
Normal Retirement Age ***VRS:*** Age 65. **Political subdivisions hazardous duty employees:** Age 60.	**Normal Retirement Age** ***VRS:*** Normal Social Security retirement age. **Political subdivisions hazardous duty employees:** Same as Plan 1.	**Normal Retirement Age** *Defined Benefit Component* ***VRS:*** Same as Plan 2. **Political subdivisions hazardous duty employees:** Not applicable. *Defined Contribution Component* Members are eligible to receive distributions upon leaving employment, subject to restrictions.
Earliest Unreduced Retirement Eligibility ***VRS:*** Age 65 with at least five years (60 months) of service credit or at age 50 with at least 30 years of service credit. **Political subdivisions hazardous duty employees:** Age 60 with at least five years of service credit or age 50 with at least 25 years of service credit.	**Earliest Unreduced Retirement Eligibility** ***VRS:*** Normal Social Security retirement age and have at least 5 years (60 months) of service credit or when their age plus service credit equals 90. **Political subdivision hazardous duty employees:** Same as Plan 1.	**Earliest Unreduced Retirement Eligibility** *Defined Benefit Component* ***VRS:*** Normal Social Security retirement age and have at least 5 years (60 months) of service credit or when their age plus service credit equals 90. **Political subdivision hazardous duty employees:** Not applicable. *Defined Contribution Component* Members are eligible to receive distributions upon leaving employment, subject to restrictions.
Earliest Reduced Retirement Eligibility ***VRS:*** Age 55 with at least five years (60 months) of service credit or age 50 with at least 10 years of service credit. **Political subdivision hazardous duty employees:** Age 50 with at least five years of service credit.	**Earliest Reduced Retirement Eligibility** ***VRS:*** Age 60 with at least five years (60 months) of service credit. **Political subdivision hazardous duty employees:** Same as Plan 1.	**Earliest Reduced Retirement Eligibility** *Defined Benefit Component* ***VRS:*** Age 60 with at least five years (60 months) of service credit. **Political subdivision hazardous duty employees:** Not applicable. *Defined Contribution Component* Members are eligible to receive distributions upon leaving employment, subject to restrictions.

Note 13. Pension Plan (Continued)

A. Plan Description (Continued)

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
Cost-of-Living Adjustment (COLA) in Retirement The Cost-of-Living Adjustment (COLA) matches the first 3% increase in the Consumer Price Index for all Urban Consumers (CPI-U) and half of any additional increase (up to 4%) up to a maximum COLA of 5%.	**Cost-of-Living Adjustment (COLA) in Retirement** The Cost-of-Living Adjustment (COLA) matches the first 2% increase in the Consumer Price Index for all Urban Consumers (CPI-U) and half of any additional increase (up to 2%) up to a maximum COLA of 3%.	**Cost-of-Living Adjustment (COLA) in Retirement** *Defined Benefit Component* Same as Plan 2. *Defined Contribution Component* Not applicable.
Eligibility: For members who retire with an unreduced benefit or with a reduced benefit with at least 20 years of service credit, the COLA will go into effect on July 1 after one full calendar year from the retirement date. For members who retire with a reduced benefit and who have less than 20 years of service credit, the COLA will go into effect on July 1 after one calendar year following the unreduced retirement eligibility date.	*Eligibility*: Same as Plan 1.	*Eligibility*: **Same as Plan 1 and Plan 2.**
Exceptions to COLA Effective Dates:	*Exceptions to COLA Effective Dates:*	Exceptions to COLA Effective Dates:
School Division (Teachers) and Political Subdivision Employees: The COLA is effective July 1 following one full calendar year (January 1 to December 31) under any of the following circumstances: • The member is within five years of qualifying for an unreduced retirement benefit as of January 1, 2013. • The member retires on disability.	**School Division (Teachers) and Political Subdivision Employees:** Same as Plan 1.	**School Division (Teachers) and Political Subdivision Employees:** Same as Plan 1 and Plan 2.

Note 13. Pension Plan (Continued)

A. Plan Description (Continued)

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
Cost-of-Living Adjustment (COLA) in Retirement (Continued) ***Exceptions to COLA Effective Dates*:** **School Division (Teachers) and Political Subdivision Employees (Continued):** • The member is involuntarily separated from employment for causes other than job performance or misconduct and is eligible to retire under the Workforce Transition Act or the Transitional Benefits Program. • The member dies in service and the member's survivor or beneficiary is eligible for a monthly death-in-service benefit. • The COLA will go into effect on July 1 following one full calendar year (January 1 to December 31) from the date the monthly benefit begins. • **Political Subdivision Employees:** The member retires directly from short-term or long-term disability.		

Note 13. Pension Plan (Continued)

A. Plan Description (Continued)

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
Disability Coverage **Political subdivision employees:** For members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.70% on all service, regardless of when it was earned, purchased or granted.	**Disability Coverage** **Political subdivision employees:** For members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.65% on all service regardless of when it was earned, purchased or granted.	**Disability Coverage** Employees of political subdivisions and school divisions (teachers), including Plan 1 and Plan 2 opt-ins, participate in the Virginia Local Disability Program (VLDP) unless their local governing body provides an employer-paid comparable program for its members. Hybrid members (including Plan 1 and Plan 2 opt-ins) covered under VLDP are subject to a one-year waiting period before becoming eligible for non-work related disability benefits.
Purchase of Prior Service Members may be eligible to purchase service from previous public employment, active duty military service, an eligible period of leave or VRS refunded service as service credit in their plan. Prior service credit counts toward vesting, eligibility for retirement and the health insurance credit. Only active members are eligible to purchase prior service. Members also may be eligible to purchase periods of leave without pay.	**Purchase of Prior Service** Same as Plan 1.	**Purchase of Prior Service** *Defined Benefit Component* Same as Plan 1, with the following exception: • Hybrid Retirement Plan members are ineligible for ported service. *Defined Contribution Component* Not applicable.

Note 13. Pension Plan (Continued)

B. 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:

County (Agent Plan)

	Number
Inactive members or their beneficiaries currently receiving benefits	150
Inactive members:	
Vested inactive members	48
Non-vested inactive members	102
Inactive members active elsewhere in VRS	129
Total inactive members	279
Active members	235
Total covered employees	664

School Board Non-Professional (Agent Plan)

	Number
Inactive members or their beneficiaries currently receiving benefits	126
Inactive members:	
Vested	34
Non-vested	78
Active elsewhere in VRS	27
Total inactive members	139
Active members	129
Total covered employees	394

Broadband Authority (Agent Plan)

	Number
Active members	5
Total covered employees	5

Note 13. Pension Plan (Continued)

C. Contributions

County (Agent Plan)

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

The County's contractually required contribution rate for the year ended June 30, 2023 was 9.26% 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 an employee during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the County were $1,362,814 and $1,120,316 for the years ended June 30, 2023 and 2022, respectively.

School Board Non-Professional (Agent Plan)

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

The School Board non-professional's contractually required contribution rate for the year ended June 30, 2023 was 4.30% 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 an employee during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the School Board for the non-professional plan were $59,551 and $115,037 for the years ended June 30, 2023 and 2022, respectively.

School Board Professional (Cost-Sharing Plan)

The contribution requirement for active employees is governed by Section 51.1-145 of the *Code of Virginia*, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement. The School Board Professional's contractually required 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 the costs of any unfunded accrued liability. Contributions to the pension plan from the School Board for the professional plan were $4,967,268 and $4,690,434 for the years ended June 30, 2023 and 2022, respectively.

Note 13. Pension Plan (Continued)

C. Contributions (Continued)

Broadband Authority (Agent Plan)

The contribution requirement for active employees is governed by Sections 51.1-145 of the *Code of Virginia*, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement. The Authority's contractually required contribution rate for the year ended June 30, 2023 was 5.54% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2022. 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 Authority were $38,329 and $22,917 for the years ended June 30, 2023 and 2022, respectively.

D. Net Pension Liability (Asset)

County, Broadband Authority, and School Board Non-Professional Plans (Agent Plans)

The County, Broadband Authority, and School Board's non-professional plan net pension liabilities (assets) (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. For the County and the School Board non-professional, the NPL was measured as of June 30, 2022. The total pension liability used to calculate the NPL was determined by an actuarial valuation performed as of June 30, 2021 rolled forward to the measurement date of June 30, 2022.

School Board Professional Plan (Cost-Sharing Plan)

At June 30, 2023, the School Board reported a liability for the professional plan of $30,090,804 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 Board's proportion of the net pension liability was based on the School Board'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 Board's proportion was 0.31606 percent as compared to 0.30859 percent at June 30, 2021.

Note 13. Pension Plan (Continued)

D. Net Pension Liability (Continued)

School Board Professional Plan (Cost-Sharing Plan) (Continued)

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 follow (amounts expressed in thousands):

	Teacher Employee Retirement Plan
Total pension liability	$ 54,732,329,433
Plan fiduciary net position	45,211,730,774
Employers' net pension liability	$ 9,520,598,659
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 position 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.

E. Actuarial Assumptions

County, Broadband Authority, and School Board Non-Professional Plans (Agent Plans)

General Employees

The total pension liability for General Employee's in the County's retirement plan and the total pension liability for the General Employees in the School Board non-professional retirement plan were 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 expense, including inflation

Note 13. Pension Plan (Continued)

E. Actuarial Assumptions (Continued)

County, Broadband Authority, and School Board Non-Professional Plans (Agent Plans) (Continued)

***General Employees* (Continued)**

Mortality Rates:	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.

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
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Note 13. Pension Plan (Continued)

E. Actuarial Assumptions (Continued)

County Plan (Agent Plan) (Continued)

Public Safety Employees

The total pension liability for Public Safety employees with Hazardous Duty Benefits in the County and the School Board'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 as 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 expense, including inflation

Mortality Rates:	45% of deaths are assumed to be service related.
Pre-retirement:	Pub-2010 Amount Weighted Safety Employee Rates projected generationally with a Modified MP-2020 Improvement Scale; 95% of rates for males; 105% of rates for females set forward 2 years.
Post-retirement:	Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally with a Modified MP-2020 Improvement Scale; 110% of rates for males; 105% of rates for females set forward 3 years.
Post-disablement:	Pub-2010 Amount Weighted General Disabled Rates projected generationally with a Modified MP-2020 Improvement Scale; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years.
Beneficiaries and Survivors	Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally with a Modified MP-2020 Improvement Scale; 110% of rates for males and females set forward 2 years.
Mortality Improvements	Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

Note 13. Pension Plan (Continued)

E. Actuarial Assumptions (Continued)

County Plan (Agent Plan) (Continued)

***Public Safety 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:

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

School Board Professional Plan (Cost-Sharing Plan)

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 as 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 expense, including inflation

Mortality Rates:

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

Note 13. Pension Plan (Continued)

E. Actuarial Assumptions (Continued)

School Board Professional Plan (Cost-Sharing Plan) (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; and changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through nine years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

Note 13. Pension Plan (Continued)

F. Long-Term Expected Rate of Return

County, Broadband Authority, and School Board Non-Professional Plans (Agent Plans) and School Board Professional Plan (Cost-Sharing Plan)

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 estimates 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	6.00%	3.73%	0.22%
PIP	3.00%	6.55%	0.20%
Total	100.00%		5.33%
		Inflation	2.50%
		* Expected arithmetic 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%. On October 10, 2019, the VRS Board elected a long-term rate of 6.75% which is 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 13. Pension Plan (Continued)

G. Discount Rate

County, Broadband Authority, and School Board Non-Professional Plans (Agent Plans)

The discount rate used to measure the total pension liabilities was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions; political subdivisions were also provided with an opportunity to use an alternate employer contribution rate. For the year ended June 30, 2023, the alternate rate was the employer contribution rate used in fiscal year 2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2021 actuarial valuations, whichever was greater. From July 1, 2022 on, participating employers are assumed to continue to contribute 100 percent 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 liabilities.

School Board Professional Plan (Cost-Sharing Plan)

The discount rate used to measure the total pension liabilities was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between 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 employer for the County and the School Board's retirement plans will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 100 percent of the actuarially determined contribution rate. From July 1, 2022 on, participating employers are assumed to contribute 100 percent 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 liabilities.

Note 13. Pension Plan (Continued)

H. Changes in the Net Pension Liability (Asset)

County (Agent Plan)

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balances at June 30, 2021	$ 45,816,972	$ 48,437,581	$ (2,620,609)
Changes for the year:			
Service cost	1,448,331	-	1,448,331
Interest	3,128,492	-	3,128,492
Changes of benefit terms	(67,391)	-	(67,391)
Difference between expected and actual experience	(997,276)	-	(997,276)
Contributions – employer	-	1,120,316	(1,120,316)
Contributions – employee	-	662,116	(662,116)
Net investment income	-	(67,905)	67,905
Benefit payments, including refunds of employee contributions	(1,834,555)	(1,834,555)	-
Administrative expense	-	(29,788)	29,788
Other changes	-	(42,214)	42,214
Net changes	1,677,601	(192,030)	1,869,631
Balances at June 30, 2022	$ 47,494,573	$ 48,245,551	$ (750,978)

Note 13. Pension Plan (Continued)

H. Changes in the Net Pension Liability (Asset) (Continued)

School Board Non-Professional (Agent Plan)

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balances at June 30, 2021	$ 10,738,160	$ 13,170,212	$ (2,432,052)
Changes for the year:			
Service cost	223,493	-	223,493
Interest	714,197	-	714,197
Difference between expected and actual experience	122,503	-	122,503
Contributions – employer	-	115,037	(115,037)
Contributions – employee	-	155,663	(155,663)
Net investment income	-	(7,878)	7,878
Benefit payments, including refunds of employee contributions	(761,925)	(761,925)	-
Administrative expense	-	(8,307)	8,307
Other changes	-	298	(298)
Net changes	298,268	(507,112)	805,380
Balances at June 30, 2022	$ 11,036,428	$ 12,663,100	$ (1,626,672)

Broadband Authority (Agent Plan)

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balances at June 30, 2021	$ -	$ -	$ -
Changes for the year:			
Changes of benefits	$ 67,391	$ -	$ 67,391
Contributions – employer	-	22,917	(22,917)
Contributions – employee	-	27,762	(27,762)
Net investment income	-	(1,591)	1,591
Administrative expense	-	29	(29)
Other changes	-	43,349	(43,349)
Net changes	67,391	92,466	(25,075)
Balances at June 30, 2022	$ 67,391	$ 92,466	$ (25,075)

Note 13. Pension Plan (Continued)

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

County, Broadband Authority, and School Board Non-Professional Plans (Agent Plans) and School Board Professional Plan (Cost-Sharing Plan)

The following presents the net pension liabilities (asset) of the County, the Broadband Authority, the School Board non-professional plan and the School Board professional plan, using the discount rate of 6.75%, as well as what the County, the Broadband Authority, the School Board non-professional plan and the School Board professional plan's net pension liabilities would be if they were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
County net pension liability (asset)	$ 6,078,180	$ (750,978)	$ (6,275,217)
School Board's non-professional net pension liability (asset)	(355,660)	(1,626,672)	(2,676,500)
School Board professional net pension liability	53,744,480	30,090,804	10,831,511
Broadband Authority net pension liability (asset)	(14,901)	(25,075)	(33,495)

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

County (Agent Plan)

For the year ended June 30, 2023, the County recognized pension expense of $81,899. At June 30, 2023, the County also reported deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ (928,410)
Changes in assumptions	600,341	-
Net difference between projected and actual earnings on pension plan investments	-	(1,336,133)
Employer contributions subsequent to the measurement date	1,362,814	-
Total	$ 1,963,155	$ (2,264,543)

Note 13. Pension Plan (Continued)

J. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

The $1,362,814 reported as deferred outflows of resources related to pensions resulting from the County's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending 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 as follows:

Year Ending June 30,	Amount
2024	$ (524,637)
2025	(858,736)
2026	(947,478)
2027	666,649
	$ (1,664,202)

School Board Non-Professional (Agent Plan)

For the year ended June 30, 2023, School Board recognized pension expense related to its non-professional plan of $(204,035). At June 30, 2023, the School Board also reported deferred outflows of resources and deferred inflows of resources related to its non-professional plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	$ 68,728	$ -
Differences between expected and actual experience	68,298	(79,888)
Net difference between projected and actual earnings on pension plan investments	-	(393,377)
Employer contributions subsequent to the measurement date	59,551	-
Total	$ 196,577	$ (473,265)

The $59,551 reported as deferred outflows of resources related to pensions resulting from the School Board non-professional plan's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2024. Other amounts reported as deferred inflows of resources related to pensions for the School Board non-professional plan will be recognized in pension expense (benefit) as follows:

Year Ending June 30,	Amount
2024	$ (107,917)
2025	(143,305)
2026	(261,019)
2027	176,002
	$ (336,239)

Note 13. Pension Plan (Continued)

J. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

School Board Professional (Cost-Sharing Plan)

For the year ended June 30, 2023, the School Board recognized pension expense related to the professional plan of $1,005,225 and the Commonwealth's special contribution of $1,398,158. 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.

At June 30, 2023, the School Board reported deferred outflows of resources and deferred inflows of resources related to pensions for the professional plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in proportion and difference between employer contributions and proportionate share of contributions	$ 711,575	$ (1,278,413)
Differences between expected and actual experience	-	(2,074,880)
Changes in assumptions	2,836,957	-
Net difference between projected and actual earnings on pension plan investments	-	(3,923,211)
Employer contributions subsequent to the measurement date	4,967,268	-
Total	$ 8,515,800	$ (7,276,504)

The $4,967,268 reported as deferred outflows of resources related to pensions resulting from the School Board contributions for the professional plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending 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 as follows:

Year Ending June 30,	Amount
2024	$ (1,409,711)
2025	(1,605,311)
2026	(2,650,562)
2027	1,937,612
	$ (3,727,972)

Note 13. Pension Plan (Continued)

J. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Broadband Authority (Agent Plan)

For the year ended June 30, 2023, the Authority recognized pension expense of $(5,970). At June 30, 2023, the Authority also 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
Net difference between projected and actual earnings on pension plan investments	$ 3,812	$ -
Employer contributions subsequent to the measurement date	38,329	-
Total	$ 42,141	$ -

The $38,329 reported as deferred outflows of resources related to pensions resulting from the Authority's contributions subsequent to the measurement date will be recognized as a reduction of the net pension asset in the year ending 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 as follows:

Year Ending June 30,	Amount
2024	$ 953
2025	953
2026	953
2027	953
	$ 3,812

K. Pension Plan Data

Detailed information about the pension plans is also available in the separately issued VRS 2022 Annual (ACFR). A copy of the 2022 VRS ACFR may be downloaded from the VRS website at varetire.org/Pdf/Publications/2022-annual-report.pdf or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, Virginia 23218-2500.

Note 14. Other Postemployment Benefits
1. Medical Insurance Program

A. Plan Description

County and the School Board

The County's and the School Board's defined benefit other postemployment benefit (OPEB) – medical insurance plan provides OPEB for all permanent full-time general and public safety employees of the County and the School Board. The plan was established by the County's Board of Supervisors, and any amendments to the plan must be approved by the Board of Supervisors. This plan is a single-employer defined benefit OPEB plan administered by the County and School Board, respectively. No assets are accumulated in a trust that meets the criteria in paragraph four of GASB Statement No. 75. This plan does not issue stand-alone financial reports.

Employees of Orange County and Orange County Public Schools are eligible to participate in the County's OPEB plan. In order to receive plan benefits upon retirement, the employee must retire directly from active service and meet one of the following Virginia Retirement System (VRS) retirement eligibility requirements:

MEDICAL INSURANCE PROGRAM PLAN PROVISIONS
General Employees Plan 1 Plan 1 includes all members vested as of January 1, 2013. • Attain age 50 with at least 10 years of service with VRS for a reduced pension benefit, or • Attain age 55 with at least 5 years of service with VRS for a reduced pension benefit, or • Attain age 65 with at least 5 years of service with VRS for an unreduced pension benefit, or • Attain age 50 with at least 30 years of service with VRS for an unreduced pension benefit.
General Employees Plan 2 and Hybrid Plan Plan 2 includes all members not vested as of January 1, 2013, and members hired on or after July 1, 2010. The Hybrid Plan includes members hired on or after January 1, 2014 or by member election. • Attain age 60 with at least 5 years of service with VRS for a reduced pension benefit, or • Attain 90 points (age plus service) with VRS for an unreduced pension benefit, or • Attain Social Security Normal Retirement Age with at least 5 years of service with VRS for an unreduced pension benefit.
Public Safety Employees Plan 1 and Plan 2 Plan 1 includes members hired prior to January 1, 2014, while Plan 2 includes members hired on or after January 1, 2014. There is no Hybrid Plan for Virginia Law Officers. • Attain age 50 with at least 5 years of service with VRS for a reduced pension benefit, or • Attain age 60 with at least 5 years of service with VRS for an unreduced pension benefit, or • Attain age 50 with at least 25 years of service with VRS for an unreduced pension benefit. Health benefits include medical, dental, and vision. Retirees eligible for Medicare are permitted to continue coverage through one of the County's health plan offerings as a supplement to Medicare benefits.

Note 14. Other Postemployment Benefits (Continued)
1. Medical Insurance Program

A. Plan Description (Continued)

County and the School Board (Continued)

MEDICAL INSURANCE PROGRAM PLAN PROVISIONS (Continued)
Health Plan Benefits Retirees and eligible spouses/dependents are eligible for coverage.
Retiree and Employer Contributions Retirees contribute 100% of the premium for retiree and spouse/dependent coverage.
Disability Retirement Benefit Disabled retirees must meet the same age and service requirements as other retirees in order to be eligible for benefits. Disabled retirees are eligible for the same benefits as other retirees.
Benefit Service Benefit service is credited from the date of hire with the County or School Board.
Line of Duty Act Benefits Public safety employees who become disabled or die in the line of duty are eligible for benefits under the Line of Duty Act. The County insures this benefit through the VACORP Group Self Insurance Program, which pays for all Line of Duty Act benefits. Therefore, there is no GASB 75 liability for the County.

B. Employees Covered by Benefit Terms

At June 30, 2023, the following employees were covered by the benefit terms:

County and School Board

	County	School Board
Inactive employees or beneficiaries currently receiving benefit payments	31	205
Active employees	256	689
Total	287	894

Note 14. Other Postemployment Benefits (Continued)
1. Medical Insurance Program

C. Total Medical Insurance Program OPEB Liability

County and School Board

The County and the School Board's total Medical Insurance OPEB liability of $5,556,080 was measured as of June 30, 2023, and was determined by an actuarial valuation as of July 1, 2022.

The County Medical Insurance OPEB plan includes employees of the Orange County Broadband Authority for the purpose of determining the actuarial valuation for postemployment retirement liability. The actuarial valuation cannot be determined for the Authority's employees separately from the County's employees.

D. Actuarial Assumptions and Other Inputs

County and the School Board

The total Medical Insurance Program OPEB liabilities were based on an actuarial valuation as of July 1, 2022 using the Entry Age Normal actuarial cost method and the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	3.00%
Discount rate	3.65%
Healthcare cost trend rates	The healthcare trend assumption used in this valuation (which covers medical, dental, and vision) is based on long-term healthcare trend rates generated by the Getzen Trend Model. Inputs to the model are consistent with other assumptions used in the valuation. These rates ranged from 3.90% to 6.70%.

The discount rate was based on the Bond Buyer 20-Year Bond GO Index as of the measurement date.

Mortality Rates

The following mortality assumptions were chosen to match the mortality assumptions used in the June 30, 2016 Annual Financial Statement for the Virginia Retirement System.

Pre-Retirement: RP-2014 Employee to age 80, Healthy Annuitant Rates at age 81 and older projected with Scale BB to 2020; Males set back 1 year, 85% of rates and Females set back 1 year. 25% of deaths are assumed to be service related.

Post-Retirement: RP-2014 Employee Rate to age 49, Health Annuitant at ages 50 and older projected with Scale BB to 2020; Males set forward 1 year and Females set back 1 year with 1.5% increase compounded from ages 70 to 85.

Post-Disablement: RP-2014 Disabled Mortality Rates projected with Scale BB to 2020; Males 115% of rates and Females 130% of rates.

Note 14. Other Postemployment Benefits (Continued)
1. Medical Insurance Program

E. Changes in the Total Medical Insurance OPEB Liability

County and the School Board

	County	School Board	Total OPEB Liability
Balance at June 30, 2022	$ 1,466,971	$ 3,484,432	$ 4,951,403
Changes for the year:			
Service cost	113,027	296,847	409,874
Interest	55,395	130,724	186,119
Economic/demographic gains or losses	(66,811)	498,832	432,021
Changes in assumptions or other inputs	(57,748)	(156,426)	(214,174)
Benefit payments	(30,591)	(178,572)	(209,163)
Net changes	13,272	591,405	604,677
Balance at June 30, 2023	$ 1,480,243	$ 4,075,837	$ 5,556,080

Changes of assumptions and other inputs reflect a change in the discount rate from 3.54% in 2022 to 3.65% in 2023.

F. Sensitivity of the Total Medical Insurance OPEB Liabilities to Changes in the Discount Rate

The following presents the total OPEB liabilities of the County and the School Board calculated using the stated discount rate, as well as what the County and the School Board's total Medical Insurance OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.54%) or 1-percentage-point higher (4.54%) than the current discount rate:

	1% Decrease (2.65%)	Current Discount Rate (3.65%)	1% Increase (4.65%)
County	$ 1,664,939	$ 1,480,243	$ 1,323,508
School Board	4,456,852	4,075,837	3,740,325
Total OPEB liability	$ 6,121,791	$ 5,556,080	$ 5,063,833

Note 14. Other Postemployment Benefits (Continued)
1. Medical Insurance Program

G. Sensitivity of the Total Medical Insurance OPEB Liabilities to Changes in Healthcare Cost Trend Rate

The following represents the total Medical Insurance OPEB liabilities of the County and the District and the School Board calculated using the stated discount rate, as well as what the County and the District's and the School Board's total Medical Insurance OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease	Current Trend Rate	1% Increase
County	$ 1,278,376	$ 1,480,243	$ 1,726,506
School Board	3,575,069	4,075,837	4,681,995
Total OPEB liability	$ 4,853,445	$ 5,556,080	$ 6,408,501

H. Medical Insurance OPEB Expense and Deferred Outflows of Resources and Inflows of Resources Related to Medical Insurance OPEB

For the year ended June 30, 2023, the County and the School Board recognized Medical Insurance OPEB expense of $146,325 and $277,614, respectively.

County and the School Board

At June 30, 2023, the County and the School Board reported deferred outflows of resources and deferred inflows of resources related to the Medical Insurance OPEB from the following sources:

	County		School Board		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ (176,329)	$ 437,999	$ (653,595)	$ 437,999	$ (829,924)
Change in assumptions	217,408	(235,433)	959,151	(497,601)	1,176,559	(733,034)
Total	$ 217,408	$ (411,762)	$ 1,397,150	$ (1,151,196)	$ 1,614,558	$ (1,562,958)

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

Year Ending June 30,	County	School Board	Total Amount
2024	$ 12,625	$ 38,569	$ 51,194
2025	(38,036)	32,298	(5,738)
2026	(38,036)	32,298	(5,738)
2027	(38,036)	32,298	(5,738)
2028	(38,036)	32,298	(5,738)
Thereafter	(54,835)	78,193	23,358
Total	$ (194,354)	$ 245,954	$ 51,600

Note 14. Other Postemployment Benefits (Continued)

2. Group Life Insurance Program

A. Plan Description

All full-time, salaried permanent employees of the County, the Broadband Authority, and the School Board non-professional and the School Board professional employees are automatically covered by the VRS Group Life Insurance Program (GLI) upon employment. This plan is administered by the Virginia Retirement System (the System), along with pensions and other OPEB plans, for public employer groups in the Commonwealth of Virginia.

In addition to the Basic GLI benefit, members are also eligible to elect additional coverage for themselves as well as a spouse or dependent children through the Optional GLI. For members who elect the optional GLI coverage, the insurer bills employers directly for the premiums. Employers deduct these premiums from the 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 OPEB.

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

GROUP LIFE INSURANCE PROGRAM PLAN PROVISIONS
Eligible Employees The GLI was established July 1, 1960, for state employees, teachers and employees of political subdivisions that elect the program. 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 benefits payable under the GLI have several components. • Natural Death Benefit: The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled. • Accidental Death Benefit: The accidental death benefit is double the natural death benefit. • Other Benefit Provisions: In addition to the basic natural and accidental death benefits, the program provides additional benefits provided under specific circumstances. These include: o Accidental dismemberment benefit o Seat belt benefit o Repatriation benefit o Felonious assault benefit o Accelerated death benefit option
Reduction in Benefit Amounts The benefit amounts provided to members covered under the GLI are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value.
Minimum Benefit Amount and Cost-of-Living Adjustment (COLA) For covered members with at least 30 years of service credit, there is a minimum benefit payable under GLI. The minimum benefit 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.

Note 14. Other Postemployment Benefits (Continued)
2. Group Life Insurance Program

B. Contributions

The contribution requirements for the GLI are governed by Sections 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 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 from the participating employers for the years ended June 30, 2023 and June 30, 2022 were as follows:

	2023	2022
County	**$ 84,727**	$ 69,802
School Board Non-Professional	**20,797**	19,176
School Board Professional	**170,221**	159,165
Broadband Authority	**3,641**	3,716

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

At June 30, 2023, the participating employers' reported liabilities for its proportionate share of the net GLI OPEB liability as follows:

	Amount
County	$ 715,474
School Board Non-Professional	196,629
School Board Professional	1,631,551
Broadband Authority	38,049

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 employers' proportion of the net GLI OPEB liability was based on the covered employer's actuarially determined employer contributions to the GLI 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, comparisons of the participating employers' proportions to June 30, 2021 are as follows:

	2022	2021
County	0.05924%	0.05925%
School Board Non-Professional	0.01633%	0.01451%
School Board Professional	0.13550%	0.13197%
Broadband Authority	0.00316%	0.00000%

Note 14. Other Postemployment Benefits (Continued)
2. Group Life Insurance Program

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

For the year ended June 30, 2023, the County, Broadband Authority, School Board non-professional, and School Board professional employees recognized GLI OPEB expense of $36,088, $8,715, $4,706, and $27,698, respectively and Commonwealth's special contribution of $41,244, $962, $4,968, and $18,086, respectively. Since there was a change in the proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

At June 30, 2023, the employers reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the following sources:

County

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 56,657	$ (28,703)
Net difference between projected and actual earnings on GLI OPEB program investments	-	(44,707)
Change in assumptions	26,686	(69,690)
Changes in proportionate share	42,054	(6,701)
Employer contributions subsequent to the measurement date	84,727	-
Total	$ 210,124	$ (149,801)

The $84,727 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 OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

Year Ending June 30,	Amount
2024	$ (1,281)
2025	(828)
2026	(28,526)
2027	11,183
2028	(4,952)
Total	$ (24,404)

Note 14. Other Postemployment Benefits (Continued)
2. Group Life Insurance Program

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

School Board Non-Professional Plan

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 15,571	$ (7,888)
Net difference between projected and actual earnings on GLI OPEB program investments	-	(12,286)
Change in assumptions	7,334	(19,152)
Changes in proportionate share	21,421	(17,927)
Employer contributions subsequent to the measurement date	20,797	-
Total	$ 65,123	$ (57,253)

The $20,797 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 inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

Year Ending June 30,	Amount
2024	$ (4,279)
2025	(3,578)
2026	(10,122)
2027	2,307
2028	2,745
Total	$ (12,927)

Note 14. Other Postemployment Benefits (Continued)
2. Group Life Insurance Program

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

School Board Professional Plan

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 129,198	$ 65,454
Net difference between projected and actual earnings on GLI OPEB program investments	-	101,948
Change in assumptions	60,854	158,920
Changes in proportionate share	41,548	80,028
Employer contributions subsequent to the measurement date	170,221	-
Total	$ 401,821	$ 406,350

The $170,221 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 inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

Year Ending June 30,	Amount
2024	$ (48,803)
2025	(42,392)
2026	(91,073)
2027	11,534
2028	(4,016)
Total	$ (174,750)

Note 14. Other Postemployment Benefits (Continued)
2. Group Life Insurance Program

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

Broadband Authority

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
Differences between expected and actual experience	$ 3,013	$ (1,526)
Net difference between projected and actual earnings on GLI OPEB program investments	-	(2,378)
Change in assumptions	1,419	(3,706)
Changes in proportionate share	37,193	(2)
Employer contribution subsequent to the measurement date	3,641	-
Total	$ 45,266	$ (7,612)

The $3,641 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 OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

Year Ending June 30,	Amount
2024	$ 6,832
2025	6,851
2026	5,552
2027	7,746
2028	7,032
Total	$ 34,013

D. 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.

Inflation	2.50%
Salary increases, including inflation:	
Teachers	3.50%-5.95%
Locality – general employees	3.50%-5.35%
Locality – hazardous duty employees	3.50%-4.75%
Investment rate of return	6.75%, net of investment expenses, including inflation

Note 14. Other Postemployment Benefits (Continued)
2. Group Life Insurance Program

D. Actuarial Assumptions (Continued)

School Board Professional Plan

Mortality Rates – Teachers

Pre-Retirement: RP-2014 White Collar Employee Rates to age 80, White Collar Healthy Annuitant Rates at ages 81 and older projected with scale BB to 2020.

Post-Retirement: RP-2014 White Collar Employee Rates to age 49, White Collar Health Annuitant Rates at ages 50 and older projected with scale BB to 2020; males 1% increase compounded from ages 70 to 90; females set back three years with 1.5% increase compounded from ages 65 to 70 and 2.0% increase compounded from ages 75 to 90.

Post-Disablement: RP-2014 Disability Mortality Rates projected with Scale BB to 2020; 115% of rates for males and females.

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 PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for 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 nine years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

County, Broadband Authority, and School Board Non-Professional Plans

Mortality Rates – General Employees

Pre-retirement: Pub-2010 Amount Weighted General 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.

Note 14. Other Postemployment Benefits (Continued)
2. Group Life Insurance Program

D. Actuarial Assumptions (Continued)

County, Broadband Authority, and School Board Non-Professional Plans (Continued)

***Mortality Rates – 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 discount rate, which was based on VRS Board action effective 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 year age and service through nine years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Mortality Rates – 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.

Note 14. Other Postemployment Benefits (Continued)
2. Group Life Insurance Program

D. Actuarial Assumptions (Continued)

County, Broadband Authority, and School Board Non-Professional Plans (Continued)

***Mortality Rates – Hazardous Duty Employees* (Continued)**

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 the 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 services 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

E. Net GLI OPEB Liability

The net OPEB liability (NOL) for the GLI represents the program's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of the Measurement Date of June 30, 2022, NOL amounts for the GLI are as follows:

	Group Life Insurance OPEB Program
Total GLI OPEB liability	$ 3,672,085,295
Plan fiduciary net position	2,467,988,880
GLI Net OPEB liability	$ 1,204,096,415
Plan fiduciary net position as a percentage of the total GLI OPEB liability	67.21%

Note 14. Other Postemployment Benefits (Continued)
2. Group Life Insurance Program

E. 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.

F. 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	6.00%	3.73%	0.22%
PIP	3.00%	6.55%	0.20%
Total	100.00%		5.33%
		Inflation	2.50%
		* Expected arithmetic 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 is 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 14. Other Postemployment Benefits (Continued)
2. Group Life Insurance Program

G. Discount Rate

County, Broadband Authority, and School Board Non-Professional Plans

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. Through the fiscal year ended June 30, 2022, the rate contributed by the participating employers 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 percent 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.

School Board Professional Plan

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. Through the fiscal year ending June 30, 2022, the rate contributed by the participating employers for the GLI OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly. From July 1, 2022 on, employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the GLI OPEB's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total GLI OPEB liability.

H. Sensitivity of the Participating Employers' Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

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

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
County	$ 1,041,099	$ 715,474	$ 452,325
School Board Non-Professional	286,118	196,629	124,309
School Board Professional	2,374,097	1,631,551	1,031,471
Broadband Authority	55,366	38,049	24,055

Note 14. Other Postemployment Benefits (Continued)
2. Group Life Insurance Program

I. GLI Fiduciary Net Position

Detailed information about the GLI's fiduciary net position is available in the separately issued VRS 2022 Annual Report (ACFR). A copy of the 2022 VRS ACFR may be downloaded from the VRS website at varetire.org/Pdf/Publications/2022-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, Virginia, 23218-2500.

3. Health Insurance Credit Program

A. Plan Description

The County has two types of Health Insurance Credit Program (HIC) OPEB plans. A single-employer plan for political subdivisions (School Board non-professional plan) and a cost-sharing employer plan for VRS teacher employees (School Board professional plan). For the School Board non-professional plan, all full-time, salaried permanent employees of participating political subdivisions are automatically covered by the VRS Political Subdivision Health Insurance Credit Program (HIC) upon employment. For the School Board professional Plan, all full-time, salaried permanent (professional) employees of public school divisions are automatically covered by the VRS Teacher Employee Health Insurance Credit Program. These plans are administered by the Virginia Retirement System (the System), along with pension and other OPEB plans, for public employer groups in the Commonwealth of Virginia. Members earn one month of service credit toward the benefit for each month they are employed and for which their employer pays contributions to VRS. The health insurance credit is a tax-free reimbursement in an amount set by the General Assembly for each year of service credit against qualified health insurance premiums retirees pay for single coverage, excluding any portion covering the spouse or dependents. The credit cannot exceed the amount of the premiums and ends upon the retiree's death.

School Board Non-Professional Plan

The specific information about the School Board non-professional HIC, including eligibility, coverage and benefits is set out in the table below:

POLITICAL SUBDIVISION HIC PLAN PROVISIONS
Eligible Employees The Political Subdivision Retiree HIC was established July 1, 1993 for retired political subdivision employees of employers who elect the benefit and who retire with at least 15 years of service credit. Eligible employees are enrolled automatically upon employment. They include: • Full-time permanent salaried employees of the participating political subdivision who are covered under the VRS pension plan.
Benefit Amounts The political subdivision's Retiree HIC provides the following benefits for eligible employees: • At Retirement – 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. • Disability Retirement – 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.

Note 14. Other Postemployment Benefits (Continued)
3. Health Insurance Credit Program

A. Plan Description (Continued)

Health Insurance Credit Program Notes
- The monthly HIC benefit cannot exceed the individual premium amount
- No HIC for premiums paid and qualified under Line of Duty Act (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.

School Board Professional Plan

The specific information for the Teacher Employee HIC, including eligibility, coverage, and benefits is set out in the table below:

TEACHER EMPLOYEE HIC PLAN PROVISIONS
Eligible Employees The Teacher Employee Retiree HIC was established July 1, 1993 for retired Teacher Employees covered under VRS who retire with at least 15 years of service credit. Eligible employees are enrolled automatically upon employment. They include: • Full-time permanent (professional) salaried employees of public school divisions covered under VRS.
Benefit Amounts The Teacher Employee Retiree HIC provides the following benefits for eligible employees: • At Retirement – 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. • Disability Retirement – for teacher and other professional school employees who retire on disability or go on long-term disability under the VLDP, the monthly benefit is either: o \$4.00 per month, multiplied by twice the amount of service credit, or o \$4.00 per month, multiplied by the amount of service earned had the employee been active until age 60, whichever is lower.
Health Insurance Credit Program 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.

Employees Covered by Benefit Terms of School Board Non-Professional Plan:

	Number
Inactive members or their beneficiaries currently receiving benefits	56
Inactive members:	
Vested	2
Total inactive members	58
Active employees	129
Total covered employees	187

Note 14. Other Postemployment Benefits (Continued)
3. Health Insurance Credit Program

B. Contributions

The contribution requirement for active employees is governed by Section 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. Each school division's contractually required employer contribution rates for the School Board non-professional and School Board professional plans for the year ended June 30, 2023 was 0.94% and 1.21%, respectively, of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the HIC from the participating employers for the years ended June 30, 2023 and June 30, 2022 were as follows:

	2023	2022
School Board Professional	**$ 380,727**	$ 355,538
School Board Non-Professional	**36,133**	27,585

C. Net HIC OPEB Liability

School Board Non-Professional Plan

The School Board Non-Professional plan'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.

School Board Professional Plan

The net OPEB liability (NOL) for the Teacher Employee HIC represents the program's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of June 30, 2022, NOL amounts for the Teacher Employee HIC are as follows:

	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	$ 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.

Note 14. Other Postemployment Benefits (Continued)
3. Health Insurance Credit Program

D. Actuarial Assumptions

School Board Non-Professional and School Board Professional Plans

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

School Board Non-Professional Plan

Mortality Rates – 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 PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for 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 nine years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Note 14. Other Postemployment Benefits (Continued)
3. Health Insurance Credit Program

D. Actuarial Assumptions (Continued)

School Board Professional Plan

Mortality Rates – Teachers

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

The actuarial assumptions used in the June 30, 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 PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service decrement through nine years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

Note 14. Other Postemployment Benefits (Continued)
3. Health Insurance Credit Program

E. Long-Term Expected Rate of Return

School Board Non-Professional and School Board Professional Plans

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	6.00%	3.73%	0.22%
PIP	3.00%	6.55%	0.20%
Total	100.00%		5.33%
		Inflation	2.50%
	* Expected arithmetic 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 is 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 14. Other Postemployment Benefits (Continued)
3. Health Insurance Credit Program

F. Discount Rate

School Board Non-Professional and School Board Professional Plans

The discount rate used to measure the total HIC OPEB was 6.75%. The projection of cash flows used to determine the discount rate assumed employer contributions will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ending June 30, 2022, the rate contributed by School Board non-professional and School Board professional plans for the HIC OPEB 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 plan'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.

G. Changes in Net HIC OPEB Liability

	Increase (Decrease)		
	Total HIC OPEB Liability	Plan Fiduciary Net Pension	Net HIC OPEB Liability
Balances at June 30, 2021	$ 292,003	$ 26,422	$ 265,581
Changes for the year:			
Service cost	4,338	-	4,338
Interest	19,706	-	19,706
Changes of assumptions	7,883	-	7,883
Difference between expected and actual experience	(5,843)	-	(5,843)
Contributions – employer	-	27,585	(27,585)
Net investment income	-	(547)	547
Benefit payments, including refunds of employee contributions	(8,796)	(8,796)	-
Administrative expense	-	(85)	85
Other changes	-	378	(378)
Net changes	17,288	18,535	(1,247)
Balances at June 30, 2022	$ 309,291	$ 44,957	$ 264,334

H. Sensitivity of the HIC Net OPEB Liabilities to Changes in the Discount Rate

School Board Non-Professional and School Board Professional Plans

The following presents the net HIC OPEB liability using the discount rate of 6.75%, as well as what the net HIC OPEB liabilities would be if they were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
School Board Professional	$ 4,438,024	$ 3,937,869	$ 3,513,901
School Board Non-Professional	292,013	264,334	240,555

Note 14. Other Postemployment Benefits (Continued)
3. Health Insurance Credit Program

I. HIC OPEB Liabilities, HIC OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to HIC OPEB

School Board Non-Professional Plan

For the year ended June 30, 2023, the School Board non-professional plan recognized HIC OPEB expense of $23,304. At June 30, 2023, the School Board non-professional plan reported deferred outflows of resources and deferred inflows of resources related to the HIC OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change in assumptions	$ 10,202	$ -
Net difference between projected and actual earnings on GLI OPEB program investments	943	(4,578)
Employer contributions subsequent to the measurement date	36,133	-
Total	$ 47,278	$ (4,578)

The $36,133 reported as deferred outflows of resources related to the HIC OPEB resulting from the school Board non-professional plan's contributions subsequent to the measurement date will be recognized as a reduction of the total HIC OPEB liability in the fiscal year ending June 30, 2024. No other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIC OPEB are reported until the second year of participation.

Year Ending June 30,	Amount
2024	$ 1,980
2025	1,980
2026	1,737
2027	870
Total	$ 6,567

School Board Professional Plan

At June 30, 2023, the School Board professional plan reported a liability of $3,937,869 for its proportionate share of the Teacher Employee HIC total OPEB liability. The total Teacher Employee HIC OPEB liability was measured as of June 30, 2022 and the total Teacher Employee HIC OPEB liability used to calculate the total 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 Board professional plan's proportion of the total Teacher Employee HIC OPEB liability was based on the School Board professional plan's actuarially determined employer contributions to the 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 Board professional plan's proportion of the Teacher Employee HIC was 0.31527% as compared to 0.30771% at June 30, 2021.

Note 14. Other Postemployment Benefits (Continued)

3. Health Insurance Credit Program

I. HIC OPEB Liabilities, HIC OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to HIC OPEB (Continued)

For the year ended June 30, 2023, the School Board professional plan recognized Teacher Employee HIC OPEB expense of $268,823 and the Commonwealth's special contribution of $37,873. Since there was a change in proportionate share between measurement dates, a portion of the Teacher Employee HIC net OPEB expense was related to deferred amounts from changes in proportion.

At June 30, 2023, the School Board professional plan reported deferred outflows of resources and deferred inflows of resources related to the Teacher Employee HIC OPEB from the following sources (amounts expressed in the thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ (160,514)
Net difference between projected and actual earnings on HIC OPEB program investments	-	(3,953)
Change in assumptions	115,045	(10,056)
Changes in proportionate share	84,120	(211,509)
Employer contributions subsequent to the measurement date	380,727	-
Total	$ 579,892	$ (386,032)

The $380,727 reported as deferred outflows of resources related to the Teacher Employee HIC OPEB resulting from the School Board professional plan's contributions subsequent to the measurement date will be recognized as a reduction of the total Teacher Employee HIC OPEB liability in the fiscal year ending June 30, 2024. Other amounts reported as deferred inflows of resources related to the HIC OPEB will be recognized in the HIC OPEB expense in future reporting periods as follows (amounts expressed in the thousands):

Year Ending June 30,	Amount
2024	$ (57,902)
2025	(50,852)
2026	(40,558)
2027	(19,299)
2028	(17,528)
Thereafter	(728)
Total	$ (186,867)

J. HIC Credit Program Plan Data

Information about the VRS Political Subdivision and Teacher Employee Health Insurance Credit Program is available in the separately issued VRS 2022 Annual Comprehensive Financial Report (ACFR). A copy of the 2022 VRS ACFR may be downloaded from the VRS website at varetire.org/Pdf/Publications/2022-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, Virginia, 23218-2500.

Note 15. Pension and Other Postemployment Benefits

Pension and other postemployment benefits (OPEB) are long-term liabilities created by a commitment to provide benefits to employees postemployment. The net pension liability and net OPEB liability are determined by an actuarial assessment and presented on the face of the financial statements. Amounts for deferred inflows and deferred outflows are also presented on the face of the financial statements. Details about the actuarial assessment and inflows and outflows are presented in the pension and OPEB note disclosures. Individual plan expenses are also presented in those notes. Aggregate amounts of the recognized pension expense and OPEB expense for the fiscal year ended June 30, 2023 are presented below.

Aggregate pension expense, liabilities (assets), deferred outflows, and deferred inflows recognized for the fiscal year ended June 30, 2023:

	Primary Government			Component Units			
	Governmental Activities	Business Type Activities	Totals	School Board Professional	School Board Non-Professional	Totals, net	Broadband Authority
Pension Expense	$ 701,274	$ 501,583	$ 1,202,857	$ 5,365,119	$ 263,586	$ 5,628,705	$ (5,970)
Net Pension Liability (Asset)	(732,746)	(18,232)	(750,978)	30,090,804	(1,626,672)	28,464,132	(25,075)
Deferred Inflows	2,209,565	54,978	2,264,543	7,276,504	473,265	7,749,769	-
Deferred Outflows	1,915,494	47,661	1,963,155	8,515,800	196,577	8,712,377	42,141

Aggregate other postemployment benefits expense recognized for the fiscal year ended June 30, 2023:

	Primary Government			Component Units			
	Governmental Activities	Business Type Activities	Totals	School Board Professional	School Board Non-Professional	Totals	Broadband Authority
Medical							
OPEB Expense	$ 154,431	$ (8,106)	$ 146,325	$ 277,614	$ -	$ 277,614	$ -
Total OPEB Liability	1,440,100	40,143	1,480,243	4,075,837	-	4,075,837	-
Deferred Inflows	400,595	11,167	411,762	1,151,196	-	1,151,196	-
Deferred Outflows	211,512	5,896	217,408	1,397,150	-	1,397,150	-
GLI							
OPEB Expense	$ 35,119	$ 969	$ 36,088	$ 27,698	$ 4,706	$ 32,404	$ 8,715
Total OPEB Liability	696,234	19,240	715,474	1,631,551	196,629	1,828,180	38,049
Deferred Inflows	145,779	4,022	149,801	406,350	57,253	463,603	7,612
Deferred Outflows	204,451	5,673	210,124	401,821	65,123	466,944	45,266
HIC							
OPEB Expense	$ -	$ -	$ -	$ 268,823	$ 23,304	$ 292,127	$ -
Total OPEB Liability	-	-	-	3,937,869	264,334	4,202,203	-
Deferred Inflows	-	-	-	386,032	4,578	390,610	-
Deferred Outflows	-	-	-	579,892	47,278	627,170	-
Total							
OPEB Expense	$ 189,550	$ (7,137)	$ 182,413	$ 574,135	$ 28,010	$ 602,145	$ 8,715
Total OPEB Liability	2,136,334	59,383	2,195,717	9,645,257	460,963	10,106,220	38,049
Deferred Inflows	546,374	15,189	561,563	1,943,578	61,831	2,005,409	7,612
Deferred Outflows	415,963	11,569	427,532	2,378,863	112,401	2,491,264	45,266

Note 16. Landfill Closure and Post-Closure Care Cost

Permit 90 – Closed Landfill

The County closed its former landfill in 2013. State and federal laws and regulations require the County to place a final cover and to perform certain maintenance and monitoring functions at the site for 30 years after closure. The cumulative amount of estimated post-closure care and corrective action costs for this site, less costs paid to date, totals $2,043,000. Actual costs may be higher due to inflation, changes in technology, changes in regulations, or other unforeseen circumstances. The County intends to fund these costs from funds accumulated for this purpose in the Landfill Fund as well as transfers from the General Fund.

Permit 566 – Open Landfill

The County owns and operates a landfill site from which it collects tipping fees based upon the source of the waste. The landfill began accepting waste in January 2013. State and federal laws will require the County to place a final cover on this site when it stops accepting waste and to perform maintenance and monitoring functions for 30 years after closure. Although closure and post-closure care costs are paid only near or after the date the landfill stops accepting waste, the County will report a portion of these closure and post-closure care costs as an operating expense in each period based on landfill capacity used. The $1,502,000 reported as landfill closure and post-closure liability as of June 30, 2023 represents the cumulative amount reported to date based on estimated use of approximately 88 percent of the estimated capacity of Cell #1 and approximately 6 percent of the estimated capacity of Cell #2, as well as anticipated future cells for closure costs, and use of approximately 11 percent of the estimated capacity of the entire landfill site for post-closure costs. The remaining estimated cost of closure and post-closure care of $1,271,000 will be recognized as remaining capacity is filled. Actual future costs may be higher due to inflation, changes in technology, changes in regulations, or other unforeseen circumstances.

Note 17. Commitments and Contingencies

Litigation

The County and School Board are potential defendants in litigation involving claims for damages of various types. Officials estimate that any ultimate liability not covered by insurance will have an immaterial effect on the financial statements.

Federal Grants

Under the terms of federal and state grants, periodic audits are required and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Such audits could lead to reimbursement to the grantor agencies. In the opinion of management, any future disallowances of current grant program expenditures, if any, would be immaterial.

Commitments

The County has entered into various construction contracts. Future amounts due under these agreements are approximately $1,611,967 for the County at year end.

Note 18. Risk Management

The County and the School Board are 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 insurances.

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

The County and School Board carry commercial insurance for all other risks of losses. Settled claims from these risks have not exceeded commercial coverage in any of the last three fiscal years.

The County and School Board are partially self-insured for health and dental insurance coverage for their respective employees, and account for the uninsured risks of loss within the Insurance Internal Service Fund. From the Insurance Internal Service Fund, the County pays up to the annual stop loss limit of $150,000 per person and purchase commercial insurance for claims in excess of such limits. The County makes payments to a claims service provider based on estimates of the amounts needed to pay prior-year and current-year claims in addition to the premiums for the stop loss coverage. Excess amounts accumulated are reserved for the possibility of future catastrophic losses.

Changes in the claims liability amount are shown below:

Fiscal Year Ended	Beginning Liability	Current Year Claims	Claim Payments	Ending Liability
June 30, 2023	$ 963,970	$ 7,338,628	$ 7,565,383	$ 737,215
June 30, 2022	893,231	7,684,429	7,613,690	963,970
June 30, 2021	779,216	7,303,238	7,189,223	893,231

Note 19. Fund Balances

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the County and School Board are bound to observe constraints imposed upon the use of the resources in the governmental funds. The constraints are presented below:

	General	Virginia Public Assistance	EMS & Fire	Covid-19	County Capital Projects	Other	Total
Nonspendable:							
Prepaid items	$ 50,000	$ -	$ -	$ -	$ -	$ -	$ 50,000
Total nonspendable	50,000	-	-	-	-	-	50,000
Committed to:							
Judicial administration	-	-	-	-	-	8,335	8,335
Public safety	-	-	-	-	-	62,878	62,878
Public assistance	-	76,841	-	-	-	-	76,841
Total committed	-	76,841	-	-	-	71,213	148,054
Assigned to:							
FY24 Original Appropriations	2,423,569	-	-	-	-	-	2,423,569
Child care reserve	83,295	-	-	-	-	-	83,295
Broadband	9,364	-	-	-	-	-	9,364
Destroyed livestock	332,850	-	-	-	-	-	332,850
FY23 Encumbrances	198,397	-	-	-	-	-	198,397
Fire & EMS	-	-	1,715,408	-	-	-	1,715,408
COVID-19	-	-	-	2,523,591	-	-	2,523,591
Capital projects	-	-	-	-	11,995,369	-	11,995,369
Total assigned	3,047,475	-	1,715,408	2,523,591	11,995,369	-	19,281,843
Unassigned	27,194,081	-	-	-	-	-	27,194,081
Total fund balance	$ 30,291,556	$ 76,841	$ 1,715,408	$ 2,523,591	$ 11,995,369	$ 71,213	$ 46,673,978

Note 20. Net Position Restatement

As of July 1, 2022, the following restatement has been due to the implementation of GASB 96, *Subscription-based Information Technology Arrangements:*

	Governmental Activities
Net position, as originaly reported, July 1, 2022	$ 43,119,493
Net adjustment as a result of restatement	107,559
Net position, as restated, July 1, 2022	$ 43,227,052

Note 21. Pending GASB Statements

At June 30, 2023, the Governmental Accounting Standards Board (GASB) had issued statements not yet implemented by the County. The statements which might impact the County are as follows:

GASB Statement No. 99, *Omnibus 2022*, will enhance comparability in accounting and financial reporting and improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB statements and (2) accounting and financial reporting for financial guarantees. The portion of the Statement related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement No. 53 are effective for fiscal years beginning after June 15, 2023.

GASB Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62* will enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. Statement No. 100 will be effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023.

GASB Statement No. 101, *Compensated Absences* will better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. Statement No. 101 will be effective for fiscal years beginning after December 15, 2023.

Management has not determined the effects of these new Statements may have on prospective financial statements.

Note 22. Subsequent Events

As of July 1, 2023, Orange County assumed majority control of the board of Rapidan Service Authority.

REQUIRED SUPPLEMENTARY INFORMATION

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 12

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND
Year Ended June 30, 2023

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Over (Under)
Revenues:				
General property taxes	$ 44,191,973	$ 44,191,973	$ 44,980,932	$ 788,959
Other local taxes	9,973,451	9,993,240	9,809,108	(184,132)
Permits, privilege fees and regulatory licenses	712,141	712,141	674,847	(37,294)
Fines and forfeitures	118,150	118,150	99,849	(18,301)
Use of money and property	154,500	156,350	1,273,246	1,116,896
Charges for services	866,601	833,153	818,183	(14,970)
Miscellaneous	198,750	324,950	367,414	42,464
Recovered costs	1,554,222	1,829,754	1,850,528	20,774
Intergovernmental:				
Commonwealth	8,918,868	9,618,098	9,263,799	(354,299)
Federal	77,096	645,799	205,807	(439,992)
Total revenues	66,765,752	68,423,608	69,343,713	920,105
Expenditures:				
Current:				
General government administration	5,244,909	5,960,404	4,935,436	(1,024,968)
Judicial administration	2,767,692	3,541,734	2,582,149	(959,585)
Public safety	9,583,978	10,985,488	10,337,137	(648,351)
Public works	1,745,474	2,326,730	2,096,997	(229,733)
Health and human services	5,166,270	6,046,369	5,968,195	(78,174)
Education	24,200,846	25,542,290	23,721,386	(1,820,904)
Parks, recreation and cultural	1,877,497	1,967,466	1,828,009	(139,457)
Community development	1,814,800	2,134,992	1,900,383	(234,609)
Nondepartmental	225,292	(71,578)	102,712	174,290
Debt service:				
Principal	-	-	106,572	106,572
Interest and fiscal charges	-	-	1,481	1,481
Total expenditures	52,626,758	58,433,895	53,580,457	(4,853,438)
Excess of revenues over expenditures	14,138,994	9,989,713	15,763,256	5,773,543
Other financing sources (uses):				
Transfers in	97,834	154,404	105,109	(49,295)
Transfers out	(17,273,498)	(17,726,049)	(17,456,948)	269,101
Total other financing uses, net	(17,175,664)	(17,571,645)	(17,351,839)	219,806
Net change in fund balance	(3,036,670)	(7,581,932)	(1,588,583)	5,993,349
Fund balance, beginning	-	31,880,139	31,880,139	-
Fund balance, ending	$ (3,036,670)	$ 24,298,207	$ 30,291,556	$ 5,993,349

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 13

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – VIRGINIA PUBLIC ASSISTANCE FUND
Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Over
	Original	Final	Amounts	(Under)
Revenues:				
Intergovernmental:				
Commonwealth	$ 1,152,232	$ 1,152,232	$ 1,099,464	$ (52,768)
Federal	2,058,220	2,058,220	2,062,089	3,869
Total revenues	3,210,452	3,210,452	3,161,553	(48,899)
Expenditures:				
Current:				
Health and human services	4,824,283	4,937,954	4,531,705	(406,249)
Debt Service:				
Principal	-	-	15,645	15,645
Total expenditures	4,824,283	4,937,954	4,547,350	(390,604)
Deficiency of revenues under expenditures	(1,613,831)	(1,727,502)	(1,385,797)	341,705
Other financing sources:				
Transfers in	1,613,831	1,650,922	1,386,971	(263,951)
Transfers out	-	(1,175)	(1,175)	-
Total other financing sources	1,613,831	1,649,747	1,385,796	(263,951)
Net change in fund balance	-	(77,755)	(1)	77,754
Fund balance, beginning	-	76,842	76,842	-
Fund balance, ending	$ -	$ (913)	$ 76,841	$ 77,754

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 14

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – EMS & FIRE FUND
Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Over
	Original	Final	Amounts	(Under)
Revenues:				
General Property Taxes	$ 6,915,667	$ 6,915,667	$ 6,681,341	$ (234,326)
Charges for Services	1,514,721	1,523,121	1,554,376	31,255
Miscellaneous	-	4,570	4,470	(100)
Use of Money and Property	-	-	1,374	1,374
Recovered Costs	-	16,036	17,417	1,381
Intergovernmental:				
Commonwealth	188,900	199,606	200,860	1,254
Federal	563,472	8,559	48,274	39,715
Total revenues	9,182,760	8,667,559	8,508,112	(159,447)
Expenditures:				
Current:				
Public safety	7,669,559	7,747,480	6,931,293	(816,187)
Debt Service:				
Principal	-	-	165,990	165,990
Interest	-	-	11,235	11,235
Total expenditures	7,669,559	7,747,480	7,108,518	(638,962)
Excess of revenues over expenditures	1,513,201	920,079	1,399,594	479,515
Other financing sources (uses):				
Transfers in	-	778,118	1,175	(776,943)
Transfers out	(1,513,201)	(1,698,197)	(1,445,897)	252,300
Total other financing uses, net	(1,513,201)	(920,079)	(1,444,722)	(524,643)
Net change in fund balance	-	-	(45,128)	(45,128)
Fund balance, beginning	-	-	1,760,536	1,760,536
Fund balance, ending	$ -	$ -	$ 1,715,408	$ 1,715,408

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 15

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – COVID-19 FUND
Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Over
	Original	Final	Amounts	(Under)
Revenues:				
Federal	$ 540,000	$ 2,272,798	$ 2,045,668	$ (227,130)
Total revenues	540,000	2,272,798	2,045,668	(227,130)
Expenditures:				
Current:				
General government administration	-	316,852	52,235	(264,617)
Public safety	-	3,100,361	617,962	(2,482,399)
Health and human services	-	1,561	1,561	-
Community development	-	56,525	55,034	(1,491)
Total expenditures	-	3,475,299	726,792	(2,748,507)
Excess (deficiency) of revenues over (under) expenditures	540,000	(1,202,501)	1,318,876	2,521,377
Other financing uses:				
Transfers out	(540,000)	(594,870)	(594,870)	-
Total other financing uses	(540,000)	(594,870)	(594,870)	-
Net change in fund balance	-	(1,797,371)	724,006	2,521,377
Fund balance, beginning	-	1,799,585	1,799,585	-
Fund balance, ending	$ -	$ 2,214	$ 2,523,591	$ 2,521,377

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 16

SCHEDULE OF CHANGES IN THE COUNTY NET PENSION LIABILITY (ASSET) AND RELATED RATIOS – VIRGINIA RETIREMENT SYSTEM

	Fiscal Year June 30,								
	2014	2015	2016	2017	2018	2019	2020	2021	2022
Total pension liability:									
Service cost	$ 1,148,245	$ 1,191,381	$ 1,194,996	$ 1,261,670	$ 1,242,199	$ 1,263,096	$ 1,392,714	$ 1,370,138	$ 1,448,331
Interest	1,972,952	2,101,059	2,153,120	2,284,225	2,422,722	2,567,431	2,644,022	2,800,132	3,128,492
Changes of benefit terms	-	-	-	-	-	-	-	-	(67,391)
Differences between expected and actual experience	-	(1,142,256)	(47,995)	(13,333)	(12,107)	(959,010)	(90,944)	(730,954)	(997,276)
Changes of assumptions	-	-	-	(54,821)	-	1,227,975	-	1,743,845	-
Benefit payments, including refunds of employee contributions	(1,150,418)	(1,431,783)	(1,381,134)	(1,473,239)	(1,525,194)	(1,645,896)	(1,566,859)	(1,699,248)	(1,834,555)
Net change in total pension liability	1,970,779	718,401	1,918,987	2,004,502	2,127,620	2,453,596	2,378,933	3,483,913	1,677,601
Total pension liability - beginning	28,760,241	30,731,020	31,449,421	33,368,408	35,372,910	37,500,530	39,954,126	42,333,059	45,816,972
Total pension liability - ending (a)	$ 30,731,020	$ 31,449,421	$ 33,368,408	$ 35,372,910	$ 37,500,530	$ 39,954,126	$ 42,333,059	$ 45,816,972	$ 47,494,573
Plan fiduciary net position:									
Contributions - employer	$ 1,106,261	$ 1,034,535	$ 1,095,456	$ 938,728	$ 947,794	$ 984,987	$ 1,011,610	$ 1,057,737	$ 1,120,316
Contributions - employee	458,769	455,835	484,814	495,845	501,229	536,154	630,179	573,664	662,116
Net investment income	3,692,589	1,254,114	511,485	3,581,431	2,426,918	2,352,124	710,698	10,475,359	(67,905)
Benefit payments, including refunds of employee contributions	(1,150,418)	(1,431,783)	(1,381,134)	(1,473,239)	(1,525,194)	(1,645,896)	(1,566,859)	(1,699,248)	(1,834,555)
Administrative expense	(19,343)	(16,855)	(17,413)	(20,329)	(20,569)	(22,812)	(23,853)	(25,394)	(29,788)
Other	195	(265)	(214)	(3,202)	(2,178)	(1,489)	(1,576)	994	(42,214)
Net change in plan fiduciary net position	4,088,053	1,295,581	692,994	3,519,234	2,328,000	2,203,068	760,199	10,383,112	(192,030)
Plan fiduciary net position - beginning	23,167,340	27,255,393	28,550,974	29,243,968	32,763,202	35,091,202	37,294,270	38,054,469	48,437,581
Plan fiduciary net position - ending (b)	$ 27,255,393	$ 28,550,974	$ 29,243,968	$ 32,763,202	$ 35,091,202	$ 37,294,270	$ 38,054,469	$ 48,437,581	$ 48,245,551
County's net pension liability (asset) - ending (a) - (b)	$ 3,475,627	$ 2,898,447	$ 4,124,440	$ 2,609,708	$ 2,409,328	$ 2,659,856	$ 4,278,590	$ (2,620,609)	$ (750,978)
Plan fiduciary net position as a percentage of the total pension liability (asset)	88.69%	90.78%	87.64%	92.62%	93.58%	93.34%	89.89%	105.72%	101.58%
Covered payroll	$ 9,746,793	$ 9,114,846	$ 9,651,595	$ 9,997,103	$ 10,093,653	$ 10,800,296	$ 11,092,215	$ 11,459,772	$ 12,137,768
County's net pension liability (asset) as a percentage of covered payroll	35.66%	31.80%	42.73%	26.10%	23.87%	24.63%	38.57%	-22.87%	-6.19%

Note to Schedule:

(1) This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the County will present information for those years which information is available.

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 17

SCHEDULE OF CHANGES IN THE SCHOOL BOARD NON-PROFESSIONAL NET PENSION LIABILITY (ASSET) AND RELATED RATIOS – VIRGINIA RETIREMENT SYSTEM

	Fiscal Year June 30,								
	2014	2015	2016	2017	2018	2019	2020	2021	2022
Total pension liability:									
Service cost	$ 321,928	$ 310,760	$ 297,799	$ 293,651	$ 307,366	$ 301,285	$ 279,634	$ 256,209	$ 223,493
Interest	540,454	569,842	605,627	623,212	631,481	655,192	667,748	688,410	714,197
Differences between expected and actual experience	-	97,318	(172,117)	(131,538)	(79,665)	(97,730)	26,501	(393,176)	122,503
Changes of assumptions	-	-	-	(168,965)	-	256,019	-	338,246	-
Benefit payments, including refunds of employee contributions	(427,241)	(457,861)	(475,557)	(484,627)	(511,853)	(529,037)	(635,147)	(700,402)	(761,925)
Net change in total pension liability	435,141	520,059	255,752	131,733	347,329	585,729	338,736	189,287	298,268
Total pension liability - beginning	7,934,394	8,369,535	8,889,594	9,145,346	9,277,079	9,624,408	10,210,137	10,548,873	10,738,160
Total pension liability - ending (a)	$ 8,369,535	$ 8,889,594	$ 9,145,346	$ 9,277,079	$ 9,624,408	$ 10,210,137	$ 10,548,873	$ 10,738,160	$ 11,036,428
Plan fiduciary net position:									
Contributions - employer	$ 234,379	$ 202,149	$ 203,974	$ 128,161	$ 127,881	$ 126,406	$ 117,847	$ 100,001	$ 115,037
Contributions - employee	143,849	148,042	150,267	147,157	148,096	150,294	146,340	133,534	155,663
Net investment income	1,204,254	401,260	157,666	1,102,587	734,629	692,918	206,331	2,894,718	(7,878)
Benefit payments, including refunds of employee contributions	(427,241)	(457,861)	(475,557)	(484,627)	(511,853)	(529,037)	(635,147)	(700,402)	(761,925)
Administrative expense	(6,473)	(5,524)	(5,655)	(6,446)	(6,416)	(6,952)	(7,194)	(7,463)	(8,307)
Other	63	(87)	(67)	(977)	(651)	(436)	(242)	270	298
Net change in plan fiduciary net position	1,148,831	287,979	30,628	885,855	491,686	433,193	(172,065)	2,420,658	(507,112)
Plan fiduciary net position - beginning	7,643,447	8,792,278	9,080,257	9,110,885	9,996,740	10,488,426	10,921,619	10,749,554	13,170,212
Plan fiduciary net position - ending (b)	$ 8,792,278	$ 9,080,257	$ 9,110,885	$ 9,996,740	$ 10,488,426	$ 10,921,619	$ 10,749,554	$ 13,170,212	$ 12,663,100
School Board non-professional net pension liability (asset) - ending (a)-(b)	$ (422,743)	$ (190,663)	$ 34,461	$ (719,661)	$ (864,018)	$ (711,482)	$ (200,681)	$ (2,432,052)	$ (1,626,672)
Plan fiduciary net position as a percentage of the total pension liability	105.05%	102.14%	99.62%	107.76%	108.98%	106.97%	101.90%	122.65%	114.74%
Employer's covered payroll	$ 3,446,750	$ 2,972,779	$ 2,999,618	$ 2,891,467	$ 2,885,824	$ 2,853,409	$ 2,740,628	$ 2,331,026	$ 2,675,279
School Board's non-professional net pension liability (asset) as a percentage of covered payroll	-12.26%	-6.41%	1.15%	-24.89%	-29.94%	-24.93%	-7.32%	-104.33%	-60.80%

Note to Schedule:

(1) This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the School Board will present information for those years which information is available.

See Notes to Required Supplementary Information – Virginia Retirement System.

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 18

SCHEDULE OF SCHOOL BOARD SHARE OF NET PENSION LIABILITY
VRS TEACHER RETIREMENT PLAN (COST-SHARING) –
VIRGINIA RETIREMENT SYSTEM

	Fiscal Year June 30,								
	2014	2015	2016	2017	2018	2019	2020	2021	2022
Employer's proportion of the net pension liability	0.33419%	0.34548%	0.34137%	0.33345%	0.33173%	0.32139%	0.31654%	0.30859%	0.31606%
Employer's proportionate share of the net pension liability	$40,386,000	$43,483,000	$47,840,000	$41,008,000	$39,011,000	$42,296,751	$46,064,883	$23,956,142	$30,090,804
Employer's covered payroll	25,670,299	25,600,000	25,238,400	25,886,794	29,254,366	26,984,796	27,733,932	26,247,304	28,221,625
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	157.33%	169.86%	189.55%	158.41%	133.35%	156.74%	166.10%	91.27%	106.62%
Plan fiduciary net position as a percentage of the total pension liability	70.88%	70.68%	68.28%	72.92%	74.81%	73.51%	71.47%	85.46%	82.61%

Note to Schedule:

(1) This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the School Board will present information for those years which information is available.

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 19

SCHEDULE OF COUNTY CONTRIBUTIONS – VIRGINIA RETIREMENT SYSTEM

	Fiscal Year June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Contractually required contribution (CRC)	$ 1,106,261	$ 1,034,535	$ 1,095,456	$ 938,728	$ 947,794	$ 984,987	$ 1,011,610	$ 1,057,737	$ 1,120,316	$ 1,362,814
Contributions in relation to the CRC	1,106,261	1,034,535	1,095,456	938,728	947,794	984,987	1,011,610	1,057,737	1,120,316	1,362,814
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employer's covered payroll	$ 9,746,793	$ 9,114,846	$ 9,651,595	$ 9,997,103	$ 10,093,653	$ 10,800,296	$ 11,092,215	$ 11,459,772	$ 12,137,768	$ 14,717,214
Contributions as a percentage of covered payroll	11.35%	11.35%	11.35%	9.39%	9.39%	9.12%	9.12%	9.23%	9.23%	9.26%

Note to Schedule:

(1) This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the County will present information for those years for which information is available.

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 20

SCHEDULE OF SCHOOL BOARD NON-PROFESSIONAL CONTRIBUTIONS – VIRGINIA RETIREMENT SYSTEM

	Fiscal Year June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Contractually required contribution (CRC)	$ 234,379	$ 202,149	$ 203,974	$ 128,161	$ 127,881	$ 126,406	$ 117,847	$ 100,001	$ 115,037	$ 59,551
Contributions in relation to the CRC	234,379	202,149	203,974	128,161	127,881	126,406	117,847	100,001	115,037	59,551
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employer's covered payroll	$ 3,446,750	$ 2,972,779	$ 2,999,618	$ 2,891,467	$ 2,885,824	$ 2,853,409	$ 2,740,628	$ 2,331,026	$ 2,675,279	$ 1,384,907
Contributions as a percentage of covered payroll	6.80%	6.80%	6.80%	4.43%	4.43%	4.43%	4.30%	4.29%	4.30%	4.30%

Note to Schedule:

(1) This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the School Board will present information for those years for which information is available.

See Notes to Required Supplementary Information – Virginia Retirement System.

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 21

SCHEDULE OF SCHOOL BOARD PROFESSIONAL CONTRIBUTIONS – VIRGINIA RETIREMENT SYSTEM

	Fiscal Year June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Contractually required contribution (CRC)	$ 3,723,620	$ 3,712,000	$ 3,659,568	$ 3,795,004	$ 4,288,690	$ 4,231,216	$ 4,348,682	$ 4,362,302	$ 4,690,434	$ 4,967,268
Contributions in relation to the CRC	3,723,620	3,712,000	3,659,568	3,795,004	4,288,690	4,231,216	4,348,682	4,362,302	4,690,434	4,967,268
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employers covered payroll	$ 25,670,299	$ 25,600,000	$ 25,238,400	$ 25,886,794	$ 29,254,366	$ 26,984,796	$ 27,733,932	$ 26,247,304	$ 28,221,625	$ 29,887,292
Contributions as a percentage of covered payroll	14.51%	14.50%	14.50%	14.66%	14.66%	15.68%	15.68%	16.62%	16.62%	16.62%

Note to Schedule:

(1) This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the School Board will present information for those years for which information is available.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – VIRGINIA RETIREMENT SYSTEM
Year Ended June 30, 2023

Note 1. Changes of Benefit Terms

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

Note 2. 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:

County, Broadband Authority, and School Board Non-Professional (Agent Plans)

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
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through nine years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Public Safety Employees with Hazardous Duty Benefits

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 changes from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Local's Largest 10 Hazardous Duty
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Note 2. Changes of Assumptions (Continued)

School Board Professional (Cost-Sharing Plan)

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through nine years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 22

SCHEDULE OF CHANGES IN THE COUNTY'S TOTAL OPEB LIABILITY AND RELATED RATIOS – MEDICAL INSURANCE PROGRAM

	Fiscal Year June 30,					
	2018	2019	2020	2021	2022	2023
Total Medical Insurance OPEB liability:						
Service cost	$ 65,073	$ 74,650	$ 91,450	$ 104,849	$ 127,486	$ 113,027
Interest	33,253	36,479	42,911	33,174	36,682	55,395
Economic/demographic gains or losses	-	(61,068)	-	(163,084)	-	(66,811)
Changes in assumptions or other inputs	(33,680)	176,913	156,780	237,554	(247,345)	(57,748)
Benefit payments	(22,244)	(18,979)	(23,902)	(35,049)	(40,971)	(30,591)
Net change in total OPEB liability	42,402	207,995	267,239	177,444	(124,148)	13,272
Total Medical Insurance OPEB liability - beginning	896,039	938,441	1,146,436	1,413,675	1,591,119	1,466,971
County Medical Insurance OPEB liability - ending	$ 938,441	$ 1,146,436	$ 1,413,675	$ 1,591,119	$ 1,466,971	$ 1,480,243
Plan fiduciary net position as a percentage of the total Medical Insurance	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered-employee payroll	$ 9,532,600	$ 10,485,965	$ 10,485,965	$ 11,198,388	$ 11,198,388	$ 15,957,508
Total OPEB liability as a percentage of covered-employee payroll	9.84%	10.93%	13.48%	14.21%	13.10%	9.28%

Note to Schedule:

(1) This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the County and School Board will present information for those years which information is available.

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 23

SCHEDULE OF CHANGES IN THE SCHOOL BOARD'S TOTAL OPEB LIABILITY AND RELATED RATIOS – MEDICAL INSURANCE PROGRAM

	Fiscal Year June 30,					
	2018	2019	2020	2021	2022	2023
Total Medical Insurance OPEB liability:						
Service cost	$ 178,621	$ 202,318	$ 215,293	$ 204,568	$ 336,153	$ 296,847
Interest	100,943	97,897	99,980	71,459	85,401	130,724
Economic/demographic gains or losses	-	(420,289)	-	(885,382)	-	498,832
Changes in assumptions or other inputs	(81,050)	180,577	231,119	1,339,470	(482,371)	(156,426)
Benefit payments	(156,966)	(155,911)	(177,816)	(138,920)	(143,930)	(178,572)
Net change in total OPEB liability	41,548	(95,408)	368,576	591,195	(204,747)	591,405
Total Medical Insurance OPEB liability - beginning	2,783,268	2,824,816	2,729,408	3,097,984	3,689,179	3,484,432
School Board total Medical Insurance OPEB liability - ending	$ 2,824,816	$ 2,729,408	$ 3,097,984	$ 3,689,179	$ 3,484,432	$ 4,075,837
Plan fiduciary net position as a percentage of the total Medical Insurance	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered-employee payroll	$ 26,377,500	$ 30,147,565	$ 30,147,565	$ 29,088,770	$ 29,088,770	$ 33,812,854
Total OPEB liability as a percentage of covered-employee payroll	10.71%	9.05%	10.28%	12.68%	11.98%	12.05%

Note to Schedule:

(1) This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the County and School Board will present information for those years which information is available.

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 24

SCHEDULE OF COUNTY CONTRIBUTIONS – OPEB – MEDICAL INSURANCE PROGRAM

	Fiscal Year June 30,					
	2018	2019	2020	2021	2022	2023
Contractually required contribution (CRC)	$ 22,244	$ 18,979	$ 23,902	$ 35,049	$ 40,971	$ 30,591
Contributions in relation to the CRC	22,244	18,979	23,902	35,049	40,971	30,591
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -
Covered-employee payroll	$ 9,532,600	$ 10,485,965	$ 10,485,965	$ 11,198,388	$ 11,198,388	$ 15,957,508
Contributions as a percentage of covered-employee payroll	0.23%	0.18%	0.23%	0.31%	0.37%	0.19%

Note to Schedule:

(1) This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the County and the School Board will present information for those years for which information is available.

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 25

SCHEDULE OF SCHOOL BOARD CONTRIBUTIONS – OPEB – MEDICAL INSURANCE PROGRAM

	Fiscal Year June 30,					
	2018	2019	2020	2021	2022	2023
Contractually required contribution (CRC)	$ 156,966	$ 155,911	$ 177,816	$ 138,920	$ 143,930	$ 178,572
Contributions in relation to the CRC	156,966	155,911	177,816	138,920	143,930	178,572
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -
Covered-employee payroll	$ 26,377,500	$ 30,147,565	$ 30,147,565	$ 29,088,770	$ 29,088,770	$ 33,812,854
Contributions as a percentage of covered-employee payroll	0.60%	0.52%	0.59%	0.48%	0.49%	0.53%

Note to Schedule:

(1) This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the County and the School Board will present information for those years for which information is available.

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 26

SCHEDULE OF EMPLOYER'S SHARE OF NET OPEB LIABILITY – GROUP LIFE INSURANCE PROGRAM

	Fiscal Year June 30,					
	2017	2018	2019	2020	2021	2022
County:						
Employer's proportion of the net GLI OPEB liability	0.05572%	0.05464%	0.05723%	0.05688%	0.05925%	0.05924%
Employer's proportionate share of the net GLI OPEB liability	$ 839,000	$ 830,000	$ 931,284	$ 949,234	$ 689,831	$ 715,474
Employer's covered payroll	10,276,923	10,389,931	11,347,308	11,804,423	12,232,963	12,926,296
Employer's proportionate share of the net GLI OPEB liability as a percentage of its covered payroll	8.16%	7.99%	8.21%	8.04%	5.64%	5.54%
Plan fiduciary net position as a percentage of the total GLI OPEB liability	48.86%	51.22%	52.00%	52.64%	67.45%	67.21%
School Board Non-Professional:						
Employer's proportion of the net GLI OPEB liability	0.01656%	0.01641%	0.01631%	0.01579%	0.01451%	0.01633%
Employer's proportionate share of the net GLI OPEB liability	$ 249,000	$ 249,000	$ 265,407	$ 263,509	$ 168,936	$ 196,629
Employer's covered payroll	3,055,396	3,119,777	3,196,838	3,254,423	2,995,926	3,551,111
Employer's proportionate share of the net GLI OPEB liability as a percentage of its covered payroll	8.15%	7.98%	8.30%	8.10%	5.64%	5.54%
Plan fiduciary net position as a percentage of the total GLI OPEB liability	48.86%	51.22%	52.00%	52.64%	67.45%	67.21%
School Board Professional:						
Employer's proportion of the net GLI OPEB liability	0.14254%	0.14121%	0.13784%	0.13481%	0.13197%	0.13550%
Employer's proportionate share of the net GLI OPEB liability	$ 2,145,000	$ 2,145,000	$ 2,243,024	$ 2,249,758	$ 1,536,489	$ 1,631,551
Employer's covered payroll	26,291,898	26,850,508	27,020,860	27,744,038	27,246,667	29,475,000
Employer's proportionate share of the net GLI OPEB liability as a percentage of its covered payroll	8.16%	7.99%	8.30%	8.11%	5.64%	5.54%
Plan fiduciary net position as a percentage of the total GLI OPEB liability	48.86%	51.22%	52.00%	52.64%	67.45%	67.21%

Note to Schedule:

(1) This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the County, the School Board non-professional, and the School Board professional will present information for those years for which information is available.

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 27

SCHEDULE OF EMPLOYER CONTRIBUTIONS – OPEB – GROUP LIFE INSURANCE PROGRAM

	Fiscal Year June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
County:										
Contractually required contribution (CRC)	$ 44,166	$ 47,896	$ 46,874	$ 46,874	$ 54,028	$ 59,006	$ 61,383	$ 66,058	$ 69,802	$ 84,727
Contributions in relation to the CRC	44,166	47,896	46,874	46,874	54,028	59,006	61,383	66,058	69,802	84,727
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employer's covered payroll	$ 9,201,313	$ 9,978,361	$ 9,765,434	$ 10,276,923	$ 10,389,931	$ 11,347,308	$ 11,804,423	$ 12,232,963	$ 12,926,296	$ 15,690,185
Contributions as a percentage of covered payroll	0.48%	0.48%	0.48%	0.46%	0.52%	0.52%	0.52%	0.54%	0.54%	0.54%
School Board Non-Professional:										
Contractually required contribution (CRC)	$ 13,897	$ 14,565	$ 14,785	$ 15,888	$ 16,223	$ 16,624	$ 16,923	$ 16,178	$ 19,176	$ 20,797
Contributions in relation to the CRC	13,897	14,565	14,785	15,888	16,223	16,624	16,923	16,178	19,176	20,797
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employer's covered-employee payroll	$ 2,895,194	$ 3,034,280	$ 3,080,256	$ 3,055,396	$ 3,119,777	$ 3,196,838	$ 3,254,423	$ 2,995,926	$ 3,551,111	$ 3,851,296
Contributions as a percentage of covered payroll	0.48%	0.48%	0.48%	0.52%	0.52%	0.52%	0.52%	0.54%	0.54%	0.54%
School Board Professional:										
Contractually required contribution (CRC)	$ 117,628	$ 123,395	$ 125,334	$ 136,718	$ 139,623	$ 140,509	$ 144,269	$ 147,132	$ 159,165	$ 170,221
Contributions in relation to the CRC	117,628	123,395	125,334	136,718	139,623	140,509	144,269	147,132	159,165	170,221
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employer's covered-employee payroll	$ 24,505,926	$ 25,707,199	$ 26,111,292	$ 26,291,898	$ 26,850,508	$ 27,020,860	$ 27,744,038	$ 27,246,667	$ 29,475,000	$ 31,522,407
Contributions as a percentage of covered payroll	0.48%	0.48%	0.48%	0.52%	0.52%	0.52%	0.52%	0.54%	0.54%	0.54%

See Notes to Required Supplementary Information – Other Postemployment Benefits.

EXHIBIT 28

SCHEDULE OF ORANGE COUNTY BROADBAND AUTHORITY (FIBERLYNC) EMPLOYER'S SHARE OF NET OPEB LIABILITY – GROUP LIFE INSURANCE PROGRAM

	2022
Employer's proportion of the net GLI OPEB liability	0.00316%
Employer's proportionate share of the net GLI OPEB liability	$ 38,049
Employer's covered payroll	688,058
Employer's proportionate share of the net GLI OPEB liability as a percentage of its covered payroll	5.53%
Plan fiduciary net position as a percentage of the total GLI OPEB liability	67.21%

Note to Schedule:

(1) This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Authority will present information for those years for which information is available. Prior to 2022, the Authority was included within the County's GLI plan.

EXHIBIT 29

SCHEDULE OF ORANGE COUNTY BROADBAND AUTHORITY (FIBERLYNC) EMPLOYER CONTRIBUTIONS – GROUP LIFE INSURANCE PROGRAM

	Fiscal Year June 30,	
	2022	2023
Contractually required contribution (CRC)	$ 3,716	$ 3,641
Contributions in relation to the CRC	3,716	3,641
Contribution deficiency (excess)	$ -	$ -
Employer's covered payroll	$ 688,058	$ 931,198
Contributions as a percentage of covered payroll	0.54%	0.54%

See Notes to Required Supplementary Information – Other Postemployment Benefits.

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 30

SCHEDULE OF CHANGES IN THE SCHOOL BOARD PROFESSIONAL PLAN'S NET OPEB LIABILITY AND RELATED RATIOS – HEALTH INSURANCE CREDIT PROGRAM

	Fiscal Year June 30,					
	2017	2018	2019	2020	2021	2022
Employer's proportion of the net HIC OPEB liability	0.33310%	0.33183%	0.32215%	0.31635%	0.30771%	0.31527%
Employer's proportionate share of the net HIC OPEB liability	$4,226,000	$4,214,000	$4,217,256	$4,126,838	$3,949,671	$3,937,869
Employer's covered payroll	23,723,333	26,836,725	27,020,860	27,733,932	27,213,292	29,383,306
Employer's proportionate share of the net HIC OPEB liability as a percentage of its covered payroll	17.81%	15.70%	15.61%	14.88%	14.51%	13.40%
Plan fiduciary net position as a percentage of the total HIC OPEB liability	7.04%	8.08%	8.97%	9.95%	13.15%	15.08%

Note to Schedule:

(1) This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the School Board Professional Plan will present information for those years which information is available.

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 31

SCHEDULE OF SCHOOL BOARD PROFESSIONAL PLAN CONTRIBUTIONS – OPEB – HEALTH INSURANCE CREDIT PROGRAM

	Fiscal Year June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Contractually required contribution (CRC)	$ 271,275	$ 272,275	$ 275,899	$ 291,797	$ 330,091	$ 324,252	$ 332,810	$ 329,281	$ 355,538	$ 380,727
Contributions in relation to the CRC	271,275	272,275	275,899	291,797	330,091	324,252	332,810	329,281	355,538	380,727
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employer's covered payroll	$ 24,439,147	$ 25,686,331	$ 26,028,220	$ 23,723,333	$ 26,836,725	$ 27,020,860	$ 27,733,932	$ 27,213,292	$ 29,383,306	$ 31,465,051
Contributions as a percentage of covered payroll	1.11%	1.06%	1.06%	1.23%	1.23%	1.20%	1.20%	1.21%	1.21%	1.21%

See Notes to Required Supplementary Information – Other Postemployment Benefits.

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 32

SCHEDULE OF CHANGES IN THE SCHOOL BOARD NON PROFESSIONAL PLAN'S TOTAL OPEB LIABILITY AND RELATED RATIOS – HEALTH INSURANCE CREDIT PROGRAM

	Fiscal Year June 30, 2020	Fiscal Year June 30, 2021	Fiscal Year June 30, 2022
Total OPEB liability			
Service cost	$ -	$ 5,600	$ 4,338
Interest	-	17,676	19,706
Change in benefit terms	261,858	-	-
Changes of assumptions	-	6,869	7,883
Difference between expected and actual experience	-	-	(5,843)
Benefit payments, including refunds of employee contributions	-	-	(8,796)
Net change in total pension liability	261,858	30,145	17,288
Total OPEB liability, beginning	-	261,858	292,003
Total OPEB liability, ending (a)	$ 261,858	$ 292,003	$ 309,291
Plan fiduciary net position:			
Contributions - employer	$ -	$ 23,349	$ 27,585
Net investment income	-	3,177	(547)
Benefit payments, including refunds of employee contributions	-	-	(8,796)
Administrative expense	-	(104)	(85)
Other	-	-	378
Net change in plan fiduciary net position	-	26,422	18,535
Plan fiduciary net position - beginning	-	-	26,422
Plan fiduciary net position - ending (b)	$ -	$ 26,422	$ 44,957
Net OPEB liability - ending (a)-(b)	$ 261,858	$ 265,581	$ 264,334
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	9.05%	14.54%
Covered payroll	$ 2,993,331	$ 2,993,331	$ 3,536,591
Net OPEB liability as a percentage of covered payroll	8.75%	8.87%	7.47%

Notes to Schedule:

(1) This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the County, the School Board non-professional, and the School Board professional will present information for those years for which information is available.

(2) School Board Non-professional employees joined the Health Insurance Credit Program Plan effective July 1, 2020.

EXHIBIT 33

SCHEDULE OF SCHOOL BOARD NON PROFESSIONAL PLAN CONTRIBUTIONS – OPEB – HEALTH INSURANCE CREDIT PROGRAM

	Fiscal Year June 30,		
	2021	2022	2023
Contractually required contribution (CRC)	$ 23,349	$ 27,585	$ 36,133
Contributions in relation to the CRC	23,349	27,585	36,133
Contribution deficiency (excess)	$ -	$ -	$ -
Employer's covered payroll	$ 2,993,331	$ 3,536,591	$ 3,843,939
Contributions as a percentage of covered payroll	0.78%	0.78%	0.94%

Note 1. Medical Insurance Program

There are no assets accumulated in a trust for the Medical Insurance Program.

A. Changes of Benefit Terms

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

K. Changes of Assumptions

Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following is the discount rate used for the period presented:

2022	3.54%
2021	2.16%
2020	2.21%
2019	3.50%

Note 2. Group Life Insurance Program

A. Changes of Benefit Terms

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

B. Changes of Assumptions

The actuarial assumptions used on the June 30, 2021 valuation were based on the results of an actuarial experience study for the period of 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:

School Board Professional

Teachers

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experienced for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service decrement through nine years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

Note 2. Group Life Insurance Program (Continued)

B. Changes of Assumptions (Continued)

County, Broadband Authority, and School Board Non-Professional Plans

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 year age and service through nine years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Hazardous Duty Employees

Mortality Rates (pre-retirement, post-retirement healthy, and	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

Note 3. Health Insurance Credit Program

A. Changes of Benefit Terms

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

B. 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 for 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:

School Board Professional Plan

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

School Board Non-Professional Plan

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

SUPPLEMENTARY INFORMATION

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 34

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
June 30, 2023

	Asset Forfeiture	Law Library	Totals
ASSETS			
Cash and cash equivalents	$ -	$ 7,654	$ 7,654
Restricted cash	72,701	-	72,701
Receivables, net	-	799	799
Total assets	$ 72,701	$ 8,453	$ 81,154
LIABILITIES			
Accounts payable and accrued expenditures	$ 9,823	$ 118	$ 9,941
Total liabilities	9,823	118	9,941
FUND BALANCES			
Committed	62,878	8,335	71,213
Total fund balances	62,878	8,335	71,213
Total liabilities and fund balances	$ 72,701	$ 8,453	$ 81,154

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 35

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
Year Ended June 30, 2023

	Asset Forfeiture	Law Library	Totals
Revenues:			
Use of money and property	$ 946	$ -	$ 946
Charges for services	-	7,040	7,040
Intergovernmental:			
Commonwealth	34,842	-	34,842
Total revenues	35,788	7,040	42,828
Expenditures:			
Current:			
Judicial administration	3,198	7,114	10,312
Public safety	4,009	-	4,009
Total expenditures	7,207	7,114	14,321
Excess (deficiency) of revenues over (under) expenditures	28,581	(74)	28,507
Net change in fund balances	28,581	(74)	28,507
Fund balance, beginning	34,297	8,409	42,706
Fund balance, ending	$ 62,878	$ 8,335	$ 71,213

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 36

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL NONMAJOR SPECIAL REVENUE FUNDS Year Ended June 30, 2023

	Asset Forfeiture Fund				Law Library Fund			
	Budgeted Amounts			Variance with Final Budget Over	Budgeted Amounts			Variance with Final Budget Over
	Original	Final	Actual	(Under)	Original	Final	Actual	(Under)
Revenues:								
Use of money and property	$ -	$ -	$ 946	$ 946	$ -	$ -	$ -	$ -
Charges for services	-	-	-	-	7,000	7,000	7,040	40
Intergovernmental:								
Commonwealth	-	34,842	34,842	-	-	-	-	-
Total revenues	-	34,842	35,788	946	7,000	7,000	7,040	40
Expenditures:								
Current:								
Judicial administration	-	23,940	3,198	(20,742)	7,880	7,880	7,114	(766)
Public safety	-	45,202	4,009	(41,193)	-	-	-	-
Total expenditures	-	69,142	7,207	(61,935)	7,880	7,880	7,114	(766)
Excess (deficiency) of revenues over (under) expenditures	-	(34,300)	28,581	62,881	(880)	(880)	(74)	806
Net change in fund balances	$ -	$ (34,300)	$ 28,581	$ 62,881	$ (880)	$ (880)	$ (74)	$ 806

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 37

STATEMENT OF NET POSITION – FIDUCIARY FUNDS
June 30, 2023

	Custodial Funds		
	Special Welfare	Commonwealth	Total
ASSETS			
Restricted cash	$ 73,794	$ 25,718	$ 99,512
Accounts receivable	-	1,201	1,201
Total assets	73,794	26,919	100,713
LIABILITIES			
Accounts payable	-	20,929	20,929
Total liabilities	-	20,929	20,929
NET POSITION			
Restricted for:			
Individuals	73,794	-	73,794
Other governments	-	5,990	5,990
Total net position	$ 73,794	$ 5,990	$ 79,784

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 38

STATEMENT OF CHANGES IN NET POSITION – FIDUCIARY FUNDS
Year Ended June 30, 2023

	Custodial Funds		
	Special Welfare	Commonwealth	Total
ADDITIONS			
Benefits collected on behalf of others	$ 115,248	$ 567,407	$ 682,655
Total additions	115,248	567,407	682,655
DEDUCTIONS			
Payments to beneficiaries or other governments	81,588	618,183	699,771
Total deductions	81,588	618,183	699,771
Net increase (decrease) in fiduciary net position	33,660	(50,776)	(17,116)
Total net position, beginning	40,134	56,766	96,900
Total net position, ending	$ 73,794	$ 5,990	$ 79,784

DISCRETELY PRESENTED COMPONENT UNIT – SCHOOL BOARD

Major Governmental Funds

School Operating Fund – This fund is a special revenue fund that accounts for the operations of the County's school system. Financing is provided by the State and Federal Governments as well as contributions from the County.

School Textbook Adoptions Fund – This fund is a special revenue fund that accounts for transactions related to the adoption of textbooks to be utilized in the County's school system.

Adult Education Fund – This fund is a special revenue fund that accounts for transactions related to the regional adult education program the County oversees.

School Capital Projects Fund – This fund is a capital projects fund used to account for financial resources to be used for the acquisition or construction of capital assets for Orange County Public Schools.

Nonmajor Governmental Funds

School Cafeteria Fund – This fund is a special revenue fund that accounts for the County's school lunch program. Financing is provided from lunch sales and state and federal reimbursements.

Employee Childcare Fund – This fund is a special revenue fund that accounts for the County's Employee Childcare program. Financing is provided from Tuition daycare fees.

Head Start Fund – This fund is a special revenue fund that accounts for the operations of the County's Head Start program. Financing is provided by the Federal government and through in-kind contributions and a required local match.

School Grants Fund – This fund is a special revenue fund that accounts for the use of the Federal funds.

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 39

COMBINING BALANCE SHEET
DISCRETELY PRESENTED COMPONENT UNIT – SCHOOL BOARD
June 30, 2023

	School Operating Fund	School Textbook Adoptions Fund	Adult Education Fund	School Capital Projects Fund	Total Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	$ 1,200	$ 693,288	$ 1,251	$ 1,911,753	$ 869,312	$ 3,476,804
Investments	-	180,376	-	-	-	180,376
Accounts receivable, net	215,853	-	7,966	-	25	223,844
Due from other funds	1,410,799	-	-	-	477,154	1,887,953
Due from other governments	2,556,407	-	130,845	-	1,767,662	4,454,914
Total assets	$ 4,184,259	$ 873,664	$ 140,062	$ 1,911,753	$ 3,114,153	$ 10,223,891
LIABILITIES						
Due to other funds	$ 477,154	$ -	$ 108,043	$ -	$ 1,302,756	$ 1,887,953
Accounts payable	1,078,499	21,970	14,095	71,145	374,569	1,560,278
Accrued liabilities	2,628,606	-	9,608	-	127,689	2,765,903
Total liabilities	4,184,259	21,970	131,746	71,145	1,805,014	6,214,134
FUND BALANCES						
Assigned	-	851,694	8,316	1,840,608	1,309,139	4,009,757
Total fund balances	-	851,694	8,316	1,840,608	1,309,139	4,009,757
Total liabilities and fund balances	$ 4,184,259	$ 873,664	$ 140,062	$ 1,911,753	$ 3,114,153	$ 10,223,891

Total fund balances		$ 4,009,757
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.		
Governmental capital assets	$ 164,853,986	
Less accumulated depreciation	(85,443,479)	
Net capital assets		79,410,507
Long-term assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental fund.		
Net pension asset		1,626,672
Deferred outflows of resources represents a consumption of net position that applies to a future period and are not recognized as deferred outflows of resources in the governmental funds.		
Pension plan	8,712,377	
Other postemployment benefits	2,491,264	
		11,203,641
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.		
Private placement notes	(4,401,769)	
Compensated absences	(1,368,909)	
Accrued interest payable	(25,284)	
Subscriptions payable	(40,995)	
Other postemployment benefits	(10,106,220)	
Net pension liability	(30,090,804)	
		(46,033,981)
Deferred inflows of resources represents an acquisition of net position that applies applies to a future period and are not recognized as deferred inflows of resources in the governmental funds.		
Pension plan	(7,749,769)	
Other postemployment benefits	(2,005,409)	
		(9,755,178)
Net position of governmental activities		$ 40,461,418

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 40

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
DISCRETELY PRESENTED COMPONENT UNIT – SCHOOL BOARD
Year Ended June 30, 2023

	School Operating Fund	School Textbook Adoptions Fund	Adult Education Fund	School Capital Projects Fund	Total Nonmajor Governmental Funds	Total Governmental Funds
Revenues:						
Use of money and property	$ -	$ -	$ -	$ -	$ 2,708	$ 2,708
Charges for services	10,818	-	30,308	-	203,425	244,551
Miscellaneous	280,795	-	-	-	-	280,795
Appropriation from primary government	21,941,885	-	-	1,735,903	-	23,677,788
Intergovernmental:						
Commonwealth	35,168,771	-	143,540	2,099,343	87,500	37,499,154
Federal	3,918,798	-	248,067	-	7,672,954	11,839,819
Total revenues	61,321,067	-	421,915	3,835,246	7,966,587	73,544,815
Expenditures:						
Current:						
Education	61,379,168	772,038	416,319	-	7,951,149	70,518,674
Capital outlay	-	-	-	1,779,942	-	1,779,942
Debt service:						
Principal	8,100	-	-	1,055,911	-	1,064,011
Interest	-	-	-	112,992	-	112,992
Total expenditures	61,387,268	772,038	416,319	2,948,845	7,951,149	73,475,619
Excess (deficiency) of revenues over (under) expenditures	(66,201)	(772,038)	5,596	886,401	15,438	69,196
Other financing sources (uses):						
Issuance of subscriptions payable	49,095	-	-	-	-	49,095
Issuance of private placement note	850,758	-	-	-	-	850,758
Transfers in	-	629,929	-	211,666	-	841,595
Transfers out	(841,595)	-	-	-	-	(841,595)
Total other financing sources, net	58,258	629,929	-	211,666	-	899,853
Net change in fund balances	(7,943)	(142,109)	5,596	1,098,067	15,438	969,049
Fund balances, beginning	7,943	993,803	2,720	742,541	1,293,701	3,040,708
Fund balances, ending	$ -	$ 851,694	$ 8,316	$ 1,840,608	$ 1,309,139	$ 4,009,757

Net change in fund balances		$ 969,049
Reconciliation of amounts reported for governmental activities in the Statement of Activities:		
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 and amortization expense. This is the amount by which depreciation and amortization exceeded capital outlays in the current period.		
Expenditure for capital assets	$ 9,872,733	
Less depreciation and amortization expense	(3,963,610)	
Excess of depreciation and amortization over capital outlay		5,909,123
Net transfer of joint tenancy capital assets from Primary Government to the Component Unit		2,435,799
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins and donations) is to decrease net position.		(65,836)
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		
Issuance of subscription assets	(49,095)	
Issuance of private placement note	(850,758)	
Principal repayments:		
Private placement notes	1,055,911	
Subscriptions payable	8,100	
		164,158
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.		
Accrued interest	(5,043)	
Compensated absences	(53,997)	
Changes in OPEB assets, liabilities and related deferred outflows and inflows of resources	89,814	
Changes in pension liabilities and related deferred outflows and inflows of resources	5,628,705	
		5,659,479
Change in net position of governmental activities		$ 15,071,772

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 41
Page 1

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL – GOVERNMENTAL FUNDS
DISCRETELY PRESENTED COMPONENT UNIT – SCHOOL BOARD
Year Ended June 30, 2023

	School Operating Fund				School Textbook Adoptions Fund			
	Budgeted Amounts			Variance with Final Budget Over	Budgeted Amounts			Variance with Final Budget Over
	Original	Final	Actual	(Under)	Original	Final	Actual	(Under)
Revenues:								
Charges for services	$ 9,500	$ 9,500	$ 10,818	$ 1,318	$ -	$ -	$ -	$ -
Miscellaneous	99,500	254,500	280,795	26,295	-	-	-	-
Appropriation from primary government	22,417,292	23,758,736	21,941,885	(1,816,851)	-	-	-	-
Intergovernmental:								
Commonwealth	34,972,912	35,794,195	35,168,771	(625,424)	-	-	-	-
Federal	4,493,525	4,900,615	3,918,798	(981,817)	-	-	-	-
Total revenues	61,992,729	64,717,546	61,321,067	(3,396,479)	-	-	-	-
Expenditures:								
Current:								
Education	61,150,749	63,874,281	61,379,168	(2,495,113)	700,000	805,657	772,038	(33,619)
Debt service:								
Principal	-	-	8,100	8,100	-	-	-	-
Total expenditures	61,150,749	63,874,281	61,387,268	(2,487,013)	700,000	805,657	772,038	(33,619)
Excess (deficiency) of revenues over (under) expenditures	841,980	843,265	(66,201)	(909,466)	(700,000)	(805,657)	(772,038)	33,619
Other financing sources (uses):								
Issuance of subscriptions payable	-	-	49,095	49,095	-	-	-	-
Issuance of private placement note	-	-	850,758	850,758	-	-	-	-
Transfers in	-	-	-	-	630,314	630,314	629,929	(385)
Transfers out	(841,980)	(841,980)	(841,595)	385	-	-	-	-
Total other financing sources (uses), net	(841,980)	(841,980)	58,258	900,238	630,314	630,314	629,929	(385)
Net change in fund balances	$ -	$ 1,285	$ (7,943)	$ (9,228)	$ (69,686)	$ (175,343)	$ (142,109)	$ 33,234

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 41
Page 2

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL – GOVERNMENTAL FUNDS
DISCRETELY PRESENTED COMPONENT UNIT – SCHOOL BOARD
Year Ended June 30, 2023

	Adult Education Fund			
	Budgeted Amounts			Variance with Final Budget Over
	Original	Final	Actual	(Under)
Revenues:				
Charges for services	$ 30,000	$ 30,000	$ 30,308	$ 308
Miscellaneous	-	-	-	-
Appropriation from primary government	-	-	-	-
Intergovernmental:				
Commonwealth	186,489	186,489	143,540	(42,949)
Federal	242,411	242,411	248,067	5,656
Total revenues	458,900	458,900	421,915	(36,985)
Expenditures:				
Current:				
Education	458,900	458,900	416,319	(42,581)
Debt service:				
Principal	-	-	-	-
Total expenditures	458,900	458,900	416,319	(42,581)
Excess (deficiency) of revenues over (under) expenses	-	-	5,596	5,596
Other financing sources:				
Issuance of subscriptions payable	-	-	-	-
Issuance of private placement note	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources	-	-	-	-
Net change in fund balances	$ -	$ -	$ 5,596	$ 5,596

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 42

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DISCRETELY PRESENTED COMPONENT UNIT – SCHOOL BOARD
June 30, 2023

	School Cafeteria Fund	Employee Childcare Fund	Head Start Fund	School Grants Fund	Total Nonmajor Governmental Funds
ASSETS					
Cash and cash equivalents	$ 835,388	$ 28,809	$ 5,115	$ -	$ 869,312
Accounts receivable, net	25	-	-	-	25
Due from other governmental units	47,613	-	238,795	1,481,254	1,767,662
Due from other funds	477,154	-	-	-	477,154
Total assets	$ 1,360,180	$ 28,809	$ 243,910	$ 1,481,254	$ 3,114,153
LIABILITIES					
Due to other funds	$ -	$ -	$ 182,090	$ 1,120,666	$ 1,302,756
Accounts payable	28,426	-	9,362	336,781	374,569
Accrued liabilities	64,156	-	43,579	19,954	127,689
Total liabilities	92,582	-	235,031	1,477,401	1,805,014
FUND BALANCES					
Assigned	1,267,598	28,809	8,879	3,853	1,309,139
Total fund balances	1,267,598	28,809	8,879	3,853	1,309,139
Total liabilities and fund balances	$ 1,360,180	$ 28,809	$ 243,910	$ 1,481,254	$ 3,114,153

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 43

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – NONMAJOR SPECIAL REVENUE FUNDS DISCRETELY PRESENTED COMPONENT UNIT – SCHOOL BOARD
Year Ended June 30, 2023

	School Cafeteria Fund	Employee Childcare Fund	Head Start Fund	School Grants Fund	Total Nonmajor Governmental Funds
Revenues:					
Use of money and property	$ 2,708	$ -	$ -	$ -	$ 2,708
Charges for services	203,425	-	-	-	203,425
Intergovernmental:					
Commonwealth	87,500	-	-	-	87,500
Federal	2,820,875	-	1,820,832	3,031,247	7,672,954
Total revenues	3,114,508	-	1,820,832	3,031,247	7,966,587
Expenditures:					
Current:					
Education	3,099,185	-	1,820,717	3,031,247	7,951,149
Total expenditures	3,099,185	-	1,820,717	3,031,247	7,951,149
Excess of revenues over expenditures	15,323	-	115	-	15,438
Net change in fund balances	15,323	-	115	-	15,438
Fund balances, beginning	1,252,275	28,809	8,764	3,853	1,293,701
Fund balances, ending	$ 1,267,598	$ 28,809	$ 8,879	$ 3,853	$ 1,309,139

DISCRETELY PRESENTED COMPONENT UNIT – ECONOMIC DEVELOPMENT AUTHORITY

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 44

BALANCE SHEET
DISCRETELY PRESENTED COMPONENT UNIT –
ECONOMIC DEVELOPMENT AUTHORITY
June 30, 2023

ASSETS		
Cash and cash equivalents	$	464,156
Investments		528,524
Lease receivable		498,569
Total assets	$	1,491,249
LIABILITIES		
Accounts payable	$	1,592
Total liabilities		1,592
Deferred Inflows of Resources:		
Leases related		494,414
Total deferred inflows of resources		494,414
FUND BALANCE		
Assigned		995,243
Total fund balance		995,243
Total liabilities and fund balance	$	1,491,249

Fund balance	$	995,243
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		1,166,012
Net position of governmental activities	$	2,161,255

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 45

STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE – DISCRETELY PRESENTED COMPONENT UNIT – ECONOMIC DEVELOPMENT AUTHORITY
Year Ended June 30, 2023

Revenues:		
Revenue from the use of money	$	14,117
Charges for services		8,759
Miscellaneous		3,075
Lease revenue		4,155
Intergovernmental:		
Contribution from Orange County		171,818
Total revenues		201,924
Expenditures:		
Current:		
Community development		208,319
Total expenditures		208,319
Other Financing Sources:		
Sale of land		58,000
Net change in fund balance		51,605
Fund balance, beginning		943,638
Fund balance, ending	$	995,243
Net change in fund balance	$	51,605
Reconciliation of amounts reported for governmental activities in the Statement of Activities:		
Governmental funds report capital outlay as an expenditure. However, in the Statement of Activities, the cost of that asset is not reported as an expenditure, but is in instead reported as an increase in capital assets on the Statement of Net Position.		118,724
The net effect of transactions involving capital assets (i.e. disposals, donations, and transfers) is to decrease net position		(54,000)
Change in net position of governmental activities	$	116,329

DISCRETELY PRESENTED COMPONENT UNIT – BROADBAND AUTHORITY (FIBERLYNC)

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 46

STATEMENT OF NET POSITION
DISCRETELY PRESENTED COMPONENT UNIT –
BROADBAND AUTHORITY(FIBERLYNC)
June 30, 2023

ASSETS	
Current assets:	
Cash and cash equivalents	$ 2,117,362
Restricted cash and cash equivalents	986,723
Accounts receivable	524,072
Due from other governments	19,365
Prepaid items	9,672
Other current assets	4,723
Total current assets	3,661,917
Noncurrent assets:	
Restricted investments	1,209,625
Pension asset	25,075
Capital assets:	
Infrastructure	32,194,500
Intangible right-to-use lease buildings	116,807
Furniture, equipment and vehicles	392,072
Intangible right-to-use sbuscription assets	133,374
Less accumulated depreciation and amortization	(331,321)
Total capital assets, net of accumulated depreciation and amortization	32,505,432
Total noncurrent assets	33,740,132
Total assets	37,402,049
DEFERRED OUTFLOWS OF RESOURCES	
Pension plan	42,141
Other posemployment benefits	45,266
Total deferred outflows of resources	87,407

COUNTY OF ORANGE, VIRGINIA

STATEMENT OF NET POSITION
DISCRETELY PRESENTED COMPONENT UNIT –
BROADBAND AUTHORITY(FIBERLYNC)
June 30, 2023

LIABILITIES	
Current Liabilities:	
Accounts payable	$ 213,994
Accrued payroll and payroll taxes	66,996
Due to Orange County	68,253
Accrued interest payable	114,176
Total current liabilities	463,419
Noncurrent Liabilities:	
Due within one year:	
Bonds payable	1,020,000
Leases payable	10,994
Subscriptions payable	11,540
Compensated absences	13,856
Due in more than one year:	
Bonds payable, net	20,865,915
Leases payable	95,248
Subscriptions payable	14,784
Compensated absences	11,803
Other postemployement benefits	38,049
Total noncurrent liabilities	22,082,189
Total liabilities	22,545,608
DEFERRED INFLOWS OF RESOURCES	
Other postemployement benefits	7,612
Total deferred outflows of resources	7,612
NET POSITION	
Net investment in capital assets	12,500,798
Restricted	2,255,940
Unrestricted	179,498
Total net position	$ 14,936,236

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 47

STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET POSITION
DISCRETELY PRESENTED COMPONENT UNIT –
BROADBAND AUTHORITY (FIBERLYNC)
Year Ended June 30, 2023

Operating revenues:	
Charges for services	
Subscription revenue	$ 2,973,230
Installation revenue	761,689
Total operating revenues	3,734,919
Operating expenses:	
Professional fees	104,490
Insurance	19,255
Lease	18,366
Office	273,717
Salaries and payroll taxes	1,160,970
Fringe benefits	197,430
Repairs and maintenance	52,418
Depreciation and amortization	304,121
Internet service costs	350,542
Total operating expenses	2,481,309
Operating income	1,253,610
Nonoperating revenues (expenses):	
Contributions from the primary government	3,000,000
Federal revenue	621,555
Interest income	115,938
Debt issuance costs	(149,690)
Loss on disposal of fixed assets	(48,161)
Unrealized losses on investments, net	(1,781)
Interest expense	(492,974)
Total nonoperating revenues, net	3,044,887
Change in net position	4,298,497
Net position, beginning	10,637,739
Net position, ending	$ 14,936,236

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 48

STATEMENT OF CASH FLOWS
DISCRETELY PRESENTED COMPONENT UNIT – BROADBAND AUTHORITY (FIBERLYNC)
Year Ended June 30, 2023

Cash flows from operating activities:	
Receipts from customers	$ 3,696,870
Payments to suppliers for goods and services	(1,181,213)
Payments to employees for services	(1,376,305)
Net cash provided by operating activities	1,139,352
Cash flows from noncapital financing activities:	
Noncapital grant	10,830
Net cash provided by noncapital financing activities	10,830
Cash flows from capital and related financing activities:	
Contributions from the primary government	3,000,000
Proceeds from bonds	6,065,000
Acquisition and construction of capital assets	(10,061,546)
Interest payment on bonds	(451,855)
Issuance costs	(149,690)
Net cash used in capital and related financing activities	(1,598,091)
Cash flows from noncapital financing activities	
Principal payment on leases	(22,455)
Principal payment on subscriptions	(9,491)
Net cash used in noncapital financing activities	(31,946)
Cash flows from investing activities:	
Purchase of investments	22,044
Interest from investments	115,938
Net cash provided by investing activities	137,982
Net decrease in cash and cash equivalents	(341,873)
Cash and cash equivalents:	
Beginning	3,445,958
Ending	$ 3,104,085

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 48
Page 2 of 2

STATEMENT OF CASH FLOWS
DISCRETELY PRESENTED COMPONENT UNIT –
BROADBAND AUTHORITY (FIBERLYNC)
Year Ended June 30, 2023

Reconciliation of operating income to net cash provided by operating activities:	
Operating income	$ 1,253,610
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation and amortization	304,121
Increase in pension and OPEB related deferred outflows of resources	(87,407)
Increase in pension and OPEB related deferred inflows of resources	7,612
Changes in assets and liabilities:	
Decrease (increase) in:	
Accounts receivable	23,902
Due from primary government	(19,365)
Prepaid items	28,056
Other current assets	9,353
Pension asset	(25,075)
Increase (decrease) in:	
Accounts payable and accrued expenses	(331,553)
Unearned revenue	(61,951)
OPEB liability	38,049
Net cash provided by operating activities	$ 1,139,352
Schedule of noncash capital and related financing activities	
Capital assets acquired through incurrence of accounts payable	$ 182,500
Unrealized loss on investments	(1,781)
Intangbile right-to-use asset acquired through SBITA	35,815
Debt acquired through SBITA	(35,815)
Intangible right-to-use asset acquired through leases	116,807
Debt acquired through leases	(116,807)

STATISTICAL SECTION

COUNTY OF ORANGE, VIRGINIA

STATISTICAL SECTION
TABLE OF CONTENTS

The statistical section of the County's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information presented in the financial statements, note disclosures and required supplementary information say about the County's overall financial health. This information has not been audited by the independent auditor.

Contents	Tables
Financial Trends These tables contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	1-4
Revenue Capacity These tables contain information to help the reader assess the factors affecting the County's ability to generate revenues through property, sales taxes, and other means.	5-8
Debt Capacity These tables present information to help the reader assess the affordability of the County's current levels of outstanding debt and the Town's ability to issue additional debt in the future.	9-10
Demographic and Economic Information These tables offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place and to help make comparison over time and with other governments.	11-12
Operating Information This table contains information about the County's operations and resources to help the reader understand how the County's financial information relates to the services the County provides and the activities it performs.	13

Sources: Unless otherwise noted, the information in these tables is derived from the Annual Comprehensive Financial Reports for the relevant year.

COUNTY OF ORANGE, VIRGINIA

TABLE 1

NET POSITION BY COMPONENT
Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)

	Fiscal Year June 30,									
	2023	2022	2021	2020	2019	2018 [2]	2017	2016	2015 [1]	2014
Governmental activities:										
Net investment in capital assets	$ 6,431,880	$ 5,531,857	$ 7,547,559	$ 1,789,523	$ (12,719,256)	$ (18,396,119)	$ (23,720,203)	$ 3,005,800	$ 3,496,972	$ 2,016,519
Restricted	438,675	-	1,016,331	-	23,791,968	25,090,835	27,106,855	534,309	155,000	155,000
Unrestricted	38,889,698	37,587,636	28,670,137	39,728,100	24,441,542	23,000,595	23,551,304	23,018,630	21,071,507	21,542,237
Total governmental activities net position	45,760,253	43,119,493	37,234,027	41,517,623	35,514,254	29,695,311	26,937,956	26,558,739	24,723,479	23,713,756
Business-type activities:										
Net investment in capital assets	9,236,731	10,038,412	10,281,349	12,135,155	12,629,800	13,346,905	13,314,101	13,779,641	14,347,875	14,827,910
Restricted	10,915	-	-	-	-	-	-	-	-	-
Unrestricted	3,087,499	2,136,145	1,371,927	434,931	348,326	932,632	1,152,693	710,862	475,783	350,025
Total business-type activities net position	12,335,145	12,174,557	11,653,276	12,570,086	12,978,126	14,279,537	14,466,794	14,490,503	14,823,658	15,177,935
Primary government:										
Net investment in capital assets	15,668,611	15,570,269	17,828,908	13,924,678	(89,456)	(5,049,214)	(10,406,102)	16,785,441	17,844,847	16,844,429
Restricted	449,590	-	1,016,331	-	23,791,968	25,090,835	27,106,855	534,309	155,000	155,000
Unrestricted	41,977,197	39,723,781	30,042,064	40,163,031	24,789,868	23,933,227	24,703,997	23,729,492	21,547,290	21,892,262
Total primary government net position	$ 58,095,398	$ 55,294,050	$ 48,887,303	$ 54,087,709	$ 48,492,380	$ 43,974,848	$ 41,404,750	$ 41,049,242	$ 39,547,137	$ 38,891,691

Note:
[1] GASB Statement No. 68 was adopted in fiscal year 2015.
[2] GASB Statement No. 75 was adopted in fiscal year 2018.

COUNTY OF ORANGE, VIRGINIA

TABLE 2
Page 1

CHANGES IN NET POSITION
Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)

	Fiscal Year June 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Primary government:										
Expenses:										
Governmental activities:										
General government	$ 6,093,696	$ 5,235,472	$ 9,685,629	$ 4,671,367	$ 3,660,923	$ 3,692,202	$ 4,364,352	$ 3,697,143	$ 3,593,666	$ 3,179,303
Judicial administration	2,366,409	2,284,473	2,288,774	1,965,160	1,971,178	1,825,881	1,718,583	1,650,036	1,614,274	1,550,961
Public safety	18,138,848	16,514,769	16,170,472	14,947,275	13,533,501	13,133,990	12,337,219	11,957,728	11,256,292	10,514,385
Public works	1,774,744	3,590,009	1,559,100	1,295,981	1,354,514	1,210,318	1,103,311	878,661	862,112	842,455
Health and welfare	10,041,448	8,609,225	8,424,107	7,632,171	7,434,957	7,569,465	7,489,593	6,060,296	5,910,475	5,661,805
Education	31,243,752	27,559,351	27,037,876	25,486,468	25,502,543	26,525,191	26,245,512	26,187,147	24,906,681	24,173,025
Parks, recreation, and cultural	1,910,573	1,584,918	2,568,205	1,426,483	1,374,658	1,331,700	1,301,536	1,285,193	1,280,110	1,232,679
Community development	4,967,592	3,949,626	7,428,897	1,424,703	1,432,368	1,088,595	1,200,104	1,432,001	931,565	1,506,917
Interest	2,293,755	2,445,323	2,820,774	2,821,969	3,301,671	3,571,815	3,045,826	3,139,207	3,444,343	3,655,244
Total governmental activities expense	78,830,817	71,773,166	77,983,834	61,671,577	59,566,313	59,949,157	58,806,036	56,287,412	53,799,518	52,316,774
Business-type activities:										
Airport	1,338,371	1,225,657	1,522,777	894,673	905,899	808,725	764,063	777,557	872,700	983,900
Landfill	2,666,200	3,480,468	4,340,547	2,920,260	3,015,769	2,663,521	2,533,327	2,410,358	2,827,009	2,848,400
Total business-type activities expense	4,004,571	4,706,125	5,863,324	3,814,933	3,921,668	3,472,246	3,297,390	3,187,915	3,699,709	3,832,300
Total primary government expense	82,835,388	76,479,291	83,847,158	65,486,510	63,487,981	63,421,403	62,103,426	59,475,327	57,499,227	56,149,074
Program revenue:										
Governmental activities:										
Charges for services:										
General government	1,000,619	943,606	991,491	1,208,631	972,575	888,615	1,074,534	918,897	1,011,672	1,093,314
Judicial administration	178,430	146,503	101,808	91,681	96,034	108,811	126,036	349,355	239,503	364,960
Public safety	2,379,681	2,445,147	2,240,500	2,194,511	1,852,313	1,848,484	1,853,647	1,580,451	627,575	1,504,002
Public works	8,210	8,075	7,697	10,779	12,497	11,369	12,469	-	-	-
Health and welfare	537,162	364,100	184,500	294,429	354,490	400,199	401,912	27,950	2,455	2,523
Education	-	-	-	-	-	-	-	346,051	7,030	222,483
Parks, recreation, and cultural	75,923	61,862	31,412	78,313	104,872	110,268	111,628	122,294	1,451,794	121,074
Community development	97,622	104,492	232,662	62,708	103,780	87,786	50,548	344,197	-	-
Operating grants and contributions	11,037,785	13,464,979	14,576,622	10,051,960	7,377,472	7,366,901	6,848,749	6,500,636	5,953,895	5,760,431
Capital grants and contributions	-	214,871	150,000	25,255	846,000	1,499,023	122,036	88,320	-	540,000
Total governmental activities program revenue	15,315,432	17,753,635	18,516,692	14,018,267	11,720,033	12,321,456	10,601,559	10,278,151	9,293,924	9,608,787
Business-type activities:										
Charges for services:										
Airport	395,912	351,672	317,851	316,666	335,377	294,252	276,484	306,299	379,093	429,389
Landfill	853,320	691,227	616,423	564,273	494,686	465,082	502,233	386,607	286,516	326,146
Operating grants and contributions	26,696	241,174	8,447	146,361	14,768	281,678	75,300	9,207	16,995	9,115
Capital grants and contributions	-	-	999,256	-	-	-	-	30,865	298,068	553,624
Total business-type activities program revenue	1,275,928	1,284,073	1,941,977	1,027,300	844,831	1,041,012	854,017	732,978	980,672	1,318,274
Total primary government program revenue	16,591,360	19,037,708	20,458,669	15,045,567	12,564,864	13,362,468	11,455,576	11,011,129	10,274,596	10,927,061

COUNTY OF ORANGE, VIRGINIA

TABLE 2
Page 2

CHANGES IN NET POSITION
Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)

	Fiscal Year June 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Primary government:										
Net expense:										
Governmental activities	$ (63,515,385)	$ (54,019,531)	$ (59,467,142)	$ (47,653,310)	$ (47,846,280)	$ (47,627,701)	$ (48,204,477)	$ (46,009,261)	$ (44,505,594)	$ (42,707,987)
Business-type activities	(2,728,643)	(3,422,052)	(3,921,347)	(2,787,633)	(3,076,837)	(2,431,234)	(2,443,373)	(2,454,937)	(2,719,037)	(2,514,026)
Total primary government net expense	(66,244,028)	(57,441,583)	(63,388,489)	(50,440,943)	(50,923,117)	(50,058,935)	(50,647,850)	(48,464,198)	(47,224,631)	(45,222,013)
General revenues and other changes in net position:										
Governmental activities:										
Taxes										
Property taxes	51,932,616	48,430,839	45,022,564	43,648,242	42,849,380	41,316,740	40,829,686	39,853,041	39,884,990	37,715,684
Local sales and use	5,539,952	5,243,821	4,647,589	3,647,384	3,373,649	3,358,475	3,304,851	2,795,044	2,621,812	2,249,569
Consumers' utility taxes	662,478	651,458	730,786	542,186	656,583	598,492	591,472	573,344	1,982,022	2,004,316
Consumption taxes	100,790	101,747	116,370	86,473	111,957	102,257	96,060	94,162	100,354	99,172
Motor vehicle license taxes	1,120,255	1,099,823	998,849	1,011,268	1,053,305	1,051,297	1,093,406	1,002,943	951,035	960,387
Taxes on recordation and wills	757,662	1,126,347	1,033,497	681,011	542,503	538,195	549,880	450,282	446,202	434,981
Restaurant food taxes	1,158,678	1,099,713	966,098	791,214	789,063	766,423	759,517	769,294	742,794	713,125
Other local taxes	459,793	327,517	268,272	211,993	247,714	228,175	211,802	204,363	159,310	137,535
Use of money and property	1,611,304	14,796	173,976	850,237	1,223,203	746,102	352,115	203,645	120,969	133,126
Miscellaneous	1,670,067	474,986	271,546	407,782	478,372	473,033	483,069	558,478	223,249	349,951
Grants and contributions not restricted to specific programs	3,923,018	3,921,889	3,958,536	4,154,877	4,114,920	4,004,036	4,249,440	4,265,161	2,871,718	2,878,322
Special items	-	-	-	-	-	-	(1,540,000)	-	-	-
Transfers	(2,888,027)	(2,813,091)	(3,004,537)	(2,375,988)	(1,775,426)	(2,217,721)	(2,397,604)	(2,114,011)	(2,479,579)	(2,034,892)
Total governmental activities	66,048,586	59,679,845	55,183,546	53,656,679	53,665,223	50,965,504	48,583,694	48,655,746	47,624,876	45,641,276
Business-type activities:										
Miscellaneous	1,204	11,883	-	3,605	-	34,700	22,060	7,771	57,553	40,902
Transfers	2,888,027	2,813,091	3,004,537	2,375,988	1,775,426	2,217,721	2,397,604	2,114,011	2,479,579	2,034,892
Total business-type activities	2,889,231	2,824,974	3,004,537	2,379,593	1,775,426	2,252,421	2,419,664	2,121,782	2,537,132	2,075,794
Total primary government	68,937,817	62,504,819	58,188,083	56,036,272	55,440,649	53,217,925	51,003,358	50,777,528	50,162,008	47,717,070
Changes in net position:										
Governmental activities	2,533,201	5,660,314	(4,283,596)	6,003,369	5,818,943	3,337,803	379,217	2,646,485	3,119,282	2,933,289
Business-type activities	160,588	(597,078)	(916,810)	(408,040)	(1,301,411)	(178,813)	(23,709)	(333,155)	(181,905)	(438,232)
Total primary government	$ 2,693,789	$ 5,063,236	$ (5,200,406)	$ 5,595,329	$ 4,517,532	$ 3,158,990	$ 355,508	$ 2,313,330	$ 2,937,377	$ 2,495,057

COUNTY OF ORANGE, VIRGINIA

TABLE 3

FUND BALANCES – GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(modified accrual basis of accounting)
(Unaudited)

	Fiscal Year June 30, 2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Fund:										
Nonspendable	$ 50,000	$ 50,000	$ 50,000	$ 50,000	$ 65,000	$ 15,000	$ 15,000	$ 15,000	$ -	$ -
Restricted	-	-	1,016,331	-	-	-	-	379,309	-	-
Committed	-	-	-	-	-	-	-	71,125	71,125	71,125
Assigned	3,047,475	4,236,256	2,794,557	5,960,987	1,774,084	964,081	906,601	412,102	1,548,826	3,096
Unassigned	27,194,081	27,593,883	25,371,111	22,258,923	21,807,728	20,732,710	19,383,577	22,153,299	20,658,342	19,919,081
Total general fund	$ 30,291,556	$ 31,880,139	$ 29,231,999	$ 28,269,910	$ 23,646,812	$ 21,711,791	$ 20,305,178	$ 23,030,835	$ 22,278,293	$ 19,993,302
All other governmental funds:										
Nonspendable	$ -	$ -	$ 219	$ 7,620	$ -	$ -	$ -	$ -	$ -	$ -
Restricted	-	-	-	-	23,791,968	25,090,835	27,106,855	155,000	155,000	448,020
Committed	148,054	99,628	157,331	205,896	241,172	187,469	861,954	602,287	206,317	187,444
Assigned	16,234,368	20,751,174	17,003,251	13,482,574	2,391,492	3,549,394	5,463,478	2,787,947	2,170,681	2,032,623
Unassigned	-	-	1,495,714	(7,620)	-	-	-	-	-	-
Total all other governmental funds	$ 16,382,422	$ 20,850,802	$ 18,656,515	$ 13,688,470	$ 26,424,632	$ 28,827,698	$ 33,432,287	$ 3,545,234	$ 2,531,998	$ 2,668,087

COUNTY OF ORANGE, VIRGINIA

TABLE 4

CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(modified accrual basis of accounting)
(Unaudited)

	Fiscal Year June 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Revenues:										
General property taxes	$ 51,662,273	$ 48,149,408	$ 44,731,508	$ 43,475,665	$ 43,179,633	$ 41,243,180	$ 40,875,523	$ 40,315,480	$ 39,724,465	$ 37,312,103
Other local taxes	9,809,108	9,659,926	8,770,961	7,125,925	6,802,386	6,499,306	6,511,988	5,889,432	7,003,529	6,599,085
Permits, privilege fees, and regulatory licenses	674,847	710,396	814,452	521,670	524,438	489,088	439,084	359,171	307,295	321,965
Fines and forfeitures	99,849	108,845	93,572	175,828	177,630	188,953	223,539	219,125	32,820	96,143
Use of money and property	1,611,304	14,796	173,976	850,237	1,223,203	746,102	352,115	203,645	120,969	133,126
Charges for services	2,379,599	2,234,354	1,803,853	1,924,518	1,837,905	1,979,135	1,993,508	1,991,804	2,007,624	1,834,792
Miscellaneous	1,319,494	488,598	261,765	409,291	479,734	474,439	485,784	557,947	223,249	349,951
Recovered costs	1,867,945	1,737,836	1,718,725	1,909,978	1,634,171	1,537,172	1,082,720	1,602,324	1,596,671	1,658,315
Payments from the component unit	341,019	-	-	-	-	-	-	-	-	-
Intergovernmental:										
Commonwealth	10,598,965	9,612,131	10,660,237	9,633,639	9,703,664	9,665,292	9,559,478	9,343,625	7,583,464	7,986,858
Federal	4,361,838	7,989,608	8,024,922	4,598,457	2,634,728	1,705,645	1,660,747	1,510,492	1,242,149	1,191,895
Total revenues	84,726,241	80,705,898	77,053,971	70,625,208	68,197,492	64,528,312	63,184,486	61,993,045	59,842,235	57,484,233
Expenditures:										
General government	4,987,671	4,476,101	3,745,491	3,790,172	3,363,367	3,035,247	2,921,052	2,944,001	2,774,183	2,793,382
Judicial administration	2,592,461	2,313,867	2,137,008	1,921,487	2,057,006	1,912,674	1,700,103	1,744,265	1,590,975	1,542,439
Public safety	17,890,401	15,210,487	14,919,515	13,434,668	12,876,484	12,668,077	11,445,541	11,227,370	10,875,608	10,482,533
Public works	2,096,997	3,385,023	1,163,705	1,051,376	1,020,608	1,165,691	995,174	813,924	835,473	842,977
Health and welfare	10,501,461	8,466,032	8,052,152	7,498,498	7,616,443	7,720,929	7,338,687	6,303,720	5,889,164	5,693,169
Education	23,721,386	23,037,270	22,844,150	21,249,334	21,139,840	22,279,641	22,598,168	21,512,600	20,086,846	19,201,455
Parks, recreation, and cultural	1,828,009	1,536,039	2,405,523	1,340,692	1,351,343	1,341,683	1,248,154	1,295,954	1,244,476	1,201,478
Community development	1,955,417	1,843,144	4,046,561	1,347,334	1,433,319	907,785	1,129,139	1,440,771	915,959	1,507,750
Nondepartmental	102,712	120,264	1,128,621	124,638	104,580	131,692	102,214	82,990	149,450	74,854
Capital outlay	12,146,391	4,476,677	10,662,045	15,258,835	6,376,833	4,274,367	2,781,039	1,690,138	2,181,597	1,062,318
Debt service:										
Principal	7,279,237	6,597,842	6,048,046	5,937,825	5,874,021	6,122,307	5,920,047	5,618,697	5,422,510	5,469,436
Interest and fiscal charges	2,841,573	3,103,543	3,331,393	3,407,425	3,676,267	3,948,474	3,999,097	3,438,826	3,754,016	3,990,869
Total expenditures	87,943,716	74,566,289	80,484,210	76,362,284	66,890,111	65,508,567	62,178,415	58,113,256	55,720,257	53,862,660
Excess of revenues over (under) expenditures	(3,217,475)	6,139,609	(3,430,239)	(5,737,076)	1,307,381	(980,255)	1,006,071	3,879,789	4,121,978	3,621,573
Other financing sources (uses):										
Transfers in	17,905,533	14,447,818	14,319,371	12,345,639	12,782,756	11,031,214	16,415,157	13,632,337	11,759,177	11,604,410
Transfers out	(20,745,021)	(17,260,909)	(17,323,908)	(14,721,627)	(14,558,182)	(13,248,935)	(18,812,761)	(15,746,348)	(14,227,123)	(13,639,302)
Bond proceeds	-	1,515,909	12,364,910	-	-	-	-	-	-	-
Issuance of capital leases	-	-	-	-	-	-	514,626	-	494,870	56,207
Refunding of bonds	-	-	-	-	-	-	48,110,000	-	-	-
Premium on lease revenue refunding bonds issued	-	-	-	-	-	-	4,398,303	-	-	-
Payment to bond escrow agent	-	-	-	-	-	-	(24,470,000)	-	-	-
Total other financing sources (uses), net	(2,839,488)	(1,297,182)	9,360,373	(2,375,988)	(1,775,426)	(2,217,721)	26,155,325	(2,114,011)	(1,973,076)	(1,978,685)
Net change in fund balances	$ (6,056,963)	$ 4,842,427	$ 5,930,134	$ (8,113,064)	$ (468,045)	$ (3,197,976)	$ 27,161,396	$ 1,765,778	$ 2,148,902	$ 1,642,888
Debt service as a percentage of noncapital expenditures	13.35%	13.25%	12.80%	15.20%	15.90%	16.44%	16.29%	15.93%	17.05%	17.92%

COUNTY OF ORANGE, VIRGINIA

TABLE 5
Page 1

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Fiscal Years
(Unaudited)

	Real Estate (1)						Personal Property									
Tax Year	Residential	Commercial	Agricultural	Land Use Deferment	Public Service Companies (2)	Nominal Tax Rate per $100	Personal Property	Nominal Tax Rate per $100	Tractor Trailers and Trailers (4)	Nominal Tax Rate per $100	Mobile Homes	Nominal Tax Rate per $100	Machinery and Tools	Nominal Tax Rate per $100	Merchants' Capital	Nominal Tax Rate per $100
2023	$ 3,788,655,300	$ 300,698,200	$ 1,098,210,300	$ (478,098,100)	$ 206,611,288	$ 0.750	$ 448,247,375	$ 3.600	$ 13,768,424	$ 3.750	$ 4,842,149	$ 0.750	$ 70,068,613	$ 1.831	$ 60,872,680	$ 0.400
2022	3,705,960,000	300,373,000	1,091,643,400	(475,948,400)	194,120,645	0.750	470,393,350	3.250	12,932,988	3.750	4,836,334	0.750	60,661,664	1.831	51,187,822	0.400
2021	3,621,153,700	297,053,600	1,090,137,500	(470,733,800)	218,747,531	0.720	351,334,193	3.750			4,797,611	0.720	66,582,608	1.831	52,880,141	0.400
2020	3,578,434,100	292,553,700	1,088,444,600	(468,948,000)	219,281,025	0.720	299,155,915	3.750			4,582,644	0.610	52,135,727	1.831	58,507,493	0.400
2019	3,006,921,500	279,182,200	887,432,500	(326,688,400)	174,879,322	0.804	295,619,326	3.750			4,864,360	0.804	54,050,685	1.831	52,409,004	0.400
2018	2,965,725,700	273,571,300	887,244,800	(331,746,500)	184,617,337	0.804	300,747,945	3.750			4,873,755	0.804	51,293,875	1.831	51,476,767	0.400
2017	2,928,737,200	268,322,200	885,052,200	(336,737,200)	172,586,718	0.804	292,472,233	3.750			4,586,870	0.804	38,343,323	1.831	53,393,121	0.400
2016	2,891,574,450	269,842,800	885,356,900	(335,949,129)	169,705,328	0.804	279,172,792	3.750			4,778,250	0.804	37,843,645	1.831	47,096,280	0.400
2015	2,872,989,900	288,499,900	938,883,900	(405,605,300)	159,283,646	0.804	267,188,483	3.750			4,531,275	0.804	36,472,265	1.831	44,482,505	0.400
2014	2,851,679,600	285,469,200	935,478,300	(392,770,900)	156,469,027	0.804	260,018,870	3.750			4,659,999	0.804	31,425,320	1.831	47,827,072	0.400

(1) Real estate is assessed at 100% of fair market value.
(2) Assessed values are established by the State Corporation Commission.
(3) Tax Rates are listed as a sum of General Tax Rates and Fire & EMS District Tax Rates
(4) Property was included in personal property prior to 2022.
Source: Commissioner of Revenue

*** Direct rates are derived by calculating a weighted average that multiplies each rate by the proportion of the revenue base to which it applies. (See Table 6)**

COUNTY OF ORANGE, VIRGINIA

TABLE 5
Page 2

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Fiscal Years
(Unaudited)

	Personal Property (Continued)													
Tax Year	Business and Heavy Equipment	Nominal Tax Rate per $100	RVs and Campers	Nominal Tax Rate per $100	Airplanes	Nominal Tax Rate per $100	Boats	Nominal Tax Rate per $100	Logging Equipment	Nominal Tax Rate per $100	Public Service Companies	Nominal Tax Rate per $100	Total Taxable Assessed Value	Direct* Tax Rate per $100
2023	$ 51,753,084	$ 2.200	$ 14,188,165	$ 2.620	$ 5,233,500	$ -	$ 12,019,356	$ 2.090	$ 792,920	$ -	$ 55,211	$ 3.600	$ 5,597,918,465	$ 0.999
2022	46,672,366	2.200	12,541,715	2.620	5,794,890	-	12,788,640	2.090	792,920	-	52,384	$ 3.250	5,494,803,718	0.999
2021	47,554,693	2.200	10,291,541	2.620	4,196,875	-	9,821,175	2.090	475,575	-	55,118	3.750	5,304,348,061	0.950
2020	39,027,941	2.200	9,518,508	2.620	3,884,925	-	8,109,109	2.090	638,220	-	77,206	3.750	5,185,403,113	0.919
2019	39,694,201	2.200	9,827,520	2.620	3,162,983	-	8,929,420	2.090	618,720	-	101,886	3.750	4,491,005,227	1.024
2018	39,616,822	2.200	8,961,060	2.620	3,093,863	-	10,134,630	2.090	553,565	-	106,159	3.750	4,450,271,078	1.029
2017	40,433,625	2.200	7,386,181	2.620	3,042,695	-	9,500,382	2.090	501,085	-	119,557	3.750	4,367,740,190	1.023
2016	36,712,415	2.200	6,121,182	2.620	2,659,380	-	9,731,932	2.090	436,220	-	129,819	3.750	4,305,212,264	1.017
2015	37,401,024	2.200	5,644,432	2.620	3,663,235	0.700	10,791,413	2.090	-	-	136,301	3.750	4,264,362,979	1.011
2014	36,801,282	2.200	5,152,226	2.620	3,689,295	0.700	9,863,242	2.090	-	-	217,962	3.750	4,235,980,495	1.006

(1) Real estate is assessed at 100% of fair market value.
(2) Assessed values are established by the State Corporation Commission.
(3) Tax Rates are listed as a sum of General Tax Rates and Fire & EMS District Tax Rates
(4) Property was included in personal property prior to 2022.
Source: Commissioner of Revenue

*** Direct rates are derived by calculating a weighted average that multiplies each rate by the proportion of the revenue base to which it applies. (See Table 6)**

COUNTY OF ORANGE, VIRGINIA

TABLE 6

DIRECT AND OVERLAPPING PROPERTY TAX RATES (1)
Last Ten Fiscal Years
(Unaudited)

	Direct Rates*									
Tax Year	Real Estate (2)	Personal Property (2)	Tractor Trailers and Trailers (3)	Mobile Homes	Machinery and Tools (2)	Merchants' Capital	Business Equipment	RVs and Campers	Airplanes	Boats
2023	$ 0.659	$ 0.288	$ 0.009	$ 0.001	$ 0.023	$ 0.004	$ 0.020	$ 0.007	$ -	$ 0.004
2022	0.657	0.278	0.009	0.001	0.020	0.004	0.019	0.006	-	0.005
2021	0.646	0.248		0.001	0.023	0.004	0.020	0.005	-	0.004
2020	0.655	0.216		0.001	0.018	0.005	0.017	0.005	-	0.003
2019	0.720	0.247		0.001	0.022	0.005	0.019	0.006	-	0.004
2018	0.719	0.253		0.001	0.021	0.005	0.020	0.005	-	0.005
2017	0.721	0.251		0.001	0.016	0.005	0.020	0.004	-	0.005
2016	0.726	0.243		0.001	0.016	0.004	0.019	0.004	-	0.005
2015	0.727	0.235		0.001	0.016	0.004	0.019	0.003	0.001	0.005
2014	0.729	0.230		0.001	0.014	0.005	0.019	0.003	0.001	0.005

	Overlapping Rates					
	Town of Orange			Town of Gordonsville		
Tax Year	Real Estate (2)	Personal Property (2)	Machinery and Tools	Real Estate	Personal Property	Machinery and Tools
2023	$ 0.157	$ 0.830	$ 0.066	$ 0.117	$ 0.990	$ 0.240
2022	0.157	0.830	0.066	0.117	0.990	0.240
2021	0.157	0.830	0.066	0.117	0.990	0.240
2020	0.157	0.830	0.066	0.117	0.990	0.240
2019	0.175	0.830	0.066	0.130	0.990	0.240
2018	0.175	0.830	0.066	0.100	0.990	0.240
2017	0.175	0.830	0.066	0.100	0.990	0.240
2016	0.175	0.830	0.066	0.100	0.990	0.240
2015	0.155	0.830	0.066	0.100	0.990	0.240
2014	0.155	0.830	0.066	0.100	0.990	0.240

(1) Per $100 of assessed value
(2) Includes Public Service Companies
(3) Property was included in personal property prior to 2022.

*** Direct rates are derived by calculating a weighted average that multiplies each rate by the proportion of the revenue base to which it applies.**

COUNTY OF ORANGE, VIRGINIA

TABLE 7

PRINCIPAL PROPERTY TAXPAYERS (1)
Current Year and Nine Years Ago
(Unaudited)

		2023			2014		
Taxpayer	Type of Business	Assessed Value (1)	Rank	Percentage of Total Taxable Assessed Value	Assessed Value (1)	Rank	Percentage of Total Taxable Assessed Value
VanHoven Enterprises, LLC	Horticulture	$ 51,601,400	1	1.05%	$ 48,988,400	1	1.28%
Aerojet General Corp	Manufacturing	24,511,200	2	0.50%	11,868,000	3	0.31%
Holtzbrinck Publishers	Book Distributor	12,422,400	3	0.25%	18,418,100	2	0.48%
Rocklands LLC	Agriculture	10,371,000	4	0.21%	-	-	0.00%
Wal-Mart	Retail	9,947,100	5	0.20%	11,437,700	4	0.30%
PMC Distribution	Manufacturing	9,137,000	6	0.19%	6,809,400	9	0.18%
Lohman Corporation	Manufacturing	8,172,100	7	0.17%	-	-	0.00%
American Woodmark	Manufacturing	7,625,600	8	0.16%	6,658,400	8	0.17%
P.W. Hiden LLC	Agriculture	6,866,200	9	0.14%	-	-	0.00%
Somerset Plantation Inc.	Agriculture	6,634,800	10	0.13%	-	-	0.00%
Orange Village	Shopping Center	-	-	0.00%	9,406,700	5	0.25%
Barboursville Corporation	Winery	-	-	0.00%	7,366,000	6	0.19%
American Color Inc.	Horticulture	-	-	0.00%	6,726,800	7	0.18%
Schooler Property of Wilderness	Shopping Center	-	-	0.00%	4,906,200	10	0.13%
Total Principal Property Tax Payers' Assessed Values		147,288,800		3.00%	132,585,700		3.46%
All Other Tax Payers' Assessed Values		4,768,788,188		97.00%	3,703,739,527		96.54%
Total Annual Assessed Values		$ 4,916,076,988		100.00%	$ 3,836,325,227		100.00%

Note: Companies/entities with no amounts were not in the top ten for that year.

Source: Commissioner of Revenue

(1) Amounts provided for real estate assessments only.

COUNTY OF ORANGE, VIRGINIA

TABLE 8

PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years
(Unaudited)

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy: Amount	Collected within the Fiscal Year of the Levy: Percentage of Levy	Collections in Subsequent Years	Total Collections to Date: Amount	Total Collections to Date: Percentage of Levy*
2023	$ 51,039,058	$ 49,679,592	97.34%	$ -	$ 49,679,592	97.34%
2022	48,411,906	46,087,006	95.20%	1,646,749	47,733,755	98.60%
2021	44,382,003	43,204,319	97.35%	855,885	44,060,204	99.27%
2020	43,267,492	41,880,733	96.79%	1,138,185	43,018,918	99.43%
2019	42,348,667	41,082,386	97.01%	1,107,281	42,189,667	99.62%
2018	42,301,139	39,582,898	93.57%	2,696,249	42,279,147	99.95%
2017	40,601,127	39,208,461	96.57%	1,389,231	40,597,692	99.99%
2016	41,032,097	39,513,123	96.30%	1,514,557	41,027,680	99.99%
2015	42,035,631	41,509,115	98.75%	522,100	42,031,215	99.99%
2014	40,285,579	39,072,965	96.99%	1,212,564	40,285,529	100.00%

Source: Commissioner of Revenue, County Treasurer's Office

COUNTY OF ORANGE, VIRGINIA

TABLE 9

RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years
(Unaudited)

	Governmental Activities					Business-Type Activities			
Fiscal Year	General Obligation Bonds	Lease Revenue/ Refunding Bonds	Leases	Subscriptions	Private Placement Notes	Lease Revenue/ Refunding Bonds	Private Placement Notes	Total Primary Government	Percentage of Personal Income (1)
2023	$ 15,378,070	$ 52,530,800	$ 727,777	$ 234,471	$ 1,034,967	$ 3,028,000	$ 263,855	$ 73,197,940	N/A
2022	18,222,347	56,788,181	893,767	-	1,468,008	3,028,729	340,423	80,741,455	3.61%
2021	23,019,688	58,709,291	-	-	227,639	3,028,729	109,486	85,094,833	3.96%
2020	27,885,237	48,314,130	-	-	-	-	131,672	76,331,039	3.81%
2019	32,644,328	50,001,240	-	-	51,235	-	153,134	82,849,937	4.42%
2018	37,297,285	51,274,772	-	-	339,800	-	-	88,911,857	4.95%
2017	41,974,253	52,508,303	-	-	892,640	-	-	95,375,196	5.71%
2016	46,551,005	24,900,000	-	-	998,813	-	-	72,449,818	4.47%
2015	50,004,318	25,852,628	-	-	1,438,147	-	-	77,295,093	5.18%
2014	54,474,685	26,666,166	-	-	1,310,884	-	-	82,451,735	6.01%

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

(1) See the Schedule of Demographic and Economic Statistics – Table 11

COUNTY OF ORANGE, VIRGINIA

TABLE 10

RATIOS OF NET GENERAL BONDED DEBT TO ASSESSED VALUE AND NET BONDED DEBT PER CAPITA
Last Ten Fiscal Years
(Unaudited)

Fiscal Year Ended June 30	Gross Bonded Debt	Less: Amounts Reserved for Debt Service	Net Bonded Debt	Ratio of Net General Obligation Debt to Assessed Value	Net Bonded Debt per Capita (1)
2023	$ 15,378,070	$ -	$ 15,378,070	0.27%	$ 405
2022	18,222,347	-	18,222,347	0.33%	490
2021	23,019,688	-	23,019,688	0.43%	635
2020	27,885,237	-	27,885,237	0.54%	753
2019	32,644,328	-	32,644,328	0.73%	891
2018	37,297,285	160,014	37,137,271	0.83%	1,030
2017	41,974,253	1,094,182	40,880,071	0.94%	1,141
2016	46,551,005	-	46,551,005	1.08%	1,310
2015	50,004,318	-	50,004,318	1.17%	1,438
2014	54,474,685	-	54,474,685	1.30%	1,580

(1) Population data can be found in the Schedule of Demographic and Economic Statistics - Table 11
(2) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property - Table 5
(3) Includes all long-term general obligation bonded debt, Literary Fund Loans, excludes revenue bonds, capital leases, and compensated absences.

COUNTY OF ORANGE, VIRGINIA

TABLE 11

DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Fiscal Years
(Unaudited)

Fiscal Year Ended June 30	Population (2)	Personal Income (1)	Per Capita Personal Income (1)	Median Age (2)	Public School Average Daily Membership (3)	Unemployment Rate (4)
2023	37,991	N/A	N/A	N/A	4,784	2.90%
2022	37,188	2,239,270,000	$ 58,942	$ 42.5	4,722	3.00%
2021	36,254	2,151,278,000	57,849	$ 42.8	4,660	4.20%
2020	37,051	2,006,018,000	53,217	42.1	4,782	7.20%
2019	36,644	1,876,329,000	50,642	42.1	4,725	3.20%
2018	36,073	1,795,932,000	49,010	42.9	4,746	3.30%
2017	35,836	1,669,934,000	46,293	41.9	4,781	3.90%
2016	35,533	1,619,025,612	45,564	42.1	4,840	4.00%
2015	34,763	1,492,044,000	42,166	42.6	4,969	4.90%
2014	34,487	1,372,657,000	39,190	42.6	4,971	5.40%

(1) Souce: Bureau of Economic Analysis (BEARFACTS), https://apps.bea.gov
(2) Source: U.S. Census Bureau
(3) Source: Virginia Department of Education (Annual Superintendent's Report)
(4) Source: Virginia Workforce Connection

COUNTY OF ORANGE, VIRGINIA

TABLE 12

PRINCIPAL PRIVATE EMPLOYERS
Current Year and Nine Years Ago
(Unaudited)

	2023			2014		
Employer	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Aerojet	369	1	4.00%	165	6	1.05%
Dogwood Village	333	2	3.61%	282	2	1.79%
MPS	289	3	3.13%	285	1	1.81%
Walmart	249	4	2.70%			-
Food Lion	236	5	2.56%	116	8	0.74%
Germanna Community College*	200	6	2.17%	200	3	1.27%
Battlefield Farms	189	7	2.05%	185	4	1.17%
American Woodmark	161	8	1.75%	180	5	1.14%
Green Applications	158	9	1.71%		5	-
RIGID (Ridge Tool Manufacturing)	157	10	1.70%	121	7	0.77%
PBM Products				110	9	0.70%
McDonald's				106	10	0.67%
	2,341		25.38%	1,750		11.10%
Total County Employment**	9,225			15,765		

Source: Virginia Employment Commisssion,Q1 Quarter 2021

** quasi private employer*

COUNTY OF ORANGE, VIRGINIA

TABLE 13
Page 1

OPERATING INDICATORS BY FUNCTION
Last Ten Fiscal Years
(Unaudited)

Function	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Public safety										
Sheriffs department: (1)										
Calls for service	20,352	16,209	17,556	18,776	N/A	23,468	28,545	28357	29,378	29,255
Traffic violations	1,750	1,235	1,377	2,157	2,755	1,755	3,498	2719	2,471	2,499
Civil papers	8,864	6,604	7,052	8,673	8,778	9,319	9,559	8979	10,064	10,919
Fire and rescue:										
Number of calls answered	6,740	6,768	10,427	10,427	7,715	7,108	9,048	6475	6,529	5,707
Building inspections:										
Permits issued	1,442	2,455	2,973	1,164	1,129	965	902	880	778	848
Animal control:										
Number of calls answered (1)	2,094	2,146	2,155	2,225	2,195	1478	693	640	1280	1229
Public works										
General maintenance:										
Trucks/vehicles	6	4	4	4	4	4	4	4	5	3
Landfill:										
Refuse collected (total tons per year)	32,600	27,371	28,555	31,017	25,529	23,431	24,623	24225	15,871	24,373
Recycling (total tons per year)	1,894	1,548	1,065	857	712	917	1,042	2909	1,571	1,979
Health and welfare										
Office on Youth Childcare Enrollment:										
Gordon Barbour Elementary School	43	45	38	51	56	52	48	51	55	37
Locust Grove Primary School	59	45	32	91	107	96	94	87	76	34
Orange Elementary School	48	38	37	48	68	64	48	43	36	43
Lightfoot Elementary School	41	22	18	site closed	site closed	site closed	site closed	site closed	site closed	site closed
Culture and recreation										
Parks and recreation:										
Youth sports participants	300	257	143	234	397	396	372	425	515	591
Community development										
Planning:										
Zoning permits issued	526	569	638	405	440	440	364	301	328	290
Component Unit – School Board										
Education:										
Average Daily Membership (ADM)	4,784	4,722	4,660	4,782	4,727	4,746	4,781	4840	4,969	4,971
Number of teachers	368	356	351	370	363	385	380	360	348	348
Local expenditures per pupil	4,522	4,257	3,727	3,845	4,161	4,075	3,850	4109	4,055	3,690

COUNTY OF ORANGE, VIRGINIA

TABLE 13
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OPERATING INDICATORS BY FUNCTION
Last Ten Fiscal Years
(Unaudited)

Full-Time Employee Population										
General administration	33	33	31	29	30	26	26	25	25	26
Judicial administration	25	24	23	22	24	22	22	22	20	19
Public safety	122	106	104	103	111	104	99	97	97	94
Public works	14	12	8	8	10	8	8	8	8	8
Health and welfare	10	9	7	7	7	7	6	5	4	4
Parks, recreation, and cultural	11	9	9	9	10	9	9	9	9	9
Community development	15	15	12	9	13	8	8	8	8	8
Non-departmental	0	0	0	0	0	1	1	0	0	0
Airport	2	2	2	2	2	1	1	1	1	1
Landfill	6	7	7	7	7	8	8	8	8	7
Capital Assets (net of accumulated depreciation)										
General administration	12,253,718	12,978,293	13,814,876	14,168,492	13,978,977	14,204,893	13,762,660	14,234,451	14,635,541	14,557,883
Judicial administration	364,932	248,904	17,622	27,298	36,581	356,103	7,704	12,801	17,896	13,588
Public safety	30,182,334	2,919,812	3,311,180	3,738,324	5,156,982	3,604,189	3,021,193	2,626,968	2,730,149	2,057,784
Public works	1,191,015	2,149,560	1,551,742	1,587,287	1,158,333	1,372,904	1,513,787	1,492,201	275,612	265,767
Health and welfare	137,438	35,183	63,386	62,690	105,956	100,687	90,917	71,277	67,154	45,282
Education	77,941,438	80,315,840	83,299,701	84,580,361	88,223,847	88,811,909	88,180,196	91,159,498	95,427,463	96,257,186
Parks, recreation and cultural	344,361	195,400	216,674	284,456	365,776	444,308	353,651	411,656	245,596	272,228
Community development	1,140,026	1,121,243	457,011	356,588	100,523	435,944	318,561	61,519	148,084	142,711
Airport	8,697,041	8,442,980	8,810,942	9,231,086	9,642,252	10,053,419	10,182,877	11,004,347	11,371,563	11,526,529
Landfill	3,831,545	1,610,434	1,741,605	2,102,788	2,415,492	2,589,872	2,501,973	2,355,044	2,976,312	3,301,381
Orange County VA Broadband	32,505,432	343,316	182,600	-	-	-	-	-	-	-
Total	$ 168,589,280	$ 110,360,965	$ 113,467,339	$ 116,139,370	$ 121,184,719	$ 121,974,228	$ 119,933,519	$ 123,429,762	$ 127,895,370	$ 128,440,339
Source: Individual county departments	45,613,824	19,648,395	19,432,491	20,225,135						

(1) Statistics available on calendar year, rather than fiscal year.