

CAROLINE COUNTY

Virginia



Annual Comprehensive Financial Report

Fiscal Year Ending June 30, 2024



Charles M. Culley, Jr., County Administrator
Alan L. Partin, Deputy County Administrator
Tomeka C. Morgan, Deputy County Administrator - Finance

County of Caroline, Virginia

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Introductory Section



COUNTY OF CAROLINE, VIRGINIA
PRINCIPAL OFFICIALS
June 30, 2024

BOARD OF SUPERVISORS

Jeffrey S. Black, Chairperson

Clayton T. Forehand

Floyd W. Thomas

Nancy L Long

Jeffery M. Sili

Reginald L. Underwood

CONSTITUTIONAL OFFICERS

Honorable Victoria A. B. Willis Judge of the Circuit Court

Susan W. Minarchi Clerk of the Circuit Court

Mark R. Bissoon..... Commissioner of the Revenue

Benjamin Heidt..... Commonwealth’s Attorney

C. Scott Moser Sheriff

Brittany Eisenbrown..... Treasurer

Honorable Richard T. McGrath Judge of the General District Court

Honorable Frank G. Uvanni..... Judge of the Juvenile and Domestic Relations Court

Honorable Andrea M. Stewart..... Judge of the Juvenile and Domestic Relations Court

COUNTY ADMINISTRATIVE OFFICERS

Charles M. Culley, Jr. County Administrator

Alan L. Partin Deputy County Administrator

Tomeka C. Morgan..... Deputy County Administrator - Finance

Christopher M. Mackenzie County Attorney

Jason Loftus..... Fire – EMS Chief

Donnell Howard Recreation Director

Joseph C. Schiebel Public Works / Public Utilities Director

Wendy Sneed Social Services Director

Gary R. Wilson..... Economic Development and Tourism Director

B. Leon Hughes..... Planning and Community Development Director

Megan Upshaw Library Director

SCHOOL BOARD

Shawn M. Kelley, Chairperson

Allison Sears

Dr. Michael Hubbard

Dr. JoWanda Rollins-Fells

Lydell Fortune, J.D.

Calvin Taylor, Sr.

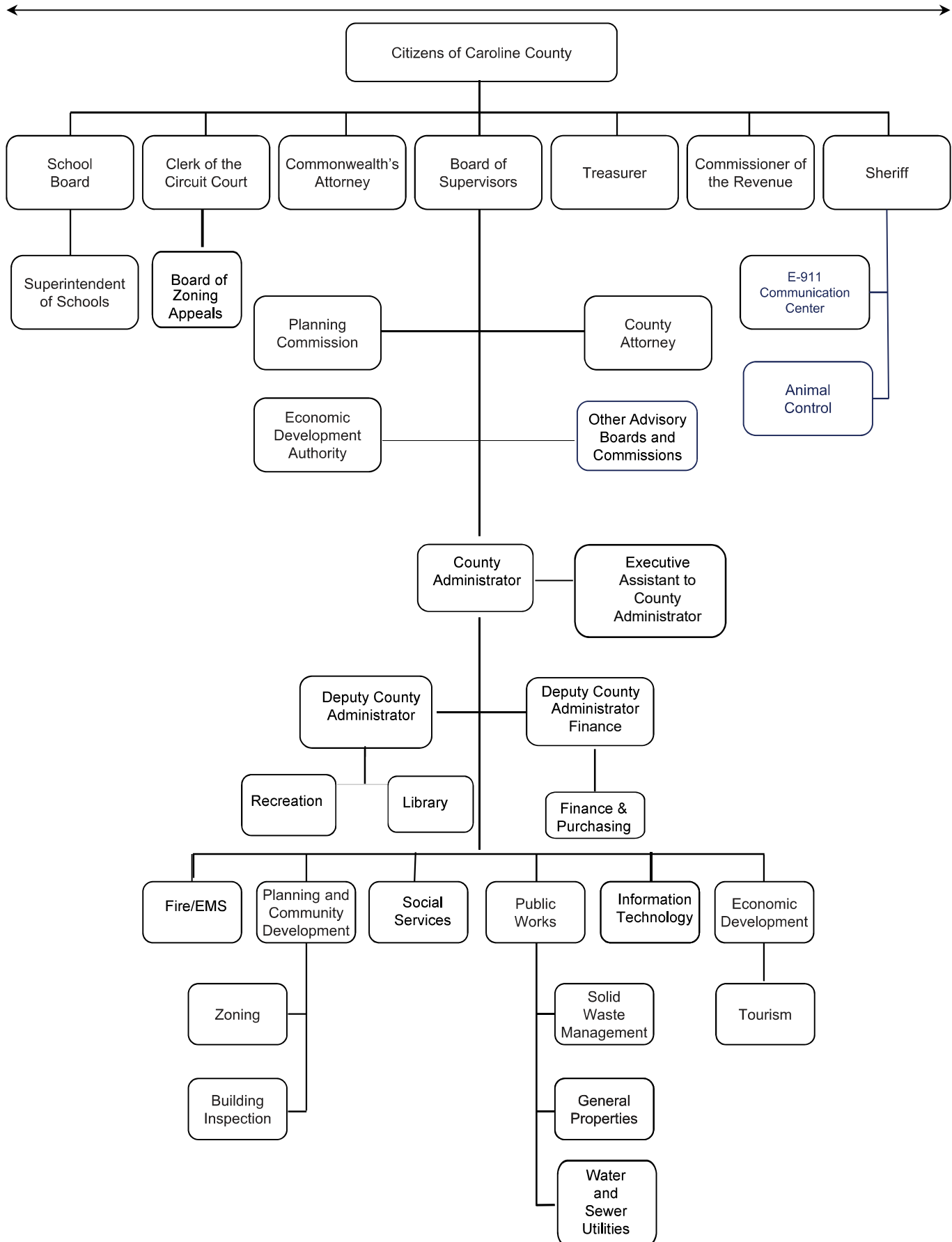
SCHOOL BOARD ADMINISTRATIVE OFFICERS

Dr. Sarah B. Calveric Superintendent

Marcia Stevens Chief Operations Officer, Schools

COUNTY OF CAROLINE, VIRGINIA

ORGANIZATION CHART





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Caroline County
Virginia**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morill

Executive Director/CEO

Jeffrey S. Black
Western Caroline District

Clayton T. Forehand
Madison District

Nancy L. Long
Port Royal District

Jeffery M. Sili
Bowling Green District

Floyd W. Thomas
Mattaponi District

Reginald L. Underwood
Reedy Church District

Charles M. Culley, Jr.
County Administrator

Caroline County, Virginia

Board of Supervisors



Caroline County, VA



December 16, 2024

To the Honorable Members of the Board of Supervisors and the Citizens of Caroline County, Virginia

The Annual Comprehensive Financial Report of the County of Caroline, Virginia as of and for the fiscal year ended June 30, 2024, is herewith submitted. Section 15.2-2511 of the *Code of Virginia* essentially requires all localities to produce an independently audited financial report and this Annual Comprehensive Financial Report is provided to meet that requirement. It has been prepared by the County Department of Finance to conform with standards of financial reporting promulgated by the Governmental Accounting Standards Board (GASB), the Government Finance Officers Association of the United States and Canada (GFOA), and the Commonwealth of Virginia Auditor of Public Accounts.

Responsibility for the completeness and reliability of all of the information presented in this report rests with Caroline County management. In order to take meaningful responsibility, County management must have reasonable assurance the underlying financial information on which the report is based is also accurate and reliable. To that end, County management has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the County's financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP). Because the cost of internal controls should not outweigh their benefits, the County's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

It would be irresponsible for any financial statement user to rely on management's representations in the financial statements without some objective review and confirmation. To provide that objective confirmation, Caroline County's financial statements have been audited by Brown, Edwards & Company L.L.P., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance the financial statements of the County for the fiscal year ended June 30, 2024, are free of material

Committed To Service, Dedicated To The People"

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misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, there was a reasonable basis for rendering an unmodified opinion that the County's financial statements for the fiscal year ended June 30, 2024, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of Caroline County was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available at the back of this Annual Comprehensive Financial Report.

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

Profile of the Government

Caroline County was formed in 1728 by action of the Virginia House of Burgesses and is currently one of 95 counties in the Commonwealth of Virginia. Policy-making and legislative authority are vested in a six-member Board of Supervisors, which is elected by District. The Board of Supervisors is responsible, among other things, for providing overall policy direction for the County government, passing ordinances, adopting the budget, appointing committees, and hiring both a County Administrator and County Attorney. The County Administrator is responsible for carrying out the policies and ordinances of the governing Board, for overseeing the day-to-day operations of the government, and for appointing heads of the various departments. Other officials who play a major role in the County government's operation or in providing services are separately elected. These officials are: Clerk of the Circuit Court - court clerk and custodian of legal records; Commissioner of the Revenue - the tax assessment officer of the County; Commonwealth Attorney - criminal prosecution attorney for the County; Sheriff - chief law enforcement officer; and Treasurer - recipient and custodian of County funds.

This Annual Comprehensive Financial Report includes all funds and activities of Caroline County. The County is the primary provider of all local government services within its boundaries and provides a full range of those services. This includes law enforcement, fire protection, and emergency medical response; the construction and maintenance of public buildings and other infrastructure; solid waste collection and disposal; recreation; and community and economic development.

Public education in the County is provided by the Caroline County School Board. Caroline County Public Schools is a separate legal entity from the County and the School Board is separately elected. However, the School Board has no independent revenue raising authority and must depend on the

County for the local contribution required by the Virginia Constitution for the support of the public schools. As a result of this financial dependency, the funds and activities of the Caroline County School Board have been included in this financial report as a component unit in order to provide a comprehensive view of the County's financial status and activities. Information on the School Board has been presented in discrete columns in the financial statements to emphasize its separate legal identity.

Local Economy

Caroline County is located in east central Virginia and encompasses approximately 549 square miles with an estimated June 30, 2024 population of 33,063. The County seat, the Town of Bowling Green, is located approximately 35 miles north of the State capital of Richmond and approximately 20 miles south of the City of Fredericksburg.

Historically, Caroline County has remained relatively insulated from the dramatic growth seen in the nearby northern Virginia area and remained primarily rural and residential. Its economy has been agriculturally based with a handful of small to medium size industrial businesses and limited commercial development focused along major highway corridors. Fort A. P. Hill, a 77,000 acre undeveloped military training installation entirely within the County's borders, also dominates the landscape. The County's population density of 58.6 persons per square mile compared to densities of well over 200 per square mile in counties just to the north and south and the Virginia average of 202.6 confirm this perspective.

In past years, its location along Interstate 95, the primary north-south transportation artery on the east coast, and increasing congestion in neighboring counties brought extensive development interest to the County. New residential development projects, in addition to existing mixed-use projects, continue to be constructed and are expected to add nearly 10,000 new homes to the County over a 25-year period along with a variety of commercial, recreational, and other uses. The growth in population is driving an expansion in retail and other non-residential development. New construction housing in 2022 were at the fastest pace ever in the County, exceeding 300. Residential growth continued in 2023 and in early 2024, but the pace was suppressed by reduced inventory and higher interest rates.

The decision by the State Fair of Virginia to relocate to Caroline County in 2005 with a groundbreaking in 2008 helped raise the County's profile. Fortune 10 McKesson Corporation built a 345,000 square foot distribution center in Caroline County in 2010. In 2020, M.C. Dean, an electronics fabricator in Carmel Church, expanded their operations by 90,000 sf, and added 100 technology jobs. An additional 84,000 sf building expansion was completed in 2021. In 2022, M.C. Dean further expanded with a 168,000 square foot building, an investment likely to be assessed around \$20,000,000. M.C. Dean currently employs about 500 working in technology-based jobs. In 2023, the County recruited World Class Distribution, a 1.2 million Square Foot distribution facility, the largest industrial building in the region. World Class' investment was near \$275 million, hiring 1000 employees. Lingerfelt constructed a 325,500 Square Foot Building in 2024, valued at \$40 Million. Marble Systems purchased a 100,000 Square Foot facility near Ladysmith with intention to expand further. VAMAC also committed to Caroline with a 100,000 Square Foot building, currently under construction in late 2024. Amazon Web Services (AWS) also was recruited to Caroline earlier, but is close to an official announcement in late 2024 due to the successful negotiation of utility and revenue sharing agreements with Spotsylvania County. The AWS investment is for \$6 billion dollars and

4.5 million Square Feet (this, an unprecedented investment for Caroline). As of late 2024, several properties have been purchased or put under contract for large industrial investments rivaling the AWS investment.

A retail development previously was successfully recruited and rezoned on the North Rt. 639. The six-acre site is a beginning for what may be significant growth along Ladysmith Road as the widening of that road into a commercial corridor has been completed. Success has greeted the County's Ladysmith Road investment with the opening of a Sheetz on 639 North, a Wendy's is awaiting construction in the summer of 2025, as well as an Arby's.

Retail development on the South side of Rt. 639 continues to progress. Additional investments are expected due to the ideal location of Ladysmith on the interstate corridor between the capitals, and the ease of access afforded by the improved Rt. 639. Announcements, and openings have occurred in 2024: a Wawa has opened for business, Dunkin Donuts is close to receiving an approved site plan that will allow for construction, in addition to four other retail uses in various stages of approval.

Tractor Supply, opened in 2021 on Rt. 1, North of the intersection with Rt. 639, providing the invitation to further retail investment due to the County support of utility extensions that not only facilitated Tractor Supply, but also opened up an additional 40 acres for future site development. Next to this site, another retail investment is working through due diligence made possible by the County's proactive development stance.

Elsewhere, retail is growing. At exit 104, a Sheetz is seeking approval, and a Royal Farms is under construction in Port Royal.

Projects are in the pipeline to exceed the Amazon investment on by-right property. Should these projects begin construction in 2024, in approximately three years, Caroline will realize revenue far in excess of any past fiscal year in its history. Ultimately, Caroline announced \$6.3 Billion in 2023, already an historic level of investment.

Major Projects/Initiatives

Construction of the Carmel Church Fire Station was completed with a total cost of \$6,246,219.78 and Station 10 is now open.

Expenditures totaling \$3,784,167 were spent from CARES Act and American Rescue Plan Act funding for various needs to mitigate and stop the spread of COVID-19; of this, \$538,281.33 was spent to assist in Broadband connectivity across the County.

Construction of the Sparta Fire Station commenced and \$2,475,024.06 has been spent on the facility, with \$157,344.29 currently spent on the upfits of the station.

The expenditure of \$637,875.48 for Sheriff vehicles.

Purchase of Port Royal Land for a future fire station in the amount of \$470,000.

Other Information

The following is provided to supplement the information provided in the financial statements and to assist those with an interest in the financial affairs of the County.

Risk Management: An active risk management program is essential for the County to protect itself from the many risks of loss it faces in providing services to the public. Risks of property damage, general and auto liability, and workers' injury compensation are covered through premium contributions to an insurance pool operated by the Virginia Association of Counties Group Self-Insurance Risk Pool (VACORP). The County works extensively with representatives of VACORP to identify loss trends and take corrective action to reduce claims. The County has also strengthened its emergency response planning to protect County resources and the public in the event of natural or man-made disasters.

Pension and Other Employment Benefits: Pension benefits for County employees are provided through participation in the Virginia Retirement System (VRS), a State-wide pension system for government employees. Bi-annually, VRS actuaries prepare contribution calculations for each local government participating in the system. The County fully funds its required contributions.

The County provides and makes contributions toward a self-funded group health insurance plan for its employees. Premium rates are negotiated annually with a third party insurance administrator and County contribution policies are set based on claims history and to a lesser extent, percentage of premiums contributed by surrounding counties. Retired employees are given the option of continuing their coverage under the County's group plan following termination, but the County makes no contribution toward their premiums.

In closing, we would like to thank the many members of the County staff who assisted in the preparation of this report. Finally, and most particularly, we would like to thank the Board of Supervisors for their interest in and commitment to keeping the County on a solid financial foundation.

Respectfully submitted,



CHARLES M. CULLEY, JR.
County Administrator



TOMEKA C. MORGAN
Deputy County Administrator - Finance



Financial Section



Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Caroline, Virginia (the "County") as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and *Specifications for Audits of Counties, Cities, and Towns and Specifications for Audits of Authorities, Boards and Commissions* issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Our responsibilities under those standards 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.

Responsibilities of Management for the Financial Statements

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

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



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 generally accepted auditing standards 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 generally accepted auditing standards 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 that the management's discussion and analysis and other required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management, and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management



about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Information

Management is responsible for the other information included in the annual report. The other information comprises 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 16, 2024, 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.

Brown, Edwards & Company, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

Roanoke, Virginia
December 16, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Caroline County, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of Caroline County for the fiscal year ended June 30, 2024. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

Financial Highlights

Government-Wide Financial Statements

- The County's total net position (excluding the component units) on the government-wide basis, at the close of the most recent fiscal year, was \$87,190,958. The County is reporting a surplus in investment in capital assets, net of related debt of \$38,555,845. A surplus in the investment in capital assets, net of related debt of \$25,426,272 is in Governmental Activities.
- The County's total net position increased by \$16,987,601, or 24%, in the fiscal year ended June 30, 2024.
- The County's total outstanding long-term debt reflects a net decrease of \$7,295,995, or 5%, to \$130,366,957 during the fiscal year ended June 30, 2024.

Fund Financial Statements

- Total fund balance of the County's Governmental Funds, reporting on a current financial resources basis, amounted to \$55,781,055 at June 30, 2024. This was a net increase of \$399,421 over the prior year. The General Fund increased 1%, \$306,401 and the Capital Projects Fund remains the same. The increase for the General Fund is due to interest on investments and building permits due to growth in the County.
- During the fiscal year ended June 30, 2024, the unassigned fund balance in the General Fund decreased by \$345,664 to \$27,286,018. This fund balance represents 39% of total General Fund expenditures and operating transfers, a decrease of 10% over the previous fiscal year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Caroline County's basic financial statements. The Caroline County's basic financial statements comprise three components: 1) Government-wide Financial Statements, 2) Fund Financial Statements, and 3) Notes to the Financial Statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements. The *Government-Wide Financial Statements* are designed to provide readers with a broad overview of Caroline County's finances, in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all of Caroline County's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of Caroline County is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of Caroline County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of Caroline County include general government, judicial support, public safety, sanitation, public facility maintenance, social services, education, community development, and culture and recreation. The business-type activities of Caroline County include the Caroline County Utility Fund, a public water and sewer utility, and the Dawn Wastewater System Fund, a public sewer utility.

The government-wide financial statements include not only Caroline County itself (known as the primary government), but also two legally separate component units, the school division for which Caroline County is financially accountable and the Economic Development Authority. Financial information for these component units are reported separately from the financial information presented for the primary government itself.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Caroline County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Caroline County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds. Governmental funds are used to account for essentially the same functions, reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Such information can be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Caroline County maintains fourteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Capital Projects Fund, the Debt Service Fund, the Social Services Fund, and the Proffers Fund, all of which are considered to be major funds. Data from the other nine governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

Caroline County adopts an annual appropriated budget for all of its governmental funds. A budgetary comparison statement has been provided as part of the Required Supplementary Information in the Financial Section of this report to demonstrate compliance with this budget. Budgetary comparison statements for other governmental funds are also provided as Other Supplementary Information in the Financial Section of this report.

Proprietary Funds. Caroline County maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. Caroline County uses enterprise funds to account for its Water and Sewer Utility and for the Dawn Wastewater System. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among Caroline County's various functions. Caroline County uses internal service funds to account for vehicle maintenance services and health insurance. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

The Proprietary fund statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Sewer Utility, the Dawn Wastewater System, the Vehicle Maintenance Internal Service Fund, and the Self-Insurance Fund.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support Caroline County's own programs. The two types of fiduciary funds are trust and custodial funds. The County's only fiduciary funds are custodial funds, which are used to account for resources held for the benefit of parties outside the County. The County's three custodial funds are: Special Welfare, Four Rivers Technology, and Deposit Escrow.

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.

Other Information. Following the basic financial statements and accompanying notes, this report also presents the combining financial statements referred to earlier in connection with non-major governmental funds and individual budgetary comparison statements for governmental funds except the General Fund. Combining financial statements and fund budgetary comparisons are also presented for the discretely presented Caroline County School Division and the Economic Development Authority. The School Division and the EDA do not issue separate annual financial reports.

Government-Wide Financial Analysis

As noted earlier, net position indicates the amount by which the County's total assets exceed its short- and long-term obligations and is a useful indicator of the County's overall financial condition at the time of measurement. In total, the County's net position for all governmental and business-type activities amounted to \$87,190,958 at June 30, 2024. The following table summarizes the County's Statement of Net Assets:

County of Caroline, Virginia Net Position

	Governmental		Business-type		Totals	
	Activities		Activities			
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Current and other assets	\$98,757,477	\$98,462,342	\$30,572,552	\$27,620,727	\$129,330,029	\$126,083,069
Capital assets	<u>77,420,874</u>	<u>72,403,526</u>	<u>41,375,192</u>	<u>41,514,149</u>	<u>118,796,066</u>	<u>113,917,675</u>
Total assets	\$176,178,351	\$170,865,868	\$71,947,744	\$69,134,876	\$248,126,095	\$240,000,744
Deferred outflows of resources	<u>\$1,911,779</u>	<u>\$1,846,292</u>	<u>\$1,072,526</u>	<u>\$1,125,884</u>	<u>\$2,984,305</u>	<u>\$2,972,176</u>
Current liabilities	\$6,328,704	\$8,127,542	\$1,258,864	\$1,018,584	\$7,587,568	\$9,146,126
Long-term liabilities outstanding	<u>76,242,866</u>	<u>81,233,004</u>	<u>54,124,091</u>	<u>56,429,948</u>	<u>130,366,957</u>	<u>137,662,952</u>
Total liabilities	\$82,571,570	\$89,360,546	\$55,382,955	\$57,448,532	\$137,954,525	\$146,809,078
Deferred inflow of resources	<u>\$25,503,118</u>	<u>\$25,380,318</u>	<u>\$461,799</u>	<u>\$580,167</u>	<u>\$25,964,917</u>	<u>\$25,960,485</u>
Net position:						
Net investment in						
capital assets	\$25,426,272	\$10,439,531	\$13,129,573	\$9,773,264	\$38,555,845	\$20,212,795
Restricted	10,810,097	9,877,590	2,266,092	2,178,483	13,076,189	12,056,073
Unrestricted	<u>33,779,073</u>	<u>37,654,175</u>	<u>1,779,851</u>	<u>280,314</u>	<u>35,558,924</u>	<u>37,934,489</u>
Total Net Position	\$70,015,442	\$57,971,296	\$17,175,516	\$12,232,061	\$87,190,958	\$70,203,357

The County is reporting a decrease in the balance of unrestricted net position primarily due to the increase in capital assets, there was however, a decrease to long-term debt as well. A portion of the County's assets, \$13,076,189 are subject to external restrictions on their use. These assets are primarily cash held for the payment of debt service, broadband, or ongoing construction projects. Restricted cash and investments held for the construction of capital assets are offset by related long-term debt liabilities in calculating the County's net position.

The County's total balance of working capital, current and other assets minus current liabilities, increased from \$116,936,942 at June 30, 2023 to \$121,742,461. The County's investment in capital assets increased by \$4,878,391 and its long-term liabilities decreased by \$7,295,995 over the same period.

As previously indicated, the County's net position increased \$16,987,601. Net position of governmental activities increased by \$12,044,146 and those of business-type activities, the County's water and sewer utility operations, increased \$4,943,455. The following table summarizes the change in the County's net position as shown in the Statement of Activities:

County of Caroline, Virginia Changes in Net Position							
	Governmental Activities		Business-type Activities		Totals		
	2024	2023	2024	2023	2024	2023	
Program Revenues							
Charges for Services	\$ 3,087,761	\$ 2,852,124	\$ 4,463,081	\$ 3,823,983	\$ 7,550,842	\$ 6,676,107	
Operating Grants and Contributions	10,301,279	8,875,750	-	-	10,301,279	8,875,750	
Capital Grants and Contributions	-	-	4,676,206	3,283,080	4,676,206	3,283,080	
Total Program Revenues	\$ 13,389,040	\$ 11,727,874	\$ 9,139,287	\$ 7,107,063	\$ 22,528,327	\$ 18,834,937	
General Revenues:							
General Property Taxes	\$ 45,962,808	\$ 45,523,335	\$ -	\$ -	\$ 45,962,808	\$ 45,523,335	
Local Sales and Use Taxes	4,386,539	3,667,211	-	-	4,386,539	3,667,211	
Consumers Utility Taxes	94,438	88,109	-	-	94,438	88,109	
Motor Vehicle Licenses	31,879	109,701	-	-	31,879	109,701	
Other Local Taxes	6,025,187	5,651,118	-	-	6,025,187	5,651,118	
Intergovernmental Revenues-State	8,113,589	4,314,221	-	-	8,113,589	4,314,221	
Use of Money and Property	3,132,632	2,141,566	1,292,695	941,017	4,425,327	3,082,583	
Miscellaneous	1,096,398	1,473,983	625,829	376,408	1,722,227	1,850,391	
Total General Revenues	\$ 68,843,470	\$ 62,969,244	\$ 1,918,524	\$ 1,317,425	\$ 70,761,994	\$ 64,286,669	
Expenses:							
General Government							
Administration	\$ 5,923,171	\$ 5,328,908	\$ -	\$ -	\$ 5,923,171	\$ 5,328,908	
Judicial Administration	1,890,433	1,777,790	-	-	1,890,433	1,777,790	
Public Safety	22,494,449	18,726,853	-	-	22,494,449	18,726,853	
Public Works	5,959,391	5,820,761	-	-	5,959,391	5,820,761	
Health and Welfare	6,267,071	5,688,038	-	-	6,267,071	5,688,038	
Education	19,904,302	19,163,248	-	-	19,904,302	19,163,248	
Parks, Recreation, and Cultural	1,306,651	1,197,151	-	-	1,306,651	1,197,151	
Community Development	1,786,715	1,600,290	-	-	1,786,715	1,600,290	
Interest and Other fiscal Charges	4,423,195	3,250,703	-	-	4,423,195	3,250,703	
Water and Sewer Utilities	-	-	6,347,342	6,598,679	6,347,342	6,598,679	
Total Expenses	\$ 69,955,378	\$ 62,553,742	\$ 6,347,342	\$ 6,598,679	\$ 76,302,720	\$ 69,152,421	
Transfers	(232,986)	(203,865)	232,986	203,865	-	-	
Change in Net Position	\$ 12,044,146	\$ 11,939,511	\$ 4,943,455	\$ 2,029,674	\$ 16,987,601	\$ 13,969,185	
Net Position, Beginning	57,971,296	46,031,785	12,232,061	10,202,387	70,203,357	56,234,172	
Net Position, Ending	\$ 70,015,442	\$ 57,971,296	\$ 17,175,516	\$ 12,232,061	\$ 87,190,958	\$ 70,203,357	

Expenditures in the County's governmental activities increased 12% over the prior year with expenditures increasing in most functions. For the first time in recent years, Education did not consume the largest share of the total combined expenditures of the primary County government and its component units during the fiscal year ended June 30, 2024, Public safety spending at 32% of the total led as the largest, this was 20% more than the previous year. Education spending represents the second largest share of the Primary Government at 29%, a 4% increase over the previous year. Program revenues, which include fees, charges, and special purpose grants and contributions, funded 19% of total functional expenditures of the Primary Government in fiscal year 2024, a slightly decreased level as compared to fiscal year 2023. General property tax revenues increased 1% over the prior year and total general revenues for the County's governmental activities increased 9%. In the County's business-type activities, expenditures decreased 4% and program revenues increased 29% from the prior year. For the second year, in several years, the County's water and sewer utility operations realized a gain in the current fiscal year and is continuing to prepare for a period of moderate growth sometime in the future. It should again be noted that these expenses are on a full accrual basis of accounting and, therefore, include depreciation expense on capital assets.

Financial Analysis of the County's Funds

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance related legal requirements and for public accountability.

Governmental Funds. The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of available resources. By analyzing the sources and uses of funds, the differences between the two, and changes in balances over time, such information can be useful in assessing the County's financial needs. In particular, unreserved fund balance is important as a measure of the net resources available for financing future expenditures.

In total, governmental funds reported fund balances of \$55,781,055 at June 30, 2024, \$12,610,458 of that balance is reserved by external restrictions, \$16,334,841 is nonspendable, committed, or assigned and the remaining \$26,835,756 is unassigned. Fund balances in the governmental funds increased \$399,421 during the fiscal year ended June 30, 2024. Fund balance in the General Fund increased by \$306,401.

In the General Fund, fund balance increased to \$40,600,705, a 1% increase over the prior year. Revenues have increased from \$62,625,189 to \$66,819,682; general property taxes remain the primary revenue source in the General Fund contributing 69% of the total revenues during fiscal year 2024, up 3% from the prior year. Intergovernmental revenue from the Commonwealth of Virginia contributed 10% up from 9% for the last fiscal year and the share added by other local taxes increased to 12%, from 11% in fiscal year 2023. In previous years, Public Safety accounts for largest share of the General Fund's expenditures at 38%, up from 35% in the prior year. Education accounts for the second largest share of the General Fund expenditures at 32%, down from 35% the previous year. Public Works accounted for 10% decreasing from 1% also accounted for a substantial share of the expenditures in the Fund.

Proprietary Funds. The proprietary funds provide the same type of information found in the business-type activities sections of the government-wide financial statements, but in more detail.

The largest of the County's enterprise operations, the County Public Utility Fund had a net position of \$13,986,420 at June 30, 2024, an increase over the previous year of \$4,943,475, this was due to a 42% increase in connection and reconnection fees and \$351,678 increase in interest income earned on previous borrowings. The County's main utility fund reported a net operating loss for the fiscal year ended June 30, 2024, of \$64,399, a 93% decrease over last fiscal year due to a 2% increase in revenues and a 0.3% decrease in expenditures. The Dawn Wastewater System reported a net operating loss of \$233,006, a 14% decrease from last fiscal year. This year was the sixteenth full year of operation for the Dawn system and the fifteenth full year of depreciation.

CARES ACT Fund. The CARES ACT fund is used to accumulate financial resources from federal dollars for relief of COVID care. In fiscal year 2024, all remaining funds were expended. These funds were obligated for revenue replacement from public safety salaries in the amount of \$3,784,167.

Debt Service Fund. The debt service fund is used to accumulate financial resources for the payment of principal and interest on all general government and school related debt and for the recording of payments on this debt. In fiscal year 2021, there was a large issuance of refunding bonds and new issuance; however, in fiscal years 2022 and 2023, only issuance of capital asset leases; however, no issuance of debt in fiscal year 2024. There was a decreased net change in fund balance of \$185,518 for fiscal year 2024.

Proffer Fund. The proffer fund provides opportunities to developers to reduce or eliminate the impact of new development within the County. The County saw new development in various areas of the County and was offered \$798,789 in proffers in fiscal year 2024, an increase of 14% over fiscal year 2023. There were no transfers out; hence this was a total increase to the fund balance for future enhancements to the County.

Virginia Public Assistance Fund. The operation of the Virginia Public Assistance Fund/Department of Social Services is supported through a blend of federal, state, and local funding. The majority of general fund appropriations to the Department of Social Services are based on the required match for various federal and state expenditures. While federal funding increased by 7%, expenditures also increased by %, there still was a need for an increase to the transfer in from County funds of \$629,591. The fund reserve was increased by \$2,587, a slight decrease from the previous year.

General Fund Budgetary Highlights

The original adopted budget of the General Fund was \$6,015,946, or 10% more than the budget adopted for fiscal year ended June 30, 2023. The following is a partial summary of these increases/reductions by function:

- \$ 608,428 for General Government Administration
- \$ 110,722 for Judicial Administration
- \$ 2,547,458 for Public Safety
- \$ 971,977 for Public Works
- \$ 104,207 for Health and Welfare
- \$ 1,458,965 for Education
- \$ 99,521 for Parks, Recreation, and Cultural
- \$ (3,176) for Community Development
- \$ 117,844 for Transfers out to Other Funds

Actual revenue collections were \$4,193,453 greater than the final budget estimates. Personal property assessment valuations continued to increase in the 2024 calendar year, also real estate tax rates was increased by one cent. General property taxes collected exceeded budget by \$1,000,378.

Actual expenditures totaled \$2,887,418 less than the amended budget appropriations, a variance of 5%.

The General Fund began fiscal year 2024 with budgeted operating revenue and expenditure amounts that were equal. The fiscal year 2024 Budget required the use of \$2,668,782 in existing unassigned fund balance. During the fiscal year, the Board of Supervisors appropriated an additional usage of \$9,521,911 of unassigned fund balance for various purposes. The table below summarizes the appropriated uses of fund balances in fiscal year 2024:

Amended Appropriated Use of Fund Balance

<u>Description</u>	<u>Amount</u>	<u>Fund Balance Type</u>
LEMP Grant	\$ 12,120	Grant Revenue
Victim Witness Salary Adjustment	1,918	Additional Grant Revenue
Victim Witness Salary Adjustment	6,146	Undesignated Fund Balance
LUCAS mechanical CPR device	18,665	Opioid Restricted Fund Balance
Sheriff - PPE	4,887	Opioid Restricted Fund Balance
Building Inspection Cert Pay Increase	3,855	Undesignated Fund Balance
Library - Additional State Allocation	24,148	State Funding
GWRC Per Capita increase	47	Undesignated Fund Balance
Closed Session - Finance and County Admin	72,810	Undesignated Fund Balance
Public Utilities Certification Salary Increase	4,152	Undesignated Fund Balance
Tony Beasley Celebration	5,000	Undesignated Fund Balance
Fire Vehicle Repair	3,337	Insurance Reimbursement
Ambulance additional appropriation	27,828	Undesignated Fund Balance
Reclass Registrar positions	30,155	Undesignated Fund Balance
Pendleton WW Pump Station additional appropriation	253,336	Well Development Reserve Fund
Sparta Fire Station	5,729,800	Public Safety Reserve Fund
Leadership pay adjustments - Sheriff	71,675	Undesignated Fund Balance
Leadership pay adjustments - Fire & Rescue	17,849	Undesignated Fund Balance
Lowe Massie Playground	34,142	Undesignated Fund Balance
Lowe Massie Playground	73,108	Frog Level Reserve Fund Balance
Vision - CAMA Software	95,000	Undesignated Fund Balance
Social Service - 2 PT employees	28,617	Undesignated Fund Balance
10-7 Farm Grant Match	17,000	Opioid Restricted Fund Balance
Additional Sheriff Salary	8,710	Undesignated Fund Balance
Adjustment to OT-PT Budget	41,418	Undesignated Fund Balance
Additional 3 FF/EMT	142,605	Undesignated Fund Balance
7/5 Holiday for Sheriff/Fire/Public Works	23,000	Undesignated Fund Balance
Lowe Massie Bathrooms	76,881	Undesignated Fund Balance
LEMP Grant	12,120	Grant Revenue
Reappropriation of FY 22 -23 Purchase orders and funds	892,576	Undesignated Fund Balance
Increase to Brush 6	30,700	Fire Capital Reserve
Sparta Station Alerting	53,436	Opioid Restricted Fund Balance
Accountant - Reconciliation position	55,364	Undesignated Fund Balance
County Administration parking lot	169,936	Undesignated Fund Balance
Mowing contractual services	42,093	Undesignated Fund Balance
CSA expenditure overage	83,939	Undesignated Fund Balance
Inspections salary increase	13,421	Undesignated Fund Balance
Supplemental appropriations to update for actuals	1,340,115	Undesignated Fund Balance/PEA/State Revenues
<u>Total</u>	<u>\$ 9,521,911</u>	

Capital Assets and Debt Administration

Capital Assets. The County's total investment in capital assets for governmental and business-type activities amounted to \$118,796,066 as of June 30, 2024, net of accumulated depreciation. This investment in capital assets includes land, buildings, property improvements, machinery and equipment, vehicles, and utility improvements. It should be noted that this investment value is based on historical cost and is not reflective of the current market value of these assets. Details can be found in Note 5.

Major capital improvement projects for the year included:

Construction of the Carmel Church Fire Station was completed with a total cost of \$6,246,220 and Station 10 is now open.

Expenditures totaling \$3,784,167 were spent from CARES Act and American Rescue Plan Act funding for various needs to mitigate and stop the spread of COVID-19; of this, \$538,281.33 was spent to assist in Broadband connectivity across the County.

Construction of the Sparta Fire Station commenced and \$2,475,024 has been spent on the facility, with \$157,344 currently spent on the upfits of the station.

The expenditure of \$637,875 for Sheriff vehicles.

Purchase of Port Royal Land for a future fire station in the amount of \$470,000.

Long-Term Debt. At June 30, 2024, the County's total long-term debt amounted to \$130,366,957. This total is comprised of:

- \$21,553,828 in lease revenue bonds issued through the County's Economic Development Authority for a variety of general government, school and business-type activity improvements, and equipment acquisitions.
- \$50,104,023 in utility system revenue bonds for the improvement and expansion of the County's utility enterprise operations and landfill closure.
- \$35,674,625 in general obligation bonds issued for the construction and improvement of County public schools.
- \$4,544,467 in capital lease obligations for general government and business type radio and motor vehicle equipment.
- \$3,592,107 as the County's liability for closure and post-closure care of the former County Sanitary Landfill.
- \$14,897,907 in unamortized premiums, net OPEB liabilities, arbitrage payable, and compensated absences for general government and business-type activities.

Economic Factors and Next Year's Budget and Tax Rates

The population of Caroline County, based on the 2020 census has grown to an estimated 33,063. The County Building Division issued 317 residential building permits in the fiscal year ended 2024. This was a 45-permit or 17% increase from fiscal year ending June 30, 2023, when the Division issued 272 permits.

The County Building Division issued 3 commercial structure permits in fiscal years of 2019 and 2020. There were 4 issued in the fiscal year ended 2021. There were 3 issued in the fiscal year 2022 and 7 in the fiscal year 2023; however, in fiscal year 2024, 37 were issued, an increase of 428% from years 2023 to 2024, alone.

Real Estate tax rates for Tax Year 2024 increased by one cent and personal property tax rates remain the same as Tax Year 2023. The latest change in personal property tax rates was in Tax Year 2022, where the personal property rate was reduced from \$3.80/\$100 of assessed value to \$3.50/\$100. The decrease is in response to the sharp rise in assessed values for cars and trucks (personal property assessments for Tax Year 2022 were up approximately 34% compared to 2021 assessments according to the Commissioner of the Revenue's Office and continued to rise for Tax year 2023) to help mitigate the burden on taxpayers. Also, during Tax Year 2022, the Board agreed to eliminate the Vehicle License Tax ("VL") and this continued for Tax Year 2023. Previously, the Code of Caroline County required that "every motor vehicle, including, but not limited to, automobiles and trucks, which is garaged, stored or parked within the County shall be licensed in the name of the owner." The fee for such license was \$30 for automobiles and trucks and \$25 for motorcycles and similar two-wheel vehicles. The vehicle license tax, which was applied annually to the June personal property tax bill, remained in place following the decision by the Board of Supervisors to eliminate the requirement to purchase and display a "County sticker" in 2018. This, combined with the significant increase in personal property assessed values led the Board of Supervisors to repeal the ordinance imposing a VL fee on County taxpayers.

These and many other factors were considered in preparing the County's budget for fiscal year 2025. The total budget for all funds in fiscal year 2025, less interfund transfers, is \$162,858,090, which is \$27,512,495 or 20% more than FY 2024. The total adopted General Fund budget for fiscal year 2025 FY 2025 is \$72,145,017, a \$7,267,033 or 11% increase over the FY 2024. The General Fund is the primary fund for most County operations.

The increase in the General Fund includes the following:

- ❖ **\$1,551,332** for employee compensation related increases,
- ❖ **\$975,807** (6%) to General Fund transfer to Caroline County Public Schools, (CCPS) Operations Fund to \$17,669,045. Also increases the transfer to purchase 5 new buses to \$754,611, for a total increase of all transfers to CCPS of **\$1,386,171**,
- ❖ Public safety overtime costs - **\$578,864**,
- ❖ Leased equipment and vehicles - **\$495,000** or \$350,000 more than FY 2023/2024,
- ❖ **\$420,875** increase for County share of employee health insurance,
- ❖ **\$323,826** for increased regional correctional institutions cost, and
- ❖ **\$210,000** increase in fuel costs.

Transfer from General Fund to Utilities Fund of **\$387,801** to support water/sewer debt service payments. This is a dramatic decrease from the adopted FY 2024 budget, which projected a General Fund transfer of \$1,797,165. Revenue from water and sewer availability and connection fees has been higher than projected in recent years due to the increased construction of new homes and businesses. This has enabled the Utility Fund to cover more of its debt service payments for capital projects, as well as its operating expenses and move closer to the goal of operating as an Enterprise Fund.

There were 18 new employees included in the fiscal year 2025 budget and the costs associated were as follows:

Increase of **\$1,949,059** to add the following new positions (effective July 1, 2024, unless otherwise noted):

- 9 full-time Firefighter/Medic positions (stationed primarily at Upper Caroline Volunteer Fire Department. UCVFD will offset \$470,000 of the cost for two years)
- 1 full-time Sheriff Deputy
- 1 full-time IT Technician – Information Technology
- 1 full-time Administrative Assistant – Public Utilities
- 1 full-time HR Generalist – County Administration/HR (effective January 1)
- 1 full-time Deputy Director of Finance (effective January 1)
- 1 full-time Deputy Director of Public Utilities
- 1 full-time Deputy/Assistant Director of Economic Development
- 1 part-time Benefit Program Specialist III – Social Services (effective January 1)
- 1 part-time Utility Technician – Public Utilities (effective January 1)
- 1 Groundskeeper 1 reclassification to Equipment Operator

Requests for Information

This financial report is designed to provide a general overview of the County of Caroline, Virginia's finances for all those who may have an interest in the County's financial condition and prospects. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Tomeka C. Morgan, Deputy County Administrator - Finance, Caroline County, Post Office Box 447, 212 N. Main Street, Bowling Green, Virginia 22427.

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Basic Financial Statements

County of Caroline, Virginia

Statement of Net Position

June 30, 2024

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	School Board	EDA
ASSETS					
Cash and cash equivalents (Note 3)	\$ 36,932,406	\$ 2,556,438	\$ 39,488,844	\$ 8,997,310	\$ 61,714
Cash and cash equivalents, restricted (Note 3)	18,583,158	26,745,595	45,328,753	153,631	-
Receivables, net:					
Taxes receivable	29,879,513	-	29,879,513	-	-
Accounts receivable	949,426	718,268	1,667,694	2,306	-
Due from other governmental units (Note 4)	3,646,000	18,639	3,664,639	3,921,797	-
Prepays	1,622,715	-	1,622,715	-	-
Net pension asset (Notes 14 and 18)	7,144,259	533,612	7,677,871	461,877	-
Capital assets: (Note 5)					
Nondepreciable	6,956,347	5,203,499	12,159,846	4,516,350	-
Depreciable, net	70,464,527	36,171,693	106,636,220	12,514,748	-
Total assets	<u>176,178,351</u>	<u>71,947,744</u>	<u>248,126,095</u>	<u>30,568,019</u>	<u>61,714</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred loss on refunding of debt	72,568	935,828	1,008,396	-	-
Deferred outflows related to pensions (Notes 14 and 18)	1,351,525	100,947	1,452,472	8,935,406	-
Deferred outflows related to OPEB (Notes 15, 16, and 18)	487,686	35,751	523,437	1,881,134	-
Total deferred outflows of resources	<u>1,911,779</u>	<u>1,072,526</u>	<u>2,984,305</u>	<u>10,816,540</u>	<u>-</u>
LIABILITIES					
Accounts payable	3,544,914	452,818	3,997,732	3,098,183	-
Accrued payroll	600,759	33,741	634,500	2,516,338	-
Accrued liabilities	464,692	61,126	525,818	-	-
Customer deposits	-	397,346	397,346	-	-
Unearned revenue (Note 10)	521,074	-	521,074	1,924,150	-
Accrued interest payable	907,265	313,833	1,221,098	7,853	-
Insurance and benefits claims (Note 13)	290,000	-	290,000	-	-
Noncurrent liabilities due in more than one year:					
Due within one year (Note 7)	6,623,203	2,176,183	8,799,386	802,413	-
Due in more than one year (Note 7)	67,358,965	51,785,025	119,143,990	1,429,738	-
Net pension liability (Notes 7, 14, and 18)	-	-	-	26,160,478	-
Net OPEB liability (Notes 7, 15, 16, and 18)	2,260,698	162,883	2,423,581	10,385,396	-
Total liabilities	<u>82,571,570</u>	<u>55,382,955</u>	<u>137,954,525</u>	<u>46,324,549</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
Property taxes (Note 10)	23,310,954	-	23,310,954	-	-
Deferred gain on refunding of debt	-	298,920	298,920	-	-
Deferred inflows related to pensions (Notes 14 and 18)	1,573,435	117,522	1,690,957	3,426,208	-
Deferred inflows related to OPEB (Notes 15, 16, and 18)	618,729	45,357	664,086	4,767,723	-
Total deferred inflows of resources	<u>25,503,118</u>	<u>461,799</u>	<u>25,964,917</u>	<u>8,193,931</u>	<u>-</u>
NET POSITION					
Net investment in capital assets	25,426,272	13,129,573	38,555,845	16,239,529	-
Restricted:					
Revenue amounts not yet spent on specified purposes	1,818,477	-	1,818,477	355,386	-
Debt service reserve	1,847,361	-	1,847,361	-	-
Net pension asset	7,144,259	533,612	7,677,871	461,877	-
Capital projects	-	1,732,480	1,732,480	-	-
Unrestricted (deficit)	33,779,073	1,779,851	35,558,924	(30,190,713)	61,714
Total net position	<u>\$ 70,015,442</u>	<u>\$ 17,175,516</u>	<u>\$ 87,190,958</u>	<u>\$ (13,133,921)</u>	<u>\$ 61,714</u>

County of Caroline, Virginia

Statement of Activities

Year Ended June 30, 2024

	Program Revenues				Net (Expense) Revenue and Changes in Net Position				
					Primary Government			Component Units	
						Business- Type			
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Activities	Total	School Board	EDA
Primary Government:									
Governmental activities:									
General government administration	\$ 5,923,171	\$ -	\$ 2,417,145	\$ -	\$ (3,506,026)		\$ (3,506,026)		
Judicial administration	1,890,433	637,178	851,423	-	(401,832)		(401,832)		
Public safety	22,494,449	1,286,191	2,210,118	-	(18,998,140)		(18,998,140)		
Public works	5,959,391	69,739	160,030	-	(5,729,622)		(5,729,622)		
Health and welfare	6,267,071	-	4,530,213	-	(1,736,858)		(1,736,858)		
Education	19,904,302	-	-	-	(19,904,302)		(19,904,302)		
Parks, recreation, and cultural	1,306,651	130,648	130,736	-	(1,045,267)		(1,045,267)		
Community development	1,786,715	964,005	1,614	-	(821,096)		(821,096)		
Interest	4,423,195	-	-	-	(4,423,195)		(4,423,195)		
Total governmental activities	69,955,378	3,087,761	10,301,279	-	(56,566,338)		(56,566,338)		
Business-type activities									
Caroline County Utility	6,018,585	4,367,435	-	4,676,101		3,024,951	3,024,951		
Dawn Wastewater System	328,757	95,646	-	105		(233,006)	(233,006)		
Total business-type activities	6,347,342	4,463,081	-	4,676,206		2,791,945	2,791,945		
Total primary government	\$ 76,302,720	\$ 7,550,842	\$ 10,301,279	\$ 4,676,206	(56,566,338)	2,791,945	(53,774,393)		
Component Units:									
School Board	\$ 62,153,101	\$ 297,766	\$ 51,177,090	\$ -				(10,678,245)	
Economic Development Authority	8,245	-	-	-					(8,245)
Total component units	\$ 62,161,346	\$ 297,766	\$ 51,177,090	\$ -				(10,678,245)	(8,245)
General revenues:									
Taxes:									
General property taxes					\$ 45,962,808	\$ -	\$ 45,962,808	\$ -	\$ -
Local sales and use					4,386,539	-	4,386,539	-	-
Consumer utility					94,438	-	94,438	-	-
Motor vehicle licenses and registration fees					31,879	-	31,879	-	-
Business license tax					1,698,973	-	1,698,973	-	-
Meals tax					1,769,968	-	1,769,968	-	-
Other local taxes					2,556,246	-	2,556,246	-	-
Unrestricted revenues from use of money and property					3,132,632	1,292,695	4,425,327	30,258	92
Miscellaneous					1,096,398	625,829	1,722,227	1,420,489	2,740
Grants and contributions not restricted to specific programs					8,113,589	-	8,113,589	-	-
Payment from Caroline County					-	-	-	17,905,990	-
Transfers (Note 6)					(232,986)	232,986	-	-	-
Total general revenues and transfers					68,610,484	2,151,510	70,761,994	19,356,737	2,832
Change in net position					12,044,146	4,943,455	16,987,601	8,678,492	(5,413)
NET POSITION AT JULY 1					57,971,296	12,232,061	70,203,357	(21,812,413)	67,127
NET POSITION AT JUNE 30					\$ 70,015,442	\$ 17,175,516	\$ 87,190,958	\$ (13,133,921)	\$ 61,714

The Notes to Financial Statements are an integral part of this statement.

County of Caroline, Virginia

Balance Sheet –
Governmental Funds

June 30, 2024

	General	Debt Service	County Capital Improvements	Proffers	Virginia Public Assistance	CARES Act	Nonmajor Governmental Funds	Total
ASSETS								
Cash and cash equivalents	\$ 30,472,960	\$ -	\$ 879,936	\$ 3,031,109	\$ -	\$ 254,880	\$ 1,728,592	\$ 36,367,477
Receivables, net:								
Taxes receivable	29,879,513	-	-	-	-	-	-	29,879,513
Accounts receivable	617,002	228,699	-	-	-	-	103,725	949,426
Due from other governments	2,772,303	-	-	-	263,108	-	610,589	3,646,000
Due from other funds	7,551,421	-	-	-	-	-	-	7,551,421
Prepays	-	1,622,715	-	-	-	-	-	1,622,715
Cash and cash equivalents, restricted	1,713,460	7,179,938	9,689,760	-	-	-	-	18,583,158
Total assets	<u>\$ 73,006,659</u>	<u>\$ 9,031,352</u>	<u>\$ 10,569,696</u>	<u>\$ 3,031,109</u>	<u>\$ 263,108</u>	<u>\$ 254,880</u>	<u>\$ 2,442,906</u>	<u>\$ 98,599,710</u>
LIABILITIES								
Accounts payable	\$ 765,895	\$ 597,816	\$ 1,261,841	\$ -	\$ 48,728	\$ 333,927	\$ 453,107	\$ 3,461,314
Accrued payroll	495,981	-	-	-	49,244	-	55,534	600,759
Accrued liabilities	395,361	-	-	-	67,233	2,098	-	464,692
Due to other funds	-	-	7,543,173	-	-	-	-	7,543,173
Unearned revenue	521,074	-	-	-	-	-	-	521,074
Total liabilities	<u>2,178,311</u>	<u>597,816</u>	<u>8,805,014</u>	<u>-</u>	<u>165,205</u>	<u>336,025</u>	<u>508,641</u>	<u>12,591,012</u>
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue	30,227,643	-	-	-	-	-	-	30,227,643
FUND BALANCES (Note 1)								
Nonspendable	-	1,622,715	-	-	-	-	-	1,622,715
Restricted	1,847,361	7,179,938	1,764,682	849,844	32,803	-	935,830	12,610,458
Committed	8,460,322	-	-	-	-	-	998,435	9,458,757
Assigned	3,007,004	-	-	2,181,265	65,100	-	-	5,253,369
Unassigned	27,286,018	(369,117)	-	-	-	(81,145)	-	26,835,756
Total fund balances	<u>40,600,705</u>	<u>8,433,536</u>	<u>1,764,682</u>	<u>3,031,109</u>	<u>97,903</u>	<u>(81,145)</u>	<u>1,934,265</u>	<u>55,781,055</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 73,006,659</u>	<u>\$ 9,031,352</u>	<u>\$ 10,569,696</u>	<u>\$ 3,031,109</u>	<u>\$ 263,108</u>	<u>\$ 254,880</u>	<u>\$ 2,442,906</u>	<u>\$ 98,599,710</u>

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

Total Fund Balances - Governmental Funds \$ 55,781,055

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.

Nondepreciable	6,956,347	
Depreciable, net	70,464,527	
		77,420,874

Deferred inflows of resources (i.e. taxes levied) are not available to pay for current period expenditures and, therefore, are deferred in the funds.

6,916,689

Deferred outflows and inflows of resources related to pensions and other post employment benefits are applicable to future periods and, therefore, are not reported in the funds.

Deferred outflows of resources related to pensions	1,351,525	
Deferred inflows of resources related to pensions	(1,573,435)	
Deferred outflows of resources related to other postemployment benefits	487,686	
Deferred inflows of resources related to other postemployment benefits	(618,729)	
		(352,953)

Internal service funds are used by management to charge the cost 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

183,081

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

Bonds payable	(57,228,453)	
Bond issuance premium, net of accumulated amortization	(5,559,902)	
Financed purchases and other long-term obligation	(4,544,467)	
Deferred charge on refundings, net of accumulated amortization	72,568	
Landfill postclosure cost	(3,592,107)	
Interest payable	(907,265)	
Arbitrage payable	(1,429,751)	
Net pension asset	7,144,259	
Net other postemployment benefit liability	(2,260,698)	
Compensated absences	(1,627,488)	
		(69,933,304)

Total Net Position – Governmental Activities \$ 70,015,442

County of Caroline, Virginia
Statement of Revenues, Expenditures, and Changes in Fund Balances –
Governmental Funds
Year Ended June 30, 2024

	General	Debt Service	County Capital Improvements	Proffers	Virginia Public Assistance	CARES Act	Nonmajor Governmental Funds	Total
REVENUES								
General property taxes	\$ 46,281,510	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 46,281,510
Other local taxes	7,714,741	2,588,172	-	-	-	-	235,130	10,538,043
Permits, privilege fees, and regulatory licenses	996,886	-	-	-	-	-	-	996,886
Revenue from the use of money and property	2,140,405	497,663	483,753	2,089	-	-	8,722	3,132,632
Charges for services	2,059,456	-	-	-	-	-	31,419	2,090,875
Miscellaneous	272,769	-	2,038	796,700	3,622	-	21,269	1,096,398
Recovered costs	211,213	-	-	-	-	-	596,633	807,846
Reimbursement from School Board	280,956	-	-	-	-	-	-	280,956
Intergovernmental:								
Commonwealth	6,529,397	-	-	-	956,135	-	1,880,042	9,365,574
Federal	332,349	467,788	-	-	1,897,314	4,580,018	683,023	7,960,492
Total revenues	66,819,682	3,553,623	485,791	798,789	2,857,071	4,580,018	3,456,238	82,551,212
EXPENDITURES								
Current:								
General government administration	5,696,971	-	-	-	-	638,281	-	6,335,252
Judicial administration	1,725,474	-	-	-	-	-	(132)	1,725,342
Public safety	21,395,136	-	-	-	-	157,570	260,763	21,813,469
Public works	5,701,828	-	-	-	-	-	595,496	6,297,324
Health and welfare	663,866	-	-	-	3,484,075	-	2,509,282	6,657,223
Education	17,813,199	-	-	-	-	-	100,000	17,913,199
Parks, recreation, and cultural	1,234,550	-	-	-	-	-	-	1,234,550
Community development	1,534,861	-	-	-	-	-	303,493	1,838,354
Capital projects	-	-	8,398,456	-	-	-	-	8,398,456
Debt service:								
Principal retirement	-	6,178,566	-	-	-	-	-	6,178,566
Interest	-	3,527,070	-	-	-	-	-	3,527,070
Total expenditures	55,765,885	9,705,636	8,398,456	-	3,484,075	795,851	3,768,902	81,918,805
Excess (deficiency) of revenues over (under) expenditures	11,053,797	(6,152,013)	(7,912,665)	798,789	(627,004)	3,784,167	(312,664)	632,407
OTHER FINANCING SOURCES (USES)								
Transfers in	3,784,167	5,966,495	7,912,665	-	629,591	-	821,447	19,114,365
Transfers out	(14,531,563)	-	-	-	-	(3,784,167)	(1,031,621)	(19,347,351)
Total other financing sources (uses)	(10,747,396)	5,966,495	7,912,665	-	629,591	(3,784,167)	(210,174)	(232,986)
Net change in fund balances	306,401	(185,518)	-	798,789	2,587	-	(522,838)	399,421
FUND BALANCES AT JULY 1	40,294,304	8,619,054	1,764,682	2,232,320	95,316	(81,145)	2,457,103	55,381,634
FUND BALANCES AT JUNE 30	\$ 40,600,705	\$ 8,433,536	\$ 1,764,682	\$ 3,031,109	\$ 97,903	\$ (81,145)	\$ 1,934,265	\$ 55,781,055

The Notes to Financial Statements are an integral part of this statement.

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

Net Change in Fund Balance - Governmental Funds		\$ 399,421
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlays	10,022,100	
Depreciation expense	<u>(5,004,752)</u>	
		5,017,348
Governmental funds report employer pension contributions as expenditures. However, in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.		
Employer pension contributions	1,351,525	
Pension expense	819,363	
Other postemployment benefit contributions	92,582	
Other postemployment benefit expense	<u>(102,084)</u>	
		2,161,386
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds		
		(318,702)
The following transactions affecting long-term debt (provide) consume current financial resources of governmental funds. However, the transactions have no effect on net position:		
Payments of principal on long-term obligations		6,178,566
Some expenses reported in the Statement of Activities, such as compensated absences and other postemployment benefits do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Change in compensated absences	(120,137)	
Change in interest payable	55,887	
Change in arbitrage payable	(1,429,751)	
Change in landfill postclosure liability	6,570	
Amortization of deferred amounts on refunding	(3,888)	
Amortization of premium on bonds payable	<u>481,627</u>	
		(1,009,692)
Internal service funds are used by management to charge the costs of certain activities, such as insurance and telecommunications, to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities.		
		<u>(384,181)</u>
Changes in net position of governmental activities		<u><u>\$ 12,044,146</u></u>

County of Caroline, Virginia

Statement of Net Position –
Proprietary Funds
June 30, 2024

	Enterprise Funds			
	Caroline County Utility Fund	Dawn Wastewater System Fund	Total	Internal Service Funds
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 2,556,438	\$ -	\$ 2,556,438	\$ 564,929
Cash and cash equivalents, restricted	26,745,595	-	26,745,595	-
Receivables, net:				
Accounts receivable	704,563	13,705	718,268	-
Due from other governmental units	18,639	-	18,639	-
Total current assets	30,025,235	13,705	30,038,940	564,929
Noncurrent assets:				
Net pension asset	533,612	-	533,612	-
Capital assets:				
Nondepreciable	5,053,499	150,000	5,203,499	-
Depreciable, net	32,558,156	3,613,537	36,171,693	-
Total noncurrent assets	38,145,267	3,763,537	41,908,804	-
Total assets	68,170,502	3,777,242	71,947,744	564,929
DEFERRED OUTFLOWS OF RESOURCES				
Deferred loss on refunding of debt	935,828	-	935,828	-
Deferred outflows related to pensions	100,947	-	100,947	-
Deferred outflows related to OPEB	35,751	-	35,751	-
Total deferred outflows of resources	1,072,526	-	1,072,526	-
LIABILITIES				
Current liabilities:				
Accounts payable	384,981	67,837	452,818	83,600
Accrued payroll	33,741	-	33,741	-
Accrued liabilities	61,126	-	61,126	-
Due to other funds	-	-	-	8,248
Insurance and benefit claims	-	-	-	290,000
Customer deposits	386,060	11,286	397,346	-
Accrued interest	313,833	-	313,833	-
Compensated absences - current portion	11,667	-	11,667	-
Bonds payable - current portion	1,992,000	169,674	2,161,674	-
Net other postemployment benefit liability - current portion	2,842	-	2,842	-
Total current liabilities	3,186,250	248,797	3,435,047	381,848
Noncurrent liabilities:				
Compensated absences - net of current portion	105,007	-	105,007	-
Bonds payable - net of current portion	51,340,669	339,349	51,680,018	-
Net other postemployment benefit liability	162,883	-	162,883	-
Total noncurrent liabilities	51,608,559	339,349	51,947,908	-
Total liabilities	54,794,809	588,146	55,382,955	381,848
DEFERRED INFLOWS OF RESOURCES				
Deferred gain on refunding of debt	298,920	-	298,920	-
Deferred inflows related to pensions	117,522	-	117,522	-
Deferred inflows related to OPEB	45,357	-	45,357	-
Total deferred inflows of resources	461,799	-	461,799	-
NET POSITION				
Net investment in capital assets	9,875,059	3,254,514	13,129,573	-
Restricted				
Net pension asset	533,612	-	533,612	-
Capital projects	1,732,480	-	1,732,480	-
Unrestricted (deficit)	1,845,269	(65,418)	1,779,851	183,081
Total net position	\$ 13,986,420	\$ 3,189,096	\$ 17,175,516	\$ 183,081

County of Caroline, Virginia

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

	Enterprise Funds			
	Caroline County Utility Fund	Dawn Wastewater System Fund	Total	Internal Service Funds
OPERATING REVENUES				
Charges for services:				
Water and sewer revenues	\$ 4,367,435	\$ 95,646	\$ 4,463,081	\$ -
Risk management	-	-	-	5,966,566
Miscellaneous	625,829	-	625,829	-
Total operating revenues	4,993,264	95,646	5,088,910	5,966,566
OPERATING EXPENSES				
Personnel services	1,229,733	15,344	1,245,077	-
Fringe benefits	351,853	3,317	355,170	-
Contractual services	489,734	64,797	554,531	-
Risk financing and benefit payments	-	-	-	6,350,747
Other charges	1,683,005	103,787	1,786,792	-
Depreciation	1,303,338	141,512	1,444,850	-
Total operating expenses	5,057,663	328,757	5,386,420	6,350,747
Operating loss	(64,399)	(233,111)	(297,510)	(384,181)
NON-OPERATING REVENUES (EXPENSES)				
Connection and reconnections fees	4,676,101	105	4,676,206	-
Interest income	1,292,695	-	1,292,695	-
Interest expense	(960,922)	-	(960,922)	-
Total non-operating revenues	5,007,874	105	5,007,979	-
Income (loss) before transfers	4,943,475	(233,006)	4,710,469	(384,181)
TRANSFER IN	-	232,986	232,986	-
Change in net position	4,943,475	(20)	4,943,455	(384,181)
NET POSITION AT JULY 1	9,042,945	3,189,116	12,232,061	567,262
NET POSITION AT JUNE 30	\$ 13,986,420	\$ 3,189,096	\$ 17,175,516	\$ 183,081

County of Caroline, Virginia
Statement of Cash Flows – Proprietary Funds
Year Ended June 30, 2024

	Enterprise Funds			
	Caroline County Utility Fund	Dawn Wastewater System Fund	Total	Internal Service Funds
OPERATING ACTIVITIES				
Receipts from customers and users	\$ 4,862,071	\$ 94,572	\$ 4,956,643	\$ 5,968,210
Claims and benefits paid	-	-	-	(6,414,415)
Payments to suppliers	(2,041,182)	(157,989)	(2,199,171)	-
Payments to employees	(1,720,689)	-	(1,720,689)	-
Net cash provided by (used in) operating activities	<u>1,100,200</u>	<u>(63,417)</u>	<u>1,036,783</u>	<u>(446,205)</u>
NONCAPITAL FINANCING ACTIVITIES				
Grant expenses	(5,043)	-	(5,043)	-
Transfers from other funds	-	232,986	232,986	-
Net cash provided by (used in) noncapital financing activities	<u>(5,043)</u>	<u>232,986</u>	<u>227,943</u>	<u>-</u>
CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(1,305,893)	-	(1,305,893)	-
Principal paid on bonds	(1,905,599)	(169,674)	(2,075,273)	-
Connection and availability fees	4,676,101	105	4,676,206	-
Interest and other fiscal charges	(1,198,747)	-	(1,198,747)	-
Net cash provided by (used in) capital and related financing activities	<u>265,862</u>	<u>(169,569)</u>	<u>96,293</u>	<u>-</u>
INVESTING ACTIVITIES				
Interest received on investment securities	1,292,695	-	1,292,695	-
Net cash provided by investing activities	<u>1,292,695</u>	<u>-</u>	<u>1,292,695</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	2,653,714	-	2,653,714	(446,205)
CASH AND CASH EQUIVALENTS				
Beginning at July 1	26,648,319	-	26,648,319	1,011,134
Ending June 30	<u>\$ 29,302,033</u>	<u>\$ -</u>	<u>\$ 29,302,033</u>	<u>\$ 564,929</u>
RECONCILIATION TO EXHIBIT 7				
Cash and cash equivalents	\$ 2,556,438	\$ -	\$ 2,556,438	\$ 564,929
Cash and cash equivalents, restricted	26,745,595	-	26,745,595	-
	<u>\$ 29,302,033</u>	<u>\$ -</u>	<u>\$ 29,302,033</u>	<u>\$ 564,929</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:				
Operating loss	\$ (64,399)	\$ (233,111)	\$ (297,510)	\$ (384,181)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:				
Depreciation	1,303,338	141,512	1,444,850	-
Pension expense net of employer contributions	(162,145)	-	(162,145)	-
OPEB expense net of employer contributions	698	-	698	-
Change in assets and liabilities:				
(Increase) decrease in receivables, net	(216,394)	(1,671)	(218,065)	-
(Increase) decrease in prepaids	814	-	814	-
Increase (decrease) in accounts payable	130,743	29,256	159,999	(8,668)
Increase (decrease) in accrued payroll and accrued liabilities	11,263	-	11,263	-
Increase (decrease) in due to other funds	-	-	-	1,644
Increase (decrease) in insurance and benefit claims	-	-	-	(55,000)
Increase (decrease) in customer deposits	85,201	597	85,798	-
Increase (decrease) in compensated absences	11,081	-	11,081	-
Net cash provided by (used in) operating activities	<u>\$ 1,100,200</u>	<u>\$ (63,417)</u>	<u>\$ 1,036,783</u>	<u>\$ (446,205)</u>

County of Caroline, Virginia
Statement of Fiduciary Net Position –
Custodial Funds
June 30, 2024

ASSETS

Cash and cash equivalents (Note 3)	<u>\$ 1,893,395</u>
Total assets	<u><u>\$ 1,893,395</u></u>

NET POSITION

Restricted for:

Individuals, organizations, and other governments	<u>\$ 1,893,395</u>
Total net position	<u><u>\$ 1,893,395</u></u>

County of Caroline, Virginia
Statement of Changes in Fiduciary Net Position –
Custodial Funds
Year Ended June 30, 2024

ADDITIONS

Funds received for benefit of other organizations	\$ 610,091
	<hr/>
Total additions	610,091
	<hr/>

DEDUCTIONS

Funds disbursed for benefit of other organizations	573,872
	<hr/>
Total deductions	573,872
	<hr/>
Change in fiduciary net position	36,219
	<hr/>
Net position, beginning	1,857,176
	<hr/>
Net position, ending	\$ 1,893,395
	<hr/> <hr/>

County of Caroline, Virginia

Notes to Financial Statements

June 30, 2024

Note 1 – Summary of Significant Accounting Policies

The County of Caroline, Virginia (the “County”) is governed by an elected six-member Board of Supervisors. The County provides a full range of services for its citizens. These services include law enforcement and volunteer and paid fire protection and rescue services; sanitation services; recreational activities, cultural events, education, and social services.

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

Government-Wide Financial Statements

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

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

Statement of Net Position

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

Statement of Activities

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

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

County of Caroline, Virginia

Notes to Financial Statements

June 30, 2024

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

Budgetary Comparison Schedules – Demonstrating compliance with the adopted budget is an important component of a government’s accountability to the public. Many citizens participate in one way or another in the process of establishing the annual operating budgets of state and local governments, and have a keen interest in following the actual financial progress of their governments over the course of the year. Many governments revise their original budgets over the course of the year for a variety of reasons. The budgetary comparison schedules present the original budget, the final budget, and the actual activity of the major governmental funds.

A – Financial Reporting Entity

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

B – Individual Component Unit Disclosures

Discretely Presented Component Units

The School Board members are elected by the citizens of Caroline County. The School Board is responsible for the operations of the County's School System within the County boundaries. The School Board is fiscally dependent on the County. The County has the ability to approve its budget and any amendments. The School Board does not issue a separate financial report. Additionally, the School Board provides a potential benefit or burden to the County, and cannot be included as part of another financial reporting entity. The County not only provides financial support to the School Board, but also is responsible for any debt or financial obligation. The financial statements of the School Board are presented as a discrete presentation in the County financial statements for the fiscal year ended June 30, 2024.

The Caroline County Economic Development Authority (EDA or “Authority”) is responsible for industrial and commercial development in the County. The Authority consists of six members appointed by the Board of Supervisors. The Authority is fiscally dependent on the County, as the County is involved in the day-to-day operations of the EDA and, therefore, it is included in the County’s financial statements as a discrete presentation for the year ended June 30, 2024. The Authority does not issue a separate financial report.

C – Other Related Organizations

Middle Peninsula Juvenile Detention Commission

The Middle Peninsula Juvenile Detention Commission (the “Commission”) is a political subdivision of the Commonwealth of Virginia and is governed by a separate board. The Commission was created to enhance the region for the protection of the citizens by the construction, equipping, maintenance and operation of a juvenile detention facility (the “Center”)

County of Caroline, Virginia

Notes to Financial Statements

June 30, 2024

serving the eighteen member jurisdictions of which the County Administrator serves as the County's representative on the board. The Commission is fiscally independent of the County because substantially all of its income will be generated from per diem payments from the member jurisdictions and reimbursements from the Commonwealth of Virginia for a portion of the capital costs. Under the Service Agreement, the County is obligated to pay a per diem rate to be determined annually by the Commission for each day a juvenile from the County is held at the Center or in another detention facility secured by the Commission. If the sum of all per diem rates paid during the fiscal year is below \$2,500, the County shall pay the Commission the amount equal to the difference. The County made per diem contributions totaling \$203,576 in fiscal year 2024. Separate audited financial statements for the Commission can be obtained from the fiscal agent's office at James City County, P.O. Box 8784, Williamsburg, Virginia 23187.

Pamunkey Regional Jail Authority

The Pamunkey Regional Jail Authority (the "Jail Authority") is a political subdivision of the Commonwealth of Virginia. The participating jurisdictions of the Jail Authority are the Counties of Caroline and Hanover and the Town of Ashland. The Jail Authority is governed by a five-member board comprised of two members each from the Counties of Caroline and Hanover and one from the Town of Ashland. Management and accountability for fiscal matters rest with the Jail Authority. The board formulates and approves its own budget. The County does not bear any direct or indirect liabilities for the operation of the Jail Authority and has no equity interest in it.

The purpose of the Jail Authority is to maintain and operate a regional jail facility to meet the needs of the participating jurisdictions for jail facilities. The participating jurisdictions have entered into a Service Agreement, which is a long-term contract, which regulates usage of the Jail and establishes payment terms applicable to participating jurisdictions. Under the Service Agreement, the County is obligated to commit all of its prisoners to the Jail at a per diem rate to be determined annually by the Jail. The County made per diem contributions totaling \$2,758,115 in fiscal year 2024. Complete financial statements for the Jail can be obtained from the office of the Pamunkey Regional Jail Authority.

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

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

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

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

County of Caroline, Virginia

Notes to Financial Statements

June 30, 2024

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. Revenues are recognized when they have been earned and they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 45 days of the end of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service principal and interest expenditures on general long-term debt, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

Property taxes, franchise taxes, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Accordingly, real and personal property taxes are recorded as revenues and receivables when billed, net of allowances for uncollectible amounts. Property taxes not collected within 45 days after year-end are reflected as unavailable revenues. Sales and utility taxes, which are collected by the state or utilities and subsequently remitted to the County, are recognized as revenues and receivables upon collection by the state or utility, which is generally within two months preceding receipt by the County.

Permits, fines and rents are recorded as revenues when received. Intergovernmental revenues, consisting primarily of federal, state, and other grants for the purpose of funding specific expenditures, are recognized when earned or at the time of the specific expenditures. Revenues from general purpose grants are recognized in the period to which the grant applies. All other revenue items are considered to be measurable and available only when cash is received by the government.

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

1. **Governmental Funds** – are those through which most governmental functions typically are financed. The County reports the General Fund, Debt Service Fund, County Capital Improvements Fund, Proffers Fund, and Virginia Public Assistance Fund as major governmental funds.

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

Debt Service Fund – The Debt Service Fund accounts for and reports financial resources that are restricted, committed, or assigned to expenditure for principal and interest. Debt service funds are used to report financial resources being accumulated for future debt service. Payment of principal and interest on the County's and School Board's general long-term debt financing is provided by appropriations from the General Fund.

County of Caroline, Virginia

Notes to Financial Statements

June 30, 2024

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

Special Revenue Funds – Special revenue funds account for and report the proceeds of specific revenue sources that are restricted, committed, or assigned to expenditure for specified purposes other than debt service or capital projects. The County reports the following major special revenue funds: Virginia Public Assistance Fund, Proffers Fund, and CARES Act Fund. These funds have been judgmentally determined to be major for public interest reasons, in that the presentation is of particular importance to the financial statement users. The County reports the following nonmajor funds:

Nonmajor Special Revenue Funds – account for the proceeds of specific revenue sources (other than major capital projects) requiring separate accounting because of legal or regulatory provisions or administrative action. Nonmajor Special Revenue Funds consist of the following funds: Children’s Services, Law Library, Courthouse Maintenance, Tourism, Confiscated Asset, Housing, Sheriff, Fire/Rescue Grant, Detention Facility, and Hanover Soil and Water.

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

Enterprise Funds – Enterprise funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. The County’s Major Enterprise Funds consist of the Caroline County Utility Fund and Dawn Wastewater System Fund, which account for the operations of sewage pumping stations and collection systems, and the water distribution system.

Internal Service Funds – account for the financing of goods or services provided by one department or agency to other departments or agencies of the County government, on a cost-reimbursement basis. The County’s internal service funds include the Vehicle Maintenance Fund and the Self-Insurance Fund.

3. Fiduciary Funds – (Trust and Custodial Funds) – account for assets held by the County in a trustee capacity or as a custodian for individuals, private organizations, other governmental units, or other funds. These funds include Custodial Funds. Custodial Funds utilize the accrual basis of accounting. Fiduciary funds are not included in the government-wide financial statements. The County’s Custodial Funds include amounts held for others in a fiduciary capacity, which includes social services clients, technology education consortium program, and refundable escrow deposits.
4. Component Unit School Board

The Caroline County School Board has the following funds:

Governmental Fund:

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

County of Caroline, Virginia

Notes to Financial Statements

June 30, 2024

Special Revenue Funds:

School Grant Fund – This fund accounts for the revenues and expenditures for all federal grants of the School Board. The School Grant Fund is considered a major fund for financial reporting purposes.

School Cafeteria Fund – This fund is the operating fund of the school cafeteria and accounts for all revenues and expenditures applicable to the general operations of the school nutrition system. Revenues are derived primarily from charges for services and state and federal grants. The School Cafeteria Fund is considered a major fund of the School Board for financial reporting purposes.

School Textbook Fund – This fund accounts for the revenues and expenditures for the school textbook program. The School Textbook Fund is considered a major fund for financial reporting purposes.

School Activity Fund – School activity funds include all funds received from extracurricular school activities, such as entertainment, athletic contests, club dues, fundraisers, etc., and from all activities of the school involving personnel, students, or property. The School Activity Fund is considered a nonmajor fund of the School Board for financial reporting purposes.

Capital Projects Funds:

Capital Projects Fund – This fund accounts for the revenues and expenditures for school capital projects. The Capital Projects Fund is considered a major fund of the School Board for financial reporting purposes.

E – Cash and Cash Equivalents

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

F – Investments

Investments with a maturity of less than one year when purchased, non-negotiable certificates of deposit, and other nonparticipating investments (external investment pools) are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased are stated at fair value. Fair value is the price that would be received to sell an investment in an orderly transaction at year-end.

State statutes allow the County to invest in obligations of the U. S. Treasury, commercial paper, corporate bonds, and repurchase agreements.

Certificates of deposit and short-term repurchase agreements are reported in the accompanying financial statements as cash and cash equivalents.

Cash of individual funds other than the Custodial Funds is combined to form a pool of cash and investments. The pool consists primarily of government and corporate obligations, commercial paper, and an external local government investment pool. The government and corporate securities are stated at fair value based on quoted market prices and the investment in the local government investment pool is reported at amortized cost. Interest earned as a result of pooling is distributed to the appropriate funds utilizing a formula based on average monthly balances.

County of Caroline, Virginia

Notes to Financial Statements

June 30, 2024

G – Receivables and Payables

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

All trade and property tax receivables are shown net of an allowance for uncollectibles. The County calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance amounted to approximately \$1,053,055 at June 30, 2024, and is comprised primarily of property taxes totaling \$1,015,447.

Real and Personal Property Tax Data:

The tax calendars for real and personal property taxes are summarized below.

	<u>Real Property</u>	<u>Personal Property</u>
	January 1	January 1
Levy	June 5/December 5	June 5/December 5
Due Date	(50% each date)	(50% each date)
Lien Date	June 6/December 6	June 6/December 6

The County bills and collects its own property taxes. The County reassesses all existing real property every four to five years and the last reassessment was completed in 2021.

H – Restricted Cash

Proceeds from the County’s bond issues, as well as certain resources set aside for their repayment, are classified as restricted cash on the balance sheet because they are maintained in separate bank accounts and their use is limited by applicable bond covenants.

I – Capital Assets

Capital assets, which include property, plant and equipment, infrastructure, and right-of-use assets derived from leases are reported in the applicable governmental columns in the government-wide financial statements for both the County and the Component Unit School Board. Capital assets are defined by the County as land, buildings, and equipment with an initial individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. The County does not have any infrastructure in its capital assets since roads, streets, bridges, and similar assets within its boundaries are the property of the Commonwealth of Virginia. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded as acquisition value at the date of donation.

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

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

Leased assets are amortized over the shorter of the lease term or useful life of the underlying asset. In leases where a purchase option is reasonably certain of being exercised, the asset is amortized over the useful life, unless the underlying asset is nondepreciable, in which the leased asset is not amortized.

County of Caroline, Virginia

Notes to Financial Statements

June 30, 2024

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

<u>Assets</u>	<u>Years of Service</u>
Buildings	20-40 years
Improvements other than buildings	5-50 years
Motor vehicles and equipment	3-15 years
Intangibles	5 years

J – Compensated Absences

Vested or accumulated vacation leave is reported in governmental funds only if it has matured, for example, as a result of employee resignations and retirements. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported as an expense in the Statement of Activities and a long-term obligation in the Statement of Net Position. No liability is recorded for nonvesting accumulating rights to received sick pay benefits. However, a liability is recognized for that portion of accumulating sick leave benefits that is estimated will be taken as “terminal leave” prior to retirement.

Compensated absences are accrued when incurred in proprietary funds and reported as a fund liability. The General Fund is responsible for paying the liability for compensated absences for general government employees and has been used in prior years to liquidate the governmental funds’ liability.

K – Use of Estimates

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

L – Net Position

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

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

County of Caroline, Virginia

Notes to Financial Statements

June 30, 2024

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

M – Pensions

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's and School Board's Retirement Plan and the additions to/deductions from the County's and School Board's Retirement Plan's 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.

N – Other Postemployment Benefits (OPEB)

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

O – 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 type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the bonds outstanding method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

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

P – Prepaid Items

Certain payments to vendors represent costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Prepaid expenditures in governmental funds are offset by a nonspendable fund balance.

County of Caroline, Virginia

Notes to Financial Statements

June 30, 2024

Q – Fund Balance

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

- Nonspendable fund balance – amounts that are not in spendable form (such as inventory and prepaids) or are required to be maintained intact (corpus of a permanent fund);
- Restricted fund balance – amounts that can be spent only for the specific purposes stipulated by external resource providers such as grantors or enabling federal, state, or local legislation. Restrictions may be changed or lifted only with the consent of the resource providers;
- Committed fund balance – amounts that can be used only for the specific purposes determined by the adoption of an ordinance committing fund balance for a specified purpose by the Board of Supervisors prior to the end of the fiscal year. Once adopted, the limitation imposed by the ordinance remains in place until the resources have been spent for the specified purpose or the Board adopts another ordinance to remove or revise the limitation;
- Assigned fund balance – amounts a government intends to use for a specific purpose, but do not meet the criteria to be classified as committed; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment;
- Unassigned fund balance – amounts that are available for any purpose; positive amounts are only reported in the general fund. Additionally, any deficit fund balance within the other governmental fund types is reported as unassigned.

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

County of Caroline, Virginia

Notes to Financial Statements

June 30, 2024

The details of governmental fund balances, as presented in aggregate on Exhibit 3, are as follows:

	Major Special Revenue Funds							Total
	General Fund	Major Debt Services Fund	Major County Capital Project Fund	Proffers Fund	Virginia Public Assistance Fund	CARES Act Fund	Other Governmental Funds	
Nonspendable	\$ -	\$ 1,622,715	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,622,715
Restricted								
Capital projects	-	7,179,938	1,764,682	-	-	-	-	8,944,620
Debt service	1,847,361	-	-	-	-	-	-	1,847,361
Social services	-	-	-	-	32,803	-	-	32,803
Law enforcement	-	-	-	1,000	-	-	-	1,000
Public safety grants	-	-	-	-	-	-	204,079	204,079
Fire/rescue	-	-	-	2,000	-	-	-	2,000
Fire/rescue grants	-	-	-	-	-	-	155,427	155,427
Housing	-	-	-	-	-	-	8,632	8,632
Courthouse maint.	-	-	-	-	-	-	61,757	61,757
Law library	-	-	-	-	-	-	67	67
Tourism	-	-	-	-	-	-	250,304	250,304
Soil and water	-	-	-	-	-	-	5,347	5,347
Ladysmith Commons and improvements	-	-	-	37,499	-	-	-	37,499
Ladysmith library	-	-	-	365,327	-	-	-	365,327
Ladysmith recreation	-	-	-	163,606	-	-	-	163,606
Dawn library	-	-	-	5,412	-	-	-	5,412
Route 639 construction	-	-	-	275,000	-	-	-	275,000
Children's services	-	-	-	-	-	-	250,217	250,217
Total restricted	1,847,361	7,179,938	1,764,682	849,844	32,803	-	935,830	12,610,458
Committed								
Capital projects	8,360,322	-	-	-	-	-	998,435	9,358,757
Education	100,000	-	-	-	-	-	-	100,000
Total committed	8,460,322	-	-	-	-	-	998,435	9,458,757
Assigned								
Operations	1,818,577	-	-	-	-	-	-	1,818,577
Capital projects	1,188,427	-	-	-	-	-	-	1,188,427
Proffers	-	-	-	2,181,265	-	-	-	2,181,265
Social services	-	-	-	-	65,100	-	-	65,100
Total assigned	3,007,004	-	-	2,181,265	65,100	-	-	5,253,369
Unassigned	27,286,018	(369,117)	-	-	-	(81,145)	-	26,835,756
Total fund balance	\$ 40,600,705	\$ 8,433,536	\$ 1,764,682	\$ 3,031,109	\$ 97,903	\$ (81,145)	\$ 1,934,265	\$ 55,781,055

R – Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial 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(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has multiple items that qualify for reporting in this category. One item is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The other item is comprised of certain items related to the measurement of the net pension asset/liability and net OPEB liabilities and contributions to the pension and OPEB plans made during the current year and subsequent to the net pension asset/liability and net OPEB liability measurement date. For more detailed information on these items, reference the related notes.

County of Caroline, Virginia

Notes to Financial Statements

June 30, 2024

In addition to liabilities, the statement of financial 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(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has multiple items that qualify for reporting in this category. Under a modified accrual basis of accounting, unavailable revenue representing property taxes receivable is reported in the governmental funds balance sheet. This amount is comprised of uncollected property taxes due prior to June 30 and amounts prepaid on next year's taxes and is deferred and recognized as an inflow of resources in the period that the amount becomes available. Under the accrual basis of accounting, amounts prepaid on next year's taxes are reported as deferred inflows of resources. In addition, certain items related to the measurement of the net pension asset/liability and net OPEB liability are reported as deferred inflows of resources. For more detailed information on these items, reference the related notes.

S – Unearned Revenue

Unearned revenues arise when assets are recognized before revenue recognition criteria can be satisfied. Grants and entitlements received before the eligibility requirements are met have been recorded as unearned revenue. Unearned revenues for the County consist of unspent Coronavirus Local Fiscal Recovery Funds received under the American Rescue Plan Act, and grants received before eligibility requirements for the School Board.

Note 2 – Stewardship, Compliance, and Accounting

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

1. Prior to March 1 of each year, the County Administrator submits to the Board of Supervisors a proposed operating capital budget for the fiscal year commencing the following July 1. The operating and capital budget includes proposed expenditures and the means of financing them.
2. The Board of Supervisors conducts work sessions to review the budget and public hearings are required to be conducted to obtain citizen comments.
3. Prior to June 30, the budget is legally enacted through passage of an Appropriations Resolution.
4. The Appropriations Resolution places legal restrictions on expenditures at the department level or category level. The appropriation for each department or category can be revised only by the Board of Supervisors. The County Administrator is authorized to transfer budgeted amounts within the primary government's department; however, the Component Unit – School Board is authorized to transfer budgeted amounts within the school system's categories.
5. Formal budgetary integration is employed as a management control device during the year and budgets are legally adopted for the General Fund, Special Revenue Funds, Debt Service Fund and Capital Projects Funds of the County and Component Unit – School Board.
6. All budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America.
7. Appropriations lapse on June 30.
8. The original budget presented in the accompanying financial statements is the budget as provided in the Appropriation Resolution adopted by the Board of Supervisors. The final amended budget presented in the financial statements is the budget, amended as indicated above, as of the June 30 year-end.

County of Caroline, Virginia

Notes to Financial Statements

June 30, 2024

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% to 130% of excess deposits. Accordingly, all deposits are considered fully collateralized.

Investments

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

Local Government Investment Pool (LGIP)

The LGIP is a professionally managed money market fund, which invests in qualifying obligations and securities as permitted by Virginia statutes. Pursuant to Section 2.2-4605 *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 fair value of the position of the LGIP is the same as the value of the pool shares, i.e., the LGIP maintains a stable net asset of \$1 per share. The weighted-average maturity of the LGIP is less than one year.

Virginia State Non-Arbitrage Program (SNAP)

Investment in the SNAP is used to assist in avoiding arbitrage penalties enacted with the Tax Reform Act of 1986. Sections 2.2-4700 through 2.2-4705 of the *Code of Virginia*, the Government Non-Arbitrage Investment Act authorizes the Virginia Treasury Board to provide assistance to the Commonwealth of Virginia, counties, cities, and towns in the Commonwealth, and to their agencies, institutions, and authorities or any combination of the foregoing (“Virginia governments”) in the management of and accounting for their bond funds, including without limitation, bond proceeds, reserves, and sinking funds, and the investment thereof. The Virginia SNAP has been assigned an “AAAm” rating by Standard & Poor’s. The SNAP fund is managed to maintain a dollar-weighted-average portfolio maturity of 90 days or less and seeks to maintain a constant net value (NAV) per share of \$1. The Commonwealth of Virginia’s Treasury Board has contracted with PFM Asset Management, LLC, Wells Fargo, N.A., U. S. Bank, N.A., and the Bank of New York Mellon Corporation to provide professional services and regulating oversight to the SNAP program.

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 to be insured under FDIC or comply with the Act. At year-end, none of the County’s deposits were exposed to custodial credit risk.

County of Caroline, Virginia

Notes to Financial Statements

June 30, 2024

Custodial Credit Risk (Investments)

The County's investment policy requires that all securities purchased for the County be held by the County or by the County's designated custodian. The County's investments at June 30, 2024, were held by the County or in the County's name by the County's custodial banks. The investments also should have a credit rating no less than AA rated by Standard and Poor or Aa by Moody's Investor Service.

Credit Risk of Debt Securities

The County's rated debt investments as of June 30, 2024, were rated by Standard and Poor's and the ratings are presented below using the Standard and Poor's rating scale. The County's investment policy limits investments to those allowed by the *Code of Virginia*. The County may however restrict investments beyond the limits imposed by the *Code of Virginia* as such restrictions serve the purpose of further safeguarding County funds or are in the best interest of the County.

County's Rated Debt Investments' Values	
Rated Debt Investments	Fair Quality Ratings
	AAAm
Local Government Investment Pool	\$ 43,340,559
Virginia State Non-Arbitrage Pool	40,877,621
	<u>\$ 84,218,180</u>

Interest Rate Risk

The County's investment policies authorize the County to invest in Repurchase Agreements with a maturity no greater than thirty (30) days, unless the collateral is held by another banking institution, and deposits in banks not to exceed five years at the time of purchase.

Investment Type	Investment Maturities (in years)		
	Fair Value	Less than 1 Year	1-5 Years
Local Government Investment Pool	\$ 43,340,559	\$ 43,340,559	\$ -
Virginia State Non-Arbitrage Pool	40,877,621	40,877,621	-
Certificates of Deposit	615,216	338,961	276,255
	<u>\$ 84,833,396</u>	<u>\$ 84,557,141</u>	<u>\$ 276,255</u>

All deposits and investments are reflected in the statements as follows:

	Primary Government	Component Units	Custodial Funds	Total
Cash and cash equivalents	\$ 39,488,844	\$ 9,059,024	\$ -	\$ 48,547,868
Cash and cash equivalents, restricted	45,328,753	153,631	1,893,395	47,375,779
	<u>\$ 84,817,597</u>	<u>\$ 9,212,655</u>	<u>\$ 1,893,395</u>	<u>\$ 95,923,647</u>

County of Caroline, Virginia

Notes to Financial Statements

June 30, 2024

Fair Value Measurement

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

Level 1 – Quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at a measurement date

Level 2 – Directly or indirectly observable inputs for the asset or liability other than quoted prices

Level 3 – Unobservable inputs that are supported by little or no market activity for the asset or liability

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

External Investment Pools

LGIP and SNAP are amortized cost basis portfolios. There are no withdrawal limitations or restrictions imposed on participants.

The fair value of the positions in the external investment pools (Local Government Investment Pool and State Non-Arbitrage Pool) are the same as the value of the pool shares. As LGIP and SNAP are not SEC registered, regulatory oversight of the pool rests with the Virginia State Treasury.

County of Caroline, Virginia

Notes to Financial Statements

June 30, 2024

Note 4 – Due From Other Governments

At June 30, 2024, the County has amounts due from other governments as follows:

	Primary Government		Component Unit
	Governmental Activities	Business-type Activities	School Board
Other Local Governments			
Town of Port Royal	\$ -	\$ 18,639	\$ -
Commonwealth of Virginia			
State sales tax	-	-	1,121,151
Motor vehicle carrier tax	18,886	-	-
Personal property tax relief funds	1,147,226	-	-
Auto rental tax	4,300	-	-
Additional tax on deeds	13,865	-	-
Rolling stock tax	7,611	-	-
Mobile home titling tax	25,392	-	-
E-911 wireless funds	26,094	-	-
Victim witness grant	5,868	-	-
Soil conservationist reimbursement	310,772	-	-
VA domestic violence victim grant	32,248	-	-
Welfare	96,954	-	-
Children's services	298,880	-	-
Communication sales tax	45,531	-	-
Constitutional officer reimbursements	231,766	-	-
Local sales tax	644,641	-	-
Other state funds	513,445	-	92,130
Federal Government			
School fund grants	-	-	2,708,516
E-rate income	26,163	-	-
Victim witness	18,325	-	-
Domestic violence victim grant	11,879	-	-
Welfare	166,154	-	-
Total due from other governments	<u>\$ 3,646,000</u>	<u>\$ 18,639</u>	<u>\$ 3,921,797</u>

County of Caroline, Virginia

Notes to Financial Statements

June 30, 2024

Note 5 – Capital Assets

Primary Government

The following is a summary of changes in capital assets for the fiscal year ended June 30, 2024, for Governmental Activities excluding Internal Service Fund:

Governmental Activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not depreciated or amortized				
Land	\$ 1,441,283	\$ 470,000	\$ -	\$ 1,911,283
Construction in progress	6,354,115	6,115,113	(7,424,164)	5,045,064
	<u>7,795,398</u>	<u>6,585,113</u>	<u>(7,424,164)</u>	<u>6,956,347</u>
Capital assets, depreciated and amortized				
Buildings	86,895,401	7,152,043	-	94,047,444
Equipment	23,606,559	3,119,798	(73,609)	26,652,748
Improvements other than buildings	10,167,959	589,310	-	10,757,269
Intangibles	1,378,953	-	-	1,378,953
	<u>122,048,872</u>	<u>10,861,151</u>	<u>(73,609)</u>	<u>132,836,414</u>
Less accumulated depreciation and amortization for				
Buildings	(36,552,470)	(2,407,963)	-	(38,960,433)
Equipment	(14,824,169)	(1,980,247)	73,609	(16,730,807)
Improvements other than buildings	(5,765,393)	(484,020)	-	(6,249,413)
Intangibles	(298,712)	(132,522)	-	(431,234)
	<u>(57,440,744)</u>	<u>(5,004,752)</u>	<u>73,609</u>	<u>(62,371,887)</u>
Capital assets, depreciated and amortized, net	<u>64,608,128</u>	<u>5,856,399</u>	<u>-</u>	<u>70,464,527</u>
Governmental activities capital assets, net	<u>\$ 72,403,526</u>	<u>\$ 12,441,512</u>	<u>\$ (7,424,164)</u>	<u>\$ 77,420,874</u>
Internal Service Fund				
Capital assets, depreciated				
Buildings	\$ 412,315	\$ -	\$ -	\$ 412,315
Improvements other than buildings	68,551	-	-	68,551
	<u>480,866</u>	<u>-</u>	<u>-</u>	<u>480,866</u>
Less accumulated depreciation				
Buildings	(412,315)	-	-	(412,315)
Improvements other than buildings	(68,551)	-	-	(68,551)
	<u>(480,866)</u>	<u>-</u>	<u>-</u>	<u>(480,866)</u>
Internal Service Fund capital assets, net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

County of Caroline, Virginia

Notes to Financial Statements

June 30, 2024

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

Governmental Activities	Beginning Balance	Increases	Decreases	Ending Balance
General government activities				
Capital assets, not depreciated or amortized				
Land	\$ 1,441,283	\$ 470,000	\$ -	\$ 1,911,283
Construction in progress	6,354,115	6,115,113	(7,424,164)	5,045,064
	<u>7,795,398</u>	<u>6,585,113</u>	<u>(7,424,164)</u>	<u>6,956,347</u>
Capital assets, depreciated and amortized				
Buildings	87,307,716	7,152,043	-	94,459,759
Equipment	23,606,559	3,119,798	(73,609)	26,652,748
Improvements other than buildings	10,236,510	589,310	-	10,825,820
Intangibles	1,378,953	-	-	1,378,953
	<u>122,529,738</u>	<u>10,861,151</u>	<u>(73,609)</u>	<u>133,317,280</u>
Less accumulated depreciation and amortization for				
Buildings	(36,964,785)	(2,407,963)	-	(39,372,748)
Equipment	(14,824,169)	(1,980,247)	73,609	(16,730,807)
Improvements other than buildings	(5,833,944)	(484,020)	-	(6,317,964)
Intangibles	(298,712)	(132,522)	-	(431,234)
	<u>(57,921,610)</u>	<u>(5,004,752)</u>	<u>73,609</u>	<u>(62,852,753)</u>
Capital assets, depreciated and amortized, net	64,608,128	5,856,399	-	70,464,527
General governmental activities capital assets, net	<u>\$ 72,403,526</u>	<u>\$ 12,441,512</u>	<u>\$ (7,424,164)</u>	<u>\$ 77,420,874</u>

County of Caroline, Virginia

Notes to Financial Statements

June 30, 2024

Business-Type Activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not depreciated or amortized				
Land	\$ 711,986	\$ -	\$ -	\$ 711,986
Construction in progress	3,317,196	1,174,317	-	4,491,513
	<u>4,029,182</u>	<u>1,174,317</u>	<u>-</u>	<u>5,203,499</u>
Capital assets depreciated and amortized				
Buildings	1,389,536	-	-	1,389,536
Equipment	2,424,466	131,576	-	2,556,042
Improvements other than buildings	56,385,895	-	-	56,385,895
	<u>60,199,897</u>	<u>131,576</u>	<u>-</u>	<u>60,331,473</u>
Less accumulated depreciation and amortization for				
Buildings	(544,735)	(35,855)	-	(580,590)
Equipment	(1,694,463)	(151,432)	-	(1,845,895)
Improvements other than buildings	(20,475,732)	(1,257,563)	-	(21,733,295)
	<u>(22,714,930)</u>	<u>(1,444,850)</u>	<u>-</u>	<u>(24,159,780)</u>
Capital assets, depreciated and amortized, net	<u>37,484,967</u>	<u>(1,313,274)</u>	<u>-</u>	<u>36,171,693</u>
Business-type activities capital assets, net	<u>\$ 41,514,149</u>	<u>\$ (138,957)</u>	<u>\$ -</u>	<u>\$ 41,375,192</u>

County of Caroline, Virginia

Notes to Financial Statements

June 30, 2024

Component Unit – School Board

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

Component Unit – School Board	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not depreciated or amortized				
Land	\$ 849,553	\$ -	\$ -	\$ 849,553
Construction in progress	587,109	3,549,833	(470,145)	3,666,797
	<u>1,436,662</u>	<u>3,549,833</u>	<u>(470,145)</u>	<u>4,516,350</u>
Capital assets, depreciated and amortized				
Buildings	17,173,478	-	(22,323)	17,151,155
Equipment	13,442,839	2,963,228	(499,754)	15,906,313
Improvements other than buildings	2,109,295	1,169,139	-	3,278,434
	<u>32,725,612</u>	<u>4,132,367</u>	<u>(522,077)</u>	<u>36,335,902</u>
Less accumulated depreciation and amortization for				
Buildings	(14,771,730)	(269,930)	22,323	(15,019,337)
Equipment	(7,475,378)	(1,155,096)	470,423	(8,160,051)
Improvements other than buildings	(690,995)	(237,918)	-	(928,913)
	<u>(22,938,103)</u>	<u>(1,662,944)</u>	<u>492,746</u>	<u>(24,108,301)</u>
Capital assets, depreciated and amortized, net	<u>9,787,509</u>	<u>2,469,423</u>	<u>(29,331)</u>	<u>12,227,601</u>
Intangible right-to-use assets				
Leased assets – equipment	268,390	-	-	268,390
Subscription software	-	430,720	-	430,720
Intangible right-to-use assets	<u>268,390</u>	<u>430,720</u>	<u>-</u>	<u>699,110</u>
Less accumulated amortization				
Leased assets – equipment	(201,292)	(67,098)	-	(268,390)
Subscription software	-	(143,573)	-	(143,573)
Accumulated amortization	<u>(201,292)</u>	<u>(210,671)</u>	<u>-</u>	<u>(411,963)</u>
Intangible right-to-use assets, net	<u>67,098</u>	<u>220,049</u>	<u>-</u>	<u>287,147</u>
School Board capital assets, net	<u>\$ 11,291,269</u>	<u>\$ 6,239,305</u>	<u>\$ (499,476)</u>	<u>\$ 17,031,098</u>

County of Caroline, Virginia

Notes to Financial Statements

June 30, 2024

Depreciation and amortization expense was charged to functions/programs as follows:

	Depreciation Expense
Governmental Activities	
General Government administration	\$ 452,495
Judicial administration	205,833
Public safety	1,655,257
Public works	475,143
Health and welfare	11,477
Education	1,991,103
Parks, recreation, and cultural	107,405
Community development	106,039
Total Governmental activities	\$ 5,004,752
Business-Type Activities	
Caroline County utility fund	\$ 1,303,338
Dawn wastewater system fund	141,512
	\$ 1,444,850
Component Unit School Board	\$ 1,873,615

Legislation enacted during the year ended June 30, 2002, Section 15.2-1800.1 of the *Code of Virginia*, 1950, as amended, has changed the reporting of local school capital assets and related debt for financial statement purposes. Historically, debt incurred by local governments “on-behalf” of school boards was reported in the school board’s discrete column along with the related capital assets. Under the new law, local governments have a “tenancy in common” with the school board whenever the locality incurs any financial obligation for any school property, which is payable over more than one fiscal year. For financial reporting purposes, the legislation permits the locality to report the portion of school property related to any outstanding financial obligation eliminating any potential deficit from capitalizing assets financed with debt. The effect on the County of Caroline, Virginia for the year ended June 30, 2024, is that school financed assets in the amount of \$66,210,550 and related accumulated depreciation of \$24,961,055 are reported in the Primary Government for financial reporting purposes.

Construction Commitments

As of June 30, 2024, the School Board has a remaining construction commitment of \$8,029,921 for the energy performance contract related to various upgrades at several schools.

County of Caroline, Virginia

Notes to Financial Statements

June 30, 2024

Note 6 – Interfund Transfers and Obligations

Interfund transfers for the year ended June 30, 2024, consisted of the following below. Amounts may differ slightly from financial statements due to rounding.

Fund	Transfers In	Transfers Out
General Funds		
General	\$ 3,784,167	\$ 14,531,563
Debt Service	5,966,495	-
County Capital Projects	7,912,665	-
Virginia Public Assistance	629,591	-
CARES Act	-	3,784,167
Children's Services	821,447	-
Detention Facility	-	1,031,621
Proprietary Funds		
Dawn Wastewater System	232,986	-
Total	19,347,351	19,347,351
Component Unit – School Board		
School Capital Projects	868,684	-
School Operating	-	868,684
Total Component Unit – School Board Funds	868,684	868,684
Total – All Funds	<u>\$ 20,216,035</u>	<u>\$ 20,216,035</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgeting authorization.

- \$232,986 transferred from the General Fund to Dawn Wastewater to cover revenue shortfall and depreciation expense.
- \$3,784,167 was transferred from Cares Act Fund to General Fund to cover revenue loss replacement related to public safety salary expenditures; this will later be used to create a reserve for Broadband.
- \$629,591 was transferred from General Fund to Virginia Public Assistance and \$821,447 transferred from General Fund to Children's Services to cover local match.
- \$1,031,621 transferred from Detention Facility to County Capital Projects to cover Sheriff and Fire/EMS vehicles and roof replacement at Caroline County Community Services Center.
- \$5,966,495 transferred from General to Debt Service for debt service payment designated to be paid from a portion of real property taxes.
- \$868,684 transferred from School Operating to the School Capital Project to reserve for HVAC system based on FY 2024 budget.
- \$7,912,665 transferred from General Fund to County Capital Projects Funds to cover various capital projects.

County of Caroline, Virginia

Notes to Financial Statements

June 30, 2024

Details of the Primary Government's interfund receivables and payables as of June 30, 2024, are as follows:

Fund	Interfund Receivables	Interfund Payables
Governmental Funds		
General	\$ 7,551,421	\$ -
County Capital Projects	-	7,543,173
Internal Service	-	8,248
Total Governmental Funds	<u>\$ 7,551,421</u>	<u>\$ 7,551,421</u>

Cash is spent from the General Fund to cover County Capital Projects where debt has been borrowed, then once debt is reimbursed, it is received back in the General Fund. This creates the interfund receivable/payable between General and County Capital Projects Fund.

Note 7 – Long-Term Liabilities

Primary Government

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

Governmental Activities	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Compensated absences	\$ 1,507,351	\$ 120,137	\$ -	\$ 1,627,488	\$ 162,749
Arbitrage payable	-	1,429,751	-	1,429,751	-
Net OPEB liabilities	2,133,961	126,737	-	2,260,698	38,764
Landfill postclosure cost	3,598,677	-	(6,570)	3,592,107	-
Financed purchases	5,566,785	-	(1,022,318)	4,544,467	878,962
Direct borrowings and direct placements					
General obligation bonds	39,070,905	-	(3,396,280)	35,674,625	3,537,704
Lease revenue bonds	23,221,046	-	(1,667,218)	21,553,828	2,005,024
Lease revenue bond debt allocable from business-type activities	92,750	-	(92,750)	-	-
Unamortized premiums	6,041,529	-	(481,627)	5,559,902	-
	<u>\$ 81,233,004</u>	<u>\$ 1,676,625</u>	<u>\$ (6,666,763)</u>	<u>\$ 76,242,866</u>	<u>\$ 6,623,203</u>
Business-Type Activities					
Compensated absences	\$ 105,593	\$ 11,081	\$ -	\$ 116,674	\$ 11,667
Net OPEB liabilities	156,434	9,291	-	165,725	2,842
Direct borrowings and direct placements					
Revenue bonds	52,272,046	-	(2,168,023)	50,104,023	2,161,674
Lease revenue bond debt allocable from business-type activities	(92,750)	-	92,750	-	-
Unamortized premium	3,988,625	-	(250,956)	3,737,669	-
	<u>\$ 56,429,948</u>	<u>\$ 20,372</u>	<u>\$ (2,326,229)</u>	<u>\$ 54,124,091</u>	<u>\$ 2,176,183</u>

County of Caroline, Virginia

Notes to Financial Statements

June 30, 2024

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

Year Ending June 30,	Governmental Activities Obligations			
	Bonds from Direct Borrowings and Direct Placements			
	General Obligation Bonds		Lease Revenue Bonds	
	Principal	Interest	Principal	Interest
2025	\$ 3,537,704	\$ 1,782,278	\$ 2,005,024	\$ 847,453
2026	3,674,466	1,625,494	2,097,037	752,636
2027	3,826,583	1,462,236	1,480,262	653,390
2028	3,555,498	1,021,584	1,526,398	585,055
2029	3,339,338	852,353	1,601,343	514,012
2030	3,499,338	697,271	1,666,532	439,694
2031	3,644,338	533,707	1,745,975	362,467
2032	3,789,338	388,047	1,131,257	281,872
2033	3,374,338	255,841	952,000	246,686
2034	3,384,338	131,454	969,000	218,437
2035	49,346	20,841	823,000	189,701
2036	-	-	852,000	163,475
2037	-	-	824,000	137,005
2038	-	-	849,000	111,248
2039	-	-	879,000	85,039
2040	-	-	903,000	59,256
2041	-	-	689,000	36,503
2042	-	-	274,000	16,793
2043	-	-	286,000	5,677
	<u>\$ 35,674,625</u>	<u>\$ 8,771,106</u>	<u>\$ 21,553,828</u>	<u>\$ 5,706,399</u>

County of Caroline, Virginia

Notes to Financial Statements

June 30, 2024

Year Ending June 30,	Governmental Activities Obligations	
	Financed Purchases	
	Principal	Interest
2025	\$ 878,962	\$ 102,416
2026	783,293	85,199
2027	625,455	69,480
2028	475,277	55,983
2029	271,782	46,879
2030	278,604	40,790
2031	234,149	35,042
2032	148,683	30,296
2033	128,491	26,227
2034	97,491	22,862
2035	101,455	20,033
2036	104,455	17,078
2037	107,370	14,017
2038	67,000	11,133
2039	45,000	8,890
2040	47,000	7,027
2041	48,000	5,103
2042	50,000	3,118
2043	52,000	1,053
	\$ 4,544,467	\$ 602,626

Year Ending June 30,	Business-type Obligations	
	Revenue Bonds from Direct Borrowings and Direct Placements	
	Principal	Interest
2025	\$ 2,161,674	\$ 1,704,520
2026	2,234,024	1,602,622
2027	2,302,325	1,498,778
2028	2,195,000	1,389,804
2029	2,210,000	1,278,125
2030-2034	11,564,000	4,764,346
2035-2039	11,098,000	2,843,034
2040-2044	9,709,000	1,317,407
2045-2049	5,955,000	414,063
2050-2051	675,000	22,951
	\$ 50,104,023	\$ 16,835,650

County of Caroline, Virginia

Notes to Financial Statements

June 30, 2024

Outstanding long-term liabilities at June 30, are as follows:

	Year Issued	Interest Rate	Amount Outstanding
Governmental Activities			
General Obligation Bonds			
Series 2007B VPSA	2007	5.10%	\$ 1,441,191
Series 2008B VPSA	2008	4.10-5.35%	9,715,000
Series 2011 VPSA	2011	7.60%	1,285,716
Series 2012A VPSA	2012	3.84%	542,718
Series 2012B VPSA	2012	2.05-5.05%	785,000
Series 2018 BPSA	2018	3.00-5.00%	13,895,000
Series 2020 VPFP	2020	1.951-5.125%	4,252,165
Series 2020 VPFP	2020	3.125-5.125%	3,757,835
Total general obligation bonds			<u>\$ 35,674,625</u>
Lease Revenue Bonds			
Series 2017	2017	2.95%	\$ 1,778,828
Series 2019A	2019	2.973%	480,000
Series 2019B	2019	3.125-5.125%	2,765,000
Series 2021	2021	2.00-5.00%	12,645,000
Series 2022	2022	3.97%	3,885,000
Total lease revenue bonds			<u>21,553,828</u>
Financed Purchases			
	2020	1.403%	1,080,216
	2019	1.919%	262,000
	2020	1.835%	482,000
	2021	1.250%	981,251
	2022	3.84-4.05%	1,739,000
Total financed purchases			<u>4,544,467</u>
Unamortized premiums			<u>5,559,902</u>
Net OPEB liabilities			<u>2,260,698</u>
Compensated absences			<u>1,627,488</u>
Landfill post-closure cost			<u>3,592,107</u>
Total Governmental Activities			<u>\$ 74,813,115</u>

County of Caroline, Virginia

Notes to Financial Statements

June 30, 2024

	<u>Year Issued</u>	<u>Interest Rate</u>	<u>Amount Outstanding</u>
Business-type Activities			
Lease Revenue Bonds			
	2006	N/A	\$ 509,023
	2019	5.125%	800,000
	2021	2.00-5.00%	20,630,000
	2020	3.125-5.125%	2,635,000
	2017	3.125-5.125%	6,900,000
	2019	2.862-5.125%	16,125,000
	2022	3.88-3.97%	2,505,000
Total lease revenue bonds			<u>50,104,023</u>
Unamortized premium			<u>3,737,669</u>
Compensated absences			<u>116,674</u>
Net OPEB liabilities			<u>165,725</u>
Total Business-type Activities			<u><u>\$ 54,124,091</u></u>

Direct Borrowings and Direct Placements

- (a) In the event of default for any general obligation bond, the Commonwealth of Virginia may withhold state aid from the locality until such time that the event of default is cured in accordance with Section 15.2- 2659 of the Code of Virginia, 1950 as amended.
- (b) Lease revenue bonds totaling \$21,553,828 contain a provision that, in the event of default, the Lender may declare the entire unpaid principal and interest on the issue as due and payable. In addition, the lease revenue bonds issued through the EDA of Caroline County have prepayment penalties of 1% of outstanding principal if the bond is redeemed in advance of specific dates.
- (c) Lease revenue bonds totaling \$50,104,023 contain a provision that, in the event of default, the Lender may declare the entire unpaid principal and interest on the issue as due and payable.

Financed Purchases

The County has entered into agreements for financing the acquisition of trucks, vehicles, and radio equipment. These agreements qualify as financed purchases for accounting purposes and, therefore, have been recorded at the present value of their future minimum payments as of the inception date.

The assets acquired through financed purchases are as follows:

	<u>Governmental Activities</u>
Trucks and vehicles	\$ 6,499,380
Radio equipment	86,700
HVAC and other energy performance equipment	<u>5,372,054</u>
Less accumulated depreciation	<u>(8,006,828)</u>
	<u><u>\$ 3,951,306</u></u>

County of Caroline, Virginia

Notes to Financial Statements

June 30, 2024

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

Year Ending June 30,	Governmental Activities
2025	\$ 981,378
2026	868,492
2027	694,938
2028	531,260
2029	318,661
2030-2034	1,042,635
2035-2039	496,431
2040-2043	267,191
Total minimum payments	5,200,986
Less amount representing interest	(656,519)
Present value of minimum payments	\$ 4,544,467

Component Unit – School Board

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

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Compensated absences	\$ 849,912	\$ 533,814	\$ -	\$ 1,383,726	\$ 138,373
Net pension liability	24,058,553	2,101,925	-	26,160,478	-
Net OPEB liabilities	12,369,160	-	(1,983,764)	10,385,396	361,642
Financed purchases	729,355	-	(161,686)	567,669	165,122
Subscription liability	-	430,720	(149,964)	280,756	137,276
Lease liabilities	69,258	-	(69,258)	-	-
Total	\$ 38,076,238	\$ 3,066,459	\$ (2,364,672)	\$ 38,778,025	\$ 802,413

Financed Purchases

The School Board has entered into agreements for financing the acquisition of school buses. These agreements qualify as financed purchases for accounting purposes and, therefore, have been recorded at the present value of their future minimum payments as of the inception date.

The assets acquired through financed purchases are as follows:

	School Board
School buses and vehicles	\$ 1,817,547
Less accumulated depreciation	(1,056,186)
	\$ 761,361

County of Caroline, Virginia

Notes to Financial Statements

June 30, 2024

Financed Purchases and Lease Liabilities

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

Year Ending June 30,	School Board Financed Purchases	School Board Subscription Liability
2025	\$ 177,348	\$ 149,964
2026	168,665	149,964
2027	161,256	-
2028	46,764	-
2029	9,664	-
2030-2034	28,356	-
2035-2037	4,810	-
Total minimum payments	596,863	299,928
Less amount representing interest	(29,194)	(19,172)
Present value of minimum payments	<u><u>\$ 567,669</u></u>	<u><u>\$ 280,756</u></u>

Note 8 – Leases and Subscription-Based Information Technology Arrangements

For the year ended June 30, 2022, the County and School Board adopted GASB Statement No. 87, *Leases*, which requires reporting an intangible right-to-use asset and a lease liability for leases the County and School Board had previously reported as operating leases. In instances where the County and School Board is the lessee, the right-to-use asset information can be found in Note 5, and the corresponding liabilities and maturity schedules are provided in Note 7.

For the year ended June 30, 2023, the County and School Board adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, which requires reporting an intangible right-to-use asset and a subscription liability for software the County and School Board had previously reported as operating expenditures. The right-to-use asset information can be found in Note 5, and the corresponding liabilities and maturity schedules are provided in Note 7.

Note 9 – Landfill Post-Closure Costs

State and federal laws and regulations required the County to place a final cover on its landfill site when it stopped accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. The landfill operated by the County was certified by the Department of Environmental Quality was closed on December 8, 2003, and all obligations of the County with regard to the closure have been met. The \$3,592,107 reported as landfill post-closure care liability at June 30, 2024, represents the remaining engineering estimate of 20 years of post-closure monitoring and care. These amounts are based on what it would cost to perform all post-closure care in 2024. Actual cost may be higher due to inflation, changes in technology, or changes in regulation. The County intends to fund these costs from general tax revenues and from any special revenue source that may become available for this purpose.

Note 10 – Deferred/Unavailable Revenue

Deferred/unavailable revenue represents amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Under the modified accrual basis of accounting, such amounts are

County of Caroline, Virginia

Notes to Financial Statements

June 30, 2024

measurable, but not available. Under the accrual basis of accounting, assessments for future periods are deferred. Deferred/unavailable revenue is comprised of the following:

- **Unavailable Property Tax Revenue** – Revenue representing uncollected tax billings not available for funding of current expenditures totaled \$28,089,784, of which \$6,395,615 represents delinquent property taxes receivable at June 30, 2024.
- **Prepaid Property Taxes** – Property taxes due subsequent to June 30, 2024, but paid in advance by the tax- payers totaled \$1,616,785 at June 30, 2024.
- **Opioid Settlement** – Revenue representing uncollected settlement amounts not available for funding of current expenditures totaled \$521,074.

	Unavailable	Unearned	Total
Property Taxes	\$ 6,395,615	\$ 21,694,169	\$ 28,089,784
Prepaid Taxes	-	1,616,785	1,616,785
Opioid Settlement	521,074	-	521,074
Total	<u>\$ 6,916,689</u>	<u>\$ 23,310,954</u>	<u>\$ 30,227,643</u>

Note 11 – Commitments and Contingencies

Federal programs in which the County and all discretely presented component units participate were audited in accordance with the provisions of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Pursuant to the provisions of this circular, all major programs and certain other programs were tested for compliance with applicable grant requirements.

While no matters of noncompliance were disclosed by audit, the Federal Government may subject grant programs to additional compliance tests, which may result in disallowed expenditures. In the opinion of management, any future disallowance of current grant program expenditures, if any, would be immaterial.

Note 12 – Litigation

At June 30, 2024, there were no matters of litigation involving the County, which would materially affect the County's financial position should any court decisions on pending matters not be favorable to such entities.

Note 13 – Risk Management

The County and School Board Component Unit are exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, errors and omissions; injuries to employees and others; and natural disasters. To reduce insurance costs and the need for self-insurance, the County and School Board joined with other municipalities in the Commonwealth of Virginia in several public entity risk pools that operate as common risk management and insurance programs for member municipalities.

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

The County and School Board contribute to 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.

County of Caroline, Virginia

Notes to Financial Statements

June 30, 2024

Health Insurance

County employees, retirees, and employee dependents are eligible for medical benefits from a County-held self-insurance plan. Funding is provided by charges to County departments, employees, and retirees. The program is supplemented by stop-loss protection, which limits the County's annual liability.

The County records an estimated liability for indemnity healthcare claims. Prior to fiscal year 2015, the liability was recorded in the respective fund; however, during fiscal year 2015, the County established a separate Self-Insurance Fund to account for this activity. The following represents the changes in the fund's claim liability for 2022 through 2024.

Fiscal Year Ended June 30,	Beginning Liability	Claims and Changes in Estimates	Claim Payments	Ending Liability
2024	\$ 345,000	\$ 4,785,529	\$ (4,840,529)	\$ 290,000
2023	416,734	4,011,358	(4,083,092)	345,000
2022	155,194	4,207,103	(3,945,563)	416,734

Note 14 – Defined Benefit Pension Plan

Primary Government – County

Plan Description

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

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 available at:

- <https://www.varetire.org/members/benefits/defined-benefit/plan1.asp>,
- <https://www.varetire.org/members/benefits/defined-benefit/plan2.asp>,
- <https://www.varetirement.org/hybrid.html>.

County of Caroline, Virginia

Notes to Financial Statements

June 30, 2024

Employees Covered by Benefit Terms

As of the June 30, 2022 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	Number
Inactive members or their beneficiaries currently receiving benefits	237
Inactive members	
Vested inactive members	84
Non-vested inactive members	163
Inactive members active elsewhere in VRS	233
Total inactive members	480
Active members	258
Total covered employees	975

Contributions

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

The Political Subdivision's contractually required contribution rate for the year ended June 30, 2024, was 7.92% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Political Subdivision were \$1,452,472 and \$1,050,828 for the years ended June 30, 2024, and June 30, 2023, respectively.

Net Pension Liability (Asset)

The net pension liability (asset) is calculated separately for each employer and represents that particular employer's total pension liability (asset) determined in accordance with GASB Statement No. 68, less that employer's fiduciary net position. For Political Subdivisions, the net pension liability (asset) was measured as of June 30, 2023. The total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation performed as of June 30, 2022, rolled forward to the measurement date of June 30, 2023.

County of Caroline, Virginia

Notes to Financial Statements

June 30, 2024

Actuarial Assumptions

The total pension liability (asset) for General Employees and Public Safety employees with Hazardous Duty Benefits in the Political Subdivision's Retirement Plan was based on an actuarial valuation as of June 30, 2022, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2023.

Inflation	2.50%
General Employees – Salary increases, including inflation	3.50 – 5.35%
Public Safety Employees with hazardous duty benefits – Salary increases, including inflation	3.50 – 4.75%
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

Mortality rates: General employees – 15 to 20% of deaths are assumed to be service related. Public Safety Employees – 45% to 70% of deaths are assumed to be service related. Mortality is projected using the applicable Pub-2010 Mortality Table with various set backs or set forwards for both males and females.

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

General Employees – Largest 10 – Non-Hazardous Duty and All Others (Non 10 Largest): Updated mortality table; adjusted retirement rates to better fit experience; adjusted withdrawal rates to better-fit experience at each year age and service through 9 years of service; no change to disability rates; no change to salary scale; no change to line of duty disability; and no change to discount rate.

Public Safety Employees – Largest 10 – Hazardous Duty and All Others (Non 10 Largest): Updated mortality table; adjusted retirement rate to better-fit experience and increased final retirement age to 70; decreased rates of withdrawal; no change to disability rates; no changes to salary scale; no change to line of duty disability; and no change to discount rate.

County of Caroline, Virginia

Notes to Financial Statements

June 30, 2024

Long-Term Expected Rate of Return

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

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

- * The above allocation provides for a one-year return of 8.25%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected rate of return for the System, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 7.14%, including expected inflation of 2.50%. On June 15, 2023, the VRS Board elected a long-term rate of 6.75%, which is roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.50%.

Discount Rate

The discount rate used to measure the total pension liability (asset) 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 the fiscal year 2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2022 actuarial valuations, whichever was greater. From July 1, 2023 on, participating employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability (asset).

County of Caroline, Virginia

Notes to Financial Statements

June 30, 2024

Changes in Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at June 30, 2022	\$ 64,274,801	\$ 70,861,774	\$ (6,586,973)
Changes for the year			
Service cost	1,768,151	-	1,768,151
Interest	4,362,839	-	4,362,839
Differences between expected and actual experience	(843,112)	-	(843,112)
Contributions – employer	-	1,078,494	(1,078,494)
Contributions – employee	-	774,281	(774,281)
Net investment income	-	4,569,513	(4,569,513)
Benefit payments, including refunds of employee contributions	(2,816,591)	(2,816,591)	-
Administrative expenses	-	(45,355)	45,355
Other changes	-	1,843	(1,843)
Net changes	2,471,287	3,562,185	(1,090,898)
Balance as of June 30, 2023	\$ 66,746,088	\$ 74,423,959	\$ (7,677,871)

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

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

	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
Political subdivision's net pension liability (asset)	\$ (1,479,613)	\$ (7,677,871)	\$ (15,234,228)

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

For the year ended June 30, 2024, the Political Subdivision recognized pension expense of \$(852,895). At June 30, 2024, the Political Subdivision reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 601,097
Net difference between projected and actual earnings on pension plan investments	-	1,089,860
Employer contributions subsequent to the measurement date	1,452,472	-
	\$ 1,452,472	\$ 1,690,957

County of Caroline, Virginia

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The \$1,452,472 reported as deferred outflows of resources related to pensions resulting from the Political Subdivision's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability (Asset) in the Fiscal Year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Effect on Pension Expense
2025	\$ (1,300,151)
2026	(1,443,207)
2027	1,016,469
2028	35,932
2029	-
Thereafter	-
Total	<u>\$ (1,690,957)</u>

Pension Plan Data

Information about the VRS Political Subdivision Retirement Plans is also available in the separately issued VRS 2023 Annual Report. A copy of the 2023 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2023-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

School Nonprofessionals

Plan Description

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

The System administers three different benefit structures for covered employees – Plan 1, Plan 2, and Hybrid. The plan provisions and features of the plans, as well as all actuarial assumptions, are substantially the same as those referenced for the Primary Government.

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Employees Covered by Benefit Terms

As of the June 30, 2022 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	Number
Inactive members or their beneficiaries currently receiving benefits	53
Inactive members	
Vested inactive members	12
Non-vested inactive members	23
Inactive members active elsewhere in VRS	10
Total inactive members	45
Active members	53
Total covered employees	151

Contributions

The School Division's contractually required contribution rate for the year ended June 30, 2024, was 2.93% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021.

Contributions to the pension plan from the school division were \$61,356 and \$61,029 for the years ended June 30, 2024, and June 30, 2023, respectively.

Changes in Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at June 30, 2022	\$ 5,921,618	\$ 6,469,908	\$ (548,290)
Changes for the year			
Service cost	159,918	-	159,918
Interest	398,951	-	398,951
Differences between expected and actual experience	83,700	-	83,700
Contributions – employer	-	60,220	(60,220)
Contributions – employee	-	87,291	(87,291)
Net investment income	-	412,659	(412,659)
Benefit payments, including refunds of employee contributions	(342,306)	(342,306)	-
Administrative expenses	-	(4,180)	4,180
Other changes	-	166	(166)
Net changes	300,263	213,850	86,413
Balance as of June 30, 2023	\$ 6,221,881	\$ 6,683,758	\$ (461,877)

County of Caroline, Virginia

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

The following presents the net pension liability (asset) of the School Division using the discount rate of 6.75%, as well as what the net pension liability (asset) would be if it was calculated using a discount rate that is one-percentage-point lower (5.75%) or one-percentage-point higher (7.75%) than the current rate:

	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
School Division's net pension liability (asset)	\$ 238,705	\$ (461,877)	\$ (1,093,162)

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

For the year ended June 30, 2024, the School Division recognized pension expense of \$(9,215). At June 30, 2024, the School Division reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 48,083	\$ 16,667
Net difference between projected and actual earnings on pension plan investments	-	104,642
Employer contributions subsequent to the measurement date	61,356	-
	\$ 109,439	\$ 121,309

The \$61,356 reported as deferred outflows of resources related to pensions resulting from the School Division's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the Fiscal Year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Effect on Pension Expense
2025	\$ (55,687)
2026	(114,165)
2027	93,156
2028	3,470
2029	-
Thereafter	-
Total	\$ (73,226)

Pension Plan Data

Information about the VRS Political Subdivision Retirement Plans is also available in the separately issued VRS 2023 Annual Report. A copy of the 2023 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2023-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

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Teacher Cost Sharing Plan

General Information about the Teacher Cost-Sharing Plan

Plan Description

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

The System administers three different benefit structures for covered employees in the VRS Teacher Retirement Plan – Plan 1, Plan 2, and Hybrid. The provisions and features of the plans, as well as all actuarial assumptions, are substantially the same as those referenced for the Primary Government.

Contributions

The contribution requirement for active employees is governed by §51.1-145 of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement. Each school division's contractually required contribution rate for the year ended June 30, 2024, was 16.62% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the School Division were \$4,305,657 and \$4,085,713 for the years ended June 30, 2024, and June 30, 2023, respectively.

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

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

At June 30, 2024, the School Division reported a liability of \$26,160,478 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2023, and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation performed as of June 30, 2022, and rolled forward to the measurement date of June 30, 2023. The School Division's proportion of the Net Pension Liability was based on the School Division's actuarially determined employer contributions to the pension plan for the year ended June 30, 2023, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2023, the School Division's proportion was 0.25883% as compared to 0.25270% at June 30, 2022.

For the year ended June 30, 2024, the School Division recognized pension expense of \$2,673,978. 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

County of Caroline, Virginia

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of employer contributions. Beginning with the June 30, 2022 measurement date, the difference between the expected and actual contributions is included with the pension expense calculation.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,247,207	\$ 1,020,894
Change in assumptions	1,185,946	-
Net difference between projected and actual earnings on pension plan investments	-	1,700,959
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,087,157	583,046
Employer contributions subsequent to the measurement date	4,305,657	-
	<u>\$ 8,825,967</u>	<u>\$ 3,304,899</u>

The \$4,305,657 reported as deferred outflows of resources related to pensions resulting from the School Division's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the Fiscal Year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Effect on Pension Expense
2025	\$ (383,381)
2026	(1,183,679)
2027	2,170,656
2028	611,815
2029	-
Thereafter	-
Total	<u>\$ 1,215,411</u>

Net Pension Liability

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

	Teacher Employee Retirement Plan
Total pension liability	\$ 57,574,609
Plan fiduciary net position	47,467,405
Employers' net pension liability	<u>\$ 10,107,204</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>82.45%</u>

County of Caroline, Virginia

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

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

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

	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
School Division's proportionate share of the VRS Teacher Employee Retirement plan net pension liability	\$ 46,373,197	\$ 26,160,478	\$ 9,543,961

Pension Plan Fiduciary Net Position

Detailed information about the VRS Teacher Retirement Plan's Fiduciary Net Position is available in the separately issued VRS 2023 Annual Report. A copy of the 2023 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2023-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Note 15 – Other Postemployment Benefits Liability – Virginia Retirement System Plans

Primary Government – County

In addition to their participation in the pension plans offered through the Virginia Retirement System (VRS), the County also participates in various cost-sharing and agent multi-employer other postemployment benefit plans, described as follows.

Plan Descriptions

Group Life Insurance Program

All employees of political subdivisions are automatically covered by the VRS Group Life Insurance (GLI) Program upon employment.

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

Specific information for the GLI is available at <https://www.varetire.org/members/benefits/life-insurance/basic-group-life-insurance.asp>.

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The GLI is administered by the VRS along with pensions and other OPEB plans, for public employer groups in the Commonwealth of Virginia. Both of these plans are considered multiple-employer, cost-sharing plans.

Contributions

Contributions to the VRS OPEB programs were based on actuarially determined rates from actuarial valuations as of June 30, 2021. The actuarially determined rates were expected to finance the cost of benefits earned by employees during the year, with an additional amount to fund any unfunded accrued liability. Specific details related to the contributions for the VRS OPEB programs are as follows:

Group Life Insurance Program

Governed by:	<i>Code of Virginia</i> 51.1-506 and 51.1-508 and may be impacted as a result of funding provided to school divisions and governmental agencies by the Virginia General Assembly.
Total rate:	1.34% of covered employee compensation. Rate allocated 60/40; 0.80% employee and 0.54% employer. Employers may elect to pay all or part of the employee contribution.
June 30, 2024 Contribution	\$99,369
June 30, 2023 Contribution	\$84,150

In June 2023, the Commonwealth made a special contribution of approximately \$10.1 million to the Group Life Insurance plan. This special payment was authorized by Chapter 2 of the Acts of Assembly of 2022, Special Session I, as amended by Chapter 769, 2023 Acts of Assembly Reconvened Session. Our proportionate share is reflected in Exhibit 2 of our financial statements.

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

The net OPEB liabilities were measured as of June 30, 2023, and the total OPEB liabilities used to calculate the net OPEB liabilities was determined by an actuarial valuation performed as of June 30, 2022, and rolled forward to the measurement date of June 30, 2023. The covered employer's proportion of the net OPEB liabilities were based on the covered employer's actuarially determined employer contributions for the year ended June 30, 2023, relative to the total of the actuarially determined employer contributions for all participating employers.

Group Life Insurance Program

June 30, 2024 proportionate share of liability	\$793,466
June 30, 2023 proportion	0.06616%
June 30, 2022 proportion	0.06325%
June 30, 2024 expense	\$(162)

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

County of Caroline, Virginia

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Group Life Insurance Program

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 79,248	\$ 24,086
Change in assumptions	16,961	54,974
Net difference between projected and actual earnings on OPEB plan investments	-	31,886
Changes in proportion	92,314	113,890
Employer contributions subsequent to the measurement date	99,369	-
	\$ 287,892	\$ 224,836

The deferred outflows of resources related to OPEB resulting from the County's contributions subsequent to the measurement date will be recognized as a reduction of the Net OPEB Liability in the Fiscal Year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense in future reporting periods as follows:

Year Ending June 30,	Increase (Reduction) to OPEB Expense
2025	\$ (14,123)
2026	(54,881)
2027	9,052
2028	9,747
2029	13,892
Thereafter	-
Total	\$ (36,313)

Actuarial Assumptions and Other Inputs

The total OPEB liability was determined using the following assumptions based on an actuarial valuation date of June 30, 2022, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2023:

Inflation	2.50%
Salary increases, including inflation:	
• Locality – general employees	3.50 – 5.35%
• Locality – hazardous duty employees	3.50 – 4.75%
Healthcare cost trend rates:	
• Under age 65	7.00 – 4.75%
• Ages 65 and older	5.25 – 4.75%
Investment rate of return, net of expenses, including inflation	GLI: 6.75%

Mortality rates used for the various VRS OPEB plans are the same as those used for the actuarial valuations of the VRS pension plans. The mortality rates are discussed in detail at Note 14.

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Net OPEB Liabilities

The net OPEB liabilities represent each program's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of the measurement date of June 30, 2023, net OPEB liability amounts for the various VRS OPEB programs are as follows (amounts expressed in thousands):

	Group Life Insurance Program
Total OPEB liability	\$ 3,907,052
Plan fiduciary net position	2,707,739
Employers' net OPEB liability	1,199,313
Plan fiduciary net position as a percentage of total OPEB liability	69.30%

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

Long-Term Expected Rate of Return

Group Life Insurance Program

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

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

- * The above allocation provides for a one-year return of 8.25%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected rate of return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a

County of Caroline, Virginia

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

Discount Rate

The discount rate used to measure the GLI OPEB liability was 6.75%. The discount rate used to measure the LODA OPEB liability was 3.86%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Guidance and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2023, the rate contributed by the employer for the OPEB liabilities will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 113% of the actuarially determined contribution rate for GLI and 100% of the actuarially determined contribution rate for all other OPEB plans. From July 1, 2023 on, participating employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the OPEB plans' 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 OPEB liability.

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

The following presents the net OPEB liabilities of the County, as well as what the County's net OPEB liabilities would be if it was calculated using a discount rate that is one-percentage-point lower (5.75% GLI) or one-percentage-point higher (7.75% GLI) than the current discount rate:

	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
GLI Net OPEB liability	\$ 1,176,164	\$ 793,466	\$ 484,052

OPEB Plan Fiduciary Net Position

Information about the various VRS OPEB plan fiduciary net position is available in the separately issued VRS 2023 *Annual Comprehensive Financial Report* (Annual Report). A copy of the 2023 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2023-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Component Unit – School Board

In addition to their participation in the pension plans offered through the Virginia Retirement System (VRS), the School Board also participates in various cost-sharing and agent multi-employer other postemployment benefit plans, described as follows.

Plan Descriptions

Group Life Insurance Program

All full-time teachers and employees of political subdivisions are automatically covered by the VRS Group Life Insurance (GLI) Program upon employment.

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

Specific information for the GLI is available at <https://www.varetire.org/members/benefits/life-insurance/basic-group-life-insurance.asp>.

Teacher Employee Health Insurance Credit Program

All full-time, salaried permanent (professional) employees of public school divisions are automatically covered by the VRS Teacher Employee Health Insurance Credit (HIC) Program. Members earn one month of service credit toward the benefit for each month they are employed, 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.

Specific information about the Teacher HIC is available at <https://www.varetire.org/retirees/insurance/healthinscredit/index.asp>.

The GLI and Teacher HIC are administered by the VRS along with pensions and other OPEB plans, for public employer groups in the Commonwealth of Virginia. Both of these plans are considered multiple-employer, cost-sharing plans.

General Employee Health Insurance Credit Program

The General Employee Health Insurance Credit Program (HIC) is available for all full-time, salaried employees of local government entities other than teachers. The General Employee HIC provides all the same benefits as the Teacher HIC, except that this plan is considered a multi-employer, agent defined benefit plan.

As of the June 30, 2023 actuarial valuation, the following employees were covered by the benefit terms of the General Employee Health Insurance Credit Program:

	Number
Inactive members or their beneficiaries currently receiving benefits	10
Inactive members	
Vested inactive members	5
Total inactive members	
Active members	63
Total covered employees	78

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Contributions

Contributions to the VRS OPEB programs were based on actuarially determined rates from actuarial valuations as of June 30, 2021. The actuarially determined rates were expected to finance the cost of benefits earned by employees during the year, with an additional amount to fund any unfunded accrued liability. Specific details related to the contributions for the VRS OPEB programs are as follows:

Teacher Group Life Insurance Program

Governed by:	<i>Code of Virginia</i> 51.1-506 and 51.1-508 and may be impacted as a result of funding provided to school divisions and governmental agencies by the Virginia General Assembly.
Total rate:	1.34% of covered employee compensation. Rate allocated 60/40; 0.80% employee and 0.54% employer. Employers may elect to pay all or part of the employee contribution.
June 30, 2024 Contribution	\$147,016
June 30, 2023 Contribution	\$139,479

In June 2023, the Commonwealth made a special contribution of approximately \$10.1 million to the Group Life Insurance plan. This special payment was authorized by Chapter 2 of the Acts of Assembly of 2022, Special Session I, as amended by Chapter 769, 2023 Acts of Assembly Reconvened Session. Our proportionate share is reflected in Exhibit 2 of our financial statements.

General Group Life Insurance Program

Governed by:	<i>Code of Virginia</i> 51.1-506 and 51.1-508 and may be impacted as a result of funding provided to school divisions and governmental agencies by the Virginia General Assembly.
Total rate:	1.34% of covered employee compensation. Rate allocated 60/40; 0.80% employee and 0.54% employer. Employers may elect to pay all or part of the employee contribution.
June 30, 2024 Contribution	\$11,305
June 30, 2023 Contribution	\$10,636

In June 2023, the Commonwealth made a special contribution of approximately \$10.1 million to the Group Life Insurance plan. This special payment was authorized by Chapter 2 of the Acts of Assembly of 2022, Special Session I, as amended by Chapter 769, 2023 Acts of Assembly Reconvened Session. Our proportionate share is reflected in Exhibit 2 of our financial statements.

Teacher Health Insurance Credit Program

Governed by:	<i>Code of Virginia</i> 51.1-1401 and may be impacted as a result of funding provided to school divisions by the Virginia General Assembly.
Total rate:	1.21% of covered employee compensation.
June 30, 2024 Contribution	\$329,302
June 30, 2023 Contribution	\$312,365

County of Caroline, Virginia

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In June 2023, the Commonwealth made a special contribution of approximately \$4.0 million to the VRS Teacher Health Insurance Credit Program. This special payment was authorized by Chapter 2 of the Acts of Assembly of 2022, Special Session I, as amended by Chapter 769, 2023 Acts of Assembly Reconvened Session, and is classified as a non-employer contribution. Our proportionate share is reflected in Exhibit 2 of our financial statements.

General Employee Health Insurance Credit Program

Governed by:	<i>Code of Virginia</i> 51.1-1400 and may be impacted as a result of funding provided to governmental agencies by the Virginia General Assembly.
Total rate:	0.91% of covered employee compensation.
June 30, 2024 Contribution	\$19,051
June 30, 2023 Contribution	\$17,822

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

The net OPEB liabilities were measured as of June 30, 2023, and the total OPEB liabilities used to calculate the net OPEB liabilities was determined by an actuarial valuation performed as of June 30, 2022, and rolled forward to the measurement date of June 30, 2023. The covered employer's proportion of the net OPEB liabilities were based on the covered employer's actuarially determined employer contributions for the year ended June 30, 2023, relative to the total of the actuarially determined employer contributions for all participating employers.

General Group Life Insurance Program

June 30, 2024 proportionate share of liability	\$100,263
June 30, 2023 proportion	0.00836%
June 30, 2022 proportion	0.00715%
June 30, 2024 expense	\$5,951

Teacher Group Life Insurance Program

June 30, 2024 proportionate share of liability	\$1,315,047
June 30, 2023 proportion	0.10965%
June 30, 2022 proportion	0.10827%
June 30, 2024 expense	\$56,641

Teacher Health Insurance Credit Program

June 30, 2024 proportionate share of liability	\$3,136,360
June 30, 2023 proportion	0.25890%
June 30, 2022 proportion	0.25213%
June 30, 2024 expense	\$246,792

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Since there was a change in proportionate share between measurement dates, a portion of the OPEB expense above was related to deferred amount from changes in proportion.

General Employee Health Insurance Credit Program

Changes in net OPEB liability of the General Employee Health Insurance Credit Program were as follows:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at June 30, 2022	\$ 169,974	\$ 20,893	\$ 149,081
Changes for the year			
Service cost	1,344	-	1,344
Interest	11,390	-	11,390
Differences between expected and actual experience	(91,991)	-	(91,991)
Contributions – employer	-	17,822	(17,822)
Benefit payments	(5,155)	(5,155)	-
Net investment income	-	1,850	(1,850)
Administrative expenses	-	(52)	52
Administrative expenses	-	(1)	1
Net changes	(84,412)	14,464	(98,876)
Balance as of June 30, 2023	<u>\$ 85,562</u>	<u>\$ 35,357</u>	<u>\$ 50,205</u>

In addition, for the year ended June 30, 2023, the School Board recognized OPEB expense of \$(12,224) related to the General Employee Health Insurance Credit Program.

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

General Group Life Insurance Program

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 10,014	\$ 3,043
Change in assumptions	2,143	6,947
Net difference between projected and actual earnings on OPEB plan investments	-	4,029
Changes in proportion	20,292	6,641
Employer contributions subsequent to the measurement date	11,305	-
	<u>\$ 43,754</u>	<u>\$ 20,660</u>

County of Caroline, Virginia

Notes to Financial Statements

June 30, 2024

Teacher Group Life Insurance Program

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 131,341	\$ 39,918
Change in assumptions	28,110	91,112
Net difference between projected and actual earnings on OPEB plan investments	-	52,846
Changes in proportion	50,983	47,830
Employer contributions subsequent to the measurement date	147,016	-
	\$ 357,450	\$ 231,706

General Employee Health Insurance Credit Program

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 76,202
Change in assumptions	1,078	2,237
Net difference between projected and actual earnings on OPEB plan investments	368	-
Employer contributions subsequent to the measurement date	19,051	-
	\$ 20,497	\$ 78,439

Teacher Health Insurance Credit Program

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 138,047
Change in assumptions	73,009	3,160
Net difference between projected and actual earnings on OPEB plan investments	1,574	-
Changes in proportion	154,501	122,643
Employer contributions subsequent to the measurement date	329,302	-
	\$ 558,386	\$ 263,850

County of Caroline, Virginia

Notes to Financial Statements

June 30, 2024

The deferred outflows of resources related to OPEB resulting from School Board's contributions subsequent to the measurement date will be recognized as a reduction of the Net OPEB Liability in the Fiscal Year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense in future reporting periods as follows:

General Group Life Insurance Program

Year Ending June 30,	Increase (Reduction) to OPEB Expense
2025	\$ 1,144
2026	(1,355)
2027	5,964
2028	2,524
2029	3,512
Thereafter	-
Total	\$ 11,789

Teacher Group Life Insurance Program

Year Ending June 30,	Increase (Reduction) to OPEB Expense
2025	\$ (13,566)
2026	(55,582)
2027	30,337
2028	1,683
2029	15,856
Thereafter	-
Total	\$ (21,272)

General Employee Health Insurance Credit Program

Year Ending June 30,	Increase (Reduction) to OPEB Expense
2025	\$ (23,257)
2026	(24,332)
2027	(20,659)
2028	(8,745)
2029	-
Thereafter	-
Total	\$ (76,993)

County of Caroline, Virginia

Notes to Financial Statements

June 30, 2024

Teacher Health Insurance Credit Program

Year Ending June 30,	Increase (Reduction) to OPEB Expense
2025	\$ (13,167)
2026	(16,691)
2027	(2,122)
2028	1,947
2029	(7,819)
Thereafter	3,086
Total	<u>\$ (34,766)</u>

Actuarial Assumptions and Other Inputs

The total OPEB liability was determined using the following assumptions based on an actuarial valuation date of June 30, 2022, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2023:

Inflation	2.50%
Salary increases, including inflation:	
• Locality – general employees	3.50 – 5.35%
• Teachers	3.50 – 5.95%
Healthcare cost trend rates:	
• Under age 65	7.00 – 4.75%
• Ages 65 and older	5.25 – 4.75%
Investment rate of return, net of expenses, including inflation	GLI & HIC: 6.75%

Mortality rates used for the various VRS OPEB plans are the same as those used for the actuarial valuations of the VRS pension plans. The mortality rates are discussed in detail at Note 14.

Net OPEB Liabilities

The net OPEB liabilities represent each program's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of the measurement date of June 30, 2023, net OPEB liability amounts for the various VRS OPEB programs are as follows (amounts expressed in thousands):

	Group Life Insurance Program	Teacher Employee HIC OPEB Plan
Total OPEB liability	\$ 3,907,052	\$ 1,475,471
Plan fiduciary net position	2,707,739	264,054
Employers' net OPEB liability	1,199,313	1,211,417
Plan fiduciary net position as a percentage of total OPEB liability	69.30%	17.90%

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

County of Caroline, Virginia

Notes to Financial Statements

June 30, 2024

Long-Term Expected Rate of Return

Group Life Insurance and Health Insurance Credit Programs

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

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

- * The above allocation provides for a one-year return of 8.25%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected rate of return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 7.14%, including expected inflation of 2.50%. On June 15, 2023, the VRS Board elected a long-term rate of 6.75%, which is roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.50%.

Discount Rate

The discount rate used to measure the GLI and HIC OPEB 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 Guidance and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2023, the rate contributed by the employer for the OPEB liabilities will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 113% of the actuarially determined contribution rate for GLI and 100% of the actuarially determined contribution rate for all other OPEB plans. From July 1, 2023 on, participating employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the OPEB plans' 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 OPEB liability.

County of Caroline, Virginia

Notes to Financial Statements

June 30, 2024

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

The following presents the net OPEB liabilities of the School Board, as well as what the School Board's net OPEB liabilities would be if it was calculated using a discount rate that is one-percentage-point lower (5.75% HIC; GLI) or one-percentage-point higher (7.75% HIC; GLI) than the current discount rate:

	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
General GLI Net OPEB liability	\$ 148,621	\$ 100,263	\$ 61,165
Teacher GLI Net OPEB liability	1,949,311	1,315,047	802,241
General Employee HIC Net OPEB liability	59,135	50,205	42,611
Teacher HIC Net OPEB liability	3,547,573	3,136,360	2,787,892

OPEB Plan Fiduciary Net Position

Information about the various VRS OPEB plan fiduciary net position is available in the separately issued VRS 2023 Annual Report. A copy of the 2023 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2023-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Note 16 – Medical and Dental Insurance – Pay-As-You-Go (OPEB Plan)

County and School Board

Plan Description

In addition to the pension benefits described in Note 14, the County and Component Unit School Board administers a single-employer defined benefit healthcare plan, The County of Caroline Post-retirement Benefits Plan and the Caroline County Public Schools Post-retirement Benefits Plan, respectively. The plan provides postemployment health care benefits to all eligible permanent employees who meet the requirements under the County's and School Board's pension plans. The plan does not issue a publicly available financial report.

Benefits Provided

Postemployment benefits that are provided to eligible County retirees include medical and dental insurance. The benefits that are provided for active employees are the same for eligible retirees, spouses and dependents of eligible retirees. All permanent employees of the County who meet eligibility requirements of the pension plan are eligible to receive postemployment health care benefits.

Postemployment benefits that are provided to eligible School Board retirees include medical and dental insurance. The benefits that are provided for active employees are the same for eligible retirees, spouses, and dependents of eligible retirees. All permanent employees of the School Board who meet eligibility requirements of the pension plan are eligible to receive postemployment health care benefits.

County of Caroline, Virginia

Notes to Financial Statements

June 30, 2024

Plan Membership

At June 30, 2024 (measurement date), the following employees were covered by the benefit terms:

	Primary Government	Component Unit School Board
Total active employees with coverage	266	600
Total retirees and spouses with coverage	6	24
	272	624

Contributions

The County nor the School Board pre-funds benefits; therefore, no assets are accumulated in a trust fund. The current funding policy is to pay benefits directly from general assets on a pay-as-you-go basis. The funding requirements are established and may be amended by the County or School Board. The amount paid by the County for OPEB as the benefits came due during the year were \$41,606 and \$25,449 for the years ended June 30, 2024 and June 30, 2023, respectively. The amount paid by the School Board for OPEB as the benefits came due were \$361,642 and \$438,784 for the years ended June 30, 2024, and June 30, 2023, respectively.

Total OPEB Liability

The County and School Board's total OPEB liability was measured as of June 30, 2024. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2023.

Actuarial Assumptions

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

Inflation	2.50%
Discount Rate	3.93%
Actuarial Cost Method	Entry Age Normal
Medical Trent Rate – County	2.00% for fiscal 2020, 4.80% for fiscal 2021, 5.20% for fiscal 2022, then grading to an ultimate rate of 4.00% for fiscal 2074.
Medical Trent Rate – School Board	10.80% for fiscal 2020, 4.80% for fiscal 2021, 5.20% for fiscal 2022, then grading to an ultimate rate of 4.00% for fiscal 2074.
Salary Increases	Granted Scale

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

Discount Rate

The discount rate used when OPEB plan investments are insufficient to pay for future benefit payments is based on the Bond Buyer General Obligation 20-Bond Municipal Index.

County of Caroline, Virginia

Notes to Financial Statements

June 30, 2024

Changes in Total OPEB Liability

	Primary Government Total OPEB Liability	Component Unit School Board Total OPEB Liability
Balance at June 30, 2023	\$ 1,528,804	\$ 7,681,090
Changes for the year		
Service cost	89,026	452,619
Interest	58,297	290,340
Economic/demographic gains or losses	154,396	(2,133,302)
Changes of assumptions	(155,960)	(145,584)
Benefit payments	(41,606)	(361,642)
Net Changes	104,153	(1,897,569)
Balance at June 30, 2024	<u>\$ 1,632,957</u>	<u>\$ 5,783,521</u>

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

The following amounts present the total OPEB liability of the County and School Board, as well as what the total OPEB liability would be if it was calculated using a discount rate that is one-percentage-point lower (2.93%) or one-percentage-point higher (4.93%) than the current discount rate:

	1.00% Decrease (2.93%)	Current Discount Rate (3.93%)	1.00% Increase (4.93%)
Primary Government			
Tota OPEB liability	<u>\$ 1,851,524</u>	<u>\$ 1,632,957</u>	<u>\$ 1,444,975</u>
Component Unit School Board			
Total OPEB liability	<u>\$ 6,147,753</u>	<u>\$ 5,783,521</u>	<u>\$ 5,435,384</u>

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

The following presents the total OPEB liability of the County and School Board, as well as what the total OPEB liability would be if it was calculated using healthcare cost trend rates that are one-percentage-point lower or one-percentage-point higher than the current healthcare cost trend rates:

	1.00% Decrease	Current Trent Rate	1.00% Increase
Primary Government			
Tota OPEB liability	<u>\$ 1,398,233</u>	<u>\$ 1,632,957</u>	<u>\$ 1,917,192</u>
Component Unit School Board			
Total OPEB liability	<u>\$ 5,190,352</u>	<u>\$ 5,783,521</u>	<u>\$ 6,469,492</u>

County of Caroline, Virginia

Notes to Financial Statements

June 30, 2024

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

For the year ended June 30, 2024, the County and the School Board recognized OPEB expense in the amount of \$158,050 and \$69,816. At June 30, 2024, the County and the School Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Primary Government		Component Unit School Board	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 137,241	\$ 215,131	\$ 441,313	\$ 2,527,562
Changes in assumptions	98,304	224,119	459,734	1,645,506
Total	\$ 235,545	\$ 439,250	\$ 901,047	\$ 4,173,068

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

Year Ended June 30,	Primary Government	Component Unit School Board
2025	\$ 10,727	\$ (673,143)
2026	(35,477)	(673,143)
2027	(40,609)	(673,143)
2028	(40,609)	(973,492)
2029	(40,609)	(279,100)
Thereafter	(57,128)	-
Total	\$ (203,705)	\$ (3,272,021)

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

Note 17 – Line of Duty Act (LODA) (OPEB Benefits)

The Line of Duty Act (LODA) provides death and healthcare benefits to certain law enforcement and rescue personnel, and their beneficiaries, who were disabled or killed in the line of duty. Benefit provisions and eligibility requirements are established by title 9.1 Chapter 4 of the *Code of Virginia*. Funding of LODA benefits is provided by employers in one of two ways: (a) participation in the Line of Duty and Health Benefits Trust Fund (LODA Fund), administered by the Virginia Retirement System (VRS) or (b) self-funding by the employer or through an insurance company.

The County has elected to provide LODA benefits through an insurance company. The obligation for the payment of benefits has been effectively transferred from the County to VACORP. VACORP assumes all liability for the County's LODA claims that are approved by VRS. The pool purchases reinsurance to protect the pool from extreme claims costs.

The current-year OPEB expense/expenditure for the insured benefits is defined as the amount of premiums or other payments required for the insured benefits for the reporting period in accordance with the agreement with the insurance company for LODA and a change in liability to the insurer equal to the difference between amounts recognized as OPEB expense and amounts paid by the employer to the insurer. The County's LODA coverage is fully covered or "insured" through VACORP. This is built into the LODA coverage cost presented in the annual renewals. The County's LODA premium for the year ended June 30, 2024, was \$81,024.

County of Caroline, Virginia

Notes to Financial Statements

June 30, 2024

Note 18 – Summary of Pension and OPEB Elements

A summary of the pension and other post-employment benefits-related financial statements elements are as follows:

	Governmental Activities	Business-Type Activities	Total Primary Government	Component Units Schools
Deferred outflows of resources – pensions				
Difference between expected and actual experience				
VRS (Nonprofessionals)	\$ -	\$ -	\$ -	\$ 48,083
VRS (Teachers)	-	-	-	2,247,207
Changes in assumptions				
VRS (Teachers)	-	-	-	1,185,946
Change in proportionate share				
VRS (Teachers)	-	-	-	1,087,157
Employer contributions subsequent to the measurement date				
VRS	1,351,525	100,947	1,452,472	-
VRS (Teachers)	-	-	-	4,305,657
VRS (Nonprofessionals)	-	-	-	61,356
Total deferred outflow of resources – pensions	<u>\$ 1,351,525</u>	<u>\$ 100,947</u>	<u>\$ 1,452,472</u>	<u>\$ 8,935,406</u>

County of Caroline, Virginia

Notes to Financial Statements

June 30, 2024

	Governmental Activities	Business-Type Activities	Total Primary Government	Component Units Schools
Deferred outflows of resources – OPEB				
Difference between expected and actual experience				
Local Plan	\$ 127,867	\$ 9,374	\$ 137,241	\$ 441,313
VRS GLI	73,835	5,413	79,248	-
VRS GLI (Teachers)	-	-	-	131,341
VRS GLI (Nonprofessionals)	-	-	-	10,014
Change in assumptions				
Local Plan	91,590	6,714	98,304	459,734
VRS GLI	15,803	1,158	16,961	-
VRS GLI (Teachers)	-	-	-	28,110
VRS GLI (Nonprofessionals)	-	-	-	2,143
VRS HIC (Teachers)	-	-	-	73,009
VRS HIC (Nonprofessionals)	-	-	-	1,078
Net difference between projected and actual investment earnings on OPEB plan investments				
VRS HIC (Teachers)	-	-	-	1,574
VRS HIC (Nonprofessionals)	-	-	-	368
Change in proportionate share				
VRS GLI	86,009	6,305	92,314	-
VRS GLI (Teachers)	-	-	-	50,983
VRS GLI (Nonprofessionals)	-	-	-	20,292
VRS HIC (Teachers)	-	-	-	154,501
Employer contributions subsequent to the measurement date				
VRS GLI	92,582	6,787	99,369	-
VRS GLI (Teachers)	-	-	-	147,016
VRS GLI (Nonprofessionals)	-	-	-	11,305
VRS HIC (Teachers)	-	-	-	329,302
VRS HIC (Nonprofessionals)	-	-	-	19,051
Total deferred outflow of resources – OPEB	<u>\$ 487,686</u>	<u>\$ 35,751</u>	<u>\$ 523,437</u>	<u>\$ 1,881,134</u>

County of Caroline, Virginia

Notes to Financial Statements

June 30, 2024

	Governmental Activities	Business-Type Activities	Total Primary Government	Component Units Schools
Deferred inflows of resources –				
pensions				
Difference between expected and actual experience				
VRS	\$ (559,321)	\$ (41,776)	\$ (601,097)	\$ -
VRS (Teachers)	-	-	-	(1,020,894)
VRS (Nonprofessionals)	-	-	-	(16,667)
Net difference between projected and actual investment earning on OPEB plan investments				
VRS	(1,014,114)	(75,746)	(1,089,860)	-
VRS (Teachers)	-	-	-	(1,700,959)
VRS (Nonprofessionals)	-	-	-	(104,642)
Change in proportionate share				
VRS (Teachers)	-	-	-	(583,046)
Total deferred inflow of resources – pensions	<u><u>\$ (1,573,435)</u></u>	<u><u>\$ (117,522)</u></u>	<u><u>\$ (1,690,957)</u></u>	<u><u>\$ (3,426,208)</u></u>

County of Caroline, Virginia

Notes to Financial Statements

June 30, 2024

	Governmental Activities	Business-Type Activities	Total Primary Government	Component Units Schools
Deferred inflows of resources – OPEB				
Difference between expected and actual experience				
Local Plan	\$ (200,438)	\$ (14,693)	\$ (215,131)	\$ (2,527,562)
VRS GLI	(22,441)	(1,645)	(24,086)	-
VRS GLI (Teachers)	-	-	-	(39,918)
VRS GLI (Nonprofessionals)	-	-	-	(3,043)
VRS HIC (Teachers)	-	-	-	(138,047)
VRS HIC (Nonprofessionals)	-	-	-	(76,202)
Change in assumptions				
Local Plan	(208,812)	(15,307)	(224,119)	(1,645,506)
VRS GLI	(51,219)	(3,755)	(54,974)	-
VRS GLI (Teachers)	-	-	-	(91,112)
VRS GLI (Nonprofessionals)	-	-	-	(6,947)
VRS HIC (Teachers)	-	-	-	(3,160)
VRS HIC (Nonprofessionals)	-	-	-	(2,237)
Net difference between projected and actual investment earnings on OPEB plan investments				
VRS GLI	(29,708)	(2,178)	(31,886)	-
VRS GLI (Teachers)	-	-	-	(52,846)
VRS GLI (Nonprofessionals)	-	-	-	(4,029)
Change in proportionate share				
VRS GLI	(106,111)	(7,779)	(113,890)	-
VRS GLI (Teachers)	-	-	-	(47,830)
VRS GLI (Nonprofessionals)	-	-	-	(6,641)
VRS HIC (Teachers)	-	-	-	(122,643)
Total deferred inflow of resources – OPEB	\$ (618,729)	\$ (45,357)	\$ (664,086)	\$ (4,767,723)

County of Caroline, Virginia

Notes to Financial Statements

June 30, 2024

	Governmental Activities	Business-Type Activities	Total Primary Government	School Board
Pension expense (benefit)				
VRS	\$ (793,619)	\$ (59,276)	\$ (852,895)	\$ -
VRS (Teachers)	-	-	-	2,673,978
VRS (Nonprofessionals)	-	-	-	(9,215)
Total pension expense (benefit)	<u>\$ (793,619)</u>	<u>\$ (59,276)</u>	<u>\$ (852,895)</u>	<u>\$ 2,664,763</u>
OPEB expense (benefit)				
Local plan	\$ 147,255	\$ 10,795	\$ 158,050	\$ 69,816
VRS GLI	(151)	(11)	(162)	-
VRS GLI (Teachers)	-	-	-	56,641
VRS GLI (Nonprofessionals)	-	-	-	5,951
VRS HIC (Teachers)	-	-	-	(12,224)
VRS HIC (Nonprofessionals)	-	-	-	246,792
Total OPEB expense	<u>\$ 147,104</u>	<u>\$ 10,784</u>	<u>\$ 157,888</u>	<u>\$ 366,976</u>
Net pension (liability) asset				
VRS	\$ 7,144,259	\$ 533,612	\$ 7,677,871	\$ -
VRS (Teachers)	-	-	-	(26,160,478)
VRS (Nonprofessionals)	-	-	-	461,877
Total net pension (liability) asset	<u>\$ 7,144,259</u>	<u>\$ 533,612</u>	<u>\$ 7,677,871</u>	<u>\$ (25,698,601)</u>
Net OPEB liability				
Local plan	\$ (1,521,426)	\$ (111,531)	\$ (1,632,957)	\$ (5,783,521)
VRS GLI	(739,272)	(54,194)	(793,466)	-
VRS GLI (Teachers)	-	-	-	(1,315,047)
VRS GLI (Nonprofessionals)	-	-	-	(100,263)
VRS HIC (Teachers)	-	-	-	(3,136,360)
VRS HIC (Nonprofessionals)	-	-	-	(50,205)
Total net OPEB liability	<u>\$ (2,260,698)</u>	<u>\$ (165,725)</u>	<u>\$ (2,426,423)</u>	<u>\$ (10,385,396)</u>

Note 19 – New Accounting Standards

In June 2022, the GASB issued **Statement No. 101, *Compensated Absences***. This statement updates the recognition and measurement guidance for compensated absences and amends certain previously required disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2023.

In December 2023, the GASB issued **Statement No. 102, *Certain Risk Disclosures***. This statement defines and requires governments to disclose the risks related to concentrations of inflows or outflows of resources. The requirements of this Statement are effective for reporting periods beginning after June 15, 2024.

In April 2024, the GASB issued **Statement No. 103, *Financial Reporting Model Improvements***. This statement improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability, as well as addresses certain application issues. The requirements of this Statement are effective for reporting periods beginning after June 15, 2025.

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

County of Caroline, Virginia

Notes to Financial Statements

June 30, 2024

Note 20 – Subsequent Events

At the December 10, 2024 Board meeting, the Board of Supervisors approved two resolutions for the issuance of Series 2024A Equipment Lease and Series 2024B Bon Anticipation Note in the amounts of \$1,681,000 and \$6,004,000, respectively.



Required Supplementary Information

County of Caroline, Virginia
Required Supplementary Information
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual – General Fund
Year Ended June 30, 2024

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
General property taxes	\$ 45,281,132	\$ 45,281,132	\$ 46,281,510	\$ 1,000,378
Other local taxes	6,260,448	6,260,448	7,714,741	1,454,293
Permits, privilege fees, and regulatory licenses	567,888	567,888	996,886	428,998
Revenue from the use of money and property	904,275	904,275	2,140,405	1,236,130
Charges for services	1,694,010	1,870,331	2,059,456	189,125
Miscellaneous	173,533	227,207	272,769	45,562
Recovered costs	19,052	108,580	211,213	102,633
Reimbursement from School Board	280,956	280,956	280,956	-
Intergovernmental revenues:				
Commonwealth	6,082,904	6,245,286	6,529,397	284,111
Federal	867,256	880,126	332,349	(547,777)
Total revenues	62,131,454	62,626,229	66,819,682	4,193,453
EXPENDITURES				
General government administration	5,555,840	5,924,568	5,696,971	227,597
Judicial administration	1,926,036	1,936,575	1,725,474	211,101
Public safety	20,766,149	22,507,914	21,395,136	1,112,778
Public works	5,814,242	6,574,539	5,701,828	872,711
Health and welfare	677,739	701,739	663,866	37,873
Education	17,813,559	17,813,559	17,813,199	360
Parks, recreation, and cultural	1,300,311	1,345,556	1,234,550	111,006
Community development	1,763,191	1,848,853	1,534,861	313,992
Total expenditures	55,617,067	58,653,303	55,765,885	2,887,418
Excess of revenues over expenditures	6,514,387	3,972,926	11,053,797	7,080,871
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	3,784,167	3,784,167
Transfers out	(9,183,169)	(16,163,619)	(14,531,563)	1,632,056
Total other financing uses	(9,183,169)	(16,163,619)	(10,747,396)	5,416,223
Net change in fund balance	\$ (2,668,782)	\$ (12,190,693)	\$ 306,401	\$ 12,497,094

County of Caroline, Virginia
Required Supplementary Information
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual – Virginia Public Assistance Fund
Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Miscellaneous	\$ -	\$ -	\$ 3,622	\$ 3,622
Intergovernmental revenues:				
Commonwealth	997,464	997,464	956,135	(41,329)
Federal	1,605,425	1,605,425	1,897,314	291,889
Total revenues	2,602,889	2,602,889	2,857,071	254,182
EXPENDITURES				
Health and welfare	3,497,172	3,525,789	3,484,075	41,714
Total expenditures	3,497,172	3,525,789	3,484,075	41,714
Deficiency of revenues under expenditures	(894,283)	(922,900)	(627,004)	295,896
OTHER FINANCING SOURCES				
Transfers in	894,283	922,900	629,591	(293,309)
Total other financing sources	894,283	922,900	629,591	(293,309)
Net change in fund balance	\$ -	\$ -	\$ 2,587	\$ 2,587

County of Caroline, Virginia
Required Supplementary Information
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual – Proffers Fund
Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ 500	\$ 500	\$ 2,089	\$ 1,589
Miscellaneous	75,000	75,000	796,700	721,700
Total revenues	75,500	75,500	798,789	723,289
Excess of revenues over expenditures	75,500	75,500	798,789	723,289
OTHER FINANCING USES				
Transfers out	(75,500)	(75,500)	-	75,500
Total other financing uses	(75,500)	(75,500)	-	75,500
Net change in fund balance	\$ -	\$ -	\$ 798,789	\$ 798,789

County of Caroline, Virginia
Required Supplementary Information
Schedule of Revenues, Expenditures, and
Changes in Fund Balance – Budget and Actual
CARES Act Fund
Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental:				
Federal	\$ -	\$ 220,000	\$ 4,580,018	\$ 4,360,018
Total revenues	-	220,000	4,580,018	4,360,018
EXPENDITURES				
General government administration	-	-	638,281	(638,281)
Public safety	-	220,000	157,570	62,430
Total expenditures	-	220,000	795,851	(575,851)
Excess of revenues over expenditures	-	-	3,784,167	3,784,167
OTHER FINANCING USES				
Transfers out	-	-	(3,784,167)	(3,784,167)
Total other financing uses	-	-	(3,784,167)	(3,784,167)
Net change in fund balance	\$ -	\$ -	\$ -	\$ -

County of Caroline, Virginia
Required Supplementary Information
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios –
Primary Government
Year Ended June 30, 2024

	Primary Government Plan Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability										
Service cost	\$ 1,768,151	\$ 1,673,995	\$ 1,539,411	\$ 1,535,494	\$ 1,481,996	\$ 1,538,835	\$ 1,322,358	\$ 1,315,617	\$ 1,268,316	\$ 1,235,508
Interest on total pension liability	4,362,839	4,195,757	3,878,252	3,633,961	3,474,793	3,443,422	2,388,469	2,280,789	2,133,282	1,988,555
Changes of assumptions	-	-	2,340,419	-	1,678,455	-	(233,781)	-	-	-
Difference between actual and expected experience	(843,112)	(868,832)	(2,293,297)	901,720	(181,649)	(2,476,536)	(402,886)	(710,814)	(105,098)	-
Benefit payments, including refunds of employee contributions	(2,816,591)	(2,422,971)	(2,447,029)	(2,457,078)	(2,056,998)	(2,058,127)	(1,377,034)	(1,317,577)	(1,060,932)	(1,252,134)
Net change in total pension liability	2,471,287	2,577,949	3,017,756	3,614,097	4,396,597	447,594	1,697,126	1,568,015	2,235,568	1,971,929
Total pension liability – beginning	<u>64,274,801</u>	<u>61,696,852</u>	<u>58,679,096</u>	<u>55,064,999</u>	<u>50,668,402</u>	<u>50,220,808</u>	<u>34,809,501</u>	<u>33,241,486</u>	<u>31,005,918</u>	<u>29,033,989</u>
Total pension liability – ending	<u>66,746,088</u>	<u>64,274,801</u>	<u>61,696,852</u>	<u>58,679,096</u>	<u>55,064,999</u>	<u>50,668,402</u>	<u>36,506,627</u>	<u>34,809,501</u>	<u>33,241,486</u>	<u>31,005,918</u>
Plan Fiduciary Net Position										
Contributions – employer	1,078,494	935,952	881,488	1,155,638	1,394,668	1,070,190	935,246	1,054,497	1,035,823	1,130,296
Contributions – employee	774,281	653,588	626,381	635,027	779,833	606,816	534,202	513,189	490,688	529,552
Net investment income	4,569,513	(84,244)	15,623,358	1,091,507	3,577,752	3,686,625	3,886,201	549,598	1,352,878	3,930,748
Benefit payments, including refunds of employee contributions	(2,816,591)	(2,422,971)	(2,447,029)	(2,457,078)	(2,056,998)	(2,058,127)	(1,377,034)	(1,317,577)	(1,060,932)	(1,252,134)
Administrative expenses	(45,355)	(44,607)	(38,738)	(36,639)	(34,270)	(31,508)	(21,938)	(18,864)	(17,793)	(20,616)
Other	1,843	1,665	1,208	(1,289)	(2,266)	(3,297)	(3,475)	(231)	(289)	207
Net change in plan fiduciary net position	3,562,185	(960,617)	14,646,668	387,166	3,658,719	3,270,699	3,953,202	780,612	1,800,375	4,318,053
Plan fiduciary net position – beginning	<u>70,861,774</u>	<u>71,822,391</u>	<u>57,175,723</u>	<u>56,788,557</u>	<u>53,129,838</u>	<u>49,859,139</u>	<u>31,609,917</u>	<u>30,829,305</u>	<u>29,028,930</u>	<u>24,710,877</u>
Plan fiduciary net position – ending	<u>74,423,959</u>	<u>70,861,774</u>	<u>71,822,391</u>	<u>57,175,723</u>	<u>56,788,557</u>	<u>53,129,838</u>	<u>35,563,119</u>	<u>31,609,917</u>	<u>30,829,305</u>	<u>29,028,930</u>
Net pension liability (asset) – ending	<u>\$ (7,677,871)</u>	<u>\$ (6,586,973)</u>	<u>\$ (10,125,539)</u>	<u>\$ 1,503,373</u>	<u>\$ (1,723,558)</u>	<u>\$ (2,461,436)</u>	<u>\$ 943,508</u>	<u>\$ 3,199,584</u>	<u>\$ 2,412,181</u>	<u>\$ 1,976,988</u>
Plan fiduciary net position as a percentage of total pension liability	<u>112%</u>	<u>110%</u>	<u>116%</u>	<u>97%</u>	<u>103%</u>	<u>105%</u>	<u>97%</u>	<u>91%</u>	<u>93%</u>	<u>94%</u>
Covered payroll	<u>\$ 15,576,485</u>	<u>\$ 13,504,696</u>	<u>\$ 12,827,675</u>	<u>\$ 13,128,214</u>	<u>\$ 15,636,529</u>	<u>\$ 12,223,133</u>	<u>\$ 10,622,138</u>	<u>\$ 10,121,380</u>	<u>\$ 9,873,655</u>	<u>\$ 9,776,909</u>
Net pension liability (asset) as a percentage of covered payroll	<u>-49%</u>	<u>-49%</u>	<u>-79%</u>	<u>11%</u>	<u>-11%</u>	<u>-20%</u>	<u>9%</u>	<u>32%</u>	<u>24%</u>	<u>20%</u>

The plan years above are reported in the entity's financial statements in the fiscal year following the plan year - i.e., plan year 2023 information was presented in the entity's fiscal year 2024 financial report.

County of Caroline, Virginia
Required Supplementary Information
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios –
Component Unit – School Nonprofessional
Year Ended June 30, 2024

	Schools - Nonprofessional Employees									
	Plan Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability										
Service cost	\$ 159,918	\$ 137,465	\$ 128,853	\$ 136,398	\$ 121,390	\$ 123,863	\$ 133,441	\$ 153,443	\$ 149,404	\$ 150,905
Interest on total pension liability	398,951	390,485	361,755	351,048	342,048	334,384	330,501	320,673	324,711	314,768
Changes of assumptions	-	-	140,165	-	131,436	-	(43,484)	-	-	-
Difference between actual and expected experience	83,700	(94,187)	(28,536)	(21,708)	31,018	(22,287)	(47,939)	18,143	(153,442)	-
Benefit payments, including refunds of employee contributions	(342,306)	(319,291)	(308,846)	(305,380)	(317,776)	(335,183)	(298,923)	(404,793)	(351,906)	(295,363)
Net change in total pension liability	300,263	114,472	293,391	160,358	308,116	100,777	73,596	87,466	(31,233)	170,310
Total pension liability – beginning	<u>5,921,618</u>	<u>5,807,146</u>	<u>5,513,755</u>	<u>5,353,397</u>	<u>5,045,281</u>	<u>4,944,504</u>	<u>4,870,908</u>	<u>4,783,442</u>	<u>4,814,675</u>	<u>4,644,365</u>
Total pension liability – ending	<u>6,221,881</u>	<u>5,921,618</u>	<u>5,807,146</u>	<u>5,513,755</u>	<u>5,353,397</u>	<u>5,045,281</u>	<u>4,944,504</u>	<u>4,870,908</u>	<u>4,783,442</u>	<u>4,814,675</u>
Plan Fiduciary Net Position										
Contributions – employer	60,220	61,337	61,269	41,997	45,420	67,242	71,009	60,039	98,179	128,159
Contributions – employee	87,291	70,123	69,363	61,293	64,818	66,330	69,626	46,198	68,865	66,968
Net investment income	412,659	(4,905)	1,456,740	103,896	349,463	377,177	573,732	80,716	221,665	682,678
Benefit payments, including refunds of employee contributions	(342,306)	(319,291)	(308,846)	(305,380)	(317,776)	(335,183)	(298,923)	(404,793)	(351,906)	(295,363)
Administrative expenses	(4,180)	(4,178)	(3,697)	(3,643)	(3,597)	(3,358)	(3,400)	(3,193)	(3,169)	(3,726)
Other	166	152	137	(122)	(219)	(332)	(507)	(35)	(45)	36
Net change in plan fiduciary net position	213,850	(196,762)	1,274,966	(101,959)	138,109	171,876	411,537	(221,068)	33,589	578,752
Plan fiduciary net position – beginning	<u>6,469,908</u>	<u>6,666,670</u>	<u>5,391,704</u>	<u>5,493,663</u>	<u>5,355,554</u>	<u>5,183,678</u>	<u>4,772,141</u>	<u>4,993,209</u>	<u>4,959,620</u>	<u>4,380,868</u>
Plan fiduciary net position – ending	<u>6,683,758</u>	<u>6,469,908</u>	<u>6,666,670</u>	<u>5,391,704</u>	<u>5,493,663</u>	<u>5,355,554</u>	<u>5,183,678</u>	<u>4,772,141</u>	<u>4,993,209</u>	<u>4,959,620</u>
Net pension liability (asset) – ending	<u>\$ (461,877)</u>	<u>\$ (548,290)</u>	<u>\$ (859,524)</u>	<u>\$ 122,051</u>	<u>\$ (140,266)</u>	<u>\$ (310,273)</u>	<u>\$ (239,174)</u>	<u>\$ 98,767</u>	<u>\$ (209,767)</u>	<u>\$ (144,945)</u>
Plan fiduciary net position as a percentage of total pension liability	<u>107%</u>	<u>109%</u>	<u>115%</u>	<u>98%</u>	<u>103%</u>	<u>106%</u>	<u>105%</u>	<u>98%</u>	<u>104%</u>	<u>103%</u>
Covered payroll	<u>\$ 1,958,422</u>	<u>\$ 1,577,295</u>	<u>\$ 1,504,066</u>	<u>\$ 1,298,925</u>	<u>\$ 1,361,896</u>	<u>\$ 1,383,281</u>	<u>\$ 1,440,998</u>	<u>\$ 1,332,950</u>	<u>\$ 1,393,169</u>	<u>\$ 1,342,563</u>
Net pension liability (asset) as a percentage of covered payroll	<u>-24%</u>	<u>-35%</u>	<u>-57%</u>	<u>9%</u>	<u>-10%</u>	<u>-22%</u>	<u>-17%</u>	<u>7%</u>	<u>-15%</u>	<u>-11%</u>

The plan years above are reported in the entity's financial statements in the fiscal year following the plan year - i.e., plan year 2023 information was presented in the entity's fiscal year 2024 financial report.

County of Caroline, Virginia
Required Supplementary Information
Schedule of Employer's Share of Net Pension Liability –
VRS Teacher Retirement Plan
June 30, 2024

School Division Fiscal Year Ended June 30	Employer's Proportion of the Net Pension Liability	Employer's Proportionate Share of the Net Pension Liability	Employer's Covered Payroll	Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2023	0.25883%	\$ 26,160,478	\$ 25,815,313	101.34%	82.45%
2022	0.25270%	24,058,553	23,620,885	101.85%	82.61%
2021	0.25644%	19,908,113	22,706,582	87.68%	85.46%
2020	0.24570%	35,752,892	21,619,772	165.37%	71.47%
2019	0.25458%	33,504,175	21,632,911	154.88%	73.51%
2018	0.25921%	30,484,000	21,373,776	142.62%	74.81%
2017	0.25981%	31,951,000	20,703,961	154.32%	72.92%
2016	0.25725%	36,052,000	19,594,595	183.99%	68.28%
2015	0.25632%	32,261,000	14,871,331	216.93%	70.68%
2014	0.25288%	30,560,000	20,468,405	149.30%	70.88%

The covered payroll amounts above are for the measurement period, which is twelve months prior to the school division's fiscal year.

County of Caroline, Virginia
Required Supplementary Information
Schedule of Employer Contributions – Pension Plans
June 30, 2024

Entity Fiscal Year Ended June 30	Actuarially Determined Contribution	Contributions in Relation to Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
Primary Government					
2024	\$ 1,452,472	\$ 1,452,472	\$ -	\$ 18,350,521	7.92%
2023	1,050,828	1,050,828	-	15,576,485	6.75%
2022	920,505	920,505	-	13,504,696	6.82%
2021	881,488	881,488	-	12,827,675	6.87%
2020	1,158,551	1,158,551	-	13,128,214	8.82%
2019	1,393,678	1,393,678	-	15,636,529	8.91%
2018	1,071,076	1,071,076	-	12,223,133	8.76%
2017	958,117	958,117	-	10,622,138	9.02%
2016	1,066,793	1,066,793	-	10,121,380	10.54%
2015	1,040,683	1,040,683	-	9,873,655	10.54%
Schools – Nonprofessional Employees					
2024	\$ 61,356	\$ 61,356	\$ -	\$ 2,093,463	2.93%
2023	61,029	61,029	-	1,958,422	3.12%
2022	62,110	62,110	-	1,577,295	3.94%
2021	61,873	61,873	-	1,504,066	4.11%
2020	42,388	42,388	-	1,298,925	3.26%
2019	45,910	45,910	-	1,361,896	3.37%
2018	67,671	67,671	-	1,383,281	4.89%
2017	75,652	75,652	-	1,440,998	5.25%
2016	94,140	94,140	-	1,332,950	7.06%
2015	98,497	98,497	-	1,393,169	7.07%
Schools – Professional Employees					
2024	\$ 4,305,657	\$ 4,305,657	\$ -	\$ 27,215,032	15.82%
2023	4,085,713	4,085,713	-	25,815,313	15.83%
2022	3,737,587	3,737,587	-	23,620,885	15.82%
2021	3,627,908	3,627,908	-	22,706,582	15.98%
2020	3,264,607	3,264,607	-	21,619,772	15.10%
2019	3,259,196	3,259,196	-	21,632,911	15.07%
2018	3,353,929	3,353,929	-	21,373,776	15.69%
2017	3,027,810	3,027,810	-	20,703,961	14.62%
2016	2,755,000	2,755,000	-	19,594,595	14.06%
2015	2,156,343	2,156,343	-	14,871,331	14.50%

The covered payroll amounts above are for the entity's fiscal year - i.e., the covered payroll on which required contributions were based for the same year.

County of Caroline, Virginia
Required Supplementary Information
Schedule of Employer's Share of Net OPEB Liability –
Group Life Insurance (GLI) Plan
June 30, 2024

Plan Year Ended June 30	Employer's Proportion of the Net GLI OPEB Liability	Employer's Proportionate Share of the Net GLI OPEB Liability	Covered Payroll	Employer's Proportionate Share of the Net GLI OPEB Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability
Primary Government					
2023	0.06616%	\$ 793,466	\$ 15,583,319	5.09%	69.30%
2022	0.06325%	761,591	13,539,852	5.62%	67.21%
2021	0.06252%	727,902	12,907,892	5.64%	67.45%
2020	0.06380%	1,064,550	13,128,214	8.11%	52.64%
2019	0.08047%	1,309,461	15,775,548	8.30%	52.00%
2018	0.06429%	977,000	12,225,710	7.99%	51.22%
2017	0.05762%	867,000	10,627,798	8.16%	48.86%
Component Unit School Board (Nonprofessional)					
2023	0.00836%	\$ 100,263	\$ 1,969,593	5.09%	69.30%
2022	0.00715%	86,093	1,558,519	5.52%	67.21%
2021	0.00730%	84,992	1,506,962	5.64%	67.45%
2020	0.00630%	105,637	1,302,541	8.11%	52.64%
2019	0.00705%	114,722	1,382,646	8.30%	52.00%
2018	0.00727%	110,000	1,383,281	7.95%	51.22%
2017	0.00781%	118,000	1,440,998	8.19%	48.86%
Component Unit School Board (Professional)					
2023	0.10965%	\$ 1,315,047	\$ 25,829,528	5.09%	69.30%
2022	0.10827%	1,303,675	23,673,227	5.51%	67.21%
2021	0.11005%	1,281,280	22,721,398	5.64%	67.45%
2020	0.10520%	1,755,115	21,644,486	8.11%	52.64%
2019	0.10984%	1,787,389	21,531,862	8.30%	52.00%
2018	0.11123%	1,689,000	21,151,187	7.99%	51.22%
2017	0.11197%	1,685,000	20,653,533	8.16%	48.86%

Schedule is intended to show information for 10 years. Since fiscal year 2018 (plan year 2017) was the first year for this presentation, no earlier data is available. However, additional years will be included as they become available.

The covered payroll amounts above are for the measurement period, which is the twelve months prior to the entity's fiscal year.

County of Caroline, Virginia
Required Supplementary Information
Schedule of OPEB Contributions - VRS GLI
June 30, 2024

Entity Fiscal Year Ended June 30	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a Percentage of Covered Payroll
Primary Government					
2024	\$ 99,369	\$ 99,369	\$ -	\$ 18,401,621	0.54%
2023	84,150	84,150	-	15,583,319	0.54%
2022	73,097	73,097	-	13,539,852	0.54%
2021	69,703	69,703	-	12,907,892	0.54%
2020	68,267	68,267	-	13,128,214	0.52%
2019	82,033	82,033	-	15,775,548	0.52%
2018	63,574	63,574	-	12,225,710	0.52%
2017	55,265	55,265	-	10,627,798	0.52%
2016	48,599	48,599	-	10,124,824	0.48%
2015	47,429	47,429	-	9,881,046	0.48%
Component Unit School Board (Nonprofessional)					
2024	\$ 11,305	\$ 11,305	\$ -	\$ 2,093,463	0.54%
2023	10,636	10,636	-	1,969,593	0.54%
2022	8,416	8,416	-	1,558,519	0.54%
2021	8,138	8,138	-	1,506,962	0.54%
2020	6,773	6,773	-	1,302,541	0.52%
2019	7,190	7,190	-	1,382,646	0.52%
2018	7,193	7,193	-	1,383,281	0.52%
2017	7,493	7,493	-	1,440,998	0.52%
2016	6,398	6,398	-	1,332,950	0.48%
2015	6,687	6,687	-	1,393,169	0.48%
Component Unit School Board (Professional)					
2024	\$ 147,016	\$ 147,016	\$ -	\$ 27,225,212	0.54%
2023	139,479	139,479	-	25,829,528	0.54%
2022	126,978	126,978	-	23,673,227	0.54%
2021	122,696	122,696	-	22,721,398	0.54%
2020	112,551	112,551	-	21,644,486	0.52%
2019	111,966	111,966	-	21,531,862	0.52%
2018	109,986	109,986	-	21,151,187	0.52%
2017	107,398	107,398	-	20,653,533	0.52%
2016	94,520	94,520	-	19,691,658	0.48%
2015	91,753	91,753	-	19,115,185	0.48%

The amounts presented have a measurement date (plan year) of the previous fiscal year-end.

The covered payroll amounts above are for the entity's fiscal year - i.e., the covered payroll on which required contributions were based for the same year.

County of Caroline, Virginia
Required Supplementary Information
Schedule of Changes in Net OPEB Liability and Related Ratios
June 30, 2024

VRS Health Insurance Credit – Schools Nonprofessional Employees	Plan Year 2023	Plan Year 2022	Plan Year 2021	Plan Year 2020
Total OPEB Liability				
Service cost	\$ 1,344	\$ 1,572	\$ 1,657	\$ -
Interest on total OPEB liability	11,390	11,808	10,717	-
Changes in benefit terms	-	-	-	158,778
Difference between expected and actual experience	(91,991)	(9,970)	(1)	-
Changes of assumptions	-	(4,439)	4,555	-
Benefit payments, including refunds of employee contributions	(5,155)	(4,703)	-	-
Net change in total OPEB liability	(84,412)	(5,732)	16,928	158,778
Total HIC OPEB liability – beginning	169,974	175,706	158,778	-
Total HIC OPEB liability – ending	85,562	169,974	175,706	158,778
Plan Fiduciary Net Position				
Contributions – employer	17,822	12,370	12,034	-
Net investment income	1,850	(158)	1,442	-
Benefit payments	(5,155)	(4,703)	-	-
Administrative expenses	(52)	(39)	(53)	-
Other	(1)	-	-	-
Net change in plan fiduciary net position	14,464	7,470	13,423	-
Plan fiduciary net position – beginning	20,893	13,423	-	-
Plan fiduciary net position – ending	35,357	20,893	13,423	-
School Board's net HIC OPEB liability – ending (a) - (b)	\$ 50,205	\$ 149,081	\$ 162,283	\$ 158,778
Plan fiduciary net position as a percentage of total HIC OPEB liability	41%	12%	8%	0%
Covered payroll	\$ 1,958,422	\$ 1,548,391	\$ 1,504,066	\$ 1,461,010
Net HIC OPEB liability as a percentage of covered payroll	3%	10%	11%	11%

The plan year above is reported in the entity's financial statements in the fiscal year following the plan year - i.e., plan year 2023 information was presented in the entity's fiscal year 2024 financial report.

This schedule is intended to show information for 10 years. Since fiscal year 2021 (plan year 2020) is the first year this plan was offered to School employees, no earlier data is available. Additional years will be included as they become available.

County of Caroline, Virginia
Required Supplementary Information
Schedule of Employer Contributions –
Health Insurance Credit (HIC) Plan
June 30, 2024

Entity Fiscal	Contractually	Contributions in	Contribution	Employer's	Contributions as
Year Ended	Required	Relation to	Deficiency	Covered	a Percentage of
June 30	Contribution	Contractually	(Excess)	Payroll	Covered Payroll
Component Unit	School Board (Nonprofessional)	Required			
2024	\$ 19,051	\$ 19,051	\$ -	\$ 2,093,463	0.91%
2023	17,822	17,822	-	1,958,422	0.91%
2022	12,387	12,387	-	1,548,391	0.80%
2021	12,033	12,033	-	1,504,066	0.80%

This schedule is intended to show information for 10 years. Since fiscal year 2021 (plan year 2020) is the first year this plan was offered to School employees, no earlier data is available. Additional years will be included as they become available.

The covered payroll amounts above are for the entity's fiscal year - i.e., the covered payroll on which required contributions were based for the same year.

County of Caroline, Virginia
Required Supplementary Information
Schedule of County School Board's Share of Net OPEB Liability –
Teacher Employee Health Insurance Credit (HIC) Plan
June 30, 2024

Plan Year Ended June 30	Employer's Proportion of the Net HIC OPEB Liability	Employer's Proportionate Share of the Net HIC OPEB Liability	Covered Payroll	Employer's Proportionate Share of the Net HC OPEB Liability as a % of Covered Payroll	Plan Fiduciary Net Position as a % of Total HIC OPEB Liability
2023	0.25890%	\$ 3,136,360	\$ 25,815,313	12.15%	17.90%
2022	0.25213%	3,149,221	23,620,885	13.33%	15.08%
2021	0.25675%	3,295,564	22,706,582	14.51%	13.15%
2020	0.24661%	3,217,068	21,619,772	14.88%	9.95%
2019	0.25609%	3,352,467	21,480,123	15.61%	8.97%
2018	0.26116%	3,315,000	21,121,292	15.70%	8.08%
2017	0.26170%	3,320,000	20,653,533	16.07%	7.04%

Schedule is intended to show information for 10 years. Since fiscal year 2018 (plan year 2017) was the first year for this presentation, no earlier data is available. However, additional years will be included as they become available.

The covered payroll amounts above are for the measurement period, which is the twelve months prior to the entity's fiscal year.

County of Caroline, Virginia
Required Supplementary Information
Schedule of Employer Contributions –
Teacher Employee Health Insurance Credit (HIC) Plan
June 30, 2024

Entity Fiscal Year Ended June 30	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a Percentage of Covered Payroll
Schools - Nonprofessional Employees					
2024	\$ 329,302	\$ 329,302	\$ -	\$ 27,215,032	1.21%
2023	312,365	312,365	-	25,815,313	1.21%
2022	283,890	283,890	-	23,620,885	1.20%
2021	274,750	274,750	-	22,706,582	1.21%
2020	259,437	259,437	-	21,619,772	1.20%
2019	257,761	257,761	-	21,480,123	1.20%
2018	259,792	259,792	-	21,121,292	1.23%
2017	229,254	229,254	-	20,653,533	1.11%
2016	207,922	207,922	-	19,615,237	1.06%
2015	202,005	202,005	-	19,057,060	1.06%

The covered payroll amounts above are for the entity's fiscal year - i.e., the covered payroll on which required contributions were based for the same year.

County of Caroline, Virginia
Required Supplementary Information
Schedule of Changes in Net OPEB Liability and Related Ratios – Local Plan
June 30, 2024

	Plan Year 2024		Plan Year 2023		Plan Year 2022		Plan Year 2021	
	County	Schools	County	Schools	County	Schools	County	Schools
Total OPEB Liability								
Service cost	\$ 89,026	\$ 452,619	\$ 77,201	\$ 467,783	\$ 94,823	\$ 641,655	\$ 75,098	\$ 672,307
Interest on total OPEB liability	58,297	290,340	51,484	272,353	38,406	243,883	36,711	239,993
Changes in assumptions	(155,960)	(145,584)	35,794	(63,566)	(125,562)	(2,543,695)	9,261	39,230
Economic/demographic losses	154,396	(2,133,302)	-	-	(294,581)	(1,353,112)	-	-
Benefit payments	(41,606)	(361,642)	(25,449)	(438,784)	(12,981)	(387,211)	(34,611)	(590,466)
Net change in total OPEB liability	104,153	(1,897,569)	139,030	237,786	(299,895)	(3,398,480)	86,459	361,064
Total OPEB liability – beginning	1,528,804	7,681,090	1,389,774	7,443,304	1,689,669	10,841,784	1,603,210	10,480,720
Total OPEB liability – ending	\$ 1,632,957	\$ 5,783,521	\$ 1,528,804	\$ 7,681,090	\$ 1,389,774	\$ 7,443,304	\$ 1,689,669	\$ 10,841,784
Covered-employee payroll	\$ 17,000,686	\$ 28,438,301	\$ 14,169,418	\$ 24,134,624	\$ 14,169,418	\$ 24,134,624	\$ 15,471,470	\$ 23,376,697
County/School Board's total OPEB liability as a percentage of covered-employee payroll	9.61%	20.34%	10.79%	31.83%	9.81%	30.84%	10.92%	46.38%

	Plan Year 2020		Plan Year 2019		Plan Year 2018	
	County	Schools	County	Schools	County	Schools
Total OPEB Liability						
Service cost	\$ 50,939	\$ 564,228	\$ 43,544	\$ 510,600	\$ 45,603	\$ 520,808
Interest on total OPEB liability	44,483	284,933	44,470	294,790	39,799	263,614
Changes in assumptions	382,840	1,181,120	52,395	217,407	(51,076)	(208,858)
Difference between expected and actual experience	(80,769)	1,176,838	-	-	-	-
Benefit payments	(28,353)	(601,048)	(23,580)	(504,902)	(17,029)	(455,710)
Net change in total OPEB liability	369,140	2,606,071	116,829	517,895	17,297	119,854
Total OPEB liability – beginning	1,234,070	7,874,649	1,117,241	7,356,754	1,099,944	7,236,900
Total OPEB liability – ending	\$ 1,603,210	\$ 10,480,720	\$ 1,234,070	\$ 7,874,649	\$ 1,117,241	\$ 7,356,754
Covered-employee payroll	\$ 12,322,278	\$ 24,743,166	\$ 10,892,500	\$ 24,975,600	\$ 10,892,500	\$ 24,975,600
County/School Board's total OPEB liability as a percentage of covered-employee payroll	13.01%	42.36%	11.33%	31.53%	10.26%	29.46%

The plan years above are reported in the entity's financial statements in the fiscal year following the plan year - i.e., plan year 2023 information was presented in the entity's fiscal year 2024 financial report.

This schedule is intended to show information for 10 years. Since fiscal year 2019 (plan year 2018) is the first year for this presentation, no earlier data is available. Additional years will be included as they become available.

There are no assets accumulated in a trust that meet the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the OPEB plan.

County of Caroline, Virginia
Notes to Required Supplementary Information
June 30, 2024

Note 1 – Changes of Benefit Terms

Pension

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

Other Postemployment Benefits (OPEB)

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

Non-Hazardous Duty:

- Update mortality table to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
- Adjusted retirement rates to better fit experience for Plan 1; set separate rates based on experience for Plan2/Hybrid; changed final retirement age from 75 to 80 for all.
- Adjusted withdrawal rates to better fit experience at each age and service through 9 years of service.
- No change to disability rates.
- No change to salary scale.
- No change to line of duty rates.
- No change to discount rate.

Largest 10 – Hazardous Duty/Public Safety Employees:

- Update mortality table to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Scale MP-2020.
- Adjusted retirement rates to better fit experience and changed final retirement age from 65 to 70.
- Decreased withdrawal rates.
- No change to disability rates.
- No change to salary scale.
- No change to line of duty rates.
- No change to discount rate.

County of Caroline, Virginia
Notes to Required Supplementary Information
June 30, 2024

All Others (Non 10 Largest) – Hazardous Duty/Public Safety Employees:

- Update mortality table to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
- Adjusted retirement rates to better fit experience and changed final retirement age from 65 to 70.
- Decreased withdrawal rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Largest 10 Hazardous Duty.
- No change to disability rates.
- No change to salary scale.
- No change to line of duty rates.
- No change to discount rate.

Teacher Cost-Sharing Pool:

- Update mortality table to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
- Adjusted retirement rates to better fit experience for Plan 1; set separate rates based on experience for Plan2/Hybrid; changed final retirement age from 75 to 80 for all.
- Adjusted withdrawal rates to better fit experience at each age and service through 9 years of service.
- No change to disability rates.
- No changes to salary scale.
- No change to discount rate.

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Other Supplementary Information

County of Caroline, Virginia
Schedule of Revenues, Expenditures, and
Changes in Fund Balance – Budget and Actual
Debt Service Fund
Year Ended June 30, 2024

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Other local taxes	\$ 2,648,790	\$ 2,648,790	\$ 2,588,172	\$ (60,618)
Revenue from the use of money and property	111,600	111,600	497,663	386,063
Intergovernmental revenues:				
Federal	468,382	468,382	467,788	(594)
Total revenues	<u>3,228,772</u>	<u>3,228,772</u>	<u>3,553,623</u>	<u>324,851</u>
EXPENDITURES				
Debt service:				
Principal retirement	5,603,837	5,603,837	6,178,566	(574,729)
Interest	3,203,058	3,203,058	3,527,070	(324,012)
Total expenditures	<u>8,806,895</u>	<u>8,806,895</u>	<u>9,705,636</u>	<u>(898,741)</u>
Deficiency of revenues under expenditures	<u>(5,578,123)</u>	<u>(5,578,123)</u>	<u>(6,152,013)</u>	<u>(573,890)</u>
OTHER FINANCING SOURCES				
Transfers in	5,526,730	5,526,730	5,966,495	439,765
Total other financing sources	<u>5,526,730</u>	<u>5,526,730</u>	<u>5,966,495</u>	<u>439,765</u>
Net change in fund balance	<u>\$ (51,393)</u>	<u>\$ (51,393)</u>	<u>\$ (185,518)</u>	<u>\$ (134,125)</u>

County of Caroline, Virginia
Schedule of Revenues, Expenditures, and
Changes in Fund Balance – Budget and Actual
County Capital Projects Fund
Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive
				(Negative)
REVENUES				
Revenue from the use of money and property	\$ -	\$ -	\$ 483,753	\$ 483,753
Miscellaneous	-	-	2,038	2,038
Total revenues	-	-	485,791	485,791
EXPENDITURES				
Capital outlay	1,090,694	7,174,969	8,398,456	(1,223,487)
Total expenditures	1,090,694	7,174,969	8,398,456	(1,223,487)
Deficiency of revenues under expenditures	(1,090,694)	(7,174,969)	(7,912,665)	(737,696)
OTHER FINANCING SOURCES				
Transfers in	1,090,694	7,174,969	7,912,665	737,696
Total other financing sources	1,090,694	7,174,969	7,912,665	737,696
Net change in fund balance	\$ -	\$ -	\$ -	\$ -

County of Caroline, Virginia
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

	Special Revenue Funds										Total Nonmajor Governmental Funds
	Children's Services	Law Library	Courthouse Maintenance	Tourism	Confiscated Asset	Fire/Rescue Grant	Housing	Sheriff	Detention Facility	Hanover Soil and Water	
ASSETS											
Cash and cash equivalents	\$ 131,696	\$ -	\$ 60,663	\$ 228,157	\$ 98,200	\$ 156,819	\$ 9,910	\$ 104,329	\$ 938,818	\$ -	\$ 1,728,592
Receivables, net	-	517	1,094	40,947	-	-	-	1,550	59,617	-	103,725
Due from other governmental units	299,817	-	-	-	-	-	-	-	-	310,772	610,589
Total assets	<u>\$ 431,513</u>	<u>\$ 517</u>	<u>\$ 61,757</u>	<u>\$ 269,104</u>	<u>\$ 98,200</u>	<u>\$ 156,819</u>	<u>\$ 9,910</u>	<u>\$ 105,879</u>	<u>\$ 998,435</u>	<u>\$ 310,772</u>	<u>\$ 2,442,906</u>
LIABILITIES											
Accounts payable	\$ 181,296	\$ 450	\$ -	\$ 12,186	\$ -	\$ 1,392	\$ 1,278	\$ -	\$ -	\$ 256,505	\$ 453,107
Accrued payroll	-	-	-	6,614	-	-	-	-	-	48,920	55,534
Total liabilities	<u>181,296</u>	<u>450</u>	<u>-</u>	<u>18,800</u>	<u>-</u>	<u>1,392</u>	<u>1,278</u>	<u>-</u>	<u>-</u>	<u>305,425</u>	<u>508,641</u>
FUND BALANCES											
Restricted	250,217	67	61,757	250,304	98,200	155,427	8,632	105,879	-	5,347	935,830
Committed	-	-	-	-	-	-	-	-	998,435	-	998,435
Total fund balances	<u>250,217</u>	<u>67</u>	<u>61,757</u>	<u>250,304</u>	<u>98,200</u>	<u>155,427</u>	<u>8,632</u>	<u>105,879</u>	<u>998,435</u>	<u>5,347</u>	<u>1,934,265</u>
Total liabilities and fund balances	<u>\$ 431,513</u>	<u>\$ 517</u>	<u>\$ 61,757</u>	<u>\$ 269,104</u>	<u>\$ 98,200</u>	<u>\$ 156,819</u>	<u>\$ 9,910</u>	<u>\$ 105,879</u>	<u>\$ 998,435</u>	<u>\$ 310,772</u>	<u>\$ 2,442,906</u>

County of Caroline, Virginia
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

	Children's Services	Law Library	Courthouse Maintenance	Tourism	Confiscated Asset	Fire/Rescue Grant	Housing	Sheriff	Detention Facility	Hanover Soil and Water	Total Nonmajor Governmental Funds
REVENUES											
Other local taxes	\$ -	\$ -	\$ -	\$ 235,130	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 235,130
Revenue from the use of money and property	-	-	-	-	-	-	-	-	8,722	-	8,722
Charges for services	-	56	13,333	-	-	-	-	18,030	-	-	31,419
Miscellaneous	11,070	-	-	10,199	-	-	-	-	-	-	21,269
Recovered costs	-	-	-	-	-	-	-	-	-	596,633	596,633
Intergovernmental revenues:											
Commonwealth	1,676,765	-	-	-	5,403	197,874	-	-	-	-	1,880,042
Federal	-	-	-	-	-	-	-	-	683,023	-	683,023
Total revenues	1,687,835	56	13,333	245,329	5,403	197,874	-	18,030	691,745	596,633	3,456,238
EXPENDITURES											
Current:											
General government administration	-	-	-	-	-	-	-	-	-	-	-
Judicial administration	-	-	(132)	-	-	-	-	-	-	-	(132)
Public safety	-	-	-	-	44,760	179,618	-	36,385	-	-	260,763
Public works	-	-	-	-	-	-	-	-	-	595,496	595,496
Health and welfare	2,509,282	-	-	-	-	-	-	-	-	-	2,509,282
Education	-	-	-	-	-	-	-	-	100,000	-	100,000
Community development	-	-	-	295,343	-	-	8,150	-	-	-	303,493
Total expenditures	2,509,282	-	(132)	295,343	44,760	179,618	8,150	36,385	100,000	595,496	3,768,902
Excess (deficiency) of revenues over (under) expenditures	(821,447)	56	13,465	(50,014)	(39,357)	18,256	(8,150)	(18,355)	591,745	1,137	(312,664)
OTHER FINANCING SOURCES (USES)											
Transfers in	821,447	-	-	-	-	-	-	-	-	-	821,447
Transfers out	-	-	-	-	-	-	-	-	(1,031,621)	-	(1,031,621)
Total other financing sources (uses)	821,447	-	-	-	-	-	-	-	(1,031,621)	-	(210,174)
Net changes in fund balances	-	56	13,465	(50,014)	(39,357)	18,256	(8,150)	(18,355)	(439,876)	1,137	(522,838)
FUND BALANCES AT JULY 1	250,217	11	48,292	300,318	137,557	137,171	16,782	124,234	1,438,311	4,210	2,457,103
FUND BALANCES AT JUNE 30	\$ 250,217	\$ 67	\$ 61,757	\$ 250,304	\$ 98,200	\$ 155,427	\$ 8,632	\$ 105,879	\$ 998,435	\$ 5,347	\$ 1,934,265

County of Caroline, Virginia
Schedule of Revenues, Expenditures, and
Changes in Fund Balance – Budget and Actual
Nonmajor Special Revenue Funds
Year Ended June 30, 2024

	Children's Services Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Other local taxes	\$ -	\$ -	\$ -	\$ -
Revenue from the use of money and property	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	1,200	1,200	11,070	9,870
Recovered costs	-	-	-	-
Intergovernmental revenues:				
Commonwealth	1,549,947	1,719,753	1,676,765	(42,988)
Federal	-	-	-	-
Total revenues	1,551,147	1,720,953	1,687,835	(33,118)
EXPENDITURES				
Current:				
General government administration	-	-	-	-
Judicial administration	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Health and welfare	2,300,000	2,553,745	2,509,282	44,463
Parks, recreation, and cultural	-	-	-	-
Human Services	-	-	-	-
Community development	-	-	-	-
Total expenditures	2,300,000	2,553,745	2,509,282	44,463
Deficiency of revenues under expenditures	(748,853)	(832,792)	(821,447)	11,345
OTHER FINANCING SOURCES				
Transfers in	748,853	832,792	821,447	(11,345)
Transfers out	-	-	-	-
Total other financing sources	748,853	832,792	821,447	(11,345)
Net change in fund balance	\$ -	\$ -	\$ -	\$ -

County of Caroline, Virginia
Schedule of Revenues, Expenditures, and
Changes in Fund Balance – Budget and Actual
Nonmajor Special Revenue Funds
Year Ended June 30, 2024

	Law Library Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Other local taxes	\$ -	\$ -	\$ -	\$ -
Revenue from the use of money and property	-	-	-	-
Charges for services	5,138	5,138	56	(5,082)
Miscellaneous	-	-	-	-
Recovered costs	-	-	-	-
Intergovernmental revenues:				
Commonwealth	-	-	-	-
Federal	-	-	-	-
Total revenues	5,138	5,138	56	(5,082)
EXPENDITURES				
Current:				
General government administration	-	-	-	-
Judicial administration	5,138	5,138	-	5,138
Public safety	-	-	-	-
Public works	-	-	-	-
Health and welfare	-	-	-	-
Parks, recreation, and cultural	-	-	-	-
Human Services	-	-	-	-
Community development	-	-	-	-
Total expenditures	5,138	5,138	-	5,138
Excess of revenues over expenditures	-	-	56	56
OTHER FINANCING SOURCES				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources	-	-	-	-
Net change in fund balance	\$ -	\$ -	\$ 56	\$ 56

County of Caroline, Virginia
Schedule of Revenues, Expenditures, and
Changes in Fund Balance – Budget and Actual
Nonmajor Special Revenue Funds
Year Ended June 30, 2024

	Courthouse Maintenance Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Other local taxes	\$ -	\$ -	\$ -	\$ -
Revenue from the use of money and property	-	-	-	-
Charges for services	17,059	17,059	13,333	(3,726)
Miscellaneous	-	-	-	-
Recovered costs	-	-	-	-
Intergovernmental revenues:				
Commonwealth	-	-	-	-
Federal	-	-	-	-
Total revenues	17,059	17,059	13,333	(3,726)
EXPENDITURES				
Current:				
General government administration	-	-	-	-
Judicial administration	17,059	17,059	(132)	17,191
Public safety	-	-	-	-
Public works	-	-	-	-
Health and welfare	-	-	-	-
Parks, recreation, and cultural	-	-	-	-
Human Services	-	-	-	-
Community development	-	-	-	-
Total expenditures	17,059	17,059	(132)	17,191
Excess of revenues over expenditures	-	-	13,465	13,465
OTHER FINANCING SOURCES				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources	-	-	-	-
Net change in fund balance	\$ -	\$ -	\$ 13,465	\$ 13,465

County of Caroline, Virginia
Schedule of Revenues, Expenditures, and
Changes in Fund Balance – Budget and Actual
Nonmajor Special Revenue Funds
Year Ended June 30, 2024

	Tourism Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Other local taxes	\$ 250,162	\$ 250,162	\$ 235,130	\$ (15,032)
Revenue from the use of money and property	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	6,438	6,438	10,199	3,761
Recovered costs	-	-	-	-
Intergovernmental revenues:				
Commonwealth	-	-	-	-
Federal	-	-	-	-
Total revenues	256,600	256,600	245,329	(11,271)
EXPENDITURES				
Current:				
General government administration	-	-	-	-
Judicial administration	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Health and welfare	-	-	-	-
Parks, recreation, and cultural	-	-	-	-
Human Services	-	-	-	-
Community development	256,600	260,600	295,343	(34,743)
Total expenditures	256,600	260,600	295,343	(34,743)
Deficiency of revenues under expenditures	-	(4,000)	(50,014)	(46,014)
OTHER FINANCING SOURCES				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources	-	-	-	-
Net change in fund balance	\$ -	\$ (4,000)	\$ (50,014)	\$ (46,014)

County of Caroline, Virginia
Schedule of Revenues, Expenditures, and
Changes in Fund Balance – Budget and Actual
Nonmajor Special Revenue Funds
Year Ended June 30, 2024

	Confiscated Asset Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Other local taxes	\$ -	\$ -	\$ -	\$ -
Revenue from the use of money and property	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
Recovered costs	-	-	-	-
Intergovernmental revenues:				
Commonwealth	40,500	40,500	5,403	(35,097)
Federal	-	-	-	-
Total revenues	40,500	40,500	5,403	(35,097)
EXPENDITURES				
Current:				
General government administration	-	-	-	-
Judicial administration	-	-	-	-
Public safety	40,500	90,957	44,760	46,197
Public works	-	-	-	-
Health and welfare	-	-	-	-
Parks, recreation, and cultural	-	-	-	-
Human Services	-	-	-	-
Community development	-	-	-	-
Total expenditures	40,500	90,957	44,760	46,197
Deficiency of revenues under expenditures	-	(50,457)	(39,357)	11,100
OTHER FINANCING SOURCES				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources	-	-	-	-
Net change in fund balance	\$ -	\$ (50,457)	\$ (39,357)	\$ 11,100

County of Caroline, Virginia
Schedule of Revenues, Expenditures, and
Changes in Fund Balance – Budget and Actual
Nonmajor Special Revenue Funds
Year Ended June 30, 2024

	Fire/Rescue Grant Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Other local taxes	\$ -	\$ -	\$ -	\$ -
Revenue from the use of money and property	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
Recovered costs	-	-	-	-
Intergovernmental revenues:				
Commonwealth	170,000	192,926	197,874	4,948
Federal	-	-	-	-
Total revenues	170,000	192,926	197,874	4,948
EXPENDITURES				
Current:				
General government administration	-	-	-	-
Judicial administration	-	-	-	-
Public safety	170,000	208,229	179,618	28,611
Public works	-	-	-	-
Health and welfare	-	-	-	-
Parks, recreation, and cultural	-	-	-	-
Human Services	-	-	-	-
Community development	-	-	-	-
Total expenditures	170,000	208,229	179,618	28,611
Excess (deficiency) of revenues over (under) expenditures	-	(15,303)	18,256	33,559
OTHER FINANCING SOURCES				
Transfers in	-	-	-	-
Total other financing sources	-	-	-	-
Net change in fund balance	\$ -	\$ (15,303)	\$ 18,256	\$ 33,559

County of Caroline, Virginia
Schedule of Revenues, Expenditures, and
Changes in Fund Balance – Budget and Actual
Nonmajor Special Revenue Funds
Year Ended June 30, 2024

	Housing Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Other local taxes	\$ -	\$ -	\$ -	\$ -
Revenue from the use of money and property	5,000	5,000	-	(5,000)
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
Recovered costs	-	-	-	-
Intergovernmental revenues:				
Commonwealth	-	-	-	-
Federal	-	-	-	-
Total revenues	5,000	5,000	-	(5,000)
EXPENDITURES				
Current:				
General government administration	-	-	-	-
Judicial administration	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Health and welfare	-	-	-	-
Parks, recreation, and cultural	-	-	-	-
Human Services	-	-	-	-
Community development	5,000	5,000	8,150	(3,150)
Total expenditures	5,000	5,000	8,150	(3,150)
Deficiency of revenues under expenditures	-	-	(8,150)	(8,150)
OTHER FINANCING SOURCES				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources	-	-	-	-
Net change in fund balance	\$ -	\$ -	\$ (8,150)	\$ (8,150)

County of Caroline, Virginia
Schedule of Revenues, Expenditures, and
Changes in Fund Balance – Budget and Actual
Nonmajor Special Revenue Funds
Year Ended June 30, 2024

	Sheriff Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Other local taxes	\$ -	\$ -	\$ -	\$ -
Revenue from the use of money and property	-	-	-	-
Charges for services	25,000	25,000	18,030	(6,970)
Miscellaneous	-	-	-	-
Recovered costs	-	-	-	-
Intergovernmental revenues:				
Commonwealth	-	-	-	-
Federal	-	-	-	-
Total revenues	25,000	25,000	18,030	(6,970)
EXPENDITURES				
Current:				
General government administration	-	-	-	-
Judicial administration	-	-	-	-
Public safety	-	33,006	36,385	(3,379)
Public works	-	-	-	-
Health and welfare	-	-	-	-
Parks, recreation, and cultural	-	-	-	-
Human Services	-	-	-	-
Community development	-	-	-	-
Total expenditures	-	33,006	36,385	(3,379)
Excess (deficiency) of revenues over (under) expenditures	25,000	(8,006)	(18,355)	(10,349)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	\$ 25,000	\$ (8,006)	\$ (18,355)	\$ (10,349)

County of Caroline, Virginia
Schedule of Revenues, Expenditures, and
Changes in Fund Balance – Budget and Actual
Nonmajor Special Revenue Funds
Year Ended June 30, 2024

	Detention Facility Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Other local taxes	\$ -	\$ -	\$ -	\$ -
Revenue from the use of money and property	2,266	2,266	8,722	6,456
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
Recovered costs	-	-	-	-
Intergovernmental revenues:				
Commonwealth	-	-	-	-
Federal	(572,320)	(572,320)	683,023	1,255,343
Total revenues	(570,054)	(570,054)	691,745	1,261,799
EXPENDITURES				
Current:				
General government administration	-	-	-	-
Judicial administration	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Health and welfare	-	-	-	-
Parks, recreation, and cultural	-	-	-	-
Education	100,000	100,000	100,000	-
Community development	-	-	-	-
Total expenditures	100,000	100,000	100,000	-
Excess (deficiency) of revenues over (under) expenditures	(670,054)	(670,054)	591,745	1,261,799
OTHER FINANCING SOURCES (USES)				
Transfers in	757,035	757,035	-	(757,035)
Transfers out	(1,231,621)	(1,231,621)	(1,031,621)	200,000
Total other financing uses	(474,586)	(474,586)	(1,031,621)	(557,035)
Net change in fund balance	\$ (1,144,640)	\$ (1,144,640)	\$ (439,876)	\$ 704,764

County of Caroline, Virginia
Schedule of Revenues, Expenditures, and
Changes in Fund Balance – Budget and Actual
Nonmajor Special Revenue Funds
Year Ended June 30, 2024

	Hanover Soil and Water			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Other local taxes	\$ -	\$ -	\$ -	\$ -
Revenue from the use of money and property	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
Recovered costs	584,391	584,391	596,633	12,242
Intergovernmental revenues:				
Commonwealth	-	-	-	-
Federal	-	-	-	-
Total revenues	584,391	584,391	596,633	12,242
EXPENDITURES				
Current:				
General government administration	-	-	-	-
Judicial administration	-	-	-	-
Public safety	-	-	-	-
Public works	584,391	584,391	595,496	(11,105)
Health and welfare	-	-	-	-
Parks, recreation, and cultural	-	-	-	-
Human Services	-	-	-	-
Community development	-	-	-	-
Total expenditures	584,391	584,391	595,496	(11,105)
Excess of revenues over expenditures	-	-	1,137	1,137
OTHER FINANCING SOURCES				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources	-	-	-	-
Net change in fund balance	\$ -	\$ -	\$ 1,137	\$ 1,137

County of Caroline, Virginia
Combining Statement of Net Position –
Internal Service Funds
June 30, 2024

	<u>Vehicle Maintenance</u>	<u>Self-Insurance</u>	<u>Total</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 4,143	\$ 560,786	\$ 564,929
Total current assets	<u>4,143</u>	<u>560,786</u>	<u>564,929</u>
Noncurrent assets:			
Capital assets:			
Depreciable	<u>-</u>	<u>-</u>	<u>-</u>
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>4,143</u>	<u>560,786</u>	<u>564,929</u>
LIABILITIES			
Current liabilities			
Accounts payable	-	83,600	83,600
Due to other funds	-	8,248	8,248
Insurance and benefit claims	<u>-</u>	<u>290,000</u>	<u>290,000</u>
Total liabilities	<u>-</u>	<u>381,848</u>	<u>381,848</u>
NET POSITION (DEFICIT)			
Unrestricted	<u>4,143</u>	<u>178,938</u>	<u>183,081</u>
Total net position (deficit)	<u>\$ 4,143</u>	<u>\$ 178,938</u>	<u>\$ 183,081</u>

County of Caroline, Virginia
Combining Statement of Revenues, Expenses, and
Change in Net Position – Internal Service Funds
Year Ended June 30, 2024

	<u>Vehicle Maintenance</u>	<u>Self-Insurance</u>	<u>Total</u>
OPERATING REVENUES			
Charges for services	\$ -	\$ 5,966,566	\$ 5,966,566
Total operating revenues	-	5,966,566	5,966,566
OPERATING EXPENSES			
Risk financing and benefit payments	-	6,350,747	6,350,747
Total operating expenses	-	6,350,747	6,350,747
Operating loss	-	(384,181)	(384,181)
Change in net position	-	(384,181)	(384,181)
NET POSITION AT JULY 1	4,143	563,119	567,262
NET POSITION AT JUNE 30	<u>\$ 4,143</u>	<u>\$ 178,938</u>	<u>\$ 183,081</u>

County of Caroline, Virginia
Combining Statement of Cash Flows –
Internal Service Funds
Year Ended June 30, 2024

	<u>Vehicle Maintenance</u>	<u>Self-Insurance</u>	<u>Total</u>
OPERATING ACTIVITIES			
Receipts from interfund services provided	\$ -	\$ 5,968,210	\$ 5,968,210
Claims and benefits paid	<u>-</u>	<u>(6,414,415)</u>	<u>(6,414,415)</u>
Net cash used in operating activities	<u>-</u>	<u>(446,205)</u>	<u>(446,205)</u>
Net decrease in cash and cash equivalents	-	(446,205)	(446,205)
CASH AND CASH EQUIVALENTS			
Beginning at July 1	<u>4,143</u>	<u>1,006,991</u>	<u>1,011,134</u>
Ending at June 30	<u><u>\$ 4,143</u></u>	<u><u>\$ 560,786</u></u>	<u><u>\$ 564,929</u></u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES:			
Operating loss	\$ -	\$ (384,181)	\$ (384,181)
Adjustments to reconcile operating loss to net cash used in operating activities:			
Increase (Decrease) in accounts payable	-	(8,668)	(8,668)
Increase (Decrease) in due to other funds	-	1,644	1,644
Increase (Decrease) in insurance and benefit claims	<u>-</u>	<u>(55,000)</u>	<u>(55,000)</u>
Net cash used in operating activities	<u><u>\$ -</u></u>	<u><u>\$ (446,205)</u></u>	<u><u>\$ (446,205)</u></u>

County of Caroline, Virginia
Combining Statement of Fiduciary Net Position –
Custodial Funds
June 30, 2024

	Custodial Funds			
	Special Welfare	Four Rivers Technology in Education Consortium	Deposit Escrow	Total
ASSETS				
Cash and cash equivalents	\$ 54,357	\$ 38,704	\$ 1,800,334	\$ 1,893,395
Total assets	<u>\$ 54,357</u>	<u>\$ 38,704</u>	<u>\$ 1,800,334</u>	<u>\$ 1,893,395</u>
NET POSITION				
Restricted for:				
Individuals, organizations, and other governments	\$ 54,357	\$ 38,704	\$ 1,800,334	\$ 1,893,395
Total net position	<u>\$ 54,357</u>	<u>\$ 38,704</u>	<u>\$ 1,800,334</u>	<u>\$ 1,893,395</u>

County of Caroline, Virginia
Combining Statement of Changes in
Fiduciary Net Position –
Custodial Funds
Year Ended June 30, 2024

	Custodial Funds			
	Special Welfare	Four Rivers Technology in Education Consortium	Deposit Escrow	Total
ADDITIONS				
Funds received for benefit of other organizations	\$ 26,456	\$ -	\$ 583,635	\$ 610,091
Total additions	26,456	-	583,635	610,091
DEDUCTIONS				
Funds disbursed for benefit of other organizations	42,863	-	531,009	573,872
Total deductions	42,863	-	531,009	573,872
Change in fiduciary net position	(16,407)	-	52,626	36,219
NET POSITION AT JULY 1	70,764	38,704	1,747,708	1,857,176
NET POSITION AT JUNE 30	<u>\$ 54,357</u>	<u>\$ 38,704</u>	<u>\$ 1,800,334</u>	<u>\$ 1,893,395</u>

County of Caroline, Virginia
Combining Balance Sheet
Discretely Presented Component Unit – School Board
June 30, 2024

	School Operating Fund	School Cafeteria Fund	Capital Projects Fund	School Grant Fund	School Textbook Fund	School Activity Fund	Total Governmental Funds
ASSETS							
Cash and cash equivalents	\$ 5,019,060	\$ 1,251,093	\$ 1,307,810	\$ -	\$ 1,128,795	\$ 536,249	\$ 9,243,007
Receivables (net of allowance for uncollectibles):							
Accounts receivable	2,306	-	-	-	-	-	2,306
Due from other governmental units	1,532,850	57,618	-	2,331,329	-	-	3,921,797
Restricted assets:							
Cash and cash equivalents	-	-	153,631	-	-	-	153,631
Total assets	<u>\$ 6,554,216</u>	<u>\$ 1,308,711</u>	<u>\$ 1,461,441</u>	<u>\$ 2,331,329</u>	<u>\$ 1,128,795</u>	<u>\$ 536,249</u>	<u>\$ 13,320,741</u>
LIABILITIES AND FUND BALANCES							
Accounts payable	\$ 1,348,399	\$ 10,541	\$ 150,221	\$ 1,584,278	\$ 4,744	\$ -	\$ 3,098,183
Accrued payroll	2,287,060	83,310	-	145,968	-	-	2,516,338
Reconciled overdraft payable	-	-	-	245,697	-	-	245,697
Unearned revenue	1,924,150	-	-	-	-	-	1,924,150
Total liabilities	<u>5,559,609</u>	<u>93,851</u>	<u>150,221</u>	<u>1,975,943</u>	<u>4,744</u>	<u>-</u>	<u>7,784,368</u>
Fund balances:							
Restricted	-	-	153,631	355,386	-	-	509,017
Assigned:							
General	994,607	-	-	-	-	-	994,607
Cafeteria	-	1,214,860	-	-	-	-	1,214,860
Capital Outlay	-	-	1,157,589	-	-	-	1,157,589
Textbooks	-	-	-	-	1,124,051	-	1,124,051
Activity	-	-	-	-	-	536,249	536,249
Total fund balances	<u>994,607</u>	<u>1,214,860</u>	<u>1,311,220</u>	<u>355,386</u>	<u>1,124,051</u>	<u>536,249</u>	<u>5,536,373</u>
Total liabilities and fund balances	<u>\$ 6,554,216</u>	<u>\$ 1,308,711</u>	<u>\$ 1,461,441</u>	<u>\$ 2,331,329</u>	<u>\$ 1,128,795</u>	<u>\$ 536,249</u>	<u>\$ 13,320,741</u>
Amounts reported for governmental activities in the Statement of Net Position (Exhibit 1) are different because:							
Total fund balances per above							\$ 5,536,373
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.							
Nondepreciable						4,516,350	
Depreciable, net						<u>12,514,748</u>	17,031,098
Deferred outflows and inflows of resources related to pensions and OPEB are applicable to future periods and, therefore, are not reported in the funds.							
Deferred outflows related to:							
Pensions						8,935,406	
OPEB						1,881,134	
Deferred inflows related to:							
Pensions						(3,426,208)	
OPEB						(4,767,723)	
Net pension asset						461,877	
Net pension liability						(26,160,478)	
Net OPEB liabilities						<u>(10,385,396)</u>	(33,461,388)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.							
Compensated absences						(1,383,726)	
Accrued interest payable						(7,853)	
Financed purchases						(567,669)	
Subscription liability						<u>(280,756)</u>	(2,240,004)
Net position of governmental activities							<u>\$ (13,133,921)</u>

County of Caroline, Virginia
Combining Statement of Revenues, Expenditures, and
Changes in fund Balances
Discretely Presented Component Unit – School Board
Year Ended June 30, 2024

	School Operating Fund	School Cafeteria Fund	School Capital Projects Fund	School Grant Fund	School Textbook Fund	School Activity Fund	Total Governmental Funds
REVENUES							
Revenue from the use of money and property	\$ 30,258	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,258
Charges for services	-	297,766	-	-	-	-	297,766
Miscellaneous	326,064	84,177	-	-	-	1,010,248	1,420,489
Intergovernmental revenues:							
Local Government	17,557,500	-	150,000	-	198,490	-	17,905,990
Commonwealth	38,689,082	39,492	-	-	359,857	-	39,088,431
Federal	1,252,236	3,058,931	-	7,777,492	-	-	12,088,659
Total revenues	<u>57,855,140</u>	<u>3,480,366</u>	<u>150,000</u>	<u>7,777,492</u>	<u>558,347</u>	<u>1,010,248</u>	<u>70,831,593</u>
EXPENDITURES							
Current:							
Education	56,520,414	3,410,051	-	7,753,734	192,542	970,620	68,847,361
Reimbursement to County	280,956	-	-	-	-	-	280,956
Capital Outlay	430,720	-	392,544	-	-	-	823,264
Debt service:							
Principal retirement	380,908	-	-	-	-	-	380,908
Interest and other fiscal charges	16,626	-	-	-	-	-	16,626
Total expenditures	<u>57,629,624</u>	<u>3,410,051</u>	<u>392,544</u>	<u>7,753,734</u>	<u>192,542</u>	<u>970,620</u>	<u>70,349,115</u>
Excess (deficiency) of revenues over (under) expenditures	<u>225,516</u>	<u>70,315</u>	<u>(242,544)</u>	<u>23,758</u>	<u>365,805</u>	<u>39,628</u>	<u>482,478</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	868,684	-	-	-	868,684
Transfers out	(868,684)	-	-	-	-	-	(868,684)
Issuance of subscription liability	430,720	-	-	-	-	-	430,720
Total other financing sources (uses)	<u>(437,964)</u>	<u>-</u>	<u>868,684</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>430,720</u>
Net change in fund balances	(212,448)	70,315	626,140	23,758	365,805	39,628	913,198
FUND BALANCES AT JULY 1	<u>1,207,055</u>	<u>1,144,545</u>	<u>685,080</u>	<u>331,628</u>	<u>758,246</u>	<u>496,621</u>	<u>4,623,175</u>
FUND BALANCES AT JUNE 30	<u>\$ 994,607</u>	<u>\$ 1,214,860</u>	<u>\$ 1,311,220</u>	<u>\$ 355,386</u>	<u>\$ 1,124,051</u>	<u>\$ 536,249</u>	<u>\$ 5,536,373</u>
Amounts reported for governmental activities in the Statement of Activities (Exhibit 2) are different because:							
Net change in fund balances – total governmental funds - per above							\$ 913,198
Governmental funds report capital outlays as expenditures; however, in the Statement of Activities, the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense.							
Capital outlays					7,691,269		
Depreciation and amortization expense					(1,873,615)		5,817,654
In the statement of activities, only the gain or loss on the disposition or sale of capital assets is reported, whereas in the governmental funds, the entire proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balances by the net book value of the property sold or disposed of.							(77,825)
Governmental funds report employer pension contributions as expenditures. However, in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.							
Employer pension contributions					4,367,013		
Non-employer pension contributions					381,663		
Pension expense					(2,665,574)		2,083,102
Governmental funds report OPEB contributions as expenditures. However, in the Statement of Activities, the cost of OPEB benefits earned net of employee contributions is reported as OPEB expense.							
Employer OPEB contributions					506,674		
OPEB expense					16,997		523,671
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position.							
Issuance of subscription liability					(430,720)		
Principal payments					380,908		(49,812)
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 the funds.							
Change in accrued interest payable					2,318		
Change in compensated absences					(533,814)		(531,496)
Change in net position of governmental activities							<u>\$ 8,678,492</u>

County of Caroline, Virginia

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Discretely Presented Component Unit – School Board
Year Ended June 30, 2024

	School Operating Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ 35,000	\$ 35,000	\$ 30,258	\$ (4,742)
Charges for services	-	-	-	-
Miscellaneous revenues	149,100	149,100	326,064	176,964
Intergovernmental revenues:				
Local government	17,557,500	17,557,500	17,557,500	-
Commonwealth	36,624,717	39,353,226	38,689,082	(664,144)
Federal	1,263,575	1,263,575	1,252,236	(11,339)
Total revenues	55,629,892	58,358,401	57,855,140	(503,261)
EXPENDITURES				
Current:				
Education	55,629,892	58,358,401	56,520,414	1,837,987
Reimbursement to County	-	-	280,956	(280,956)
Capital Outlay	-	-	430,720	(430,720)
Debt Service:				
Principal retirement	-	-	380,908	(380,908)
Interest and other fiscal charges	-	-	16,626	(16,626)
Total expenditures	55,629,892	58,358,401	57,629,624	728,777
Excess of revenues over expenditures	-	-	225,516	225,516
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers out	-	-	(868,684)	(868,684)
Issuance of finance purchase obligations and leases	-	-	430,720	430,720
Total other financing uses	-	-	(437,964)	(437,964)
Net change in fund balances	\$ -	\$ -	\$ (212,448)	\$ (212,448)

County of Caroline, Virginia

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Discretely Presented Component Unit – School Board
Year Ended June 30, 2024

	School Cafeteria Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ -	\$ -	\$ -	\$ -
Charges for services	300,000	300,000	297,766	(2,234)
Miscellaneous revenues	40,000	40,000	84,177	44,177
Intergovernmental revenues:				
Local government	-	-	-	-
Commonwealth	56,496	71,496	39,492	(32,004)
Federal	2,143,313	3,693,504	3,058,931	(634,573)
Total revenues	2,539,809	4,105,000	3,480,366	(624,634)
EXPENDITURES				
Current:				
Education	2,539,809	4,105,000	3,410,051	694,949
Reimbursement to County	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal retirement	-	-	-	-
Interest and other fiscal charges	-	-	-	-
Total expenditures	2,539,809	4,105,000	3,410,051	694,949
Excess of revenues over expenditures	-	-	70,315	70,315
OTHER FINANCING SOURCES				
Transfers In	-	-	-	-
Transfers out	-	-	-	-
Issuance of finance purchase obligations and leases	-	-	-	-
Total other financing sources	-	-	-	-
Net change in fund balances	\$ -	\$ -	\$ 70,315	\$ 70,315

County of Caroline, Virginia

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Discretely Presented Component Unit – School Board
Year Ended June 30, 2024

	School Capital Projects Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Intergovernmental revenues:				
Local government	\$ 786,577	\$ 786,577	\$ 150,000	\$ (636,577)
Commonwealth	-	-	-	-
Federal	-	-	-	-
Total revenues	786,577	786,577	150,000	(636,577)
EXPENDITURES				
Current:				
Education	-	-	-	-
Capital Outlay	786,577	786,577	392,544	394,033
Debt Service:				
Interest and other fiscal charges	-	-	-	-
Total expenditures	786,577	786,577	392,544	394,033
Deficiency of revenues under expenditures	-	-	(242,544)	(242,544)
OTHER FINANCING SOURCES				
Transfers in	-	-	868,684	868,684
Transfers out	-	-	-	-
Issuance of debt	-	-	-	-
Total other financing sources	-	-	868,684	868,684
Net change in fund balances	\$ -	\$ -	\$ 626,140	\$ 626,140

County of Caroline, Virginia

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Discretely Presented Component Unit – School Board
Year Ended June 30, 2024

	School Grant Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Intergovernmental revenues:				
Local government	\$ -	\$ -	\$ -	\$ -
Commonwealth	-	-	-	-
Federal	11,156,001	11,411,056	7,777,492	(3,633,564)
Total revenues	11,156,001	11,411,056	7,777,492	(3,633,564)
EXPENDITURES				
Current:				
Education	11,156,001	11,411,056	7,753,734	3,657,322
Capital Outlay	-	-	-	-
Debt Service:				
Interest and other fiscal charges	-	-	-	-
Total expenditures	11,156,001	11,411,056	7,753,734	3,657,322
Excess of revenues over expenditures	-	-	23,758	23,758
OTHER FINANCING SOURCES				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Issuance of debt	-	-	-	-
Total other financing sources	-	-	-	-
Net change in fund balances	\$ -	\$ -	\$ 23,758	\$ 23,758

County of Caroline, Virginia

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Discretely Presented Component Unit – School Board
Year Ended June 30, 2024

	School Textbook Fund			
	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Intergovernmental revenues:				
Local government	\$ 198,490	\$ 198,490	\$ 198,490	\$ -
Commonwealth	350,887	350,887	359,857	8,970
Federal	-	-	-	-
Total revenues	549,377	549,377	558,347	8,970
EXPENDITURES				
Current:				
Education	549,377	1,199,377	192,542	1,006,835
Total expenditures	549,377	1,199,377	192,542	1,006,835
Excess (deficit) of revenues over (under) expenditures	-	(650,000)	365,805	1,015,805
Net change in fund balances	\$ -	\$ (650,000)	\$ 365,805	\$ 1,015,805

County of Caroline, Virginia
Statement of Net Position
Discretely Presented Component Unit –
Economic Development Authority
June 30, 2024

ASSETS

Current assets:

Cash and cash equivalents	\$ 61,714
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Total assets	61,714
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NET POSITION

Unrestricted	61,714
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Total net position	\$ 61,714
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County of Caroline, Virginia
Statement of Revenues, Expenses, and Changes in Fund Net Position
Discretely Presented Component Unit –
Economic Development Authority
Year Ended June 30, 2024

OPERATING REVENUES

Miscellaneous	\$ 2,740
	<u>2,740</u>
Total revenues	<u>2,740</u>

OPERATING EXPENSES

Economic development	745
Industry Incentives	<u>7,500</u>
	<u>8,245</u>
Total expenses	<u>8,245</u>
Operating loss	<u>(5,505)</u>

NONOPERATING REVENUES

Interest income	<u>92</u>
	<u>92</u>
Total non-operating revenue	<u>92</u>
Change in net position	(5,413)

NET POSITION AT JULY 1	<u>67,127</u>
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NET POSITION AT JUNE 30	<u><u>\$ 61,714</u></u>
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County of Caroline, Virginia
Statement of Cash Flows
Discretely Presented Component Unit –
Economic Development Authority
Year Ended June 30, 2024

OPERATING ACTIVITIES

Payments for operating activities	\$ (8,245)
Receipts from other sources	<u>2,740</u>
Net cash used in operating activities	<u>(5,505)</u>

INVESTING ACTIVITIES

Interest income	<u>92</u>
Net cash provided by investing activities	<u>92</u>
Net decrease in cash and cash equivalents	(5,413)

CASH AND CASH EQUIVALENTS

Beginning at July 1	<u>67,127</u>
Ending at June 30	<u><u>\$ 61,714</u></u>

RECONCILIATION OF OPERATING LOSS TO NET**CASH USED IN OPERATING ACTIVITIES:**

Operating loss	<u>\$ (5,505)</u>
Net cash used in operating activities	<u><u>\$ (5,505)</u></u>

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Supporting Schedules



County of Caroline, Virginia
Schedule of Revenues – Budget and Actual
Governmental Funds
Year Ended June 30, 2024

Fund, Major, and Minor Revenue Source	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
General Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 27,463,352	\$ 27,463,352	\$ 27,107,711	\$ (355,641)
Real and personal public service corporation taxes	3,216,195	3,216,195	2,816,086	(400,109)
Personal property taxes	13,038,679	13,038,679	14,460,127	1,421,448
Machinery and tools taxes	605,630	605,630	597,554	(8,076)
Penalties	519,795	519,795	677,782	157,987
Interest	437,481	437,481	622,250	184,769
Total general property taxes	45,281,132	45,281,132	46,281,510	1,000,378
Other local taxes:				
Local sales and use taxes	4,275,664	4,275,664	5,263,555	987,891
Consumer utility taxes	89,010	89,010	94,438	5,428
Business license taxes	1,282,495	1,282,495	1,698,973	416,478
Bank stock taxes	98,029	98,029	109,440	11,411
Motor vehicle licenses and registration fees	-	-	31,879	31,879
Taxes on recordation and wills	515,250	515,250	516,456	1,206
Total other local taxes	6,260,448	6,260,448	7,714,741	1,454,293
Permits, privilege fees, and regulatory licenses:				
Animal licenses	17,352	17,352	32,481	15,129
Permits and other licenses	550,536	550,536	964,405	413,869
Total permits, privilege fees, and regulatory licenses	567,888	567,888	996,886	428,998
Revenue from use of money and property:				
Revenue from use of money	871,430	871,430	2,099,311	1,227,881
Revenue from use of property	32,845	32,845	41,094	8,249
Total revenue from use of money and property	904,275	904,275	2,140,405	1,236,130

County of Caroline, Virginia
Schedule of Revenues – Budget and Actual
Governmental Funds
Year Ended June 30, 2024

Fund, Major, and Minor Revenue Source	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
General Fund: (Continued)				
Charges for services:				
Charges for court costs	\$ 295,794	\$ 295,794	\$ 262,128	\$ (33,666)
Commonwealth attorney's fees	2,570	2,570	2,773	203
Courthouse security and protective services	182,329	358,650	358,407	(243)
Data processing	1,000	1,000	-	(1,000)
Parks and recreation	83,000	83,000	117,769	34,769
Sanitation and waste removal	70,015	70,015	69,739	(276)
Sale of publications and commemorative material	100	100	480	380
Ambulance recovery services	1,037,092	1,037,092	1,228,539	191,447
Other	22,110	22,110	19,621	(2,489)
Total charges for services	1,694,010	1,870,331	2,059,456	189,125
Miscellaneous:				
Miscellaneous	173,533	227,207	272,769	45,562
Total miscellaneous	173,533	227,207	272,769	45,562
Recovered costs:				
Postage reimbursement general district court	2,802	2,802	-	(2,802)
Other	16,250	105,778	211,213	105,435
Total recovered costs	19,052	108,580	211,213	102,633
Reimbursement From School Board:				
Transfer from School Board	280,956	280,956	280,956	-
Total reimbursement from school board	280,956	280,956	280,956	-
Total revenue from local sources	55,181,294	55,500,817	59,957,936	4,457,119
Intergovernmental:				
Revenue from the Commonwealth:				
Noncategorical aid:				
Rolling stock tax	83,226	83,226	90,383	7,157
Mobile home titling taxes	38,942	38,942	54,821	15,879
Rental vehicles taxes	12,995	12,995	33,387	20,392
Personal property tax relief	2,371,897	2,371,897	2,371,897	-
Recordation taxes	205,000	205,000	164,883	(40,117)
Total noncategorical aid	2,712,060	2,712,060	2,715,371	3,311

County of Caroline, Virginia
Schedule of Revenues – Budget and Actual
Governmental Funds
Year Ended June 30, 2024

Fund, Major, and Minor Revenue Source	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
General Fund: (Continued)				
Categorical aid:				
Shared expenses:				
Commonwealth attorney	\$ 446,664	\$ 446,664	\$ 419,276	\$ (27,388)
Sheriff	1,530,649	1,581,334	1,585,408	4,074
Commissioner of revenue	194,198	194,198	195,711	1,513
Treasurer	155,493	155,493	155,525	32
Registrar/electoral board	77,355	77,355	106,604	29,249
Clerk of the Circuit Court	349,406	349,406	432,146	82,740
Total shared expenses	2,753,765	2,804,450	2,894,670	90,220
Other categorical aid:				
Litter control	13,000	13,000	18,852	5,852
DMV license agent	50,426	50,426	44,522	(5,904)
Wireless E911 PSAP funding	129,666	129,666	154,436	24,770
CHINS	14,869	14,869	29,823	14,954
Victim witness	78,600	78,600	31,799	(46,801)
Domestic violence	117,123	117,123	42,188	(74,935)
Library	164,114	188,262	104,574	(83,688)
Other state grants	49,281	136,830	493,162	356,332
Total other categorical aid	617,079	728,776	919,356	190,580
Total categorical aid	3,370,844	3,533,226	3,814,026	280,800
Total revenue from the Commonwealth	6,082,904	6,245,286	6,529,397	284,111
Revenue from the federal government:				
Noncategorical aid:				
Payments in lieu of taxes	1,687	1,687	1,775	88
Total noncategorical aid	1,687	1,687	1,775	88
Categorical aid:				
DMV ground transportation	10,000	10,000	9,579	(421)
Sheriff's VDEM grant	-	-	2,567	2,567
FEMA	12,120	24,240	141,015	116,775
Bulletproof vest partnership	8,640	8,640	-	(8,640)
Library	29,604	30,354	26,163	(4,191)
Victim witness	29,540	29,540	24,945	(4,595)
Byrne justice assistance	-	-	23,667	23,667
Fire department SAFER grant	775,665	775,665	-	(775,665)
Other federal grants	-	-	102,638	102,638
Total categorical aid	865,569	878,439	330,574	(547,865)
Total revenue from the federal government	867,256	880,126	332,349	(547,777)
Total General Fund	\$ 62,131,454	\$ 62,626,229	\$ 66,819,682	\$ 4,193,453

County of Caroline, Virginia
Schedule of Revenues – Budget and Actual
Governmental Funds
Year Ended June 30, 2024

Fund, Major, and Minor Revenue Source	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Special Revenue Funds:				
Virginia Public Assistance Fund:				
Revenue from local sources:				
Miscellaneous:				
Miscellaneous	\$ -	\$ -	\$ 3,622	\$ 3,622
Total miscellaneous	-	-	3,622	3,622
Total revenue from local sources	-	-	3,622	3,622
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Public assistance and welfare administration	997,464	997,464	956,135	(41,329)
Total categorical aid	997,464	997,464	956,135	(41,329)
Total revenue from the Commonwealth	997,464	997,464	956,135	(41,329)
Revenue from the federal government:				
Categorical aid:				
Public assistance and welfare administration	1,605,425	1,605,425	1,897,314	291,889
Total categorical aid	1,605,425	1,605,425	1,897,314	291,889
Total revenue from the federal government	1,605,425	1,605,425	1,897,314	291,889
Total Virginia Public Assistance Fund	2,602,889	2,602,889	2,857,071	254,182
Proffers Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	500	500	2,089	1,589
Total revenue from use of money and property	500	500	2,089	1,589
Miscellaneous:				
Proffers	75,000	75,000	796,700	721,700
Total miscellaneous	75,000	75,000	796,700	721,700
Total Proffers Fund	75,500	75,500	798,789	723,289

County of Caroline, Virginia
Schedule of Revenues – Budget and Actual
Governmental Funds
Year Ended June 30, 2024

Fund, Major, and Minor Revenue Source	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Special Revenue Funds: (Continued)				
Children's Services Fund:				
Revenue from local sources:				
Miscellaneous:				
Miscellaneous	\$ 1,200	\$ 1,200	\$ 11,070	\$ 9,870
Total miscellaneous	1,200	1,200	11,070	9,870
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Children's services act	1,549,947	1,719,753	1,676,765	(42,988)
Total categorical aid	1,549,947	1,719,753	1,676,765	(42,988)
Total revenue from the Commonwealth	1,549,947	1,719,753	1,676,765	(42,988)
Total Children's Services Fund	1,551,147	1,720,953	1,687,835	(33,118)
Law Library Fund:				
Charges for services:				
Law library fees	5,138	5,138	56	(5,082)
Total charges for services	5,138	5,138	56	(5,082)
Total Law Library Fund	5,138	5,138	56	(5,082)
Courthouse Maintenance Fund:				
Revenue from local sources:				
Charges for services:				
Courthouse maintenance fees	17,059	17,059	13,333	(3,726)
Total charges for services	17,059	17,059	13,333	(3,726)
Total Courthouse Maintenance Fund	17,059	17,059	13,333	(3,726)

County of Caroline, Virginia
Schedule of Revenues – Budget and Actual
Governmental Funds
Year Ended June 30, 2024

Fund, Major, and Minor Revenue Source	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Special Revenue Funds: (Continued)				
Tourism Fund:				
Revenue from local sources:				
Other local taxes:				
Hotel and motel room taxes	\$ 250,162	\$ 250,162	\$ 235,130	\$ (15,032)
Total other local taxes	250,162	250,162	235,130	(15,032)
Miscellaneous:				
Miscellaneous	6,438	6,438	10,199	3,761
Total miscellaneous	6,438	6,438	10,199	3,761
Total revenue from local sources	256,600	256,600	245,329	(11,271)
Total Tourism Fund	256,600	256,600	245,329	(11,271)
Confiscated Asset Fund:				
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Confiscated assets	40,500	40,500	5,403	(35,097)
Total categorical aid	40,500	40,500	5,403	(35,097)
Total revenue from the Commonwealth	40,500	40,500	5,403	(35,097)
Total Confiscated Asset Fund	40,500	40,500	5,403	(35,097)
Fire/Rescue Fund:				
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Fire program fund	110,000	132,926	132,926	-
EMS vehicle registration grant	30,000	30,000	34,948	4,948
Radiological preparedness grant	30,000	30,000	30,000	-
Total categorical aid	170,000	192,926	197,874	4,948
Total revenue from the Commonwealth	170,000	192,926	197,874	4,948
Total Fire/Rescue Fund	170,000	192,926	197,874	4,948

County of Caroline, Virginia
Schedule of Revenues – Budget and Actual
Governmental Funds
Year Ended June 30, 2024

Fund, Major, and Minor Revenue Source	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Special Revenue Funds: (Continued)				
Housing Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of property	\$ 5,000	\$ 5,000	\$ -	\$ (5,000)
Total revenue from use of money and property	5,000	5,000	-	(5,000)
Total Housing Fund	5,000	5,000	-	(5,000)
Sheriff Fund:				
Revenue from local sources:				
Charges for services:				
Sheriff fees	25,000	25,000	18,030	(6,970)
Total charges for services	25,000	25,000	18,030	(6,970)
Total Sheriff Fund	25,000	25,000	18,030	(6,970)
Detention Facility Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	2,266	2,266	8,722	6,456
Total revenue from use of money and property	2,266	2,266	8,722	6,456
Charges for services:				
Inmate detention	(572,320)	(572,320)	683,023	1,255,343
Total charges for services	(572,320)	(572,320)	683,023	1,255,343
Total Detention Facility Fund	(570,054)	(570,054)	691,745	1,261,799
Hanover Soil and Water Fund:				
Recovered costs:				
Soil conservationist	584,391	584,391	596,633	12,242
Total recovered costs	584,391	584,391	596,633	12,242
Total Hanover Soil and Water Fund	584,391	584,391	596,633	12,242
CARES Act Fund:				
Intergovernmental:				
Revenue from the federal government:				
Noncategorical aid:				
ARPA	-	220,000	4,580,018	4,360,018
Total noncategorical aid	-	220,000	4,580,018	4,360,018
Total revenue from the federal government	-	220,000	4,580,018	4,360,018
Total CARES Act Fund	-	220,000	4,580,018	4,360,018
Total Special Revenue Funds	\$ 4,763,170	\$ 5,175,902	\$ 11,692,116	\$ 6,516,214

County of Caroline, Virginia
Schedule of Revenues – Budget and Actual
Governmental Funds
Year Ended June 30, 2024

Fund, Major, and Minor Revenue Source	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
Debt Service Fund:				
Revenue from local sources:				
Other local taxes:				
Consumer utility	\$ 931,150	\$ 931,150	\$ 818,204	\$ (112,946)
Meals tax	1,717,640	1,717,640	1,769,968	52,328
Total other local taxes	2,648,790	2,648,790	2,588,172	(60,618)
Revenue from use of money and property:				
Revenue from the use of money	-	-	386,063	386,063
Revenue from the use of property	111,600	111,600	111,600	-
Total revenue from use of money and property	111,600	111,600	497,663	386,063
Total revenue from local sources	2,760,390	2,760,390	3,085,835	325,445
Revenue from the federal government:				
Categorical aid:				
Federal tax credit	355,067	355,067	353,346	(1,721)
Refunding credit 111	113,315	113,315	114,442	1,127
Total categorical aid	468,382	468,382	467,788	(594)
Total revenue from the federal government	468,382	468,382	467,788	(594)
Total Debt Service Fund	\$ 3,228,772	\$ 3,228,772	\$ 3,553,623	\$ 324,851

County of Caroline, Virginia
Schedule of Revenues – Budget and Actual
Governmental Funds
Year Ended June 30, 2024

Fund, Major, and Minor Revenue Source	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Capital Projects Fund:				
County Capital Projects Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 483,753	\$ 483,753
Total revenue from use of money and property	-	-	483,753	483,753
Miscellaneous:				
Other miscellaneous	-	-	2,038	2,038
Total miscellaneous	-	-	2,038	2,038
Total revenue from local sources	-	-	485,791	485,791
Total County Capital Projects Fund	-	-	485,791	485,791
Total Primary Government	\$ 70,123,396	\$ 71,030,903	\$ 82,551,212	\$ 11,520,309
Discretely Presented Component Unit-School Board:				
School Operating Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of property	\$ 35,000	\$ 35,000	\$ 30,258	\$ (4,742)
Total revenue from use of money and property	35,000	35,000	30,258	(4,742)
Miscellaneous:				
Other miscellaneous	149,100	149,100	326,064	176,964
Total miscellaneous	149,100	149,100	326,064	176,964
Total revenue from local sources	184,100	184,100	356,322	172,222
Intergovernmental:				
Revenues from local governments:				
Contribution from County of Caroline, Virginia	17,557,500	17,557,500	17,557,500	-
Total revenues from local governments	17,557,500	17,557,500	17,557,500	-

County of Caroline, Virginia
Schedule of Revenues – Budget and Actual
Governmental Funds
Year Ended June 30, 2024

Fund, Major, and Minor Revenue Source	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Discretely Presented Component Unit-School Board:				
(Continued)				
School Operating Fund: (Continued)				
Revenue from the Commonwealth:				
Categorical aid:				
State sales tax receipts	\$ 6,809,653	\$ 6,809,653	\$ 6,552,063	\$ (257,590)
Basic school aid	13,939,222	14,413,680	15,532,924	1,119,244
Other state funds	15,875,842	18,129,893	16,604,095	(1,525,798)
Total categorical aid	36,624,717	39,353,226	38,689,082	(664,144)
Total revenue from the Commonwealth	36,624,717	39,353,226	38,689,082	(664,144)
Revenue from the federal government:				
Categorical aid:				
Title VI-B, special education flow-through	1,084,575	1,084,575	1,079,992	(4,583)
Other federal funds	179,000	179,000	172,244	(6,756)
Total categorical aid	1,263,575	1,263,575	1,252,236	(11,339)
Total revenue from the federal government	1,263,575	1,263,575	1,252,236	(11,339)
Total School Operating Fund	55,629,892	58,358,401	57,855,140	(503,261)
School Cafeteria Fund:				
Revenue from local sources:				
Charges for services:				
Cafeteria sales	300,000	300,000	297,766	(2,234)
Total charges for services	300,000	300,000	297,766	(2,234)
Miscellaneous:				
Other miscellaneous	40,000	40,000	84,177	44,177
Total miscellaneous	40,000	40,000	84,177	44,177
Total revenue from local sources	340,000	340,000	381,943	41,943
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
School food program grant	56,496	71,496	39,492	(32,004)
Total categorical aid	56,496	71,496	39,492	(32,004)
Total revenue from the Commonwealth	56,496	71,496	39,492	(32,004)

County of Caroline, Virginia
Schedule of Revenues – Budget and Actual
Governmental Funds
Year Ended June 30, 2024

Fund, Major, and Minor Revenue Source	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Discretely Presented Component Unit-School Board:				
(Continued)				
School Cafeteria Fund: (Continued)				
Revenue from the federal government:				
Categorical aid:				
School food program grant	\$ 2,143,313	\$ 3,693,504	\$ 2,910,887	\$ (782,617)
Commodities	-	-	148,044	148,044
Total categorical aid	2,143,313	3,693,504	3,058,931	(634,573)
Total revenue from the federal government	2,143,313	3,693,504	3,058,931	(634,573)
Total School Cafeteria Fund	2,539,809	4,105,000	3,480,366	(624,634)
School Capital Projects Fund:				
Intergovernmental:				
Revenues from local governments:				
Contribution from County of Caroline, Virginia	786,577	786,577	150,000	(636,577)
Total revenues from local governments	786,577	786,577	150,000	(636,577)
Total School Capital Projects Fund	786,577	786,577	150,000	(636,577)
School Grant Fund:				
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Other state funds	-	-	-	-
Total categorical aid	-	-	-	-
Total revenue from the Commonwealth	-	-	-	-
Revenue from the federal government:				
Categorical aid:				
Title I	1,000,000	1,000,000	784,419	(215,581)
CARES	815,909	815,909	601,394	(214,515)
ESSER	8,300,000	8,300,000	4,540,672	(3,759,328)
Other federal funds	1,040,092	1,295,147	1,851,007	555,860
Total categorical aid	11,156,001	11,411,056	7,777,492	(3,633,564)
Total revenue from the federal government	11,156,001	11,411,056	7,777,492	(3,633,564)
Total School Grant Fund	11,156,001	11,411,056	7,777,492	(3,633,564)
School Textbook Fund:				
Intergovernmental:				
Revenues from local governments:				
Contribution from County of Caroline, Virginia	198,490	198,490	198,490	-
Total revenues from local governments	198,490	198,490	198,490	-

County of Caroline, Virginia
Schedule of Revenues – Budget and Actual
Governmental Funds
Year Ended June 30, 2024

Fund, Major, and Minor Revenue Source	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Discretely Presented Component Unit-School Board: (Continued)				
School Textbook Fund: (Continued)				
Revenue from the Commonwealth:				
Categorical aid:				
Textbook payments	\$ 350,887	\$ 350,887	\$ 359,857	\$ 8,970
Total categorical aid	350,887	350,887	359,857	8,970
Total revenue from the federal government	350,887	350,887	359,857	8,970
Total School Textbook Fund	549,377	549,377	558,347	8,970
School Activity Fund:				
Miscellaneous:				
Other miscellaneous	-	-	1,010,248	1,010,248
Total miscellaneous	-	-	1,010,248	1,010,248
Total School Activity Fund	-	-	1,010,248	1,010,248
Total Discretely Presented Component Unit - School Board	\$ 70,661,656	\$ 75,210,411	\$ 70,831,593	\$ (4,378,818)

County of Caroline, Virginia
Schedule of Expenditures – Budget and Actual
Governmental Funds
Year Ended June 30, 2024

Fund, Function, Activity and Element	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
General Fund:				
General government administration:				
Legislative:				
Board of supervisors	\$ 277,213	\$ 277,213	\$ 267,330	\$ 9,883
Total legislative	277,213	277,213	267,330	9,883
General and financial administration:				
County administrator	832,633	975,143	928,606	46,537
Legal services	302,500	350,622	350,622	-
Commissioner of revenue	1,235,904	1,330,903	1,141,158	189,745
Professional services	164,500	205,406	437,746	(232,340)
Treasurer	1,013,008	1,013,108	927,744	85,364
Finance	631,489	617,054	532,517	84,537
Information technology	625,918	649,962	645,374	4,588
Other general and financial administration	13,731	13,731	-	13,731
Total general and financial administration	4,819,683	5,155,929	4,963,767	192,162
Board of elections:				
Electoral board and officials	458,944	491,426	465,874	25,552
Total board of elections	458,944	491,426	465,874	25,552
Total general government administration	5,555,840	5,924,568	5,696,971	227,597
Judicial administration:				
Courts:				
Circuit court	124,806	124,806	121,137	3,669
General district court	35,200	35,200	26,925	8,275
Magistrate	3,700	3,700	2,642	1,058
Juvenile and domestic relations court	22,190	22,190	19,470	2,720
Clerk of the circuit court	801,947	801,947	733,343	68,604
Juvenile crime control	49,189	50,914	50,914	-
Victim witness program	136,087	144,151	143,074	1,077
Total courts	1,173,119	1,182,908	1,097,505	85,403
Commonwealth attorney:				
Commonwealth attorney	752,917	753,667	627,969	125,698
Total commonwealth attorney	752,917	753,667	627,969	125,698
Total judicial administration	1,926,036	1,936,575	1,725,474	211,101

County of Caroline, Virginia
Schedule of Expenditures – Budget and Actual
Governmental Funds
Year Ended June 30, 2024

Fund, Function, Activity and Element	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
General Fund: (Continued)				
Public safety:				
Law enforcement and traffic control:				
Sheriff	\$ 5,916,193	\$ 6,707,908	\$ 6,702,784	\$ 5,124
E911 dispatch	1,810,458	1,852,958	1,796,372	56,586
Other protection services	500,505	587,474	587,421	53
Total law enforcement and traffic control	8,227,156	9,148,340	9,086,577	61,763
Fire and rescue services:				
Other fire and rescue	17,536	17,536	17,372	164
Emergency services	8,988,513	9,303,556	8,254,691	1,048,865
Total fire and rescue services	9,006,049	9,321,092	8,272,063	1,049,029
Correction and detention:				
Regional jail contributions	2,245,730	2,700,950	2,700,948	2
Juvenile probation and detention	203,574	203,574	203,576	(2)
Total correction and detention	2,449,304	2,904,524	2,904,524	-
Building inspections:				
Inspections	491,205	539,346	539,346	-
Board of building code appeals	1,600	1,600	-	1,600
Total building inspections	492,805	540,946	539,346	1,600
Other protection:				
Animal control	590,335	592,512	592,286	226
Medical examiner	500	500	340	160
Total other protection	590,835	593,012	592,626	386
Total public safety	20,766,149	22,507,914	21,395,136	1,112,778
Public works:				
Maintenance of infrastructure:				
Public works administration	524,999	524,999	514,825	10,174
VDOT roads Rt 639 revenue sharing	-	25,000	25,000	-
Streetlights	3,500	3,649	3,649	-
Total maintenance of infrastructure	528,499	553,648	543,474	10,174
Sanitation and waste removal:				
Refuse collection and disposal	2,619,307	2,922,883	2,545,434	377,449
Total sanitation and waste removal	2,619,307	2,922,883	2,545,434	377,449
Maintenance of general buildings and grounds:				
General properties	2,666,436	3,098,008	2,612,920	485,088
Total maintenance of general buildings and grounds	2,666,436	3,098,008	2,612,920	485,088
Total public works	5,814,242	6,574,539	5,701,828	872,711

County of Caroline, Virginia
Schedule of Expenditures – Budget and Actual
Governmental Funds
Year Ended June 30, 2024

Fund, Function, Activity and Element	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
General Fund: (Continued)				
Health and welfare:				
Health:				
Supplement of local health department	\$ 291,928	\$ 291,928	\$ 291,928	\$ -
Total health	291,928	291,928	291,928	-
Mental health and mental retardation:				
Community services board	128,756	128,756	128,756	-
Total mental health and mental retardation	128,756	128,756	128,756	-
Welfare:				
Contributions to outside welfare agencies	257,055	281,055	243,182	37,873
Total welfare	257,055	281,055	243,182	37,873
Total health and welfare	677,739	701,739	663,866	37,873
Education:				
Other instructional costs:				
Contribution to community colleges	7,569	7,569	7,209	360
Contribution to County School Board	17,805,990	17,805,990	17,805,990	-
Total other instructional costs	17,813,559	17,813,559	17,813,199	360
Total education	17,813,559	17,813,559	17,813,199	360
Parks, recreation, and cultural:				
Parks and recreation:				
Recreation centers and playgrounds	667,023	675,023	610,597	64,426
Total parks and recreation	667,023	675,023	610,597	64,426
Cultural:				
County Library	633,288	670,533	623,953	46,580
Total cultural	633,288	670,533	623,953	46,580
Total parks, recreation, and cultural:	1,300,311	1,345,556	1,234,550	111,006
Community development:				
Planning and community development:				
Planning development	1,125,240	1,210,855	1,001,544	209,311
Planning commission	54,573	54,573	41,726	12,847
Economic development	410,780	410,827	343,382	67,445
Planning regional	3,586	3,586	-	3,586
Total planning and community development	1,594,179	1,679,841	1,386,652	293,189

County of Caroline, Virginia
Schedule of Expenditures – Budget and Actual
Governmental Funds
Year Ended June 30, 2024

Fund, Function, Activity and Element	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
General Fund: (Continued)				
Community development: (Continued)				
Environmental management:				
Contribution to soil and water conservation district	\$ 73,399	\$ 73,399	\$ 73,399	\$ -
Total environmental management	73,399	73,399	73,399	-
Cooperative extension program:				
Extension office	95,613	95,613	74,810	20,803
Total cooperative extension program	95,613	95,613	74,810	20,803
Total community development	1,763,191	1,848,853	1,534,861	313,992
Total General Fund	\$ 55,617,067	\$ 58,653,303	\$ 55,765,885	\$ 2,887,418
Special Revenue Funds:				
Virginia Public Assistance Fund:				
Health and welfare:				
Welfare and social services:				
Welfare administration	\$ 2,826,934	\$ 2,855,551	\$ 2,859,650	\$ (4,099)
Public assistance	529,836	529,836	551,955	(22,119)
Purchased services	135,531	135,531	68,576	66,955
Local only	4,871	4,871	3,894	977
Total welfare and social services	3,497,172	3,525,789	3,484,075	41,714
Total health and welfare	3,497,172	3,525,789	3,484,075	41,714
Total Virginia Public Assistance Fund	3,497,172	3,525,789	3,484,075	41,714
Children's Services Fund:				
Health and welfare:				
Welfare and social services:				
Children's services act	2,300,000	2,553,745	2,509,282	44,463
Total health and welfare	2,300,000	2,553,745	2,509,282	44,463
Total Children's Services Fund	2,300,000	2,553,745	2,509,282	44,463
Law Library Fund:				
Judicial administration:				
Law library	5,138	5,138	-	5,138
Total judicial administration	5,138	5,138	-	5,138
Total Law Library Fund	5,138	5,138	-	5,138

County of Caroline, Virginia
Schedule of Expenditures – Budget and Actual
Governmental Funds
Year Ended June 30, 2024

Fund, Function, Activity and Element	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Special Revenue Funds: (Continued)				
Courthouse Maintenance Fund:				
Judicial administration:				
Courthouse maintenance	\$ 17,059	\$ 17,059	\$ (132)	\$ 17,191
Total judicial administration	17,059	17,059	(132)	17,191
Total Courthouse Maintenance Fund	17,059	17,059	(132)	17,191
Tourism Fund:				
Community development:				
Planning and community development	256,600	260,600	295,343	(34,743)
Total community development	256,600	260,600	295,343	(34,743)
Total Tourism Fund	256,600	260,600	295,343	(34,743)
Confiscated Asset Fund:				
Public safety:				
Confiscated assets	40,500	90,957	44,760	46,197
Total public safety	40,500	90,957	44,760	46,197
Total Confiscated Asset Fund	40,500	90,957	44,760	46,197
Fire/Rescue Fund:				
Public safety:				
Fire and rescue services	170,000	208,229	179,618	28,611
Total public safety	170,000	208,229	179,618	28,611
Total Fire/Rescue Fund	170,000	208,229	179,618	28,611
Housing Fund:				
Community development:				
Housing rehabilitation	5,000	5,000	8,150	(3,150)
Total community development	5,000	5,000	8,150	(3,150)
Total Housing Fund	5,000	5,000	8,150	(3,150)
Sheriff Fund:				
Public safety:				
Machinery and equipment	-	33,006	36,385	(3,379)
Total public safety	-	33,006	36,385	(3,379)
Total Sheriff Fund	-	33,006	36,385	(3,379)
Detention Facility Fund:				
Education:				
Other instructional costs:				
Contribution to County School Board	100,000	100,000	100,000	-
Total education	100,000	100,000	100,000	-
Total Detention Facility Fund	100,000	100,000	100,000	-

County of Caroline, Virginia
Schedule of Expenditures – Budget and Actual
Governmental Funds
Year Ended June 30, 2024

Fund, Function, Activity and Element	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Special Revenue Funds: (Continued)				
Hanover Soil and Water Fund:				
Public works:				
Environmental management	\$ 584,391	\$ 584,391	\$ 595,496	\$ (11,105)
Total public works	584,391	584,391	595,496	(11,105)
Total Hanover Soil and Water Fund	584,391	584,391	595,496	(11,105)
CARES Act Fund:				
General and financial administration:				
Finance	-	-	100,000	(100,000)
Information technology	-	-	538,281	(538,281)
Total general and financial administration	-	-	638,281	(638,281)
Public safety:				
Sheriff	-	220,000	157,570	62,430
Total public safety	-	220,000	157,570	62,430
Total CARES Act Fund	-	220,000	795,851	(575,851)
Total Special Revenue Funds	\$ 6,975,860	\$ 7,603,914	\$ 8,048,828	\$ (444,914)
Debt Service Fund:				
Education:				
Contribution to County School Board				
Debt service:				
Principal retirement	\$ 5,603,837	\$ 5,603,837	\$ 6,178,566	\$ (574,729)
Interest	3,203,058	3,203,058	3,527,070	(324,012)
Total debt service	8,806,895	8,806,895	9,705,636	(898,741)
Total Debt Service Fund	\$ 8,806,895	\$ 8,806,895	\$ 9,705,636	\$ (898,741)
Capital Projects Funds:				
County Capital Projects Fund:				
Capital outlay:				
Capital projects	\$ 1,090,694	\$ 7,174,969	\$ 8,398,456	\$ (1,223,487)
Total capital outlay	1,090,694	7,174,969	8,398,456	(1,223,487)
Total County Capital Projects Fund	1,090,694	7,174,969	8,398,456	(1,223,487)
Total Primary Government	\$ 72,490,516	\$ 82,239,081	\$ 81,918,805	\$ 320,276

County of Caroline, Virginia
Schedule of Expenditures – Budget and Actual
Governmental Funds
Year Ended June 30, 2024

Fund, Function, Activity and Element	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Discretely Presented Component Unit-School Board:				
School Operating Fund:				
Education:				
Instruction	\$ 38,600,506	\$ 40,884,089	\$ 39,888,601	\$ 995,488
Administration attendance and health	2,419,214	2,498,214	2,403,460	94,754
Pupil transportation services	5,356,367	5,461,367	5,026,538	434,829
Operation and maintenance services	9,253,805	9,514,731	9,201,815	312,916
Total education	55,629,892	58,358,401	56,520,414	1,837,987
Reimbursement to County:				
Contribution to County of Caroline	-	-	280,956	(280,956)
Total reimbursement to County	-	-	280,956	(280,956)
Capital outlay:				
Subscription software	-	-	430,720	(430,720)
Total capital outlay	-	-	430,720	(430,720)
Debt service:				
Principal retirement	-	-	380,908	(380,908)
Interest and other fiscal charges	-	-	16,626	(16,626)
Total debt service	-	-	397,534	(397,534)
Total School Operating Fund	55,629,892	58,358,401	57,629,624	728,777
School Cafeteria Fund:				
Education:				
School food services	\$ 2,539,809	\$ 4,105,000	\$ 3,262,007	\$ 842,993
Commodities	-	-	148,044	(148,044)
Total education	2,539,809	4,105,000	3,410,051	694,949
Total School Cafeteria Fund	2,539,809	4,105,000	3,410,051	694,949
School Capital Projects Fund:				
Capital outlay:				
Capital projects	786,577	786,577	392,544	394,033
Total capital outlay	786,577	786,577	392,544	394,033
Total School Capital Projects Fund	786,577	786,577	392,544	394,033
School Grant Fund:				
Education:				
Instruction	11,156,001	11,411,056	7,753,734	3,657,322
Total education	11,156,001	11,411,056	7,753,734	3,657,322
Total School Grant Fund	11,156,001	11,411,056	7,753,734	3,657,322

County of Caroline, Virginia
Schedule of Expenditures – Budget and Actual
Governmental Funds
Year Ended June 30, 2024

Fund, Function, Activity and Element	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Discretely Presented Component Unit-School Board: (Continued)				
School Textbook Fund:				
Education:				
Instruction	549,377	1,199,377	192,542	1,006,835
Total education	549,377	1,199,377	192,542	1,006,835
Total School Textbook Fund	549,377	1,199,377	192,542	1,006,835
School Activity Fund				
Education	-	-	970,620	(970,620)
Total education	-	-	970,620	(970,620)
Total School Activity Fund	-	-	970,620	(970,620)
Total Discretely Presented Component Unit – School Board	\$ 70,661,656	\$ 75,860,411	\$ 70,349,115	\$ 5,511,296



Statistical Section

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

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Financial Trends.....	1-5
These tables contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	
Revenue Capacity	6-11
These tables contain information to help the reader assess the factors affecting the County's ability to generate its property and sales taxes.	
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Demographic and Economic Information	14-16
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 comparisons over time and with other governments.	
Operating Information.....	17-18
These tables contain information about the County's operations and resources to help the reader understand how the County's financial information relate to the services the County provides and the activities it performs.	

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

County of Caroline, Virginia
Comments Relative to Statistical Section

The table showing legal debt margin is omitted because counties in the State of Virginia are not subject to the 10% legal debt margin as cities and towns are.

Table 2

County of Caroline, Virginia

Net Position by Component

Last Ten Fiscal Years

(Accrual Basis of Accounting)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Governmental activities										
Net investment in capital assets	\$ 25,426,272	\$ 10,439,531	\$ 7,125,506	\$ (7,198,952)	\$ 455,769	\$ (1,765,894)	\$ (2,826,244)	\$ (7,599,642)	\$ (16,413,860)	\$ (33,804,885)
Restricted	10,810,097	9,877,590	13,144,298	5,710,437	5,547,780	4,268,655	4,268,655	7,482,811	13,637,372	28,077,009
Unrestricted	33,779,073	37,654,175	25,761,981	38,144,165	23,665,508	24,106,821	21,317,545	21,440,045	21,500,669	19,298,331
Total governmental activities	<u>\$ 70,015,442</u>	<u>\$ 57,971,296</u>	<u>\$ 46,031,785</u>	<u>\$ 36,655,650</u>	<u>\$ 29,669,057</u>	<u>\$ 26,609,582</u>	<u>\$ 22,759,956</u>	<u>\$ 21,323,214</u>	<u>\$ 18,724,181</u>	<u>\$ 13,570,455</u>
Business-type activities										
Net investment in capital assets	\$ 13,129,573	\$ 9,773,264	\$ 9,189,369	\$ 7,540,131	\$ 7,639,696	\$ 6,934,568	\$ 6,715,462	\$ 5,996,430	\$ 5,655,822	\$ 5,132,270
Restricted	2,266,092	2,178,483	2,369,407	1,669,180	1,665,793	1,709,668	1,646,702	1,841,238	1,833,241	2,180,302
Unrestricted	1,779,851	280,314	(1,356,389)	(334,002)	(244,326)	(494,918)	(735,707)	(579,857)	(358,259)	(573,962)
Total business-type activities	<u>\$ 17,175,516</u>	<u>\$ 12,232,061</u>	<u>\$ 10,202,387</u>	<u>\$ 8,875,309</u>	<u>\$ 9,061,163</u>	<u>\$ 8,149,318</u>	<u>\$ 7,626,457</u>	<u>\$ 7,257,811</u>	<u>\$ 7,130,804</u>	<u>\$ 6,738,610</u>
Primary Government										
Net investment in capital assets	\$ 38,555,845	\$ 20,212,795	\$ 16,314,875	\$ 341,179	\$ 8,095,465	\$ 5,168,674	\$ 3,889,218	\$ (1,603,212)	\$ (10,758,038)	\$ (28,672,615)
Restricted	13,076,189	12,056,073	15,513,705	7,379,617	7,213,573	5,978,323	5,915,357	9,324,049	15,470,613	30,257,311
Unrestricted	35,558,924	37,934,489	24,405,592	37,810,163	23,421,182	23,611,903	20,581,838	20,860,188	21,142,410	18,724,369
Total Primary government	<u>\$ 87,190,958</u>	<u>\$ 70,203,357</u>	<u>\$ 56,234,172</u>	<u>\$ 45,530,959</u>	<u>\$ 38,730,220</u>	<u>\$ 34,758,900</u>	<u>\$ 30,386,413</u>	<u>\$ 28,581,025</u>	<u>\$ 25,854,985</u>	<u>\$ 20,309,065</u>

(1) June 30, 2017 net position was restated for the implementation of GASB Statement No. 75.

Table 3

County of Caroline, Virginia

Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Expenses										
Governmental activities										
General government administration	\$ 5,923,171	\$ 5,328,908	\$ 4,950,530	\$ 4,993,074	\$ 3,502,256	\$ 3,693,835	\$ 4,047,104	\$ 3,789,710	\$ 3,978,965	\$ 3,883,714
Judicial administration	1,890,433	1,777,790	1,772,213	1,661,581	1,572,855	1,457,236	1,518,859	1,497,332	1,402,447	1,396,050
Public safety	22,494,449	18,726,853	17,451,750	17,181,124	15,897,122	14,116,709	14,205,256	13,510,255	12,426,927	11,880,667
Public works	5,959,391	5,820,761	5,408,507	7,382,117	5,738,631	5,933,547	4,232,947	3,428,499	3,051,951	2,908,638
Health and welfare	6,267,071	5,688,038	5,320,263	5,150,285	4,738,640	4,748,908	5,297,241	5,208,004	5,099,553	4,961,442
Education	19,904,302	19,163,248	18,606,632	16,849,876	17,947,984	16,802,131	16,899,064	15,859,165	15,040,013	13,388,679
Parks, recreation, and cultural	1,306,651	1,197,151	1,094,721	1,067,016	1,041,192	940,443	804,264	797,543	607,087	834,612
Community development	1,786,715	1,600,290	1,561,487	1,507,667	1,380,499	1,335,556	1,343,428	1,254,830	1,515,175	1,575,697
Interest and fiscal charges	4,423,195	3,250,703	2,730,660	3,360,947	2,814,222	3,071,552	3,303,659	3,424,233	3,620,914	3,788,183
Total governmental activities	69,955,378	62,553,742	58,896,763	59,153,687	54,633,401	52,099,917	51,651,822	48,769,571	46,743,032	44,617,682
Business-type activities										
Water and Sewer	6,347,342	6,598,679	5,640,472	6,058,445	5,422,786	5,864,572	5,386,681	5,558,380	5,720,201	5,703,220
Total business-type activities	6,347,342	6,598,679	5,640,472	6,058,445	5,422,786	5,864,572	5,386,681	5,558,380	5,720,201	5,703,220
Total primary government expenses	76,302,720	69,152,421	64,537,235	65,212,132	60,056,187	57,964,489	57,038,503	54,327,951	52,463,233	50,320,902
Program revenues										
Governmental activities										
Charges for services:										
Public safety	1,286,191	1,115,481	1,183,328	2,636,719	2,276,453	2,203,555	1,388,237	1,279,401	1,963,237	1,858,195
Community development	964,005	984,233	1,090,148	-	125	240	-	-	285,233	282,212
All other activities	837,565	752,410	599,340	421,664	566,257	862,024	941,548	855,923	168,470	183,155
Operating grants and contributions	10,301,279	8,875,750	9,115,943	11,462,975	7,802,807	7,043,657	7,516,459	6,976,522	5,969,693	5,863,274
Capital grants and contributions	-	-	-	-	-	-	-	215,241	78,074	607,776
Total governmental activities	13,389,040	11,727,874	11,988,759	14,521,358	10,645,642	10,109,476	9,846,244	9,327,087	8,464,707	8,794,612
Business-type activities										
Charges for services:	4,463,081	3,823,983	3,412,971	2,713,756	2,652,442	2,764,671	2,636,964	2,482,265	2,633,815	2,920,869
Operating grants and contributions	-	-	-	32,240	20,600	352,383	256,922	350,877	350,877	349,083
Capital grants and contributions	4,676,206	3,283,080	2,345,982	2,281,403	712,903	637,770	937,671	979,279	1,326,260	1,170,762
Total business-type activities	9,139,287	7,107,063	5,758,953	5,027,399	3,385,945	3,754,824	3,831,557	3,812,421	4,310,952	4,440,714
Total primary government revenues	22,528,327	18,834,937	17,747,712	19,548,757	14,031,587	13,864,300	13,677,801	13,139,508	12,775,659	13,235,326
Net (expense) revenue										
Governmental activities	(56,566,338)	(50,825,868)	(46,908,004)	(44,632,329)	(43,987,759)	(41,990,441)	(41,805,578)	(39,442,484)	(38,278,325)	(35,823,070)
Business-type activities	2,791,945	508,384	118,481	(1,031,046)	(2,036,841)	(2,109,748)	(1,555,124)	(1,745,959)	(1,409,249)	(1,262,506)
Total primary government net expense	(53,774,393)	(50,317,484)	(46,789,523)	(45,663,375)	(46,024,600)	(44,100,189)	(43,360,702)	(41,188,443)	(39,687,574)	(37,085,576)

Table 3

County of Caroline, Virginia

Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Net (expense) revenue										
Governmental activities	\$ (56,566,338)	\$ (50,825,868)	\$ (46,908,004)	\$ (44,632,329)	\$ (43,987,759)	\$ (41,990,441)	\$ (41,805,578)	\$ (39,442,484)	\$ (38,278,325)	\$ (35,823,070)
Business-type activities	2,791,945	508,384	118,481	(1,031,046)	(2,036,841)	(2,109,748)	(1,555,124)	(1,745,959)	(1,409,249)	(1,262,506)
Total primary government net expense	(53,774,393)	(50,317,484)	(46,789,523)	(45,663,375)	(46,024,600)	(44,100,189)	(43,360,702)	(41,188,443)	(39,687,574)	(37,085,576)
General Revenues and Other Changes in Net Position										
Governmental activities										
Taxes										
General property taxes	45,962,808	45,523,335	43,737,123	39,488,191	37,932,539	36,870,630	35,811,884	33,404,396	34,439,462	34,297,569
Local sales and use taxes	4,386,539	3,667,211	3,199,697	3,209,281	2,855,615	2,233,473	2,294,305	1,997,309	1,990,779	1,779,229
Other local taxes	6,151,504	5,848,928	4,892,157	4,651,890	4,376,012	4,528,215	4,417,068	4,318,766	4,041,865	4,195,865
State personal property tax reimbursement	2,371,897	2,371,897	2,371,897	2,371,897	2,371,897	2,371,897	2,371,897	2,371,897	2,371,897	2,371,897
Other state non-categorical shared revenues	5,741,692	1,942,324	1,700,284	1,661,071	900,507	847,473	656,676	740,820	1,378,963	693,511
Proffers from new development	796,700	698,746	501,884	273,113	125,934	101,537	98,309	151,871	127,026	123,245
Other unrestricted revenue	3,432,330	2,916,803	728,727	604,548	976,506	1,064,576	805,922	719,206	693,240	1,077,555
Transfers	(232,986)	(203,865)	(847,630)	(641,069)	(2,593,776)	(2,267,705)	(1,730,200)	(1,662,748)	(1,611,181)	(1,145,321)
Total governmental activities	68,610,484	62,765,379	56,284,139	51,618,922	46,945,234	45,750,096	44,725,861	42,041,517	43,432,051	43,393,550
Business-type activities										
Revenue from use of money and property	1,292,695	941,017	68,687	6,181	25,668	36,461	23,287	12,553	2,244	926
Miscellaneous	625,829	376,408	292,280	197,942	329,242	328,443	255,114	197,665	188,018	71,867
Transfers	232,986	203,865	847,630	641,069	2,593,776	2,267,705	1,730,200	1,662,748	1,611,181	1,145,321
Total business-type activities	2,151,510	1,521,290	1,208,597	845,192	2,948,686	2,632,609	2,008,601	1,872,966	1,801,443	1,218,114
Total primary government	70,761,994	64,286,669	57,492,736	52,464,114	49,893,920	48,382,705	46,734,462	43,914,483	45,233,494	44,611,664
Changes in Net Position										
Governmental activities	12,044,146	11,939,511	9,376,135	6,986,593	2,957,475	3,759,655	2,920,283	2,599,033	5,153,726	7,570,480
Business-type activities	4,943,455	2,029,674	1,327,078	(185,854)	911,845	522,861	453,477	127,007	392,194	(44,392)
Total primary government	\$ 16,987,601	\$ 13,969,185	\$ 10,703,213	\$ 6,800,739	\$ 3,869,320	\$ 4,282,516	\$ 3,373,760	\$ 2,726,040	\$ 5,545,920	\$ 7,526,088

Table 4

County of Caroline, Virginia
Fund Balances – Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General fund										
Nonspendable	\$ -	\$ 13,570	\$ -	\$ 68,583	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	1,847,361	1,847,361	1,847,361	1,847,361	1,847,361	1,847,361	1,847,361	1,847,361	1,847,361	1,846,264
Committed	8,460,322	7,794,687	952,645	693,886	1,064,913	2,784,575	2,392,483	3,553,910	175,000	366,000
Assigned	3,007,004	3,007,004	3,007,004	3,007,004	3,007,004	3,007,004	3,007,004	1,818,577	4,598,162	2,962,590
Unassigned	27,286,018	27,631,682	28,158,303	22,963,802	17,080,971	17,083,663	18,313,245	17,398,812	16,346,543	15,979,092
Total general fund	40,600,705	40,294,304	33,965,313	28,580,636	23,000,249	24,722,603	25,560,093	24,618,660	22,967,066	21,153,946
All other governmental funds										
Nonspendable	1,622,715	388	-	-	6,052	-	-	-	-	-
Restricted	10,763,097	10,459,608	10,102,619	3,863,076	3,700,419	2,704,122	2,421,294	5,635,450	11,790,011	26,230,745
Committed	998,435	1,438,311	1,107,035	532,171	244,103	587,002	-	-	-	-
Assigned	2,246,365	3,270,168	3,420,200	9,483,603	219,278	236,326	257,149	282,332	265,878	277,781
Unassigned	(450,262)	(81,145)	(28,975)	-	(92,256)	(219,758)	(322,446)	(420,770)	(139,160)	(127,250)
Total all other governmental funds	15,180,350	15,087,330	14,600,879	13,878,850	4,077,596	3,307,692	2,355,997	5,497,012	11,916,729	26,381,276
Total Fund Balance	<u>\$ 55,781,055</u>	<u>\$ 55,381,634</u>	<u>\$ 48,566,192</u>	<u>\$ 42,459,486</u>	<u>\$ 27,077,845</u>	<u>\$ 28,030,295</u>	<u>\$ 27,916,090</u>	<u>\$ 30,115,672</u>	<u>\$ 34,883,795</u>	<u>\$ 47,535,222</u>

Table 5

County of Caroline, Virginia
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Revenues										
General property taxes	\$ 46,281,510	\$ 44,890,345	\$ 42,862,074	\$ 39,368,959	\$ 37,544,110	\$ 36,402,347	\$ 35,894,593	\$ 35,056,977	\$ 34,510,102	\$ 34,435,880
Other local taxes	10,538,043	9,516,139	8,091,854	7,861,171	7,231,627	6,761,688	6,711,373	6,316,075	6,032,644	5,975,094
Permits, privilege fees and licenses	996,886	1,003,153	1,106,534	920,108	507,986	527,310	468,716	417,770	502,416	392,539
Fines and forfeitures	-	-	-	151,485	318,804	521,650	586,242	522,735	484,591	522,562
Revenue from use of money & property	3,132,632	2,141,566	250,689	190,916	488,630	698,912	484,436	348,824	284,644	255,286
Charges for services	2,090,875	1,848,971	1,766,282	1,986,790	2,016,045	2,016,859	1,274,827	1,194,819	1,129,021	1,092,983
Other local revenue	2,185,200	2,019,601	2,344,976	1,344,220	1,212,664	5,426,062	774,577	858,606	778,426	619,896
Intergovernmental	17,326,066	12,644,353	11,823,070	15,495,943	11,075,211	10,263,027	10,545,032	10,304,480	9,856,735	10,057,363
Total revenues	82,551,212	74,064,128	68,245,479	67,319,592	60,395,077	62,617,855	56,739,796	55,020,286	53,578,579	53,351,603
Expenditures										
General government administration	6,335,252	5,904,072	4,220,434	4,463,144	3,914,599	3,566,141	3,553,879	3,265,212	3,424,540	3,391,184
Judicial administration	1,725,342	1,685,667	1,574,957	1,426,446	1,423,333	1,373,148	1,372,101	1,309,884	1,324,354	1,330,592
Public safety	21,813,469	17,693,055	16,136,146	15,574,019	16,101,889	18,621,696	13,731,491	12,545,663	11,958,767	11,801,540
Public works	6,297,324	5,901,408	4,913,069	7,111,067	4,117,106	3,741,639	3,428,930	3,263,001	3,034,572	2,801,214
Health and welfare	6,657,223	5,734,750	5,478,673	5,074,516	4,909,150	5,074,095	5,299,278	5,206,983	5,140,027	5,068,757
Education	17,913,199	17,152,333	16,588,884	14,910,745	15,933,105	14,652,485	14,479,789	13,513,761	12,211,095	11,986,533
Parks, recreation and cultural	1,234,550	1,163,751	993,371	926,271	951,445	890,567	758,817	807,428	677,341	676,680
Community development	1,838,354	1,544,892	1,504,227	1,826,302	1,746,093	1,705,736	1,564,618	1,458,096	1,396,369	1,435,597
Capital projects	8,398,456	6,081,725	2,066,374	2,253,181	3,197,943	4,874,535	5,310,476	11,595,557	16,036,771	2,958,062
Debt service										
Principal retirement	6,178,566	6,402,041	5,539,197	5,335,491	9,520,249	5,948,502	27,497,973	6,284,425	6,479,052	5,794,072
Interest	3,527,070	3,718,127	3,648,811	3,671,530	3,184,101	2,922,877	3,690,464	3,625,400	3,798,912	4,068,491
Total expenditures	81,918,805	72,981,821	62,664,143	62,572,712	64,999,013	63,371,421	80,687,816	62,875,410	65,481,800	51,312,722
Revenues over (under) expenditures	632,407	1,082,307	5,581,336	4,746,880	(4,603,936)	(753,566)	(23,948,020)	(7,855,124)	(11,903,221)	2,038,881
Other Financing Sources (Uses)										
Transfers in	19,114,365	7,739,600	8,088,254	7,384,920	9,322,149	9,003,235	7,641,400	8,430,878	9,529,968	9,155,668
Transfers out	(19,347,351)	(7,943,465)	(8,935,884)	(8,025,989)	(11,915,924)	(11,270,940)	(9,371,600)	(10,093,626)	(11,141,149)	(10,300,989)
Issuance of debt	-	5,937,000	1,373,000	-	-	-	-	10,416,169	-	-
Premium in issuance of debt	-	-	-	4,559,048	600,259	92,476	1,790,388	-	-	-
Lease revenue bonds issued	-	-	-	7,965,000	-	-	-	-	5,328,275	-
Refunding of bonds	-	-	-	17,990,000	3,525,000	555,000	20,120,000	-	-	-
Payment to refunded bond escrow agent	-	-	-	(21,182,870)	-	(585,000)	-	(7,175,000)	(4,465,300)	-
Sale of capital assets	-	-	-	1,944,652	2,120,000	3,073,000	1,568,250	1,508,580	-	-
Total other financing sources (uses)	(232,986)	5,733,135	525,370	10,634,761	3,651,484	867,771	21,748,438	3,087,001	(748,206)	(1,145,321)
Net change in fund balances	\$ 399,421	\$ 6,815,442	\$ 6,106,706	\$ 15,381,641	\$ (952,452)	\$ 114,205	\$ (2,199,582)	\$ (4,768,123)	\$ (12,651,427)	\$ 893,560
Debt service as a percentage of noncapital expenditures	13.50%	15.42%	15.24%	15.10%	20.60%	14.70%	41.20%	19.20%	20.90%	20.40%

Table 6

County of Caroline, Virginia
Tax Revenues by Source – Governmental Funds
 Last Ten Fiscal Years

Fiscal Year Ended	Property (1)	Local Sales and Use	Business License	Motor Vehicle Licenses	Recordation and Wills	Other	Total
2024	\$ 44,981,478	\$ 4,386,541	\$ 1,698,973	\$ 31,879	\$ 516,457	\$ 3,904,193	\$ 55,519,521
2023	43,632,849	3,667,211	1,472,905	109,701	602,532	3,663,790	53,148,988
2022	41,879,053	3,199,698	1,306,624	406,962	676,253	2,502,317	49,970,907
2021	38,402,820	3,209,281	880,612	1,125,933	579,648	2,065,697	46,263,991
2020	36,564,825	2,855,615	890,641	1,050,059	379,097	2,056,215	43,796,452
2019	35,484,094	2,233,473	905,098	1,155,454	296,994	2,170,669	42,245,782
2018	34,964,963	2,294,305	858,769	1,106,599	289,021	2,162,679	41,676,336
2017	34,180,894	1,997,309	850,591	1,067,923	337,059	2,063,193	40,496,969
2016	33,649,865	1,990,779	793,703	1,031,986	262,702	1,953,474	39,682,509
2015	33,554,227	1,779,229	998,994	1,038,375	229,367	1,929,129	39,529,321

(1) Property tax revenue does not include penalties and interest collected on delinquent tax collections

Table 7

County of Caroline, Virginia

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

Calendar Year Ended	Residential/Ag Property	Commercial Property	Total Tax Assessed Value	Public Service	Total Direct Tax Rate	Total Taxable Assessed Value*	Estimated Actual Taxable Value**	Tax Exempt Property
2024	\$ 3,406,442,100	\$ 452,526,100	\$ 3,858,968,200	\$ 366,048,108	\$ 0.78	\$ 3,556,308,793	\$ 5,820,464,857	\$ 632,878,400
2023	3,328,035,000	312,575,200	3,640,610,200	365,273,582	0.77	3,350,485,046	5,276,246,667	635,026,900
2022	3,232,652,500	310,340,800	3,542,993,300	402,360,527	0.77	3,257,278,312	4,667,975,362	635,039,500
2021	3,186,025,200	303,807,500	3,489,832,700	443,576,728	0.77	3,212,376,184	4,011,301,954	635,255,300
2020	2,598,391,200	286,613,700	2,885,004,900	407,512,245	0.83	2,660,270,187	3,661,173,731	634,618,200
2019	2,571,357,400	282,378,800	2,853,736,200	415,306,211	0.83	2,638,682,932	3,506,680,020	630,941,700
2018	2,554,163,300	280,057,500	2,834,220,800	408,942,834	0.83	2,610,222,802	3,451,736,451	627,510,600
2017	2,529,180,300	279,540,500	2,808,720,800	427,462,005	0.83	2,582,791,169	3,250,081,925	627,442,100
2016	2,512,269,100	277,798,100	2,790,067,200	449,727,011	0.82	2,567,496,683	3,069,043,230	626,909,800
2015	2,487,780,900	252,194,100	2,739,975,000	454,551,741	0.83	2,524,569,750	2,986,348,774	616,423,700

Source: Caroline County Commissioner of Revenue

* The Total Taxable Assessed is the Total Tax Assessed Value minus land use, elderly, and veterans plus minerals.

**The Estimated Actual Taxable Value is the Total Tax Assessed Value multiplied by the median Assessment Sales Ratio. The Assessment Sales Ratio is calculated annually by the Commissioner based on calendar year sales.

Table 8

County of Caroline, Virginia

Direct Property Tax Rates Last Ten Fiscal Years

Fiscal Year	Public Service		Machinery & Tools	Real Estate	Personal Property
	Real Estate	Personal Property (1)(2)			
2024	\$ 0.78	\$ 3.50	\$ 3.50	\$ 0.78	\$ 3.50
2023	0.77	3.50	3.50	0.77	3.50
2022	0.77	3.80	3.50	0.77	3.80
2021	0.77	3.80	3.50	0.77	3.80
2020	0.83	3.80	3.50	0.83	3.80
2019	0.83	3.80	3.50	0.83	3.80
2018	0.83	3.80	3.50	0.83	3.80
2017	0.83	3.80	3.50	0.83	3.80
2016	0.82	3.80	3.50	0.82	3.80
2015	0.83	3.80	3.50	0.83	3.80

Source: Caroline County Commissioner of Revenue

Table 9

County of Caroline, Virginia
Assessed Value and Estimated Actual Value of Taxable Property Including Personal Property
Last Ten Fiscal Years

Fiscal Year	Real Estate (1)	Personal Property (2)	Veteran Reduced Rate (3)	Motor Carrier	Mobile Homes	Machinery and Tools	Public Utility (4)	Total Taxable Assessed Value
2024	\$ 3,858,968,200	\$ 482,960,573	\$ 161,345	\$ 7,799,871	\$ 7,213,800	\$ 12,050,154	\$ 368,924,322	\$ 4,738,078,265
2023	3,640,610,200	470,300,692	361,555	6,494,040	6,669,646	11,801,494	368,722,373	4,504,960,000
2022	3,542,993,300	502,775,965	310,026	4,673,146	6,745,914	9,870,700	405,991,601	4,473,360,652
2021	3,489,831,700	375,679,108	2,278,190	4,567,870	6,749,310	9,183,130	447,207,802	4,335,497,110
2020	2,885,004,900	330,589,567	1,631,600	5,313,930	6,950,800	7,984,910	410,095,645	3,647,571,352
2019	2,853,736,200	324,134,396	1,443,300	4,917,750	6,543,290	7,735,500	418,038,530	3,616,548,966
2018	2,834,220,800	310,716,700	N/A	4,741,020	6,242,790	7,807,340	430,354,563	3,594,083,213
2017	2,808,720,800	292,173,240	N/A	5,465,800	6,166,690	7,962,840	450,539,996	3,571,029,366
2016	2,790,067,200	283,270,225	N/A	4,823,373	6,003,800	7,842,570	454,694,067	3,546,701,235
2015	2,739,975,000	269,604,250	N/A	4,175,980	5,903,710	7,383,110	457,707,814	3,484,749,864

Notes:

(1) Assessed at 100% of market value using an assessed value to sales price factor computed annually by the State Department of Taxation.

(2) Motor vehicles valued at 100% clean trade-in value per JDPower (NADA) guidebook or % of original cost.

(3) Reduced rate for veterans was not adopted and put into County ordinance until 2019.

(4) Vehicles assessed at 100% market value in 2012 and 100% trade-in value for 2013 and beyond. Values assessed by the SCC and remitted to the COR annually.

N/A - This information was not available as of the date of this report

This table has been updated in FY 21 to adhere to how SCC numbers were provided, some previous year amounts will not match due to those numbers being changed to actuals vs. estimates.

Table 10

County of Caroline, Virginia
Property Tax Levies and Collections
 Last Ten Fiscal Years

Fiscal Year	Taxes Levied for the Fiscal Year (1)(3)	Collected within the Fiscal Year of the Levy		Delinquent Tax Collections	Total Collections to Date		Outstanding Delinquent Taxes (1)(2)	Percentage of Delinquent Taxes to Tax Levy
		Amount (1)(3)	Percentage of Levy		Amount	Percentage of Levy		
2024	\$ 47,834,487	\$ 45,467,162	95.05%	\$ 1,210,325	\$ 46,677,487	97.58%	\$ 7,230,773	15.12%
2023	46,615,410	45,206,131	96.98%	1,227,977	46,434,108	99.61%	6,021,740	12.92%
2022	45,455,705	42,235,851	92.92%	1,244,201	43,480,052	95.65%	6,971,888	15.34%
2021	41,014,494	39,198,341	95.57%	1,132,265	40,330,606	98.33%	5,525,174	13.47%
2020	39,138,496	37,227,216	95.12%	1,338,987	38,566,203	98.54%	5,526,405	14.12%
2019	38,195,184	36,480,464	95.51%	991,077	37,471,541	98.11%	5,313,939	13.91%
2018	37,602,914	35,994,290	95.72%	1,073,343	37,067,633	98.58%	4,999,558	13.30%
2017	36,999,802	35,374,665	95.61%	992,230	36,366,895	98.29%	4,909,900	13.27%
2016	36,339,139	34,852,070	95.91%	995,043	35,847,113	98.65%	4,729,311	13.01%
2015	36,315,452	34,636,181	95.38%	1,016,627	35,652,808	98.18%	4,677,178	12.88%

Notes:

(1) Exclusive of penalties and interest. Includes Commonwealth of Virginia's reimbursement for personal property taxes and balances outstanding.

(2) Includes three most current delinquent tax years and first half of current year.

(3) Does not include land redemptions.

Table 11

County of Caroline, Virginia

Principal Property Taxpayers

Current Year and Nine Years Ago

Taxpayer/Type of Business	2024			2015		
	Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Virginia Electric & Power Co.	\$ 222,424,926	1	5.76%	\$ 294,561,645	1	8.45%
Trader Joe's East, Inc.	94,246,000	2	2.59%			
Rappahannock Electric Cooperative/Electric Utility	62,581,244	3	1.77%	66,124,884	2	1.90%
M C Dean, Inc.	31,589,000	4	0.91%			
Amazon Data Services, Inc.	24,311,300	5	0.84%			
Virginia Natural Gas, Inc./Gas Utility	22,520,784	6	0.79%	31,822,356	4	0.91%
CSX Transportation/Railroad	20,262,350	7	0.71%			
PFJ Southeast LLC	19,714,700	8	0.70%			
McKesson Corporation/Pharmaceutical Distributor	17,339,800	9	0.62%	32,523,670	3	0.93%
Commonwealth Fairs & Events LLC	15,161,400	10	0.55%	14,004,140	8	0.40%
Carmel Church Properties/Bank				15,736,800	7	0.45%
Richmond, Fredericksburg and Potomac Railroad\Railroad				20,245,517	6	0.58%
Columbus Industrial Owner 1 LLC\Furniture Distribution				13,908,600	9	0.40%
Pilot Travel Centers, LLC / Highway Service Commercial				21,013,560	5	0.60%
Verizon South\Telephone Utility				11,729,846	10	0.34%
Totals	\$ 530,151,504		15.24%	\$ 521,671,018		14.96%

Notes:

Source: Caroline County Commissioner of Revenue

County of Caroline, Virginia
Ratio of Gross General Bonded Debt to Assessed Value
and Gross Bonded Debt Per Capita
Last Ten Fiscal Years

Fiscal Year	Population	Assessed Value (1)	Gross Bonded Debt (2)	Ratio of Gross Bonded Debt to Assessed Value	Gross Bonded Debt per Capita
2024	33,063	\$ 4,738,078,265	\$ 57,228,453	1.21%	1,731
2023	31,332	4,504,960,000	62,384,701	1.38%	1,991
2022	31,332	4,473,360,652	63,192,334	1.41%	2,017
2021	30,887	4,335,497,110	67,845,437	1.56%	2,197
2020	30,318	3,647,571,352	61,309,469	1.68%	2,022
2019	30,318	3,619,149,861	66,145,524	1.83%	2,182
2018	30,292	3,594,083,213	71,088,302	1.98%	2,347
2017	30,178	3,971,708,528	77,413,509	1.95%	2,565
2016	29,792	3,546,701,235	79,630,525	2.25%	2,673
2015	29,727	3,487,350,474	84,171,514	2.41%	2,831

Notes:

(1) See Table 7 for property value data

(2) Includes all long-term general obligation bonded debt, bond anticipation notes, lease revenue bonds and literary loans.

Excludes revenue bonds, landfill closure/post-closure care liability, pension liability, OPEB liability, financed purchases, and compensated absences.

Table 13

County of Caroline, Virginia

Ratios of Outstanding Debt

Last Ten Fiscal Years

Fiscal Year	Governmental Activities		Business-Type	Primary Government Outstanding Debt	Primary Government Outstanding Debt as A Percentage of Personal Income	Primary Government Outstanding Debt Per Capita
	General	Financed	Activities			
	Obligation Bonds	Purchase Obligation	General Obligation Bonds			
	(1)				(2)	(2)
2024	\$ 62,788,355	\$ 4,544,467	\$ 53,841,692	\$ 121,174,514	6.84%	\$ 3,665
2023	68,426,230	5,566,785	56,167,921	130,160,936	7.91%	4,154
2022	69,715,490	5,224,193	55,181,945	130,121,628	8.36%	4,153
2021	75,223,342	4,737,287	56,766,460	136,727,089	9.49%	4,427
2020	64,329,526	10,011,836	36,100,056	110,441,418	8.22%	3,643
2019	68,766,522	9,311,264	37,963,384	116,041,170	8.96%	3,827
2018	73,784,000	7,273,988	38,631,356	119,689,344	9.50%	3,951
2017	78,374,095	6,758,504	39,790,950	124,923,549	10.40%	4,140
2016	80,669,370	6,683,718	41,255,589	128,608,677	10.24%	4,317
2015	85,712,381	7,456,665	42,677,968	135,847,014	11.91%	4,570

Notes:

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

The County is independent from any City, Town, or other political subdivisions of the Commonwealth of Virginia. There is no overlapping general obligation debt or taxing powers.

(1) Outstanding debt for the School Division is included with Governmental Activities.

(2) See Table 14 for population and per capita personal income.

Table 14

County of Caroline, Virginia
Demographic and Economic Statistics
 Last Ten Calendar Years

Fiscal Year	Population (1)	Personal Income (2) (in thousands)	Per Capita Personal Income (2)	School Enrollment-30-Sep Membership (3)	Unemployment Rate (4)
2024	33,063	\$ 1,772,322	\$ 38,432	4,564	3.10%
2023	31,332	1,645,782	36,953	4,337	3.00%
2022	31,332	1,555,626	35,588	4,238	3.30%
2021	30,887	1,440,613	31,568	4,131	5.00%
2020	30,318	1,343,383	N/A	4,253	8.80%
2019	30,318	1,294,583	N/A	4,214	3.60%
2018	30,292	1,259,845	N/A	4,076	3.60%
2017	30,178	1,201,056	N/A	4,299	4.30%
2016	29,792	1,255,476	N/A	4,330	4.20%
2015	29,727	1,140,455	38,035	4,357	5.50%

Sources:

(1) Estimated by Weldon Cooper Center for Public Service, University of Virginia, on a calendar basis for all years.

(2) US Department of Commerce, Bureau of Economic Analysis.

(3) Virginia Department of Education as of September 30 each year.

(4) Virginia Employment Commission fiscal year-end.

N/A - Information unavailable at fiscal year-end.

Table 15

County of Caroline, Virginia

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

Function / Department	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
County Administrator	5	4	4	4	4	4	4	4	4	4
Finance	6	4	4	4	3	3	3	3	3	3
Information Technology	3	3	3	2	2	2	1	1	1	1
Emergency Services	67	67	48	48	48	48	40	33	30	30
Public Works	20	20	17	17	17	17	17	16	14	13
Social Services	34	34	34	34	34	34	32	31	31	29
Recreation	3	3	3	3	3	3	3	3	3	3
Library	4	4	4	4	4	4	4			
Planning and Community Development	14	13	12	11	11	11	11	10	10	10
Economic Development	2	2	2	2	2	2	2	2	2	2
Utilities	19	19	19	17	17	17	17	16	16	15
Registrar	3	2	2	2	2	2	2	2	2	2
Victim Witness	1	1	1	1	1	1	1	1	1	1
Constitutional Officers:										
Commissioner of the Revenue	13	13	13	13	13	13	13	13	13	13
Treasurer	10	10	9	9	9	9	8	8	8	8
Clerk of the Circuit Court	1	1	1	1	1	1	1	1	1	1
Commonwealth's Attorney	8	8	8	8	8	8	8	8	8	8
Sheriff:	6	6	6	5	5	5	5	5	5	5
Sworn	56	54	54	54	54	53	52	52	52	52
Non sworn	22	22	22	22	22	22	20	20	19	19
Total Full Time Employees	<u>297</u>	<u>290</u>	<u>266</u>	<u>261</u>	<u>260</u>	<u>259</u>	<u>244</u>	<u>229</u>	<u>223</u>	<u>219</u>

Source: County of Caroline Budgets

Table 16

County of Caroline, Virginia

Principal Employers

Current Year and Nine Years Ago

Taxpayer	2024		2015	
	Employees	Percentage of Total County Employment	Employees	Percentage of Total County Employment
Caroline County School Board	500 - 999	7.6% - 15.2%	500 - 999	8.1% - 16.4%
Professional Staff Management	500 - 999	7.6% - 15.2%		
County of Caroline	250 - 499	3.8% - 7.6%	250 - 499	4.4% - 8.1%
U.S. Department of Defense	100 - 249	1.5% - 3.8%	250 - 499	4.4% - 8.1%
Mckesson Corporation	100 - 249	1.5% - 3.8%	100 - 249	1.7% - 4.4%
Food Lion, LLC	100 - 249	1.5% - 3.8%	100 - 249	1.7% - 4.4%
Bowling Green Health & Rehabilitation Center	100 - 249	1.5% - 3.8%		
Pilot Travel Centers LLC	100 - 249	1.5% - 3.8%	100 - 249	1.7% - 4.4%
Solaray, LLC	100 - 249	1.5% - 3.8%		
Rappahannock Electric Coop	100 - 249	1.5% - 3.8%		
Union First Market Bank			250 - 499	4.4% - 8.1%
Peumansend Creek Regional Jail			100 - 249	1.7% - 4.4%
HR Service Group LLC				
Warsaw Health Care Center			100 - 249	1.7% - 4.4%
U.S. Army Non-Appropriated Funds Division			100 - 249	1.7% - 4.4%

Sources:

Virginia Employment Commission

Table 17

County of Caroline, Virginia
Operating Indicators by Function
 Last Ten Fiscal Years

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Sheriff's Department (1)										
Reports taken	2,290	2,538	2,145	1,721	2,003	2,155	2,084	2,338	2,199	2,127
Civil processed record workload	6,282	6,741	6,242	6,076	6,665	7,580	7,824	8,935	8,741	10,021
Warrants served	2,317	2,675	2,380	2,122	2,481	3,206	2,987	3,686	3,685	3,582
Traffic tickets	4,831	4,144	5,264	2,129	3,883	7,350	8,382	10,521	7,712	7,747
Circuit court days	128	147	117	144	138	136	133	145	133	122
General district court days	117	124	120	116	104	121	123	123	117	115
Juvenile and domestic court days	160	161	162	164	168	167	163	150	139	127
Inmate transports (not courts)	453	511	701	529	692	707	675	842	708	722
Mental transports	72	104	102	125	130	87	88	84	63	78
Dispatch Center (1)										
Calls received by dispatch	74,051	89,651	93,735	95,395	98,472	99,920	104,417	100,335	105,424	97,407
Calls responded	35,928	37,067	30,660	26,648	26,832	31,850	31,845	30,049	25,945	28,376
Parks, Recreation & Tourism (2)										
Number of Participants	5,697	2,700	1,467	N/A	N/A	4,330	4,215	4,500	N/A	N/A
Total Indoor and Outdoor Rentals	316	207	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total # of Programs	53	45	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Estimate Total of Rental Attendance	6,749	8,625	9,509	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Library (3)										
# of registered users	16,926	16,101	15,906	15,295	15,391	17,025	16,184	17,191	16,181	15,999
# of active users (users who have used the library in the last year)	1,885	1,793	1,565	1,052	2,446	3,205	3,579	4,098	4,418	4,821
Total library circulation	62,586	51,696	40,358	20,163	45,390	50,918	55,183	139,247	183,896	279,072
Total physical circulation	27,459	27,245	20,115	11,652	33,933	46,892	52,475	136,828	182,100	278,029
Total electronic circulation	35,127	24,451	20,243	8,511	11,457	4,026	2,708	2,419	1,796	1,043
Water system (4)										
Number of customers										
Water	2,638	2,351	2,135	1,979	1,843	1,783	1,736	1,631	1,563	1,511
Wastewater	2,047	1,827	1,645	1,502	1,358	1,298	1,251	1,201	1,141	1,073
Average daily consumption (in millions)	0.4836	0.4555	0.4813	0.4864	0.4592	0.4841	0.4543	0.4186	0.4734	0.6458
Average peak daily consumption (in millions)	0.7010	0.6231	0.8160	0.7137	0.6441	0.7322	0.6264	0.6093	0.7915	0.9428
Annual consumption in gallons (in millions)	177.0020	166.1261	175.6806	177.526	167.591	176.693	165.816	152.791	172.805	235.699

Sources:

(1) Caroline County Sheriff's Department (information compiled each calendar year)

(2) Caroline County Parks and Recreation Department

(3) Caroline County Library

(4) Caroline County Public Utilities

N/A - This information was not available as of the date of this report

Table 18

County of Caroline, Virginia
Capital Asset Statistics by Function/Program
 Last Ten Fiscal Years

	2024	2023	2022	2021	2020	Fiscal Year 2019	2018	2017	2016	2015
Sheriff's Department (1)										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	58	56	56	68	68	69	76	69	63	60
Volunteer Fire and Rescue (2)										
Stations	9	8	8	8	8	8	8	8	8	8
Parks and recreation (3)										
Number of parks maintained	3	3	3	3	3	3	3	3	3	3
Park acreage owned by the County	47.08	47.08	47.08	47.08	47	47	47	47	47	47
Park acreage leased	7.5	7.5	7.5	7.5	8	8	8	8	8	8
Library (4)										
Number of libraries	4	4	4	4	4	4	4	4	4	4
Number of bookmobiles	0	0	0	0	0	0	0	1	1	1
Water system (5)										
Treatment capacity per day in gallons	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	500,000	500,000

Sources:

- (1) Caroline County Sheriff's Department
- (2) Caroline County Fire and EMS
- (3) Caroline County Parks and Recreation Department
- (4) Caroline County Library
- (5) Caroline County Public Utilities
- N/A - This information was not available as of the date of this report

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Compliance Section



Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

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

We have audited, in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities, and Towns and the Specifications for Audits of Authorities, Boards, and Commissions*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Caroline, Virginia, (the "County") as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 16, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. **Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs, as item 2024-001 that we consider to be a significant deficiency.**

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. **The results of our tests disclosed one instance of noncompliance that is required to be reported under *Government Auditing Standards*, which is described in the accompanying schedule of findings and questioned costs, as item 2024-002.**

County of Caroline Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subject to the audit procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CERTIFIED PUBLIC ACCOUNTANTS

Roanoke, Virginia
December 16, 2024

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance

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

Report on Compliance for Each Major Federal Program

Opinion on Compliance for Each Major Federal Program

We have audited the County of Caroline, Virginia's (the "County") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2024. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.


Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements related to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal documentation of the County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the County's federal programs.



Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance, but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risk of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

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

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2024-003. Our opinion on each major federal program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the noncompliance findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

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

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

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

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

Brown, Edwards & Company, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

Roanoke, Virginia
December 16, 2024

County of Caroline, Virginia
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor Program Title or Cluster Title	Federal Assistance Listing Number	Entity Identifying Pass-Through Number	Cluster Amounts	Federal Expenditures
<u>Department of Agriculture</u>				
<u>Pass-Through Payments</u>				
<u>Department of Social Services</u>				
SNAP Cluster - State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	040120/040121	<u>\$ 478,382</u>	\$ 478,382
<u>Department of Agriculture</u>				
Child Nutrition Cluster - Food Distribution - National School Lunch Program	10.555	N/A	148,044	
<u>Department of Education</u>				
Child Nutrition Cluster - School Breakfast Program	10.553	202323N11994 1 202424N10994 1 202323N11994 1 202323N89034 1	809,577	
Child Nutrition Cluster - National School Lunch Program	10.555	202424N10994 1	<u>2,030,022</u>	
Total Child Nutrition Cluster				2,987,643
Team Nutrition Grants	10.574	202221N35033 0		2,275
COVID-19 Pandemic EBT Administrative Costs	10.649	202323S900941		<u>3,256</u>
Total Department of Agriculture				<u>3,471,556</u>
<u>Department of Justice</u>				
<u>Direct Payments</u>				
Equitable Sharing Program	16.922	N/A		9,579
<u>Pass-Through Payments</u>				
<u>Department of Criminal Justice Services</u>				
Crime Victim Assistance	16.575	39001-102200		89,472
Violence Against Women	16.588	N/A		<u>38,112</u>
Total Department of Justice				<u>137,163</u>
<u>Department of Transportation</u>				
<u>Pass-Through Payments</u>				
<u>Department of Motor Vehicles</u>				
Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601	60507-53000		<u>23,667</u>
Total Department of Transportation				<u>23,667</u>
<u>Department of Treasury</u>				
<u>Direct Payments</u>				
COVID-19 - Coronavirus State and Local Fiscal Recover Funds	21.027	10110-729431		4,580,018
<u>Pass-Through Payments</u>				
<u>Department of Education</u>				
COVID-19 - HVAC ARP-CSLFRF	21.027	SLFRP1026		<u>601,394</u>
Total Department of Treasury				<u>5,181,412</u>

County of Caroline, Virginia

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor Program Title or Cluster Title	Federal Assistance Listing Number	Entity Identifying Pass-Through Number	Cluster Amounts	Federal Expenditures
<u>Department of Education</u>				
<u>Pass-Through Payments</u>				
<u>Department of Education</u>				
Title I Grants to Local Educational Agencies	84.010	S010A220046 S010A210046 V048A220046		\$ 858,247
Career and Technical Education - Basic Grants to States	84.048	V048A230046		126,764
English Language Acquisition State Grants	84.365	S365A220046		4,164
Supporting Effective Instruction State Grants	84.367	S367A210044		160,236
Student Support and Academic Enrichment Program	84.424	S424A210048		78,905
COVID-19 - Elementary and Secondary School Emergency Relief (ESSER I and II) Fund	84.425D	S425D210008		1,693,871
COVID-19 - American Rescue Plan Elementary and Secondary School Emergency Relief (ARP ESSER) Fund	84.425U	S425U210008		3,001,138
<u>Special Education Cluster (IDEA)</u>				
COVID-19 - Special Education - Preschool Grants	84.173X	H173X210112	18,011	
Special Education - Preschool Grants	84.173	H173A210112	20,544	
		H027A200107		
Special Education - Grants to States	84.027	H027A210107	<u>1,136,171</u>	
Total Special Education Cluster (IDEA)				<u>1,174,726</u>
Total Department of Education				<u>7,098,051</u>
<u>Department of Health and Human Services</u>				
<u>Direct Payments</u>				
Head Start	93.600	N/A		<u>1,296,065</u>
Total Administration for Children and Family				<u>1,296,065</u>
<u>Pass-Through Payments</u>				
<u>Department of Social Services</u>				
Guardianship Assistance	93.090	Not available		344
Title IV-E Prevention Program	93.472	Not available		4,358
MaryLee Allen Promoting Safe and Stable Families Program	93.556	950119/950120		15,579
Temporary Assistance for Needy Families Program	93.558	400120/400121		220,598
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	93.566	500120/500121		1,073
Low-Income Home Energy Assistance	93.568	600420/600421		50,743
CCDF Cluster - Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	760120/760121	<u>53,222</u>	53,222
Chafee Education and Training Vouchers Program	93.599	Not available		4,436
Adoption and Legal Guardianship Incentive Payments	93.603	1130118		625
Stephanie Tubbs Jones Child Welfare Services Program	93.645	11001120/1100121		246
Foster Care - Title IV-E	93.658	1110121		129,731
Adoption Assistance	93.659	1120120/1120121		249,029
Social Services Block Grant	93.667	1000120/1000121		195,640
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	9150119/9150120		3,166
Elder Abuse Prevention Interventions Program	93.747	Not available		223
Children's Health Insurance Program	93.767	540120/540121		3,918
Medicaid Cluster - Medical Assistance Program	93.778	1200120/1200121	<u>358,490</u>	<u>358,490</u>
Total Department of Health and Human Services				<u>1,291,421</u>

County of Caroline, Virginia
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor Program Title or Cluster Title	Federal Assistance Listing Number	Entity Identifying Pass-Through Number	Cluster Amounts	Federal Expenditures
<u>Department of Homeland Security</u>				
<u>Pass-Through Payments</u>				
<u>Department of Emergency Management</u>				
Emergency Management Performance Grants	97.042	77501-114363		\$ 141,015
Department of Homeland Security				141,015
Total Expenditures of Federal Awards				<u>\$ 18,640,350</u>

County of Caroline, Virginia

Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2024

Note 1 – Basis of Presentation

The accompanying schedule of expenditures of federal awards is presented on the modified accrual basis of accounting as contemplated by generally accepted accounting principles.

The information presented in this Schedule is presented in accordance with the Requirements of Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the County's ACFR.

Note 2 – Non-Cash Assistance

The County of Caroline participated in the National School Lunch Program, Assistance Listing Number 10.555, which provides non-cash benefits. The accompanying Schedule of Expenditures of Federal Awards includes commodity distributions of \$148,044 from the National School Lunch Program.

Note 3 – DeMinimis Indirect Cost Rate

The entity did not elect to use the 10% de minimis indirect cost rate.

Note 4 – Outstanding Loan Balances

At June 30, 2024, the County had no outstanding loan balances requiring continuing disclosure.

County of Caroline, Virginia

Summary of Compliance Matters

June 30, 2024

As more fully described in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards, we performed tests of the County's compliance with certain provisions of laws, regulations, contracts, and grants shown below.

State Compliance Matters

Code of Virginia:

- Budget and Appropriation Laws
- Cash and Investment Laws
- Comprehensive Services Act
- Conflict of Interest Act
- Local Retirement Systems
- Debt Provisions
- Procurement Laws
- Sheriff Internal Controls
- Uniform Disposition of Unclaimed Property Act

State Agency Requirements:

- Education
- Social Services
- Fire Programs Aid to Localities
- Opioid Abatement Program

Federal Compliance Matters

Compliance Supplement for Single Audits of State and Local Governments

Provisions and conditions of agreements related to federal program selected for testing.

County of Caroline, Virginia
Schedule of Findings and Questioned Costs
June 30, 2024

A – Summary of Auditor’s Results

1. The auditor’s report expresses an **unmodified opinion** on the financial statements.
2. **One significant deficiency and no material weaknesses** relating to the audit of the financial statements is reported in the Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. **No instances of noncompliance** material to the financial statements were disclosed.
4. **No significant deficiencies and no material weaknesses** relating to the audit of the major federal award programs were reported in the Independent Auditor’s Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance.
5. The auditor’s report on compliance for the major federal award programs expresses an **unmodified opinion**.
6. The audit disclosed **one audit finding relating to major programs**.
7. The programs tested as major were:

Name of Program	Assistance Listing Number
COVID-19 – Coronavirus State and Local Fiscal Recover Funds	21.027
COVID-19 – Elementary and Secondary School Emergency Relief Fund	84.425D
COVID-19 – American Rescue Plan Elementary and Secondary School Emergency Relief Fund	84.425U
Head Start	93.600

8. The **threshold for** distinguishing Type A and B programs was **\$750,000**.
9. The County was determined to be a **low-risk auditee**.

B – Findings – Financial Statement Audit

2024-001: Board Meeting Minutes (Significant Deficiency)**Condition**

Minutes from the County’s Board of Supervisors meetings have not been recorded since January 2024.

Criteria

The County is required to keep minutes of Board of Supervisors meetings.

Cause

It has taken the County almost two years of advertising and interviewing to hire someone that will record board minutes.

Effect

Written board meeting minutes were not available to the public.

Recommendation

Board meetings should be recorded, approved, and made publicly available by the board on a timely basis.

County of Caroline, Virginia
Schedule of Findings and Questioned Costs
June 30, 2024

Management's Response (Unaudited)

The County has hired a new employee with the primary responsibility of minute preparation and is actively working to catch up on minutes for past board meetings.

C – Findings – Commonwealth of Virginia

2024-002: Budget Appropriation

Condition

Expenditures exceeded budget appropriations for certain departments in the following funds: CARES Act, Debt Service, County Capital Projects, Tourism, Housing, Sheriff, Hanover Soil and Water.

Criteria

The County is required to keep expenditures within budgeted amounts.

Cause

Budgets were overspent due to timing differences, as well as year-end accruals related to the audit.

Effect

Actual expenditures exceeded amounts approved by the Board of Supervisors.

Recommendation

Steps be taken to ensure that excess expenditures over budgeted appropriations be approved by the Board of Supervisors and budget amended accordingly.

Management's Response (Unaudited)

The County Finance Department will work closer with departments to avoid future budget variances.

D – Findings and Questioned Costs – Major Federal Award Programs Audit

2024-003: Procurement Policies and Procedures – COVID-19 – Coronavirus State and Local Fiscal Recovery Funds – AL# 21.027

Condition

The County adheres to and follows Virginia Public Procurement Act "VPPA" for procurement, however, under the requirements of Uniform Guidance, the County does not have complete, written procurement policies that are in compliance with the additional standards required by the Uniform Guidance (2 CFR Part 200).

Criteria

Under the requirements in the Uniform Guidance, all entities are required to have written procurement policies that conform to applicable Federal laws and regulations and standards. The complete procurement standards are located at 2 CFR Part 200, Sections 317 through 326.

County of Caroline, Virginia
Schedule of Findings and Questioned Costs
June 30, 2024

Cause

The County does not have its own written procurement policies that conform to applicable Federal laws and regulations and standards.

Effect

The lack of the County's own written policies under the specific requirements of Uniform Guidance could result in potential improper procurement using Federal funds.

Questioned Costs

Not applicable.

Perspective Information

Not applicable.

Repeat Finding

Yes.

Recommendation

Management should update existing written procurement procedures to align with Uniform Guidance requirements for all purchases to be made with Federal funds.

Views of Responsible Officials and Planned Corrective Action

Management concurs and has begun updating existing written procurement procedures to comply with the Uniform Guidance.

County of Caroline, Virginia
Summary Schedule of Prior Audit Findings
June 30, 2024

A – Findings – Commonwealth of Virginia

2023-001: Budget Appropriation

Condition

Expenditures exceeded budget appropriations for certain departments in the following funds: General, Debt Service, CARES Act, Law Library, Fire/Rescue Grant, and Hanover Soil and Water.

Criteria

The County is required to keep expenditures within budgeted amounts.

Cause

Budgets were overspent due to timing differences, as well as year-end accruals related to the audit.

Effect

Actual expenditures exceeded amounts approved by the Board of Supervisors.

Recommendation

Steps be taken to ensure that excess expenditures over budgeted appropriations be approved by the Board of Supervisors and budget amended accordingly.

Current Status

Similar instances were noted in the current year.

D – Findings and Questioned Costs – Major Federal Award Programs Audit

2023-002: Procurement Policies and Procedures – COVID-19 – Coronavirus State and Local Fiscal Recovery Funds – AL# 21.027

Condition

The County adheres to and follows Virginia Public Procurement Act “VPPA” for procurement, however, under the requirements of Uniform Guidance, the County does not have complete, written procurement policies that are in compliance with the additional standards required by the Uniform Guidance (2 CFR Part 200).

Criteria

Under the requirements in the Uniform Guidance, all entities are required to have written procurement policies that conform to applicable Federal laws and regulations and standards. The complete procurement standards are located at 2 CFR Part 200, Sections 317 through 326.

County of Caroline, Virginia
Summary Schedule of Prior Audit Findings
June 30, 2024

Cause

The County does not have its own written procurement policies that conform to applicable Federal laws and regulations and standards.

Effect

The lack of the County's own written policies under the specific requirements of Uniform Guidance could result in potential improper procurement using Federal funds.

Questioned Costs

Not applicable.

Perspective Information

Not applicable.

Repeat Finding

Not applicable.

Recommendation

Management should update existing written procurement procedures to align with Uniform Guidance requirements for all purchases to be made with Federal funds.

Current Status

Condition noted during the current year.