

COUNTY OF CULPEPER, VIRGINIA



ANNUAL COMPREHENSIVE FINANCIAL REPORT

YEAR ENDED JUNE 30, 2024

County of Culpeper, Virginia

Annual Comprehensive Financial Report

Year Ended June 30, 2024

PREPARED BY:

Valerie H. Lamb, Finance Director

COUNTY OF CULPEPER, VIRGINIA

Annual Comprehensive Financial Report
Fiscal Year Ended June 30, 2024

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County of Culpeper
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December 27, 2024

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

We are pleased to present the Annual Comprehensive Financial Report of the County of Culpeper, Virginia, (the "County"), for the fiscal year which ended June 30, 2024. The County's Department of Finance prepared this report. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the County. We believe the data as presented is accurate in all material respects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the County as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the County's financial affairs have been included.

The management of the County is responsible for establishing and maintaining an internal control structure to ensure the protection of County assets. In developing and evaluating the County's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe that the County's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

BUDGETARY CONTROLS

In addition to the internal accounting controls noted above, the County also maintains budgetary controls. These budgetary controls ensure compliance with provisions embodied in the annual appropriated budget approved by the Board of Supervisors. Activities of the general fund and capital projects fund are included in the annual appropriated budget.

BUDGETARY CONTROLS (CONTINUED)

As a recipient of federal and state financial assistance, the County is also responsible for ensuring that adequate internal controls are in place to ensure and document compliance with applicable laws and regulations. ***The audit for the fiscal year ended June 30, 2024 has been completed and no material internal control weaknesses or material violations of laws and regulations have been found.***

The County adopts an annual budget by July 1st of each year as required by Section 15.2-2503, Code of Virginia of 1950, as amended. A budget is not required for fiduciary funds.

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

THE REPORTING ENTITY AND ITS SERVICES

The Culpeper County Annual Comprehensive Financial Report includes all funds and account groups of the “primary government.” In Virginia, cities and counties are distinct units of government, therefore the County is responsible for providing all services normally provided by a local government. These services include public safety, social services, recreation and cultural activities and community development. Additionally, the County operates an airport, water and wastewater utility systems and a municipal solid waste transfer station. For financial reporting purposes and in accordance with the Governmental Accounting Standards Board (GASB), Statement 14, “The Financial Reporting Entity,” the County has identified one discrete component unit. The GASB statement establishes the criteria used in making this determination and identifies each as a blended component unit or discretely presented component unit. Blended component units, although legally separate entities, are, in substance, part of the primary government’s operations, and therefore are included as part of the primary government. Discretely presented component units are reported in a separate column in the combined financial statements to emphasize that they are legally separate from the primary government and to differentiate their financial position and results of operations from those of this primary government. The Culpeper County School Board is reported in a discrete presentation. Based on GASB Statement 14 criteria, the School Board is a legally separate organization providing educational services to the public whose board is elected and is fiscally dependent on the local government.

The financial statements for the Rappahannock-Rapidan Regional Commission, and the Rappahannock-Rapidan Community Services Board are not included in the County report. Boards separate from, and independent of, the Board of Supervisors administer these organizations.

Culpeper County is located in north central Virginia, 75 miles southwest of Washington, D.C. and 75 miles northwest of Richmond, Virginia. The County encompasses a land area of 381 square miles. Three U.S. primary and one State primary route traverse the County. Culpeper has a diversified economy with strong manufacturing, trade services, and agricultural sectors. Manufacturing activity includes: auto parts, kitchen cabinets, wire cable, fiber optics, building components and iron castings. Major service industries include: international financial telecommunications, electronic data center, Library of Congress Film Archive, uniform rentals, health care, education, and government. International firms have a significant presence in the community. Agriculture is important in Culpeper’s economy, with beef cattle as the principal livestock, and soybeans, corn and hay as the major cash crops. Greenhouses are also a major agricultural contributor. The County is also home to multiple farm wineries, breweries and distilleries.

THE REPORTING ENTITY AND ITS SERVICES (CONTINUED)

The County's population growth has remained steady around 1% over the past decade. The most current counts per the US Census Bureau have the county population at 54,831. The County is committed to maintaining a stable tax base fairly split between residential and commercial use, and its cost-effective approach towards service delivery.

The County's economic projections reflect stability, with the unemployment rate in May 2024 at 2.7% vs 2.8% in May 2023; and very close the state rates, with Virginia's unemployment rate in May 2024 at 2.8% vs. in May 2023; while doing better than the national rate of unemployment at 3.7% in May of 2023, vs 4.00% in May of 2024. The median household income for Culpeper is \$86,940, while the median household income for Virginia is \$85,170 and for the U.S. it is \$74,580. The County's population has grown approximately 16.1% from 2010 to 2020. With the growth continuing in the County, the economy for Culpeper appears vibrant and sound. The additional growth in the County can mean demand for additional property services as well as bringing more revenue to the County from additional sales tax, real estate tax and personal property tax.

MAJOR INITIATIVES

For fiscal year 2024: Following the goals and objectives established by the Culpeper County Board of Supervisors, and with the assistance and guidance of the County's Administrator, County staff and agencies, the County implemented and continued a number of specific programs designed to provide County residents with cost efficient government while enhancing their home and employment environment.

Major initiatives begun, continued, or completed during this fiscal year are:

- Secondary road projects
- Airport Projects – Land Acquisition and Pavement Rehabilitation, Access Road Design, Apron Lighting
- Efforts to Expand Broadband Services to Underserved Rural Residents
- Field lighting, fieldhouse construction and Community Pool at the Culpeper Sports Complex & Pickleball Court at Mountain Run Lake Park
- Improvements to the Carver Center
- 155 West Davis Street Renovation

Secondary Road Projects

The County has continued to utilize the VDOT Revenue Sharing Program to fund the hard surfacing of a number of unpaved secondary roads throughout the County. This practice began in FY14 and continued through the FY 21/22 application cycle; with numerous projects completed during this time. The County submitted for Revenue Sharing Funds cycle for the Fiscal Years 2021 and 2022.

These applications were for a total of \$2,499,750 in anticipation of a 50% match for a total of approximately \$5,000,000 to completed ten (10) segments of hard surfacing of secondary roads. The matching monies for these applications were originally delayed by the State until Fiscal Years 2025/26 because of COVID-19 related budgetary concerns. The state funds for these projects have now been reintroduced into the Fiscal Year 2023/24 cycle. These outstanding projects have moved into construction for calendar year 2023 that will extend into calendar year 2024. It is anticipated that all these projects in the cycle will be completed by the end of calendar year 2024.

The County more recently applied for and received partial funding for improvements for Rt. 633,644/Reva Rd. and Rt. 603/White Shop Rd. The County will receive funds for these safety improvements including some widening and shoulder improvements for Fiscal Years 2027 and 2028.

MAJOR INITIATIVES (CONTINUED)

Airport Projects

Having completed a major hangar project utilizing USDA funds, the Culpeper Regional Airport is virtually “built-out” on the west side of the airfield, although there is space available for two additional corporate hangars. In order to gain access to the east side for future development, a road extension was required, which first necessitated land acquisition and road design, which have now been completed. Funding for the road was secured, and construction of the extension of what is known as Greenhouse Road is nearly complete.

Additionally, the second phase of an apron lighting project was designed and funds for installation secured. That project is complete.

Finally, funding for development of an east side terminal area plan, which will guide development on the eastside of the Airfield, has been secured and that effort is currently ongoing.

Efforts to Expand Broadband Services to Underserved Rural Residents

County staff has continuously pursued federal and state funding sources to expand broadband service availability in the County. The County has partnered with All Points Broadband and we are in the implementation phase of a fiber-to-the-home plan which will ensure that every resident is able to attain fast, reliable internet connectivity. The County will utilize \$6.6 million in local funding to match state VATI funds in excess of \$8.6 million and an \$18 million investment from All Points to reach 4,300 unserved homes. An additional VATI grant proposal, submitted in December 2023 was unsuccessful.

Plans for community pool at the Culpeper Sports Complex, restroom facilities at Mountain Run Lake Park, and parking lot and trail paving at Lenn Park

The Board of Supervisors awarded a contract to Taft Construction, Inc. and Olympia Pools to construct the Culpeper Community Pool and its support facilities at the Culpeper Sports Complex in 2024. The community pool will feature six (6) 25-meter lap lanes, 1,250 sf splash pad, 6,550 sf leisure pool, two (2) 20' x 20' shelters, and 5,250 sf pool building and is scheduled to open May 2026.

With access to recreation services deemed a priority, the County has several additional capital projects in the planning phase. These quality-of-life projects include paving the parking lots and trails at Lenn Park in order to improve accessibility and the construction of new restroom facilities and handicap parking at Mountain Run Lake Park to support park usage. Construction for both projects is scheduled for Spring 2025.

Improvements to the Carver Center

The Virginia Cooperative Extension Agency moved to the recently renovated wing of the Carver Center in the Spring of 2023. The Community Kitchen at the Carver Center was completed and opened to the public in September of 2023. The Kitchen received a \$470,000 Industrial Revitalization and \$200,000 Go VA grant as well as more than \$200,000 in privately raised funding. The George Washington Carver Ag Research Center- Food Enterprise Center is a non-profit organization that operated the kitchen which facilitates education and business development for local food producers and food-based businesses. The Carver Center roof was replaced in 2023, paid in part with a \$200,000 Community Funding Grant. The historic façade was restored to reflect the original engraved lettering of the 1948 school. It now proudly reads, “George Washington Carver Regional High School” just as it did when the school was built.

MAJOR INITIATIVES (CONTINUED)

Culpeper County Public School Projects

The Board has set in motion an initiative to fully renovate Culpeper Middle School. One of two middle schools in the County, it is an old building in need of major system upgrades and modernization, as well as some expansion. The Board considered the alternative of building a new school, but instead opted for the renovation based upon a number of factors. The design for renovation is currently well underway.

The Board has also identified a clear need for the construction of a seventh elementary school in the County. Efforts are underway to identify an appropriate property upon which to locate a new school, with the hope that it can be constructed within the next couple of years.

155 West Davis Street Renovation

The County renovated the office space vacated by the Extension office for the Magistrate and Juvenile Probation offices. The Magistrates' office was relocated from the County Jail to this facility to provide additional operating space and enhance public services. Juvenile Probation Offices were relocated to provide additional office space, improve security and provide ADA access to their clients. Their former office space was not handicapped accessible and did not have a public lobby or waiting area.

PROSPECTS FOR THE FUTURE

For the fiscal year 2024-2025, the Board of Supervisors approved a General Fund Operating Budget of \$59,097,957, with an overall adopted operating and capital budget for FY25 of \$300,643,656.

Due to the rising values of used vehicles, the Virginia General Assembly adopted State Code provisions to allow for localities to tax passenger vehicles which fall under certain criteria under a new classification. This allowed localities the ability, should they choose, to provide some relief to their citizens by lowering the tax rate applied to used passenger vehicles. This change was adopted into law under Code Section 58.1-3506(1)(A)(48). However, the new law contains a sunset provision of 2025, and at such time, these vehicles will have to be moved back to the classification established under the original code section. The Culpeper County Board of Supervisors took advantage of this for the benefit of its citizens, decreasing the rate for passenger vehicles by \$.50 per \$100 assessed value, from \$3.50 to \$3.00 for calendar year (CY) 2022, 2023 and plans to continue usage of this allowable classification for CY2024. The personal property revenue in the adopted budget maintains an increase from FY24 to FY25.

At a public hearing on May 3, 2022, the Culpeper Board of Supervisors adopted a six (6%) meals tax effective January 1, 2023. While no revenue projections were included in the adopted FY24 budget, revenue collections began during FY23. For FY23 the collections amounted to approx. \$211K; while for FY24 collections amounted to approx. \$547K; and are estimated at \$600K for FY25, knowing the collections will probably surpass the estimate.

As part of the calculations for salary adjustments, the County reviews the previous calendar year consumer price index change. For calendar year 2023, the CPI was 3.4%; as of May, 2024 the CPI is now 3.3%. This is something for the County to continue monitor moving forward into FY25 for spending purposes.

The FY25 budget continues our established practice of calculating salary adjustments as outlined in the Personnel Management Plan. That process includes a two-fold approach, taking into account a COLA for employees as well as a pay for performance increase based upon annual performance evaluation results.

PROSPECTS FOR THE FUTURE (CONTINUED)

Included in the FY25 budget are 10 new full-time positions and 4 new part-time positions. These positions include:

- The Human Resources Department has requested a full time Employee Wellness manager;
- The Commissioner of the Revenue has requested a Local and State tax coordinator position;
- The Circuit Court Judge requested a law clerk;
- The Criminal Justice Director requested a PO supervisor in the Pre-trial division;
- Parks & Recreation requested an additional park maintenance technician;
- Emergency Services requested 4 new bls/als (basic life support vs advanced life support) medics, such that for each shift another ambulance can be available/on call;
- E911 requested the creation of an operations manager to run the day-to-day duties within the call center itself;
- The 4 part-time positions include an assistant registrar; a part-time community services worker for Options; and 2 additional part-time positions for the Library for additional open hours to the public.

Risk Management. The County of Culpeper has a risk management program, which is committed to the logical, systematic and continuous identification of loss exposures for, and to the County, its employees, its citizens and taxpayers, through the evaluation of risk in terms of severity and frequency probability, and the application of sound loss control procedures. As a part of this commitment, the County has obtained third party coverage for all liability risk.

Cash Management. Cash temporarily idle during the year, was invested in time deposits and various authorized money market instruments. The amount of interest received during FY24 was \$4,605,916. Beginning in FY23, inflation began and the interest rates on idle funds increased such that the county was able, again, for FY24, to enjoy a large amount of interest revenue collections.

OTHER INFORMATION

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

Independent Audit. The Commonwealth of Virginia requires an annual audit of the financial records and transactions of all departments of the County by independent certified public accountants selected by the Board of Supervisors. The County is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and U.S. Office of Management and Budget Circular A-133, Audits of States, Local Government and Non-Profit Organizations. Information related to this single audit, including the findings and recommendations, and auditors' reports on the internal control structure and compliance with laws and regulations, is contained in this report. These requirements which have been complied with, and the auditor's opinion is included in this report.

OTHER INFORMATION (CONTINUED)

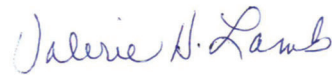
Certificate of Achievement. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate for Excellence in Financial Reporting to County of Culpeper, Virginia for its comprehensive annual financial report for the fiscal year, which ended June 30, 2023. In order to receive the award of Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

Acknowledgments. The preparation of this report on a timely basis, could not have been accomplished without the dedicated services of the entire Department of Finance. We would also like to thank the Board of Supervisors for their interest and support in planning and conducting the financial operation of the County in a responsible and progressive manner.

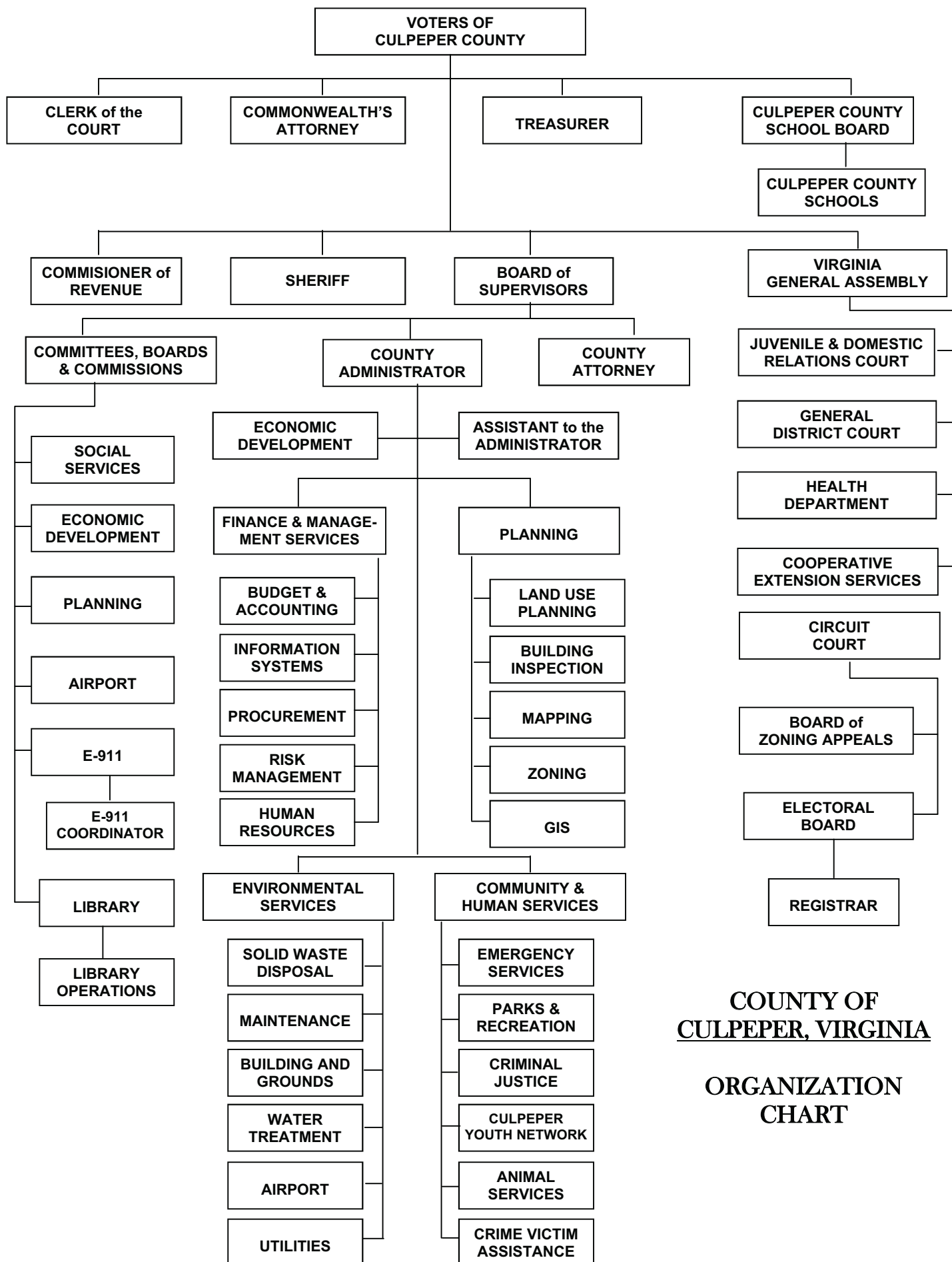
Respectfully submitted,



John C. Egertson
County Administrator



Valerie H. Lamb
Director of Finance



**COUNTY OF
CULPEPER, VIRGINIA**

**ORGANIZATION
CHART**

COUNTY OF CULPEPER, VIRGINIA
Directory of Officials
Year Ended June 30, 2024

PRIMARY GOVERNMENT OFFICIALS

BOARD OF SUPERVISORS

Paul Bates, Chairman Catalpa District
David E. Durr, Vice-Chair Cedar Mountain District
Bradley C. Rosenberger Jefferson District
Susan L. Gugino Stevensburg District
Gary M. Deal West Fairfax District
David Lee East Fairfax District
Tom Underwood Salem District

CONSTITUTIONAL OFFICERS

Terry Yowell Commissioner of Revenue
Missy N. White Treasurer
Russell L. Rabb Commonwealth's Attorney
Timothy W. Chilton Sheriff
Carson Beard Circuit Court Clerk

ADMINISTRATIVE OFFICERS

John C. Egertson County Administrator
Sheila Jane Weimer County Attorney
Valerie H. Lamb Director of Finance
Lisa A. Peacock Director of Human Services

SCHOOL BOARD COMPONENT UNIT OFFICIALS

School Board

Barbara "Barbee" L. Brown, Chair Catalpa District
Elizabeth Hutchins, Vice-Chair Stevensburg District
Patricia A. Baker East Fairfax District
Elizabeth "Betsy" Howard-Smith Cedar Mountain District
Kelly A. Pearson Salem District
Deborah L. Desilets Jefferson District
Christina H. Burnett West Fairfax District

Administrative Officers

Dr. Anthony S. Brads Superintendent
Michelle Metzgar Executive Director of Human Resources
Neal F. Deane Executive Director of Business



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**County of Culpeper
Virginia**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morill

Executive Director/CEO



Independent Auditors' Report

**To the Board of Supervisors
County of Culpeper, Virginia
Culpeper, Virginia**

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Culpeper, Virginia, as of and for the year ended 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 the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County of Culpeper, Virginia, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

Responsibilities of Management for the Financial Statements (Continued)

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2024, on our consideration of County of Culpeper, Virginia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of County of Culpeper, Virginia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County of Culpeper, Virginia's internal control over financial reporting and compliance.

Robinson, Farnell, Cox Associates

Charlottesville, Virginia

December 27, 2024

**To the Honorable Members of the Board of Supervisors
To the Citizens of Culpeper County
County of Culpeper, Virginia**

As management of the County of Culpeper, Virginia we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 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 assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$146,280,462 (net position). Of this amount, \$64,810,536 (unrestricted net position), may be used to meet the government's ongoing obligations to citizens and creditors.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$78,290,212 an increase of \$8,062,743 in comparison with the prior year. Approximately 56 percent of this amount, \$43,802,004, is available for spending at Culpeper, Virginia's discretion (unassigned fund balance).
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$43,802,004, or 38 percent of total general fund expenditures.

Overview of the Financial Statements

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

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

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

Government-wide financial statements - The Government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the County's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between the four reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The statement of activities presents information showing how the County's net assets 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 the 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).

Overview of the Financial Statements: (Continued)

Both of the Government-wide financial statements distinguish functions of the 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 the County include general government, law enforcement and volunteer fire protection, sanitation, social services, education, cultural events, and recreation. The business-type activities of the County include Water and Sewer, Solid Waste Transfer, and Airport operations.

The Government-wide financial statements include not only the County of Culpeper, Virginia itself (known as the primary government), but also a legally separate school district for which the County of Culpeper, Virginia is financially accountable. Financial information for these component units is reported separately from the financial information present 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. The County of Culpeper, Virginia, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the 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 statement, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balance of spend-able resources available at the end of the fiscal year. Such information may 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 County's near-term financing decisions. Both the governmental fund balance sheet and the governmental statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains two 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 and the Capital Projects fund, both of which are considered to be major funds.

The County adopts an annual appropriated budget for its Governmental funds. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

Proprietary funds - The County maintains three enterprise funds as well as the Culpeper County Water and Sewer Authority, which is a blended component unit of the County. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for its water and sewer, solid waste transfer station, and airport operations as well as the water and sewer authority operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and sewer, solid waste transfer station, airport, and water and sewer authority activities all of which are considered to be major funds of the County.

Overview of the Financial Statements: (Continued)

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

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

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a County's financial position. Culpeper County's assets exceeded liabilities by \$146,280,462 at year-end.

The second largest portion of the County's net position (41 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**Schedule of Assets, Liabilities and Net Position
For the Years Ended June 30, 2024 and 2023**

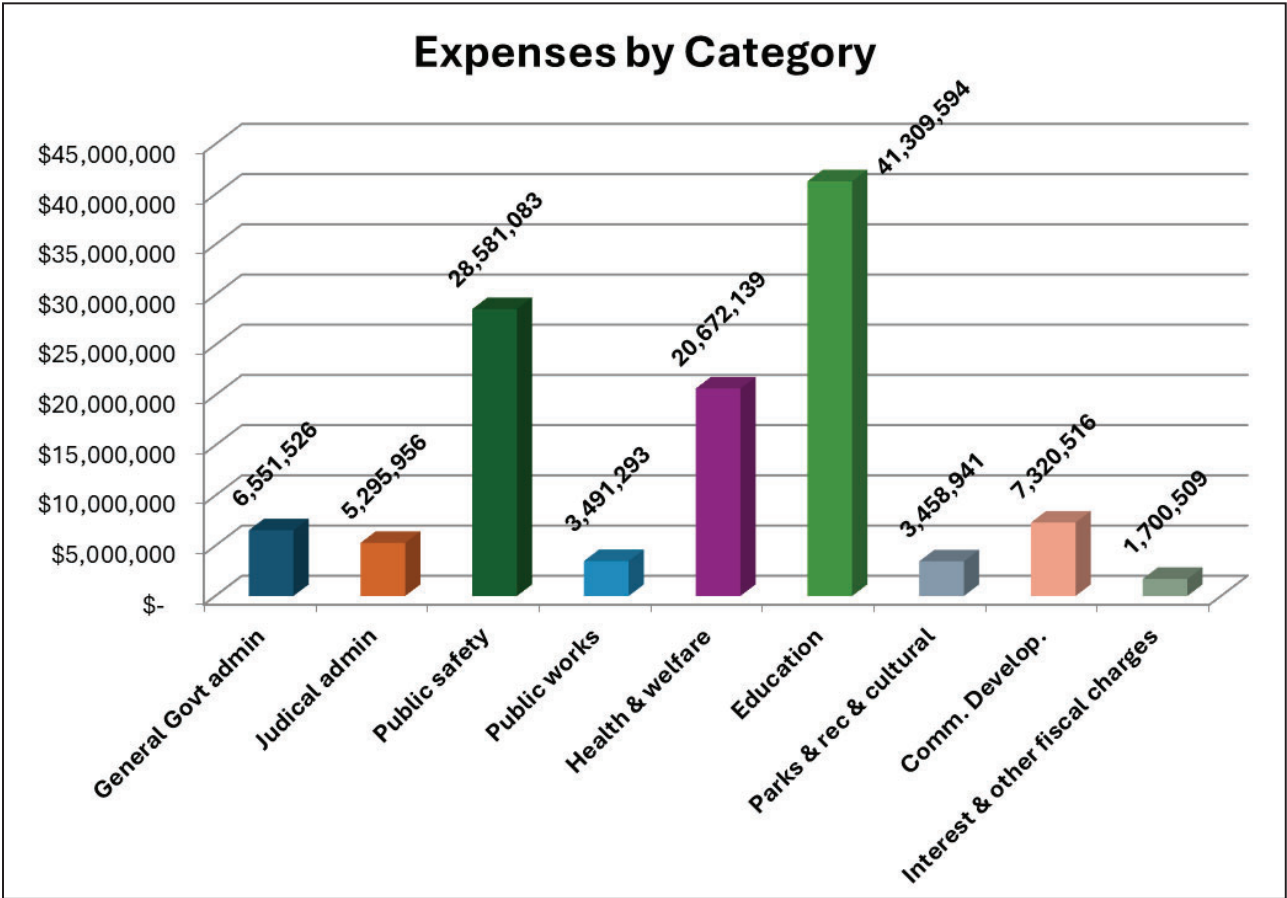
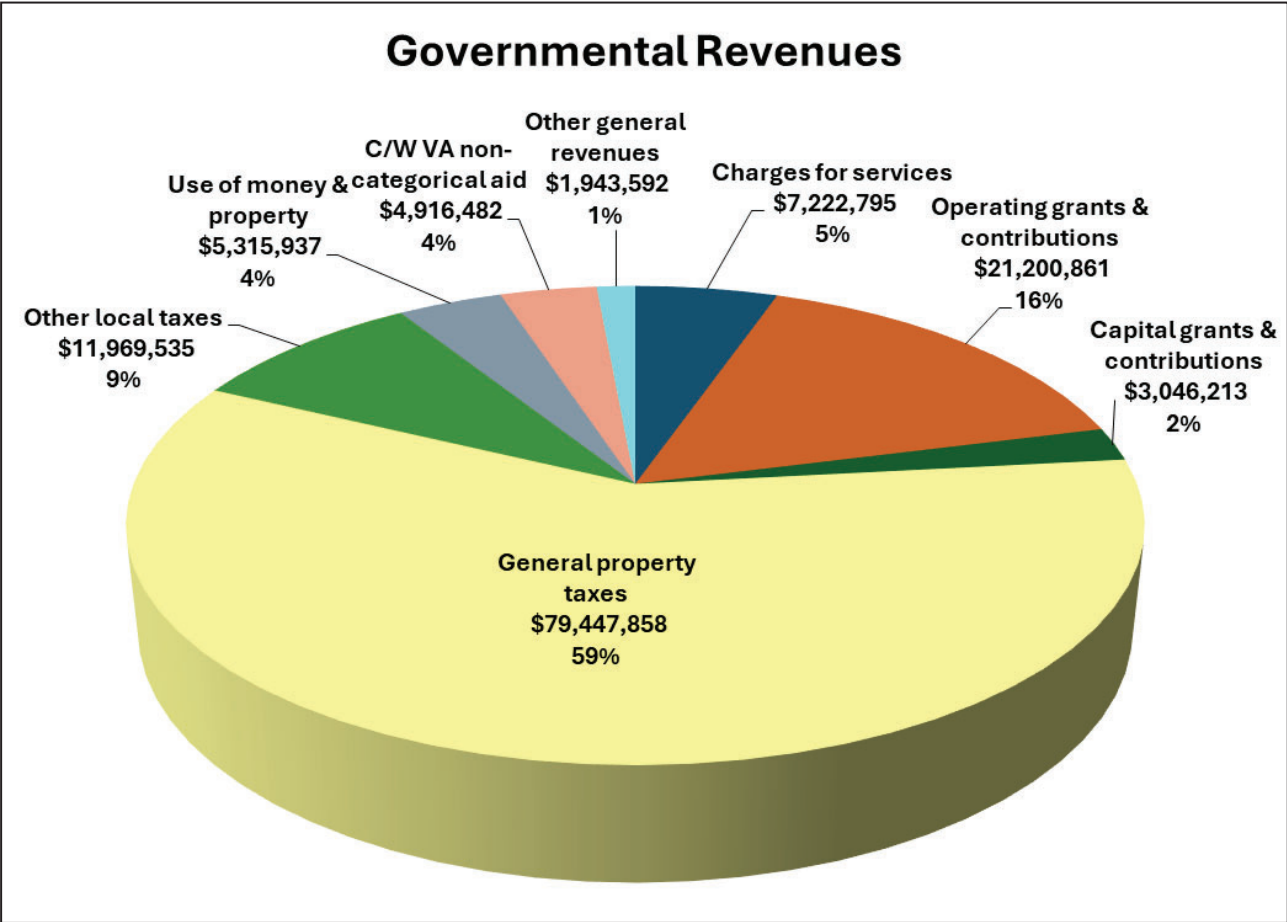
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Totals</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Current and other assets	\$ 91,625,095	\$ 81,759,407	\$ (897,202)	\$ 754,786	\$ 90,727,893	\$ 82,514,193
Capital assets	<u>104,493,819</u>	<u>108,959,355</u>	<u>35,748,716</u>	<u>35,445,021</u>	<u>140,242,535</u>	<u>144,404,376</u>
Total assets	<u>\$ 196,118,914</u>	<u>\$ 190,718,762</u>	<u>\$ 34,851,514</u>	<u>\$ 36,199,807</u>	<u>\$ 230,970,428</u>	<u>\$ 226,918,569</u>
Deferred Outflows of Resources	<u>\$ 3,742,498</u>	<u>\$ 4,517,504</u>	<u>\$ 156,401</u>	<u>\$ 188,243</u>	<u>\$ 3,898,899</u>	<u>\$ 4,705,747</u>
Long-term liabilities outstanding	\$ 60,974,044	\$ 67,904,699	\$ 2,828,732	\$ 2,927,428	\$ 63,802,776	\$ 70,832,127
Current liabilities	<u>20,771,253</u>	<u>22,425,431</u>	<u>415,535</u>	<u>197,131</u>	<u>21,186,788</u>	<u>22,622,562</u>
Total liabilities	<u>\$ 81,745,297</u>	<u>\$ 90,330,130</u>	<u>\$ 3,244,267</u>	<u>\$ 3,124,559</u>	<u>\$ 84,989,564</u>	<u>\$ 93,454,689</u>
Deferred Inflows of Resources	<u>\$ 3,506,575</u>	<u>\$ 5,023,583</u>	<u>\$ 92,726</u>	<u>\$ 142,388</u>	<u>\$ 3,599,301</u>	<u>\$ 5,165,971</u>
Net Position:						
Net investment in capital assets	\$ 46,700,177	\$ 44,297,912	\$ 33,475,257	\$ 33,099,471	\$ 80,175,434	\$ 77,397,383
Restricted - Opioid settlement	1,294,492	837,792	-	-	1,294,492	837,792
Unrestricted	<u>66,614,871</u>	<u>54,746,869</u>	<u>(1,804,335)</u>	<u>21,632</u>	<u>64,810,536</u>	<u>54,768,501</u>
Total Net Position	<u>\$ 114,609,540</u>	<u>\$ 99,882,573</u>	<u>\$ 31,670,922</u>	<u>\$ 33,121,103</u>	<u>\$ 146,280,462</u>	<u>\$ 133,003,676</u>

Government-wide Financial Analysis: (Continued)

Governmental Activities - Governmental activities increased the County's net position by \$13,977,657 but decreased the Business-type activities by \$700,851. Key elements of the changes in net position are as follows:

Changes in Net Position
For the Years Ended June 30, 2024 and 2023

	Governmental Activities		Business-type Activities		Totals	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program revenues:						
Charges for services	\$ 7,222,795	\$ 7,647,542	\$ 4,390,810	\$ 3,450,616	\$ 11,613,605	\$ 11,098,158
Operating grants & contributions	21,200,861	18,368,121	31,731	60,287	21,232,592	18,428,408
Capital grants & contributions	3,046,213	702,200	1,415,914	357,562	4,462,127	1,059,762
General revenues:						
General property taxes	79,447,858	72,492,113	-	-	79,447,858	72,492,113
Other local taxes	11,969,535	11,152,671	-	-	11,969,535	11,152,671
Use of money & property	5,315,937	3,742,271	300,673	188,816	5,616,610	3,931,087
C/W VA non-categorical aid	4,916,482	4,998,127	-	-	4,916,482	4,998,127
Other general revenues	1,943,592	1,922,928	-	-	1,943,592	1,922,928
Total revenues	\$ 135,063,273	\$ 121,025,973	\$ 6,139,128	\$ 4,057,281	\$ 141,202,401	\$ 125,083,254
Expenses:						
General Govt admin	6,551,526	6,891,872	-	-	6,551,526	6,891,872
Judicial admin	5,295,956	5,016,859	-	-	5,295,956	5,016,859
Public safety	28,581,083	26,698,813	-	-	28,581,083	26,698,813
Public works	3,491,293	3,548,376	-	-	3,491,293	3,548,376
Health & welfare	20,672,139	18,580,394	-	-	20,672,139	18,580,394
Education	41,309,594	41,361,293	-	-	41,309,594	41,361,293
Parks & rec & cultural	3,458,941	3,057,361	-	-	3,458,941	3,057,361
Comm. Develop.	7,320,516	2,683,864	-	-	7,320,516	2,683,864
Interest & other fiscal charges	1,700,509	1,959,006	-	-	1,700,509	1,959,006
Landfill	-	-	4,530,272	2,994,824	4,530,272	2,994,824
Water & sewer	-	-	2,402,367	2,089,854	2,402,367	2,089,854
Airport	-	-	1,985,296	2,023,845	1,985,296	2,023,845
Water & sewer Authority	-	-	626,103	626,103	626,103	626,103
Total expenses	\$ 118,381,557	\$ 109,797,838	\$ 9,544,038	\$ 7,734,626	\$ 127,925,595	\$ 117,532,464
Increase (decrease) in net position before transfers	\$ 16,681,716	\$ 11,228,135	\$ (3,404,910)	\$ (3,677,345)	\$ 13,276,806	\$ 7,550,790
Transfers	(2,704,059)	(3,143,207)	2,704,059	3,143,207	-	-
Increase in net position	\$ 13,977,657	\$ 8,084,928	\$ (700,851)	\$ (534,138)	\$ 13,276,806	\$ 7,550,790
Net position, beginning of year	100,631,883	91,797,625	32,371,773	33,655,241	133,003,656	125,452,866
Net position, end of year	\$ 114,609,540	\$ 99,882,553	\$ 31,670,922	\$ 33,121,103	\$ 146,280,462	\$ 133,003,656



Government-wide Financial Analysis: (Continued)

- Governmental Activities – Total government spending increased in FY24 from FY23 by approximately \$8.6M. The three (3) areas with the most changes are, Public Safety, at \$1.9M; Health & Welfare at \$2.1M; and Community Development at \$4.6M. As part of the FY24 adopted budget, the Emergency Services Department was allotted eight (8) more EMTs and as part of the FY24 adopted budget, Human Services (DSS) had a 5% increase in salaries across the board, increasing personnel costs in both areas. In FY24, \$2.8M was spent in capital, along with \$1.7M of ARPA funds, for the commencement of an infrastructure project, providing broadband to all households in the County. This was an initiative the Board of Supervisors wanted to accomplish using ARPA funds and other VATI grant funds from the Commonwealth of Virginia.
- Governmental revenues increased by approximately \$12.5M from FY23 to FY24. \$4.8M of that increase is in general property tax collections; another \$4.8M in federal funds related to the broadband project above; \$1.6M in revenue from use of money and property, which is the earnings of interest on funds invested by the Treasurer.
- Business-Type Activities – Business-type activities increased for FY24, both in revenue generated and expenses incurred. The Solid Waste Transfer Station generated the largest amount of revenue from an increase in tipping fees; and therefore, the expenses, primarily, contract services to haul away the trash, also increased.

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

Governmental Funds - The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a county's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$78,290,212, an increase of \$8.1M in comparison with the prior year. Approximately 56 percent of this total constitutes unassigned fund balance, which is available for spending at the County's discretion. The remainder of fund balance is dedicated for construction projects and subsequent expenditures. The funds are either, restricted, committed or assigned, indicating that these funds are not available for new spending because it has already been committed.

The general fund is the main operating fund of the County. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$43,802,004, while total fund balance reached \$60,872,137, a decrease from the prior year of \$900K. Key factors in the net increase are as follows:

The majority of the change in unassigned fund balance, is due to an increase in the other areas of the fund balance. Non-spendable increased by \$381K; restricted increased by \$112K; committed increased by \$166K; and assigned increased by \$205K. The unassigned fund balance decreased by approximately \$1.8M. Even though general fund revenues increased by approximately \$8.8M, the increase in transfers out to other funds, increased as well. The transfers out to the County's capital project fund for one-time (1x) expenditures increased by \$4.8M.

The County's Capital Projects Fund balance increased by about \$9M during FY24; the Capital Projects Fund had revenues of \$15,293,330, which included a transfer from the General Fund of \$12,003,152. The Capital Projects Fund expended \$6,330,285, slightly more than what was paid during FY23 in various projects. Expenditures for capital projects were as follows:

Government-wide Financial Analysis: (Continued)

1. Contribution to Fire & Rescue Assn for capital needs, \$381,090;
2. County Wide CCTV Security System, \$175,664;
3. Records Management projects, \$26,105;
4. New voting equipment (poll pads & printers), \$50,296;
5. Courthouse security improvements, \$ 84,050;
6. Relocation of Magistrate and Juvenile Probation, \$ 514,340;
7. Carver Center upgrades, \$ 867,862;
8. Broadband project, Non-ARPA funding, \$ 2,804,692;
9. Revenue sharing with the Commonwealth of Virginia for road maintenance & construction, \$ 1,013,979;
10. Community Pool project, \$ 281,854;
11. Fieldhouse and other park projects, \$106,244; and
12. Other projects, \$24,108;

Proprietary funds - The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Net position of the Airport Fund at the end of the year was \$ 11,517,041, an increase from the prior year of \$878,466. Net loss for FY24 was \$531,765 vs. the net loss for FY23 was \$659,394. Further capital contributions and construction grants were \$1,415,914 for FY24 vs \$357,562 for FY23.

Net position of the Solid waste Transfer (Landfill) Fund totaled \$5,368,094, a decrease from prior the year of \$246,433. The net loss for FY24 was \$2,261,851 vs. the net loss for FY23 was \$1,396,980. The General Fund transfer into the Landfill Fund for FY24 was \$1,714,745 vs the transfer in FY23 was \$1,652,590; and interest revenue for FY24 was \$300,673.

The Water and Sewer Fund net position decreased by \$706,781 for the year ending June 30, 2024, and totaled \$(557,072). The primary reason for the decrease was an increase in expenses of approximately \$313K, while revenues did increase some at \$151K; further, there was a transfer in from the General Fund of \$1,621,095 vs \$1,423,807 in FY23.

During 2005, the Board of Supervisors created the Water and Sewer Authority to account for water and sewer activities in the northern part of the County, which is known as Clevenger's Corner. As of June 30, 2024, net position totaled \$15,342,859.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget were \$4,039,911 and can be briefly summarized as follows:

<u>Budget Amendments</u>	<u>Amount</u>
Carryover requests for ongoing projects	\$2,155,732
Carryover requests for open purchase orders	\$691,264
Animal Shelter, various grants and donations	\$30,715
Clerk of Circuit Court, various grants	\$46,225
E911, various grants	\$73,500
Library, various donations	\$128,972
Opioid abatement funding	\$253,382
Parks & Recreation, various grants and donations	\$121,181
Sheriff, various grants and donations	\$98,538
Other departments, grants, donations, etc.	\$440,402

General Fund Budgetary Highlights: (Continued)

The largest budget amendments are related to on-going grants/projects and open purchase orders from the prior year; whereby the appropriation resolution adopted by the Board of Supervisors annually for the new, upcoming budget allows for these types of carryovers, administratively carried out by the County Administrator.

Differences between the final amended budget and actuals included property tax collections that exceeded budget estimates by a total of \$1,300,576, primarily in the personal property tax category. Other local tax revenues exceeded budget estimates by \$489,003; Permits fees and licenses exceeded the budget by \$1,196,424, the majority of which is associated with the collection of proffers for the Stonehaven development; and for Revenue of use of money & property, the actual exceeded the budget by \$3,612,755. Total commonwealth intergovernmental and federal revenues netted to exceeding the budget by \$873,207. The largest areas where the revenues did not meet the budget were under Social Services and youth services (CSA).

Changes in Fund Balance

Included in the adopted fiscal year 2025 budget is the use of some funds from the General Fund balance. The funds drawn would pay for one-time capital projects only, and would total \$9,626,017 coming from the undesignated balance of the General Fund. Also included in the adopted FY25 budget \$1,000,000 to come from the Landfill Fund balance. The use of the fund balance will be primarily for County and School capital items along with some smaller one-time items. Use of the General Fund for one-time purchases has been a standard practice for many years. Bond rating agencies approve of this practice. In FY09 through FY12, because of the economic conditions, the fund balance was used to supplement operational costs. However, beginning in FY13 through the present, the fund balance has only been used for capital items. The use of the General Fund for operational, or ongoing costs, is something that should be avoided.

Capital assets - The County's investment in capital assets for its governmental and business type activities as of June 30, 2024 amounts to \$140,242,535 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, and machinery and equipment.

Additional information on the County's capital assets can be found in Note 5 of this report.

Long-term debt – At the end of the current fiscal year, the County had total bonded debt outstanding of \$53,232,700. Of this amount, \$53,232,700 represents debt backed by the full faith and credit of the County.

Economic Factors and Next Year's Budget and Rates

- Regardless of the state of the economy throughout the years, the County has worked to avoid raising taxes and to remain cognizant of our established fund balance policy, which is to maintain an amount equal to between 10% and 15% of the operating budget within the General Fund. With this budget, Culpeper will continue to have the lowest tax rate of any county within the regional planning district. This budget requires the use of \$13.7M from the fund balance for capital projects (one-time costs), while adhering to the fund balance policy.
- The County will always monitor the local economy as well as the economy of the Commonwealth and the national economy to ensure that a sustainable budget is prepared. The local economy is doing well based upon sales tax revenue and building & zoning permit revenues indicating that the local economy is doing well. However, the School Superintendent has prepared his budget for FY25 based on 8,340 average daily membership, vs for FY24 the budget was based on 8,347 average daily membership.
- For the fiscal year ended June 30, 2023, the Commonwealth of Virginia ended with a \$5.1B surplus vs a \$1.94B surplus of funds at June 30, 2022, and \$3.0B over the official revenue forecast.

Economic Factors and Next Year's Budget and Rates (Cont).

- Other highlights of how Virginia ended fiscal year 2023 were:
 - 1) For the full fiscal year, overall general fund revenues were far better than the 14.0 percent decline assumed in the official forecast, declining by just 3.5 percent.
 - 2) Payroll withholding grew 4.0 percent, exceeding the forecast of 0.1 percent decline.
 - 3) Sales tax collections increased 3.9 percent as compared to the annual forecast of 1.3 percent decline.
 - 4) Corporate income tax collections grew 2.6 percent compared to the official estimate of a 12.2 percent decline.
- Revenues from the Commonwealth for FY25, excluding schools and DHS, will only be increasing by approximately \$100K due to 5% pay increases for all State Compensation Board positions. That funding will come into the county to help offset actual raises for all Constitutional Officers and their staff.
- Due to the rising values of used vehicles, the Virginia General Assembly adopted State Code provisions to allow for localities to tax passenger vehicles which fall under certain criteria under a new classification. This allowed localities the ability, should they choose, to provide some relief to their citizens by lowering the tax rate applied to used passenger vehicles. This change was adopted into law under Code Section 58.1-3506(1)(A)(48). However, the new law contains a sunset provision of 2025, and at such time, these vehicles will have to be moved back to the classification established under the original code section. The Culpeper County Board of Supervisors took advantage of this for the benefit of its citizens, decreasing the rate for passenger vehicles by \$.50 per \$100 assessed value, from \$3.50 to \$3.00 for calendar year (CY) 2022, 2023 and plans to continue usage of this allowable classification for CY2024. The personal property revenue in the adopted budget maintains an increase from FY24 to FY25.
- The County's economic projections reflect stability, with the unemployment rate in May 2024 at 2.7% vs 2.8% in May 2023; and very close the state rates, with Virginia's unemployment rate in May 2024 at 2.8% vs. in May 2023; while doing better than the national rate of unemployment at 3.7% in May of 2023, vs 4.00% in May of 2024. The median household income for Culpeper is \$86,940, while the median household income for Virginia is \$85,170 and for the U.S. it is \$74,580. The County's population has grown approximately 16.1% from 2010 to 2020. With the growth continuing in the County, the economy for Culpeper appears vibrant and sound. The additional growth in the County can mean demand for additional services as well as bringing more revenue to the County from additional sales tax, real estate tax and personal property tax.
- At a public hearing on May 3, 2022, the Culpeper Board of Supervisors adopted a six (6%) meals tax effective January 1, 2023. While no revenue projections were included in the adopted FY24 budget, revenue collections began during FY23. For FY23 the collections amounted to approx. \$211K; while for FY24 collections amounted to approx. \$547K; and are estimated at \$600K for FY25, knowing the collections will probably surpass the estimate.
- As part of the calculations for salary adjustments, the County reviews the previous calendar year consumer price index change. For calendar year 2023, the CPI was 3.4%; as of May, 2024 the CPI is now 3.3%. This is something for the County to continue monitor moving forward into FY25 for spending purposes.
- The FY25 budget continues our established practice of calculating salary adjustments as outlined in the Personnel Management Plan. That process includes a two-fold approach, taking into account a COLA for employees as well as a pay for performance increase based upon annual performance evaluation results.

Economic Factors and Next Year's Budget and Rates (Cont).

- Included in the FY25 budget are 10 new full-time positions and 4 new part-time positions. These positions include:
 - The Human Resources Department has requested a full time Employee Wellness manager;
 - The Commissioner of the Revenue has requested a Local and State tax coordinator position;
 - The Circuit Court Judge requested a law clerk;
 - The Criminal Justice Director requested a PO supervisor in the Pre-trial division;
 - Parks & Recreation requested an additional park maintenance technician;
 - Emergency Services requested 4 new bls/als (basic life support vs advanced life support) medics, such that for each shift another ambulance can be available/on call;
 - E911 requested the creation of an operations manager to run the day-to-day duties within the call center itself;
 - The 4 part-time positions include an assistant registrar; a part-time community services worker for Options; and 2 additional part-time positions for the Library for additional open hours to the public.

TAX RATES AND FEES

FY25 is not a reassessment year. This adopted budget, which remains the same as the proposed budget, increases the real estate tax rate from \$0.46 per \$100 of assessed value to \$0.47 per \$100 of assessed value. The needs of the Volunteer Fire & Rescue Departments and the Emergency Services Department dictate that this budget include a F&R levy rate increase from \$.07 per \$100 of assessed value to \$.08 per \$100 of assessed value, while the General Fund RE rate will remain at .39.

The adopted budget, also as the proposed budget included, maintains the current personal property tax rates as follows:

- \$1.50 per \$100 of assessed value for recreational personal property;
- \$1.00 per \$100 of assessed value for Passenger Carrier vehicles (30 or more passengers);
- \$0.0001 per \$100 of assessed value for airplanes;
- \$3.50 per \$100 of assessed value for all other personal property, except vehicles under Code Section 58.1-3506(1)(A)(48);
- \$3.00 per \$100 of assessed value for all vehicles under Code Section 58.1-3506(1)(A)(48);
- \$2.00 per \$100 of assessed value for Machinery & Tools;
- \$0.0001 per \$100 of assessed value for motor vehicles for volunteers.

Requests for Information

This financial report is designed to provide a general overview of the County of Culpeper, Virginia's finances for all those with an interest in the County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, 302 N. Main Street, Culpeper, Virginia 22701.

BASIC FINANCIAL STATEMENTS

Government-wide Financial Statements

Statement of Net Position
At June 30, 2024

	Primary Government			Component Unit	Component Unit
	Governmental Activities	Business-type Activities	Total	School Board	Culpeper County EDA
ASSETS					
Current Assets					
Cash and cash equivalents	\$ 68,315,448	\$ 4,618,378	\$ 72,933,826	\$ 28,176,394	\$ 302,870
Receivables (net of allowance for uncollectibles):					
Property taxes	6,666,881	-	6,666,881	-	-
Accounts receivable	2,336,610	655,835	2,992,445	102,091	-
Leases receivable	587,119	-	587,119	-	-
Prepaid items	570,585	27,950	598,535	391,679	-
Inventory	-	89,942	89,942	-	-
Due from primary government	-	-	-	2,016,121	-
Internal balances	6,755,249	(6,755,249)	-	-	-
Due from other governments	6,393,203	465,942	6,859,145	3,080,725	-
Total Current Assets	\$ 91,625,095	\$ (897,202)	\$ 90,727,893	\$ 33,767,010	\$ 302,870
Noncurrent Assets					
Net pension asset	\$ -	\$ -	\$ -	\$ 3,186,042	\$ -
Net OPEB asset	\$ -	\$ -	\$ -	\$ 33,739	\$ -
Capital assets (net of depreciation):					
Land and land improvements	\$ 11,926,155	\$ 7,040,737	\$ 18,966,892	\$ 5,728,588	\$ -
Construction in progress	4,048,255	2,690,473	6,738,728	5,174,767	-
Buildings and improvements	29,118,593	25,209,522	54,328,115	112,142,701	-
Lease land	34,281	-	34,281	-	-
Lease equipment	41,993	4,660	46,653	168,695	-
Equipment	11,815,284	803,324	12,618,608	5,931,473	-
Jointly owned assets	47,509,258	-	47,509,258	(47,509,258)	-
Total Capital Assets	\$ 104,493,819	\$ 35,748,716	\$ 140,242,535	\$ 81,636,966	\$ -
Total Noncurrent assets	\$ 104,493,819	\$ 35,748,716	\$ 140,242,535	\$ 84,856,747	\$ -
Total Assets	\$ 196,118,914	\$ 34,851,514	\$ 230,970,428	\$ 118,623,757	\$ 302,870
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charge on refunding	\$ 174,516	\$ -	\$ 174,516	\$ -	\$ -
Pension deferrals	3,198,560	142,203	3,340,763	16,421,781	-
OPEB deferrals	369,422	14,198	383,620	2,401,649	-
Total Deferred Outflows of Resources	\$ 3,742,498	\$ 156,401	\$ 3,898,899	\$ 18,823,430	\$ -
Total Assets and Deferred Outflows of Resources	\$ 199,861,412	\$ 35,007,915	\$ 234,869,327	\$ 137,447,187	\$ 302,870
LIABILITIES					
Current Liabilities					
Accounts payable and other current liabilities	\$ 552,138	\$ 314,194	\$ 866,332	\$ 6,932,217	\$ -
Unearned revenue	10,929,359	-	10,929,359	-	-
Amounts held for others	632,684	-	632,684	-	-
Due to component unit	2,016,121	-	2,016,121	-	-
Accrued interest payable	174,079	652	174,731	-	-
Current portion of long-term obligations	6,466,872	100,689	6,567,561	313,360	-
Total Current Liabilities	\$ 20,771,253	\$ 415,535	\$ 21,186,788	\$ 7,245,577	\$ -
Noncurrent Liabilities					
Noncurrent portion of long-term obligations	\$ 60,974,044	\$ 2,828,732	\$ 63,802,776	\$ 66,360,447	\$ -
Total Noncurrent Liabilities	\$ 60,974,044	\$ 2,828,732	\$ 63,802,776	\$ 66,360,447	\$ -
Total Liabilities	\$ 81,745,297	\$ 3,244,267	\$ 84,989,564	\$ 73,606,024	\$ -
DEFERRED INFLOWS OF RESOURCES					
Deferred revenues - taxes	\$ 556,527	\$ -	\$ 556,527	\$ -	\$ -
Lease deferrals	531,899	-	531,899	-	-
Pension deferrals	1,864,878	70,789	1,935,667	6,777,335	-
OPEB deferrals	553,271	21,937	575,208	1,804,298	-
Total deferred inflows of resources	\$ 3,506,575	\$ 92,726	\$ 3,599,301	\$ 8,581,633	\$ -
NET POSITION					
Net investment in capital assets	\$ 46,700,177	\$ 33,475,257	\$ 80,175,434	\$ 81,465,877	\$ -
Restricted					
Net pension and OPEB assets	-	-	-	3,219,781	-
Opioid settlement	1,294,492	-	1,294,492	-	-
Unrestricted	66,614,871	(1,804,335)	64,810,536	(29,426,128)	302,870
Total Net Position	\$ 114,609,540	\$ 31,670,922	\$ 146,280,462	\$ 55,259,530	\$ 302,870
Total Liabilities, Deferred inflows of resources and Net Position	\$ 199,861,412	\$ 35,007,915	\$ 234,869,327	\$ 137,447,187	\$ 302,870

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

Statement of Activities
Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT:				
Governmental activities:				
General government administration	\$ 6,551,526	\$ -	\$ 497,873	\$ -
Judicial administration	5,295,956	263,287	1,257,647	-
Public safety	28,581,083	3,123,307	5,994,492	3,004,692
Public works	3,491,293	-	-	36,683
Health and welfare	20,672,139	3,470,612	11,528,716	-
Education	41,309,594	-	-	-
Parks, recreation, and cultural	3,458,941	361,922	236,184	-
Community development	7,320,516	3,667	1,685,949	4,838
Interest on long-term debt	1,700,509	-	-	-
Total governmental activities	\$ 118,381,557	\$ 7,222,795	\$ 21,200,861	\$ 3,046,213
Business-type activities:				
Landfill	\$ 4,530,272	\$ 2,268,421	\$ -	\$ -
Water and sewer	2,402,367	781,272	-	-
Airport	1,985,296	1,341,117	31,731	1,415,914
Water and sewer authority	626,103	-	-	-
Total business-type activities	\$ 9,544,038	\$ 4,390,810	\$ 31,731	\$ 1,415,914
Total primary government	\$ 127,925,595	\$ 11,613,605	\$ 21,232,592	\$ 4,462,127
COMPONENT UNITS:				
School Board	\$ 115,580,705	\$ 1,372,929	\$ 82,391,093	\$ 7,504,460
Culpeper County EDA	899,812	-	-	-
Total component units	\$ 116,480,517	\$ 1,372,929	\$ 82,391,093	\$ 7,504,460

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

Statement of Activities
Year Ended June 30, 2024

Functions/Programs	Net (Expense) Revenue and Changes in Net Position				
	Primary Government			Component Unit	Component Unit
	Governmental Activities	Business-type Activities	Total	School Board	Culpeper County EDA
PRIMARY GOVERNMENT:					
Governmental activities:					
General government administration	\$ (6,053,653)	\$ -	\$ (6,053,653)	\$ -	\$ -
Judicial administration	(3,775,022)	-	(3,775,022)	-	-
Public safety	(16,458,592)	-	(16,458,592)	-	-
Public works	(3,454,610)	-	(3,454,610)	-	-
Health and welfare	(5,672,811)	-	(5,672,811)	-	-
Education	(41,309,594)	-	(41,309,594)	-	-
Parks, recreation, and cultural	(2,860,835)	-	(2,860,835)	-	-
Community development	(5,626,062)	-	(5,626,062)	-	-
Interest on long-term debt	(1,700,509)	-	(1,700,509)	-	-
Total governmental activities	\$ (86,911,688)	\$ -	\$ (86,911,688)	\$ -	\$ -
Business-type activities:					
Landfill	\$ -	\$ (2,261,851)	\$ (2,261,851)	\$ -	\$ -
Water and sewer	-	(1,621,095)	(1,621,095)	-	-
Airport	-	803,466	803,466	-	-
Water and sewer authority	-	(626,103)	(626,103)	-	-
Total business-type activities	\$ -	\$ (3,705,583)	\$ (3,705,583)	\$ -	\$ -
Total primary government	\$ (86,911,688)	\$ (3,705,583)	\$ (90,617,271)	\$ -	\$ -
COMPONENT UNITS:					
School Board	\$ -	\$ -	\$ -	\$ (24,312,223)	\$ -
Culpeper County EDA	-	-	-	-	(899,812)
Total component units	\$ -	\$ -	\$ -	\$ (24,312,223)	\$ (899,812)
General revenues:					
General property taxes	\$ 79,447,858	\$ -	\$ 79,447,858	\$ -	\$ -
Local sales and use taxes	9,550,810	-	9,550,810	-	-
Consumer utility taxes	894,184	-	894,184	-	-
Taxes on recordation and wills	963,248	-	963,248	-	-
Motor vehicle license taxes	14,725	-	14,725	-	-
Other local taxes	546,568	-	546,568	-	-
County contribution to School Board	-	-	-	32,312,281	-
County contribution to EDA	-	-	-	-	904,333
Town contribution to EDA	-	-	-	-	-
Unrestricted revenues from use of money and property	5,315,937	300,673	5,616,610	139,484	1,193
Miscellaneous	1,943,592	-	1,943,592	3,734,052	-
Grants and contributions not restricted to specific programs	4,916,482	-	4,916,482	-	-
Transfers	(2,704,059)	2,704,059	-	-	-
Total general revenues and transfers	\$ 100,889,345	\$ 3,004,732	\$ 103,894,077	\$ 36,185,817	\$ 905,526
Change in net position	\$ 13,977,657	\$ (700,851)	\$ 13,276,806	\$ 11,873,594	\$ 5,714
Net position - beginning, as previously reported	99,882,553	33,121,103	133,003,656	43,385,936	297,156
Restatements	749,330	(749,330)	-	-	-
Net position - beginning, as restated	100,631,883	32,371,773	133,003,656	43,385,936	297,156
Net position - ending	\$ 114,609,540	\$ 31,670,922	\$ 146,280,462	\$ 55,259,530	\$ 302,870

Fund Financial Statements

Balance Sheet - Governmental Funds
At June 30, 2024

	General	American Rescue Plan ACT	Capital Projects	Total
ASSETS				
Cash and cash equivalents	\$ 52,502,449	\$ 7,521,009	\$ 17,183,317	\$ 77,206,775
Receivables (net of allowance for uncollectibles):				
Taxes, including penalties	6,666,881	-	-	6,666,881
Accounts	2,322,315	-	14,295	2,336,610
Leases receivable	587,119	-	-	587,119
Prepaid expenditures	570,585	-	-	570,585
Due from other funds	7,055,249	-	-	7,055,249
Due from other governmental units	6,010,365	-	382,838	6,393,203
Total assets	<u>\$ 75,714,963</u>	<u>\$ 7,521,009</u>	<u>\$ 17,580,450</u>	<u>\$ 100,816,422</u>
LIABILITIES				
Accounts payable	\$ 389,763	\$ -	\$ 162,375	\$ 552,138
Unearned revenue	3,408,350	7,521,009	-	10,929,359
Amounts held for others	632,684	-	-	632,684
Due to component unit	2,016,121	-	-	2,016,121
Total liabilities	<u>\$ 6,446,918</u>	<u>\$ 7,521,009</u>	<u>\$ 162,375</u>	<u>\$ 14,130,302</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - taxes	\$ 6,648,675	\$ -	\$ -	\$ 6,648,675
Opioid deferrals	1,215,334	-	-	1,215,334
Lease deferrals	531,899	-	-	531,899
Total deferred inflows of resources	<u>\$ 8,395,908</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,395,908</u>
FUND BALANCES				
Nonspendable	\$ 625,805	\$ -	\$ -	\$ 625,805
Restricted	984,575	-	-	984,575
Committed	12,470,035	-	17,418,075	29,888,110
Assigned	2,989,718	-	-	2,989,718
Unassigned	43,802,004	-	-	43,802,004
Total fund balances	<u>\$ 60,872,137</u>	<u>\$ -</u>	<u>\$ 17,418,075</u>	<u>\$ 78,290,212</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 75,714,963</u>	<u>\$ 7,521,009</u>	<u>\$ 17,580,450</u>	

Detailed explanation of adjustments from fund statements to government-wide Statement of Net Position:

When capital assets (land, buildings, equipment) that are to be used in governmental activities are purchased or constructed, the costs of those assets are reported as expenditures in governmental funds. However, the Statement of Net Position includes those capital assets among the assets of the County as a whole.

104,493,819

Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.

(174,079)

Internal service funds are used by the County to charge the cost of dental insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position. The internal service funds net position are:

(9,191,327)

Because the focus of governmental funds is on short-term financing, some assets will not be available to pay for current-period expenditures. Those assets (for example, receivables) are offset by deferred revenues in the governmental funds and thus are not included in the fund balance.

Unavailable revenue - property taxes	6,092,148
Unavailable revenue - opioid settlement	1,215,334
Deferred inflows related to measurement of net pension liability	(1,864,878)
Deferred inflows related to measurement of net OPEB liability	(553,271)

Pension and OPEB contributions subsequent to the measurement date and other dererred outflows will be a reduction to the net pension and OPEB liabilities in the next fiscal year and, therefore, are not reported in the funds.

Deferred outflows related to net pension liability	3,198,560
Deferred outflows related to net OPEB liability	369,422

Long-term liabilities applicable to the County's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities-both current and long-term-are reported in the Statement of Net Position.

(67,266,400)

Net position of General Governmental Activities \$ 114,609,540

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

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

	Governmental Fund Types			Total Governmental Funds
	General	American Rescue Plan ACT	Capital Projects	
Revenues:				
General property taxes	\$ 76,800,660	\$ -	\$ -	\$ 76,800,660
Other local taxes	11,969,535	-	-	11,969,535
Permits, privilege fees and regulatory licenses	2,366,091	-	-	2,366,091
Fines and forfeitures	70,850	-	-	70,850
Revenue from use of money and property	5,300,372	-	15,565	5,315,937
Charges for services	4,785,854	-	-	4,785,854
Miscellaneous	1,303,889	-	228,400	1,532,289
Recovered costs	598,185	-	-	598,185
Intergovernmental:				
School Board Contribution to Primary Government	-	-	-	-
Commonwealth	15,693,430	-	2,846,213	18,539,643
Federal	8,626,030	1,797,883	200,000	10,623,913
Total revenues	\$ 127,514,896	\$ 1,797,883	\$ 3,290,178	\$ 132,602,957
Expenditures:				
Current:				
General government administration	\$ 6,905,763	\$ -	\$ 86,320	\$ 6,992,083
Judicial administration	5,457,469	-	-	5,457,469
Public safety	28,574,904	111,934	561,428	29,248,266
Public works	1,808,082	-	2,485,583	4,293,665
Health and welfare	20,536,586	-	-	20,536,586
Education	37,064,568	-	-	37,064,568
Parks, recreation, and cultural	3,103,645	-	392,262	3,495,907
Community development	2,872,630	1,685,949	2,804,692	7,363,271
Nondepartmental	193,923	-	-	193,923
Debt service:				
Principal retirement	5,706,700	-	-	5,706,700
Interest and other fiscal charges	2,233,047	-	-	2,233,047
Total expenditures	\$ 114,457,317	\$ 1,797,883	\$ 6,330,285	\$ 122,585,485
Excess (deficiency) of revenues over (under) expenditures	\$ 13,057,579	\$ -	\$ (3,040,107)	\$ 10,017,472
Other financing sources (uses):				
Transfers in	\$ -	\$ -	\$ 12,003,152	\$ 12,003,152
Transfers (out)	(14,707,211)	-	-	(14,707,211)
Total other financing sources (uses)	\$ (14,707,211)	\$ -	\$ 12,003,152	\$ (2,704,059)
Changes in fund balances	\$ (1,649,632)	\$ -	\$ 8,963,045	\$ 7,313,413
Fund balances at beginning of year, as originally reported	61,772,439	-	8,455,030	70,227,469
Restatements	749,330	-	-	749,330
Fund balances at beginning of year, as restated	62,521,769	-	8,455,030	70,976,799
Fund balances at end of year	\$ 60,872,137	\$ -	\$ 17,418,075	\$ 78,290,212

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

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

		<u>Primary Government Governmental Funds</u>
Amounts reported for governmental activities in the Statement of Activities are different because:		
Net changes in fund balances - total governmental funds	\$	7,313,413
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period:		
Capital outlays	\$ 2,609,635	
Depreciation expense	<u>(4,066,777)</u>	(1,457,142)
Transfer of joint tenancy assets from Primary Government to the Component Unit School Board		(3,008,394)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		
Unearned revenue - property taxes	\$ 1,843,167	
Unearned revenue - opioid settlement	1,215,334	
Increase (decrease) in deferred inflows related to the measurement of the net OPEB liability	368,770	
Increase (decrease) in deferred inflows related to the measurement of the net pension liability	<u>910,128</u>	4,337,399
Internal service funds are used by the County to charge the costs of dental insurance to individual funds. The net revenue of internal service funds is reported with governmental activities.		
		(68,805)
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Details of this adjustment are as follows:		
Principal retired on long-term debt	\$ 6,366,125	
Amortization of premium on bonds issued	521,066	
Amortization of deferred charge on refunding	<u>(19,390)</u>	6,867,801
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds. The following is a summary of items supporting this adjustment:		
Change in compensated absences	\$ (101,940)	
Change in net OPEB liability	(49,081)	
Decrease (increase) in net pension liability	869,160	
Decrease (increase) in deferred outflows related to OPEB	(1,928)	
Decrease (increase) in deferred outflows related to pensions	(753,688)	
Change in accrued interest payable	<u>30,862</u>	(6,615)
Change in net position of governmental activities	\$	<u><u>13,977,657</u></u>

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

Statement of Net Position
Proprietary Funds
At June 30, 2024

	Business-type Activities-Enterprise Funds					Governmental Activities
	Landfill Fund	Water & Sewer Fund	Airport Fund	Water & Sewer Authority	Totals	Internal Service Funds
ASSETS						
Current Assets						
Cash and cash equivalents	\$ 4,618,378	\$ -	\$ -	\$ -	\$ 4,618,378	\$ 254,742
Receivables (net of allowance for uncollectibles):						
Accounts receivable	358,131	219,080	78,624	-	655,835	-
Due from other governments	-	-	465,942	-	465,942	-
Prepaid expenses	3,442	14,460	10,048	-	27,950	-
Inventory	-	-	89,942	-	89,942	-
Total Current Assets	\$ 4,979,951	\$ 233,540	\$ 644,556	\$ -	\$ 5,858,047	\$ 254,742
Noncurrent Assets						
Capital assets (net of depreciation):						
Land	\$ 401,073	\$ 485,200	\$ 4,685,344	\$ 1,469,120	\$ 7,040,737	\$ -
Construction in progress	-	112,303	2,578,170	-	2,690,473	-
Buildings and improvements	4,696	1,032,520	7,598,567	16,573,739	25,209,522	-
Lease equipment	1,264	3,396	-	-	4,660	-
Equipment	371,128	65,679	366,517	-	803,324	-
Total Capital Assets	\$ 778,161	\$ 1,699,098	\$ 15,228,598	\$ 18,042,859	\$ 35,748,716	\$ -
Total Assets	\$ 5,758,112	\$ 1,932,638	\$ 15,873,154	\$ 18,042,859	\$ 41,606,763	\$ 254,742
DEFERRED OUTFLOWS OF RESOURCES						
Pension deferrals	\$ 32,500	\$ 86,633	\$ 23,070	\$ -	\$ 142,203	\$ -
OPEB deferrals	3,807	7,803	2,588	-	14,198	-
Total Deferred Outflows of Resources	\$ 36,307	\$ 94,436	\$ 25,658	\$ -	\$ 156,401	\$ -
Total assets and deferred outflows of resources	\$ 5,794,419	\$ 2,027,074	\$ 15,898,812	\$ 18,042,859	\$ 41,763,164	\$ 254,742
LIABILITIES						
Current Liabilities						
Reconciled overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,146,069
Accounts payable and accrued expenses	17,452	55,324	241,418	-	314,194	-
Accrued interest payable	-	-	652	-	652	-
Due to other funds	-	2,278,540	1,776,709	2,700,000	6,755,249	300,000
Current portion of long-term obligations	41,400	9,816	49,473	-	100,689	-
Total Current Liabilities	\$ 58,852	\$ 2,343,680	\$ 2,068,252	\$ 2,700,000	\$ 7,170,784	\$ 9,446,069
Noncurrent Liabilities						
Noncurrent portion of long-term obligations	\$ 350,284	\$ 181,697	\$ 2,296,751	\$ -	\$ 2,828,732	\$ -
Total Noncurrent Liabilities	\$ 350,284	\$ 181,697	\$ 2,296,751	\$ -	\$ 2,828,732	\$ -
Total Liabilities	\$ 409,136	\$ 2,525,377	\$ 4,365,003	\$ 2,700,000	\$ 9,999,516	\$ 9,446,069
DEFERRED INFLOWS OF RESOURCES						
Pension deferrals	\$ 10,954	\$ 46,619	\$ 13,216	\$ -	\$ 70,789	\$ -
OPEB deferrals	6,235	12,150	3,552	-	21,937	-
Total Deferred Inflows of Resources	\$ 17,189	\$ 58,769	\$ 16,768	\$ -	\$ 92,726	\$ -
NET POSITION						
Net investment in capital assets	\$ 776,526	\$ 1,694,707	\$ 12,961,165	\$ 18,042,859	\$ 33,475,257	\$ -
Unrestricted (deficit)	10,206,095	(2,251,779)	9,194,451	13,268,962	30,417,729	(9,191,327)
Total Net Position	\$ 10,982,621	\$ (557,072)	\$ 22,155,616	\$ 31,311,821	\$ 63,892,986	\$ (9,191,327)
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 11,408,946	\$ 2,027,074	\$ 26,537,387	\$ 34,011,821	\$ 73,985,228	\$ 254,742

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

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

	Business-type Activities-Enterprise Funds				Governmental Activities	
	Landfill Fund	Water & Sewer Fund	Airport Fund	Water & Sewer Authority	Totals	Internal Service Funds
Operating revenues:						
Charges for services	\$ 2,268,421	\$ 781,272	\$ 1,341,117	\$ -	\$ 4,390,810	\$ 5,270,157
Maintenance grants	-	-	31,731	-	31,731	-
Total operating revenues	\$ 2,268,421	\$ 781,272	\$ 1,372,848	\$ -	\$ 4,422,541	\$ 5,270,157
Operating expenses:						
Personal services	\$ 332,985	\$ 676,603	\$ 342,872	\$ -	\$ 1,352,460	\$ -
Fringe benefits	101,557	198,412	68,554	-	368,523	5,338,962
Contractual services	3,995,499	501,811	96,246	-	4,593,556	-
Other charges	32,781	911,657	665,039	-	1,609,477	-
Depreciation	67,450	113,884	731,902	626,103	1,539,339	-
Total operating expenses	\$ 4,530,272	\$ 2,402,367	\$ 1,904,613	\$ 626,103	\$ 9,463,355	\$ 5,338,962
Operating income (loss)	\$ (2,261,851)	\$ (1,621,095)	\$ (531,765)	\$ (626,103)	\$ (5,040,814)	\$ (68,805)
Nonoperating revenues (expenses):						
Interest income	\$ 300,673	\$ -	\$ -	\$ -	\$ 300,673	\$ -
Interest expense	-	-	(80,683)	-	(80,683)	-
Total nonoperating revenues (expenses)	\$ 300,673	\$ -	\$ (80,683)	\$ -	\$ 219,990	\$ -
Income (loss) before contributions and transfers	\$ (1,961,178)	\$ (1,621,095)	\$ (612,448)	\$ (626,103)	\$ (4,820,824)	\$ (68,805)
Capital contributions and construction grants	\$ -	\$ -	\$ 1,415,914	\$ -	\$ 1,415,914	\$ -
Transfers:						
Transfers in	\$ 1,714,745	\$ 914,314	\$ 75,000	\$ -	\$ 2,704,059	\$ -
Total transfers	\$ 1,714,745	\$ 914,314	\$ 75,000	\$ -	\$ 2,704,059	\$ -
Change in net position	\$ (246,433)	\$ (706,781)	\$ 878,466	\$ (626,103)	\$ (700,851)	\$ (68,805)
Net position at beginning of year, as originally reported	5,614,527	899,039	10,638,575	15,968,962	33,121,103	(9,122,522)
Restatements		(749,330)			(749,330)	-
Net position at beginning of year, as restated	5,614,527	149,709	10,638,575	15,968,962	32,371,773	(9,122,522)
Net position at end of year	\$ 10,982,621	\$ (557,072)	\$ 22,155,616	\$ 31,311,821	\$ 31,670,922	\$ (9,191,327)

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

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

	Business-type Activities-Enterprise Funds					Governmental Activities
	Landfill Fund	Water & Sewer Fund	Airport Fund	Water & Sewer Authority	Totals	Internal Service Funds
Cash flows from operating activities:						
Receipts from customers and users	\$ 2,046,482	\$ 765,001	\$ 1,364,497	\$ -	\$ 4,175,980	\$ -
Receipts from insured	-	-	-	-	-	5,270,157
Payments to suppliers	(4,043,364)	(1,378,038)	(583,789)	-	(6,005,191)	(5,257,261)
Payments to employees	(441,220)	(894,639)	(412,480)	-	(1,748,339)	-
Net cash provided by (used for) operating activities	\$ (2,438,102)	\$ (1,507,676)	\$ 368,228	\$ -	\$ (3,577,550)	\$ 12,896
Cash flows from capital and related financing activities:						
Purchases of capital assets	\$ -	\$ (12,089)	\$ (1,838,183)	\$ -	\$ (1,850,272)	\$ -
Capital grants and contributions	-	-	1,154,867	-	1,154,867	-
Interest expense	-	-	(81,361)	-	(81,361)	-
Retirement of indebtedness	(7,498)	(20,144)	(44,449)	-	(72,091)	-
Net cash provided by (used for) capital and related financing activities	\$ (7,498)	\$ (32,233)	\$ (809,126)	\$ -	\$ (848,857)	\$ -
Cash flows from noncapital financing activities:						
Transfers in	\$ 1,714,745	\$ 1,539,909	\$ 440,898	\$ -	\$ 3,695,552	\$ -
Net cash provided by (used for) noncapital financing activities	\$ 1,714,745	\$ 1,539,909	\$ 440,898	\$ -	\$ 3,695,552	\$ -
Cash flows from investing activities:						
Interest income	\$ 300,673	\$ -	\$ -	\$ -	\$ 300,673	\$ -
Increase (decrease) in cash and cash equivalents	\$ (430,182)	\$ -	\$ -	\$ -	\$ (430,182)	\$ 12,896
Cash and cash equivalents at beginning of year	5,048,560	-	-	-	5,048,560	241,846
Cash and cash equivalents at end of year	\$ 4,618,378	\$ -	\$ -	\$ -	\$ 4,618,378	\$ 254,742
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:						
Operating income (loss)	\$ (2,261,851)	\$ (1,621,095)	\$ (531,765)	\$ (626,103)	\$ (5,040,814)	\$ (68,805)
Adjustments to reconcile operating loss to net cash provided by (used for) operating activities:						
Depreciation expense	\$ 67,450	\$ 113,884	\$ 731,902	\$ 626,103	\$ 1,539,339	\$ -
Loss on disposal of assets	-	7,238	-	-	7,238	-
Changes in operating assets and liabilities:						
(Increase) decrease in accounts receivable	(221,939)	(16,271)	(8,351)	-	(246,561)	-
(Increase) decrease in prepaid expenses	4,336	107	(108)	-	4,335	-
(Increase) decrease in inventory	-	-	(15,744)	-	(15,744)	-
(Increase) decrease in deferred outflows of resources	5,708	19,994	6,140	-	31,842	-
Increase (decrease) in reconciled overdraft	-	-	-	-	-	81,701
Increase (decrease) in accounts payable	16,120	28,085	193,348	-	237,553	-
Increase (decrease) in deferred inflows of resources	(10,900)	(30,087)	(8,675)	-	(49,662)	-
Increase (decrease) in net pension liability	(7,243)	(11,774)	(6,571)	-	(25,588)	-
Increase (decrease) in net GLI OPEB liability	1,845	(1,133)	318	-	1,030	-
Increase (decrease) in net insurance OPEB liability	(414)	(419)	223	-	(610)	-
Increase (decrease) in compensated absences	4,326	3,795	7,511	-	15,632	-
Increase (decrease) in landfill closure	(35,540)	-	-	-	(35,540)	-
Total adjustments	\$ (176,251)	\$ 113,419	\$ 899,993	\$ 626,103	\$ 1,463,264	\$ 81,701
Net cash provided by (used for) operating activities	\$ (2,438,102)	\$ (1,507,676)	\$ 368,228	\$ -	\$ (3,577,550)	\$ 12,896

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

Statement of Fiduciary Net Position
Fiduciary Funds
At June 30, 2024

		Custodial Funds
ASSETS		
Cash and cash equivalents	\$	<u>109,449</u>
Total assets	\$	<u><u>109,449</u></u>
NET POSITION		
Restricted for:		
Inmates	\$	10,390
Social services clients		<u>99,059</u>
Total net position	\$	<u><u>109,449</u></u>

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

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

		Custodial Funds
Additions:		
Contributions		
Private contributions	\$	102,832
Inmate contributions		<u>350,626</u>
Total contributions	\$	<u>453,458</u>
Total additions	\$	<u>453,458</u>
Deductions:		
Recipient payments	\$	<u>485,035</u>
Total deductions	\$	<u>485,035</u>
Net increase (decrease) in fiduciary net position	\$	(31,577)
Net position - beginning		<u>141,026</u>
Net position - ending	\$	<u><u>109,449</u></u>

COUNTY OF CULPEPER, VIRGINIA

Notes to Financial Statements At June 30, 2024

Note 1—Summary of Significant Accounting Policies:

The County of Culpeper, Virginia was formed in 1749 and it is governed by an elected seven member Board of Supervisors. The Board of Supervisors is responsible for appointing the County Administrator. The County provides a full range of services for its citizens. These services include police and volunteer fire protection, sanitation services, recreational activities, cultural events, education, and social services.

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

Management's Discussion and Analysis - GASB requires the financial statements be accompanied by a narrative introduction and analytical overview of the government's financial activities in the form of "Management's Discussion and Analysis" (MD&A).

Government-wide and Fund Financial Statements

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

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. 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 segments are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

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

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

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

A. Financial Reporting Entity

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

B. Individual Component Unit Disclosures

Blended Component Units – Culpeper County Water and Sewer Authority – The Culpeper County Water and Sewer Authority serves all the citizens of the government, and its governing body is the same as the governing body of the Primary Government and there is a financial benefit relationship between the County and Authority. These are the basis for blending the component unit. The rates for user charges and bond issuance authorizations are approved by the government's board. The Authority operates on a fiscal year which ends June 30. The Authority is presented as an enterprise fund in the County's financial statements for the fiscal year ended June 30, 2024.

Discretely Presented Component Units - The School Board members are elected and are responsible for the operations of the County's School System. The School Board is fiscally dependent on the County. The County has the ability to approve its budget and any amendments. The primary funding is from the General Fund of the County. The School Fund does not issue a separate financial report. The financial statements of the School Board are presented as a discrete presentation of the County financial statements for the fiscal year ended June 30, 2024.

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

B. Individual Component Unit Disclosures (Continued)

Discretely Presented Component Units - The Culpeper County Economic Development Authority was created by the Board of Supervisors to administer the issuance of economic development revenue bonds. The County appoints all members of the Authority's Board of Directors. The primary funding is from the General Fund of the County. The Economic Development Authority does not issue a separate financial report. The financial statements of the Authority are presented as a discrete presentation of the County financial statements for the fiscal year ended June 30, 2024.

Other Related Organizations

Included in the County's Annual Comprehensive Financial Report

None

Excluded from the County's Annual Comprehensive Financial Report

Rappahannock-Rapidan Planning District Commission

The Commission was created by resolution pursuant to state statute and is considered a jointly governed organization and therefore its operations are not included in the County's financial statements. The County appoints two of the 17 board members; however, the County cannot impose its will on the Board since it does not have the ability to modify or approve the budget or overrule or modify the decisions of the Board. The Board is fiscally independent and there is no financial benefit or burden relationship with the County. Therefore, it is not included in the County's financial statements.

Rappahannock-Rapidan Community Services Board

The Board was created by resolution pursuant to state statute and is considered a jointly governed organization and therefore its operations are not included in the County's financial statements. The County appoints two of the 14 board members; however, the County cannot impose its will on the Board since it does not have the ability to modify or approve the budget or overrule or modify the decisions of the Board. The Board is fiscally independent and there is no financial benefit or burden relationship with the County. Therefore, it is not included in the County's financial statements.

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

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

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

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

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

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

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

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

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Accordingly, real and personal property taxes are recorded as revenues and receivables when billed, net of allowances for uncollectible amounts. Property taxes not collected within 60 days after year-end are reflected as unavailable revenue. Sales and utility taxes, which are collected by the state or utilities and subsequently remitted to the County, are recognized as revenues and receivables upon collection by the state or utility, which is generally in the month preceding receipt by the County.

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

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

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

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

1. Governmental Funds

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

a. General Fund

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

b. American Rescue Plan Act Fund

The American Rescue Plan Act Fund is a special revenue fund that accounts for and reports all revenues and expenditures of the American Rescue Plan Act funds.

c. Capital Projects Fund

The Capital Projects Fund (Capital Improvements) accounts for and reports all financial resources used for the acquisition or construction of major capital facilities not being financed by proprietary funds.

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

Enterprise Funds

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

The County reports the following major enterprise funds:

Water and Sewer Fund - This fund is used to account for sewage treatment plant, sewage pumping stations and collection systems as well as the water distribution system.

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

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

Landfill Fund - This fund is used to account for the activities of the County's landfill.

Airport Fund - This fund is used to account for the activities occurring at the County's Airport.

Water and Sewer Authority - This fund is used to account for the activities occurring at the Water and Sewer Authority.

Internal Service Funds

The 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. The Internal Service Funds consist of the following fund:

Health Insurance Fund – This fund accounts for the health insurance program activities of the County.

Dental Insurance Fund – This fund accounts for the dental insurance program activities of the County.

3. Fiduciary Funds (Trust and Custodial Funds) account for assets held by the County in a trustee capacity or as an agent or custodian for individuals, private organizations, other governmental units, or other funds. These funds include Custodial Funds. These funds utilize the accrual basis of accounting. Fiduciary funds are not included in the government-wide financial statements. The County's Custodial funds are the Special Welfare Fund and Sheriff Inmate Fund. The Special Welfare Fund accounts for monies provided primarily through private donors for assistance of children in foster care, and needy senior citizens. This fund is also used to account for monies received from other governments and individuals (i.e., social security and child support) to be paid to special welfare recipients. The Sheriff Inmate Fund accounts for funds of the inmates of the County Jail.

D. Budgets and Budgetary Accounting

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

1. Prior to March 30, the County Administrator submits to the Board of Supervisors a proposed operating and capital budget for the fiscal year commencing the following July 1. The operating and capital budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain citizen comments.
3. Prior to June 30, the budget is legally enacted through passage of an Appropriations Resolution.
4. The Appropriations Resolution places legal restrictions on expenditures at the department level. The appropriation for each department or category can be revised only by the Board of Supervisors. The County Administrator is authorized to transfer budgeted amounts within general government departments; however, the School Board is authorized to transfer budgeted amounts within the school system's categories.

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

D. Budgets and Budgetary Accounting: (Continued)

5. Formal budgetary integration is employed as a management control device during the year and budgets are legally adopted for the General Fund, CARES ACT Fund, Capital Projects Fund, School Operating Fund, School Cafeteria Fund, and School Capital Projects Fund.
6. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
7. Appropriations lapse on June 30, for all County units. Several supplemental appropriations were necessary during the year and at year-end.
8. All budgetary data presented in the accompanying financial statements is the original to the current comparison of the final budget and actual results.

E. Cash and Cash Equivalents

The government's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

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

Money market investments, participating interest-earning investment contracts (repurchase agreements) that have a remaining maturity at time of purchase of one year or less, nonparticipating interest-earning investment contracts (nonnegotiable certificates of deposit (CDs) and external investment pools are measured at amortized cost. All other investments are reported at fair value.

Fair value is the price that would be received to sell an investment in an orderly transaction at year end.

F. Receivables and payables

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

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 \$1,057,292 at June 30, 2024, and is comprised solely of property taxes.

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

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

G. Inventory and Prepaid Items

Inventory is stated at cost (first-in, first-out) which is not in excess of market value. It consists primarily of operating materials held for consumption and or supplies for repairs and maintenance.

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

H. Capital Assets

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

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

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

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

<u>Assets</u>	<u>Years</u>
Buildings	40
Building Improvements	20-40
Lease land	3-5
Lease buildings and improvements	3-5
Lease equipment	3-5
Vehicles	5
Office and Computer Equipment	5
Buses	12

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

H. Compensated Absences

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

J. Long-term Obligations

In the government-wide financial statements, obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type on the Statement of Net Position. Bonds payable are reported net of the applicable bond premium or discount.

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

K. Fund Balances

Financial Policies

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

Financial Policies

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

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

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

K. Fund Balances: (Continued)

Financial Policies (Continued)

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

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

Assigned fund balance – Amounts that are constrained by the County’s intent to be used for specific purposes, but that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the governing body, another body (such as a Finance Committee), or by an official to whom that authority has been given. Amounts in the assigned fund balance classification are intended to be used by the County for specific purposes but do not meet the criteria to be classified as committed. In accordance with the County’s financial policies, the Board of Supervisors may assign fund balance as it does through the adoption or amendment of the budget as intended for specific purpose. The County Administrator also has authority, as delegated by the Board of Supervisors, to assign fund balance. 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. With the exception of the General Fund, this is the residual fund balance classification for all governmental funds with positive balances.

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

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

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

COUNTY OF CULPEPER, VIRGINIA

Notes to Financial Statements
At June 30, 2024 (Continued)

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

K. Fund Balances: (Continued)

The following is detail of County's Fund Balances:

Category	General Fund	Capital Project Fund	Total Primary Government	Component Unit School Board
Nonspendable:				
Prepaid items	\$ 570,585	\$ -	\$ 570,585	\$ 391,679
Net lease receivable	55,220	-	55,220	-
Total Nonspendable	<u>\$ 625,805</u>	<u>\$ -</u>	<u>\$ 625,805</u>	<u>\$ 391,679</u>
Restricted:				
USDA Debt Service Reserve	\$ 101,802	\$ -	\$ 101,802	\$ -
Unexpended Bond Proceeds:				
EMS Ambulance	603,947	-	603,947	-
Opioid settlement	79,158	-	79,158	-
Parks and Recreation Multi Use Trails	4,881	-	4,881	-
DSS Children's Programs	4,785	-	4,785	-
DSS Senior Citizen Programs	11,283	-	11,283	-
Animal shelter	17,002	-	17,002	-
Sheriff Commissary	66,218	-	66,218	-
Drug forfeitures	95,499	-	95,499	-
Total Restricted	<u>\$ 984,575</u>	<u>\$ -</u>	<u>\$ 984,575</u>	<u>\$ -</u>
Committed:				
School Capital Projects	\$ 6,133,211	\$ -	\$ 6,133,211	\$ 7,074,000
Library	544,647	-	544,647	-
Proffers	2,019,461	-	2,019,461	-
IT Fee-Building permits	55,201	-	55,201	-
Courthouse construction fees	259,316	-	259,316	-
Fire and Rescue	23,989	-	23,989	-
Day Care	2,262,231	-	2,262,231	-
Cosmetology	1,171,979	-	1,171,979	-
Capital Projects	-	17,418,075	17,418,075	-
Total Committed	<u>\$ 12,470,035</u>	<u>\$ 17,418,075</u>	<u>\$ 29,888,110</u>	<u>\$ 7,074,000</u>
Assigned:				
Animal Services	\$ 1,175	\$ -	\$ 1,175	\$ -
E911 Tower Deposit	3,000	-	3,000	-
Eurocomposites easement	7,500	-	7,500	-
E911	2,978,043	-	2,978,043	-
Textbook	-	-	-	2,183,586
School Activities	-	-	-	2,222,743
Cafeteria	-	-	-	2,405,317
Total Assigned	<u>\$ 2,989,718</u>	<u>\$ -</u>	<u>\$ 2,989,718</u>	<u>\$ 6,811,646</u>
Unassigned	<u>\$ 43,802,004</u>	<u>\$ -</u>	<u>\$ 43,802,004</u>	<u>\$ (391,679)</u>
Total Fund Balance	<u>\$ 60,872,137</u>	<u>\$ 17,418,075</u>	<u>\$ 78,290,212</u>	<u>\$ 13,885,646</u>

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

L. 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.

M. Net Position

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

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

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

N. Component Unit-School Board Capital Asset and Debt Presentation

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

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

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

N. Component Unit-School Board Capital Asset and Debt Presentation: (Continued)

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

O. Deferred Outflows/Inflows of Resources

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

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

P. Pensions

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

Q. Leases

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

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

R. Leases: (Continued)

Lessee

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

Lessor

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

Key Estimates and Judgments

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

- The County uses the interest rate stated in lease contracts. When the interest rate is not provided or the implicit rate cannot be readily determined, the County uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease and certain periods covered by options to extend to reflect how long the lease is expected to be in effect, with terms and conditions varying by the type of underlying asset.
- Fixed and certain variable payments as well as lease incentives and certain other payments are included in the measurement of the lease liability (lessee) or lease receivable (lessor).

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

COUNTY OF CULPEPER, VIRGINIA

Notes to Financial Statements
At June 30, 2024 (Continued)

Note 2—Deposits and Investments:

Deposits

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

Investments

Statutes authorize the County and Component Unit School Board to invest in obligations of the United States or agencies thereof, obligations of the Commonwealth of Virginia or political subdivisions thereof, obligations of the International Bank for Reconstruction and Development (World Bank), the Asian Development Bank, the African Development Bank, “prime quality” commercial paper and certain corporate notes, banker’s acceptances, repurchase agreements and the State Treasurer’s Local Government Investment Pool (LGIP).

Credit Risk of Debt Securities

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

The County’s rated debt investments as of June 30, 2024 were rated by Standard & Poor’s and the ratings are presented below using Standard & Poor’s rating scale.

Rated Debt Investments' Values

Rated Debt Investments	Fair Quality Ratings		
	AAAm	AAAf	AA+f
Local Government Investment Pool	\$ 5,196,561	\$ 5,552,598	\$ -
VACo/VML Virginia Investment Pool Bond Fund	-	-	2,186,053
Total	<u>\$ 5,196,561</u>	<u>\$ 5,552,598</u>	<u>\$ 2,186,053</u>

Investment maturities in years:

Investment Type	Fair Value	Less Than 1 Year	1-5 Years
Local Government Investment Pool	\$ 10,749,159	\$ 5,196,561	\$ 5,552,598
VACo/VML Virginia Investment Pool Bond Fund	2,186,053	-	2,186,053
Total	<u>\$ 12,935,212</u>	<u>\$ 5,196,561</u>	<u>\$ 7,738,651</u>

Fair Value Measurements: Fair value of the Virginia Investment Pool is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The County has measured the fair value of the above investments at the net asset value (NAV).

Redemption Restrictions: County is limited to two withdrawals per month.

COUNTY OF CULPEPER, VIRGINIA

Notes to Financial Statements
At June 30, 2024 (Continued)

Note 2—Deposits and Investments: (Continued)

External Investment Pool:

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

Note 3—Due from Other Governments:

At June 30, 2024, the County and School Board have receivables from other governments as follows:

	Primary Government	Discretely Presented Component Unit School Board
Commonwealth of Virginia:		
Shared expenses	\$ 462,219	\$ -
State sales taxes	-	2,055,220
Local sales taxes	2,161,104	-
Communication taxes	208,677	-
Public assistance	238,269	-
Comprehensive services	288,737	-
Capital grants	232,585	-
Airport	185,141	-
Miscellaneous	61,997	-
Federal Government:		
School funds	-	1,014,037
Public assistance	316,795	-
Headstart	1,748,619	-
Airport	280,800	-
Capital grants	200,000	-
USDA	176,231	-
Miscellaneous	297,971	11,468
Total	\$ <u>6,859,145</u>	\$ <u>3,080,725</u>

COUNTY OF CULPEPER, VIRGINIA

Notes to Financial Statements
At June 30, 2024 (Continued)

Note 4—Interfund Transfers Due From/To Other Funds/Primary Government/Component Units:

Individual fund and interfund receivable and payable balances relating to working capital loans at June 30, 2024 are summarized below:

Fund	Due from Other Funds	Due to Other Funds
General	\$ 7,055,249	\$ -
Health Insurance Fund	-	300,000
Water and Sewer Fund	-	2,278,540
Water and Sewer Authority	-	2,700,000
Airport	-	1,776,709
Total	\$ 7,055,249	\$ 7,055,249
Fund	Due from Primary Government	Due to Component Unit
General	\$ -	\$ 2,016,121
School	2,016,121	-
Total	\$ 2,016,121	\$ 2,016,121
Fund	Transfers In	Transfers Out
Primary Government:		
General Fund	\$ -	\$ 14,707,211
Landfill Fund	1,714,745	-
Water & Sewer Fund	914,314	-
Capital Projects Fund	12,003,152	-
Airport Fund	75,000	-
Total	\$ 14,707,211	\$ 14,707,211

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.

COUNTY OF CULPEPER, VIRGINIA

Notes to Financial Statements
At June 30, 2024 (Continued)

Note 5—Capital Assets:

Primary Government

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

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 11,926,155	\$ -	\$ -	\$ 11,926,155
Construction in Progress	3,494,281	2,003,105	1,449,131	4,048,255
Construction in Progress-jointly owned assets	<u>17,308,368</u>	<u>-</u>	<u>17,308,368</u>	<u>-</u>
Total capital assets not being depreciated	\$ <u>32,728,804</u>	\$ <u>2,003,105</u>	\$ <u>18,757,499</u>	\$ <u>15,974,410</u>
Capital assets, being depreciated:				
Buildings and improvements	\$ 49,579,864	\$ 804,304	\$ -	\$ 50,384,168
Lease land	111,414	-	-	111,414
Lease equipment	387,888	-	-	387,888
Equipment	24,365,466	1,251,357	464,858	25,151,965
Jointly owned assets	42,055,544	17,308,368	4,960,671	54,403,241
Total capital assets being depreciated	\$ <u>116,500,176</u>	\$ <u>19,364,029</u>	\$ <u>5,425,529</u>	\$ <u>130,438,676</u>
Less accumulated depreciation for:				
Buildings and improvements	\$ 19,830,151	\$ 1,435,424	\$ -	\$ 21,265,575
Lease land	51,422	25,711	-	77,133
Lease equipment	251,586	94,309	-	345,895
Equipment	12,380,421	1,421,118	464,858	13,336,681
Jointly owned assets	7,756,045	1,090,215	1,952,277	6,893,983
Total accumulated depreciation	\$ <u>40,269,625</u>	\$ <u>4,066,777</u>	\$ <u>2,417,135</u>	\$ <u>41,919,267</u>
Total capital assets being depreciated, net	\$ <u>76,230,551</u>	\$ <u>15,297,252</u>	\$ <u>3,008,394</u>	\$ <u>88,519,409</u>
Governmental activities capital assets, net	<u>\$ 108,959,355</u>	<u>\$ 17,300,357</u>	<u>\$ 21,765,893</u>	<u>\$ 104,493,819</u>

COUNTY OF CULPEPER, VIRGINIA

Notes to Financial Statements
At June 30, 2024 (Continued)

Note 5—Capital Assets: (Continued)

Primary Government: (Continued)

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

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024
Governmental Activities:				
Lenn Park improvements	\$ 247,820	\$ -	\$ -	\$ 247,820
Carver Center demolition	1,261,937	8,482	-	1,270,419
Carver Center upgrades	57,466	-	-	57,466
Carver Cener Roof Replacement	5,365	706,145	711,510	-
Carver Cener Kitchen	1,062,316	150,099		1,212,415
Vehicles	116,919	7,835	124,754	-
Cradlepoint cameras	100,466	-	91,333	9,133
Community Pool	45,945	281,854		327,799
County wide CCTV Security	345,870	175,664	521,534	-
Voting machings	20,021	50,297		70,318
Options House Renovations	12,204	1,010		13,214
Courthouse Cooling Towers	10,803	2,847		13,650
VBAF Piedmont abatement project	207,149	-		207,149
Mountain Run Park	-	10,030		10,030
VOIP Phone System	-	2,994		2,994
EMS bldg	-	1,680		1,680
Renovate Lower Level 155 W Davis St	-	515,955		515,955
Shade Sail Project	-	4,163		4,163
Courthouse Improvements	-	84,050		84,050
Total	\$ 3,494,281	\$ 2,003,105	\$ 1,449,131	\$ 4,048,255

COUNTY OF CULPEPER, VIRGINIA

Notes to Financial Statements
At June 30, 2024 (Continued)

Note 5—Capital Assets: (Continued)

Primary Government: (Continued)

Business-type Activities:

The following is a summary of changes in enterprise fund capital assets during the year:

	<u>Balance July 1, 2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2024</u>
Water and Sewer Fund:				
Capital assets, not being depreciated:				
Land	\$ 485,200	\$ -	\$ -	\$ 485,200
Construction in Progress	<u>107,024</u>	<u>14,821</u>	<u>9,542</u>	<u>112,303</u>
Total capital assets not being depreciated	\$ <u>592,224</u>	\$ <u>14,821</u>	\$ <u>9,542</u>	\$ <u>597,503</u>
Capital assets, being depreciated:				
Sewer Plant	\$ 3,049,796	\$ -	\$ 26,320	\$ 3,023,476
Lease equipment	<u>81,543</u>	<u>-</u>	<u>-</u>	<u>81,543</u>
Equipment	<u>519,030</u>	<u>6,810</u>	<u>73,037</u>	<u>452,803</u>
Total capital assets being depreciated	\$ <u>3,650,369</u>	\$ <u>6,810</u>	\$ <u>99,357</u>	\$ <u>3,557,822</u>
Less accumulated depreciation for:				
Sewer Plant	\$ 1,933,460	\$ 76,578	\$ 19,082	\$ 1,990,956
Lease equipment	<u>58,164</u>	<u>19,983</u>	<u>-</u>	<u>78,147</u>
Equipment	<u>442,838</u>	<u>17,323</u>	<u>73,037</u>	<u>387,124</u>
Total accumulated depreciation	\$ <u>2,434,462</u>	\$ <u>113,884</u>	\$ <u>92,119</u>	\$ <u>2,456,227</u>
Total capital assets being depreciated, net	\$ <u>1,215,907</u>	\$ <u>(107,074)</u>	\$ <u>7,238</u>	\$ <u>1,101,595</u>
Net capital assets	<u>\$ 1,808,131</u>	<u>\$ (92,253)</u>	<u>\$ 16,780</u>	<u>\$ 1,699,098</u>
Landfill Fund:				
Capital assets, not being depreciated:				
Land	\$ 401,073	\$ -	\$ -	\$ 401,073
Total capital assets not being depreciated	\$ <u>401,073</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>401,073</u>
Capital assets, being depreciated:				
Buildings and improvements	\$ 8,539	\$ -	\$ -	\$ 8,539
Lease equipment	<u>30,350</u>	<u>-</u>	<u>-</u>	<u>30,350</u>
Equipment	<u>863,559</u>	<u>-</u>	<u>-</u>	<u>863,559</u>
Total capital assets being depreciated	\$ <u>902,448</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>902,448</u>
Less accumulated depreciation for:				
Buildings and improvements	\$ 3,630	\$ 213	\$ -	\$ 3,843
Lease equipment	<u>21,648</u>	<u>7,438</u>	<u>-</u>	<u>29,086</u>
Equipment	<u>432,632</u>	<u>59,799</u>	<u>-</u>	<u>492,431</u>
Total accumulated depreciation	\$ <u>457,910</u>	\$ <u>67,450</u>	\$ <u>-</u>	\$ <u>525,360</u>
Total capital assets being depreciated, net	\$ <u>444,538</u>	\$ <u>(67,450)</u>	\$ <u>-</u>	\$ <u>377,088</u>
Net capital assets	<u>\$ 845,611</u>	<u>\$ (67,450)</u>	<u>\$ -</u>	<u>\$ 778,161</u>

COUNTY OF CULPEPER, VIRGINIA

Notes to Financial Statements
At June 30, 2024 (Continued)

Note 5—Capital Assets: (Continued)

Primary Government: (Continued)

Business-type Activities: (Continued)

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024
Airport Fund:				
Capital assets, not being depreciated:				
Land	\$ 4,685,344	\$ -	\$ -	\$ 4,685,344
Construction in Progress	959,872	1,828,383	210,085	2,578,170
Total capital assets, not being depreciated	\$ 5,645,216	\$ 1,828,383	\$ 210,085	\$ 7,263,514
Capital assets, being depreciated:				
Buildings and improvements	\$ 21,748,501	\$ -	\$ -	\$ 21,748,501
Lease equipment	7,391	-	-	7,391
Equipment	557,681	219,885	-	777,566
Total capital assets being depreciated	\$ 22,313,573	\$ 219,885	\$ -	\$ 22,533,458
Less accumulated depreciation for:				
Buildings and improvements	\$ 13,456,651	\$ 693,283	\$ -	\$ 14,149,934
Lease equipment	7,391	-	-	7,391
Equipment	372,430	38,619	-	411,049
Total accumulated depreciation	\$ 13,836,472	\$ 731,902	\$ -	\$ 14,568,374
Total capital assets, not being depreciated, net	\$ 8,477,101	\$ (512,017)	\$ -	\$ 7,965,084
Net capital assets	\$ 14,122,317	\$ 1,316,366	\$ 210,085	\$ 15,228,598
Water and Sewer Authority:				
Capital assets, not being depreciated:				
Land	\$ 1,469,120	\$ -	\$ -	\$ 1,469,120
Capital assets, being depreciated:				
Buildings and improvements	\$ 25,026,130	\$ -	\$ -	\$ 25,026,130
Equipment	17,983	-	-	17,983
Total capital assets being depreciated	\$ 25,044,113	\$ -	\$ -	\$ 25,044,113
Less accumulated depreciation for:				
Buildings and improvements	\$ 7,826,288	\$ 626,103	\$ -	\$ 8,452,391
Equipment	17,983	-	-	17,983
Total accumulated depreciation	\$ 7,844,271	\$ 626,103	\$ -	\$ 8,470,374
Total capital assets, not being depreciated, net	\$ 17,199,842	\$ (626,103)	\$ -	\$ 16,573,739
Net capital assets	\$ 18,668,962	\$ (626,103)	\$ -	\$ 18,042,859

COUNTY OF CULPEPER, VIRGINIA

Notes to Financial Statements
At June 30, 2024 (Continued)

Note 5—Capital Assets: (Continued)

Primary Government: (Continued)

Business-type Activities: (Continued)

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

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024
Airport Fund:				
Land acquisition	\$ 10,778	\$ -	\$ -	\$ 10,778
Greenhouse road extension	305,309	-	-	305,309
Greenhouse road extension - Construction	196,071	1,682,751	-	1,878,822
Airport lighting - Phase 2	137,713	72,372	210,085	-
Airport terminal facility - design	310,001	-	-	310,001
T-Hangar repairs	-	27,322	-	27,322
	-	45,938	-	45,938
Total	<u>\$ 959,872</u>	<u>\$ 1,828,383</u>	<u>\$ 210,085</u>	<u>\$ 2,578,170</u>
Water and Sewer Fund:				
Emerald Hill radium removal Pump house	\$ 11,107	\$ -	\$ -	\$ 11,107
Airpark Water Tank	5,802	3,740	9,542	-
Washout/inspect and repair water storage	5,802	3,739	-	9,541
Automated Meter Reading System	84,313	7,342	-	91,655
Total	<u>\$ 107,024</u>	<u>\$ 14,821</u>	<u>\$ 9,542</u>	<u>\$ 112,303</u>

Component Unit-School Board

The following is a summary of changes in School Board capital assets during the year:

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024
Capital assets, not being depreciated:				
Land	\$ 200,151	\$ -	\$ -	\$ 200,151
Land improvements	4,986,094	542,343	-	5,528,437
Construction in progress	23,249,778	7,564,089	25,639,100	5,174,767
Construction in progress - jointly owned	(17,308,368)	-	(17,308,368)	-
Total capital assets, not being depreciated	<u>\$ 11,127,655</u>	<u>\$ 8,106,432</u>	<u>\$ 8,330,732</u>	<u>\$ 10,903,355</u>
Capital assets, being depreciated:				
Buildings and improvements	\$ 161,462,382	\$ 23,454,557	\$ -	\$ 184,916,939
Lease buildings and improvements	173,886	-	-	173,886
Lease equipment	746,656	-	-	746,656
Equipment	19,773,299	2,475,672	-	22,248,971
Jointly owned assets	(42,055,544)	(17,308,368)	(4,960,671)	(54,403,241)
Total capital assets being depreciated	<u>\$ 140,100,679</u>	<u>\$ 8,621,861</u>	<u>\$ (4,960,671)</u>	<u>\$ 153,683,211</u>
Less accumulated depreciation for:				
Buildings and improvements	\$ 68,316,233	\$ 4,458,005	\$ -	\$ 72,774,238
Lease buildings and improvements	173,886	-	-	173,886
Lease equipment	391,398	186,563	-	577,961
Equipment	15,258,674	1,058,824	-	16,317,498
Jointly owned assets	(7,756,045)	(1,090,215)	(1,952,277)	(6,893,983)
Total accumulated depreciation	<u>\$ 76,384,146</u>	<u>\$ 4,613,177</u>	<u>\$ (1,952,277)</u>	<u>\$ 82,949,600</u>
Total capital assets being depreciated, net	<u>\$ 63,716,533</u>	<u>\$ 4,008,684</u>	<u>\$ (3,008,394)</u>	<u>\$ 70,733,611</u>
School Board capital assets, net	<u>\$ 74,844,188</u>	<u>\$ 12,115,116</u>	<u>\$ 5,322,338</u>	<u>\$ 81,636,966</u>

Note 5—Capital Assets: (Continued)

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

Governmental activities:		
General government administration	\$	288,859
Judicial administration		63,566
Public safety		1,144,445
Public works		505,909
Health and welfare		423,228
Education		1,236,632
Parks, recreation and cultural		309,376
Community development		94,762
Total governmental activities	\$	<u>4,066,777</u>
Enterprise Funds:		
Landfill	\$	67,450
Water & sewer		113,884
Airport		731,902
Water & sewer authority		626,103
Total enterprise funds	\$	<u>1,539,339</u>
Component Unit-School Board	\$	<u>2,660,900</u> (1)
(1) Depreciation Expense	\$	2,660,900
Joint tenancy transfer of accumulated depreciation		<u>1,952,277</u>
Total additions to accumulated depreciation, previous page	\$	<u>4,613,177</u>

Note 6—Deferred/Unavailable/Unearned Revenue:

The following is a summary of unavailable/unearned revenue at June 30, 2024:

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

	Government-wide Statements	Balance Sheet
	Governmental Activities	Governmental Funds
Primary Government:		
Deferred/Unavailable property tax revenue:		
Unavailable revenue representing uncollected property tax billings for which asset recognition criteria has not been met. The uncollected tax billings are not available for the funding of current expenditures.	\$ -	\$ 6,092,148
Prepaid property tax revenues representing collections received for property taxes that are applicable to the subsequent budget year.	556,527	556,527
Total primary government	<u>\$ 556,527</u>	<u>\$ 6,648,675</u>

COUNTY OF CULPEPER, VIRGINIA

Notes to Financial Statements
At June 30, 2024 (Continued)

Note 7—Long-Term Obligations:

Primary Government:

The following is a summary of changes in long-term obligation transactions for the fiscal year ended June 30, 2024:

	Balance July 1, 2023	Issuances/ Increases	Retirements/ Decreases	Balance June 30, 2024	Amounts Due Within One Year
Governmental Activities:					
School Lease Revenue and Refunding Bonds:					
Direct Borrowings and Direct Placements	\$ 30,360,000	\$ -	\$ 2,685,000	\$ 27,675,000	\$ 2,800,000
Premium on school bonds	2,108,829	-	210,883	1,897,946	210,883
Total school lease revenue and refunding bonds	\$ 32,468,829	\$ -	\$ 2,895,883	\$ 29,572,946	\$ 3,010,883
School Lease Revenue Bonds:					
Public Offerings	\$ 14,690,000	\$ -	\$ 680,000	\$ 14,010,000	\$ 715,000
Premium on school bonds	962,457	-	60,154	902,303	60,154
Total school lease revenue and refunding bonds	\$ 15,652,457	\$ -	\$ 740,154	\$ 14,912,303	\$ 775,154
School general obligation bonds:					
Public Offerings	\$ 7,335,000	\$ -	\$ 780,000	\$ 6,555,000	\$ 790,000
Premium on general obligation bonds	1,489,843	-	165,538	1,324,305	165,538
Total school general obligation bonds	\$ 8,824,843	\$ -	\$ 945,538	\$ 7,879,305	\$ 955,538
Compensated absences	\$ 2,543,555	\$ 356,296	\$ 254,356	\$ 2,645,495	\$ 264,550
Net OPEB liability:					
Total medical Insurance OPEB liability	\$ 438,552	\$ 64,616	\$ 25,852	\$ 477,316	\$ -
Net group life insurance OPEB liability	1,147,170	493,387	483,070	1,157,487	-
Total net OPEB liability	\$ 1,585,722	\$ 558,003	\$ 508,922	\$ 1,634,803	\$ -
Net pension liability	5,457,673	8,652,553	9,521,713	4,588,513	-
Direct Borrowings and Direct Placements:					
General obligation bonds	285,400	-	235,700	49,700	49,700
Notes payable	1,089,464	-	538,654	550,810	199,459
Lease liabilities	200,509	-	120,771	79,738	69,097
Lease revenue bonds:					
Direct Placement and Direct Borrowings	\$ 2,544,000	\$ -	\$ 776,000	\$ 1,768,000	\$ 493,000
Public Offerings	3,725,000	-	550,000	3,175,000	565,000
Premium on lease revenue bonds	668,794	-	84,491	584,303	84,491
Total lease revenue bonds	\$ 6,937,794	\$ -	\$ 1,410,491	\$ 5,527,303	\$ 1,142,491
Total Governmental Activities	\$ 75,046,246	\$ 9,566,852	\$ 17,172,182	\$ 67,440,916	\$ 6,466,872
Business-type Activities:					
Compensated absences	\$ 115,292	\$ 27,162	\$ 11,529	\$ 130,925	\$ 13,093
Direct Borrowings and Direct Placements:					
Lease revenue bonds	2,311,882	-	44,449	2,267,433	46,030
Net OPEB liability:					
Total medical Insurance OPEB liability	\$ 17,206	\$ 2,553	\$ 3,164	\$ 16,595	\$ -
Net group life insurance OPEB liability	42,116	20,367	19,337	43,146	-
Total net OPEB liability	\$ 59,322	\$ 22,920	\$ 22,501	\$ 59,741	\$ -
Net pension liability	206,499	349,844	375,432	180,911	-
Lease liabilities	33,668	-	27,642	6,026	6,026
Landfill closure and postclosure costs	319,925	-	35,540	284,385	35,540
Total Business-type Activities	\$ 3,046,588	\$ 399,926	\$ 517,093	\$ 2,929,421	\$ 100,689
Total Primary Government	\$ 78,092,834	\$ 9,966,778	\$ 17,689,275	\$ 70,370,337	\$ 6,567,561

COUNTY OF CULPEPER, VIRGINIA

Notes to Financial Statements
At June 30, 2024 (Continued)

Note 7—Long-Term Obligations: (Continued)

Primary Government: (Continued)

Governmental Activities:

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

Year Ending June 30,	Direct Borrowings and Direct Placements				Direct Borrowings and Direct Placements			
	Lease Revenue Bonds		School Lease Revenue Refunding Bonds		School General Obligation Bonds		Notes payable	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 493,000	\$ 84,305	\$ 2,800,000	\$ 1,013,975	\$ 790,000	\$ 294,150	\$ 199,459	\$ 17,600
2026	235,000	68,489	2,900,000	901,975	800,000	254,650	136,473	12,417
2027	245,000	54,292	3,005,000	785,975	815,000	214,650	141,861	7,028
2028	255,000	39,497	3,080,000	695,825	815,000	173,900	73,017	1,427
2029	265,000	24,112	3,155,000	603,425	825,000	133,150	-	-
2030	275,000	8,137	3,260,000	477,225	830,000	91,900	-	-
2031	-	-	3,040,000	346,825	840,000	50,400	-	-
2032	-	-	3,165,000	225,225	840,000	16,800	-	-
2033	-	-	3,270,000	114,450	-	-	-	-
Total	\$ <u>1,768,000</u>	\$ <u>278,832</u>	\$ <u>27,675,000</u>	\$ <u>5,164,900</u>	\$ <u>6,555,000</u>	\$ <u>1,229,600</u>	\$ <u>550,810</u>	\$ <u>38,472</u>

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COUNTY OF CULPEPER, VIRGINIA

Notes to Financial Statements
At June 30, 2024 (Continued)

Note 7—Long-Term Obligations: (Continued)

Primary Government: (Continued)

Governmental Activities: (Continued)

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

Year Ending June 30,	Lease liabilities		Direct Borrowings and		Public Offerings		Public Offerings	
			Direct Placements		School Lease		Lease Revenue Bonds	
			General		Revenue Bonds		Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 69,097	\$ 420	\$ 49,700	\$ 581	\$ 715,000	\$ 437,850	\$ 565,000	\$ 124,550
2026	10,641	20	-	-	750,000	402,100	575,000	104,775
2027	-	-	-	-	785,000	364,600	575,000	84,650
2028	-	-	-	-	825,000	325,350	585,000	61,650
2029	-	-	-	-	865,000	284,100	600,000	38,250
2030	-	-	-	-	910,000	240,850	135,000	8,250
2031	-	-	-	-	930,000	222,650	140,000	4,200
2032	-	-	-	-	945,000	204,050	-	-
2033	-	-	-	-	965,000	183,969	-	-
2034	-	-	-	-	990,000	162,256	-	-
2035	-	-	-	-	1,015,000	138,744	-	-
2036	-	-	-	-	1,040,000	113,369	-	-
2037	-	-	-	-	1,065,000	87,369	-	-
2038	-	-	-	-	1,090,000	59,413	-	-
2039	-	-	-	-	1,120,000	30,800	-	-
Total	\$ 79,738	\$ 440	\$ 49,700	\$ 581	\$ 14,010,000	\$ 3,257,470	\$ 3,175,000	\$ 426,325

Debt service requirements for general obligation bonds and other long-term obligations are met by the General Fund. The County retains the liability for the portion of general obligation bonds issued to fund capital projects of the School Board.

General obligation bonds are direct obligations and pledge the full faith and credit of the County.

COUNTY OF CULPEPER, VIRGINIA

Notes to Financial Statements
At June 30, 2024 (Continued)

Note 7—Long-Term Obligations: (Continued)

Primary Government: (Continued)

Business-type Activities:

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

Year Ending June 30,	Direct Borrowings and Direct Placements		Lease Liabilities	
	Lease Revenue Bonds			
	Principal	Interest	Principal	Interest
2025	\$ 46,030	\$ 78,626	\$ 6,026	10
2026	47,668	76,988	-	-
2027	49,363	75,293	-	-
2028	51,119	73,538	-	-
2029	52,937	71,719	-	-
2030	54,820	69,836	-	-
2031	56,769	67,887	-	-
2032	58,788	65,868	-	-
2033	60,879	63,777	-	-
2034	63,045	61,611	-	-
2035	65,287	59,369	-	-
2036	67,609	57,047	-	-
2037	70,014	54,642	-	-
2038	72,504	52,152	-	-
2039	75,083	49,573	-	-
2040	77,753	46,903	-	-
2041	80,519	44,137	-	-
2042	83,382	41,274	-	-
2043	86,348	38,308	-	-
2044	89,419	35,237	-	-
2045	92,599	32,057	-	-
2046	95,893	28,763	-	-
2047	99,304	25,352	-	-
2048	102,836	21,820	-	-
2049	106,493	18,163	-	-
2050	110,281	14,375	-	-
2051	114,203	10,453	-	-
2052	118,265	6,391	-	-
2054	118,223	2,185	-	-
Total	\$ 2,267,433	\$ 1,343,344	\$ 6,026	\$ 10

COUNTY OF CULPEPER, VIRGINIA

Notes to Financial Statements
At June 30, 2024 (Continued)

Note 7—Long-Term Obligations: (Continued)

Primary Government: (Continued)**Details of Long-Term Obligations:**

	<u>Amount Outstanding</u>	<u>Due Within One Year</u>
Governmental Activities:		
<u>County Lease Revenue Bonds:</u>		
<u>Public Offering:</u>		
\$4,805,000 Public Facility Lease Revenue Refunding Bonds Series 2020 issued November 18, 2020 payable in various semi-annual payments through June 1, 2031, interest payable semi-annually ranging from 3% to 5%	\$ 3,175,000	\$ 565,000
<u>Direct Borrowings and Direct Placements:</u>		
\$6,433,000 IDA Lease Refunding Revenue Bonds Series 2011 issued October 26, 2011 payable in various semi-annual payments through July 15, 2024, interest payable semi-annually at 2.220%	\$ 263,000	\$ 263,000
\$3,925,000 VRA Lease Revenue Bonds Series 2009 issued November 1, 2009 payable in various semi-annual payments through October 1, 2029, interest payable semi-annually at rates from 4.97% to 5.70%	1,505,000	230,000
Premium on bonds	<u>584,303</u>	<u>84,491</u>
Total County lease revenue bonds	\$ <u>5,527,303</u>	\$ <u>1,142,491</u>
<u>County General Obligation Bonds:</u>		
<u>Direct Borrowings and Direct Placements:</u>		
\$2,654,000 General Obligation Refunding Bonds Series 2011 issued November 17, 2011 payable in various semi-annual payments through July 15, 2024, interest payable semi-annually at 2.34%	\$ <u>49,700</u>	\$ <u>49,700</u>
Total County general obligation bonds	\$ <u>49,700</u>	\$ <u>49,700</u>

COUNTY OF CULPEPER, VIRGINIA

Notes to Financial Statements
At June 30, 2024 (Continued)

Note 7—Long-Term Obligations: (Continued)

Primary Government: (Continued)**Details of Long-Term Obligations: (Continued)**

	<u>Amount Outstanding</u>	<u>Due Within One Year</u>
Governmental Activities: (Continued)		
<u>School Lease Revenue Refunding Bonds:</u>		
<u>Direct Borrowings and Direct Placements:</u>		
\$49,745,000 Lease Revenue Refunding Bonds, Series 2014, issued August 19, 2014 payable in various annual installments through June 1, 2033, interest at rates ranging from 3.00% to 5.00%	\$ 27,675,000	\$ 2,800,000
Premium on bonds	<u>1,897,946</u>	<u>210,883</u>
Total school lease revenue refunding bonds	\$ <u>29,572,946</u>	\$ <u>3,010,883</u>
<u>School Lease Revenue Bonds:</u>		
<u>Public Offerings:</u>		
\$16,450,000 Lease Revenue Bonds, Series 2019, issued December 19, 2019 payable in various annual installments through June 1, 2039, interest at rates ranging from 2.00% to 5.00%	\$ 14,010,000	\$ 715,000
Premium on bonds	<u>902,303</u>	<u>60,154</u>
Total school lease revenue bonds	\$ <u>14,912,303</u>	\$ <u>775,154</u>
<u>School General Obligation Bonds:</u>		
<u>Direct Borrowings and Direct Placements:</u>		
\$8,800,000 General Obligation Refunding Bonds, Series 2020 dated November 17, 2020, principal payable annually in various incremental amounts through June 30, 2032, interest payable semi-annually at rates ranging from 2.00% to 5.00%	\$ 6,555,000	\$ 790,000
Premium on general obligation bonds	<u>1,324,305</u>	<u>165,538</u>
Total school general obligation bonds	\$ <u>7,879,305</u>	\$ <u>955,538</u>

COUNTY OF CULPEPER, VIRGINIA

Notes to Financial Statements
At June 30, 2024 (Continued)

Note 7—Long-Term Obligations: (Continued)

Primary Government: (Continued)

Details of Long-Term Obligations: (Continued)

	<u>Amount Outstanding</u>	<u>Due Within One Year</u>
Governmental Activities: (Continued)		
<u>Notes payable:</u>		
\$1,029,000 note payable, issued October 19, 2021, payable various annual installments through April 1, 2024, interest payable annually at 0.77%.	\$ -	\$ -
\$135,348 note payable, issued July 1, 2021, payable annual installments of \$27,070 through July, 2024, interest payable annually at 0%.	\$ 27,070	\$ 27,070
\$164,398 note payable, issued April 1, 2022, payable annual installments of \$41,099 through July, 2024, interest payable annually at 0%.	41,099	41,099
\$671,000 note payable, issued October 24, 2022, payable semi-annual installments of \$74,445 through October, 2027, interest payable annually at 3.910%.	<u>482,641</u>	<u>131,290</u>
Total notes payable	\$ <u>550,810</u>	\$ <u>199,459</u>
<u>Lease liabilities:</u>		
Lease for land payable in monthly payments of \$2,188 through October 2025. Discount rate at 1.00%.	\$ 34,739	\$ 26,045
Various leases for vehicles and copiers payable in various monthly payments through October 2025. Discount rate at 1.00%	<u>44,999</u>	<u>43,052</u>
Total lease liabilities	\$ <u>79,738</u>	\$ <u>69,097</u>
<u>Compensated absences</u>	\$ <u>2,645,495</u>	\$ <u>264,550</u>
<u>Net medical insurance OPEB liability</u>	\$ <u>477,316</u>	\$ -
<u>Net group life insurance OPEB liability</u>	\$ <u>1,157,487</u>	\$ -
<u>Net pension liability</u>	\$ <u>4,588,513</u>	\$ -
Total governmental activities	<u>\$ 67,440,916</u>	<u>\$ 6,466,872</u>

COUNTY OF CULPEPER, VIRGINIA

Notes to Financial Statements
At June 30, 2024 (Continued)

Note 7—Long-Term Obligations: (Continued)

Primary Government: (Continued)**Details of Long-Term Obligations: (Continued)**

	<u>Amount Outstanding</u>	<u>Due Within One Year</u>
Business-type Activities:		
<u>Airport Lease Revenue Bond:</u>		
Direct Borrowings and Direct Placements:		
\$2,650,000 revenue bonds series 2015 issued July 2015, payable in annual principal and interest installments of \$10,388 through February 2056, interest payable semi-annually at 3.5%	\$ 2,267,433	\$ 46,030
<u>Lease liabilities:</u>		
Various leases for vehicles payable in various monthly payments through January 2025. Discount rate at 1.00%	6,026	6,026
<u>Compensated absences</u>	130,925	13,093
<u>Net medical insurance OPEB liability</u>	16,595	-
<u>Net group life insurance OPEB liability</u>	43,146	-
<u>Net pension liability</u>	180,911	-
<u>Landfill closure and postclosure costs</u>	<u>284,385</u>	<u>35,540</u>
Total business-type activities	\$ <u>2,929,421</u>	\$ <u>100,689</u>
Total Primary Government	\$ <u>70,370,337</u>	\$ <u>6,567,561</u>

COUNTY OF CULPEPER, VIRGINIA

Notes to Financial Statements
At June 30, 2024 (Continued)

Note 7—Long-Term Obligations: (Continued)

Component Unit School Board:

The following is a summary of changes in long-term obligation transactions for the fiscal year ended June 30, 2024.

	Balance July 1, 2023	Issuances/ Increases	Retirements/ Decreases	Balance June 30, 2024	Amounts Due Within One Year
Compensated absences	\$ 1,297,796	\$ 254,693	\$ 129,780	\$ 1,422,709	\$ 142,271
Lease liabilities	362,489	-	191,400	171,089	171,089
Net pension liability	49,998,376	23,507,269	20,358,930	53,146,715	-
Net OPEB liability:					
Net VRS HIC OPEB liability	\$ 6,611,078	\$ 1,104,478	\$ 1,294,923	\$ 6,420,633	\$ -
Net group life insurance OPEB liability	2,999,163	1,178,881	1,202,787	2,975,257	-
Total medical insurance OPEB liability	2,474,147	263,909	200,652	2,537,404	-
Total net OPEB liability	\$ 12,084,388	\$ 2,547,268	\$ 2,698,362	\$ 11,933,294	\$ -
Total	\$ 63,743,049	\$ 26,309,230	\$ 23,378,472	\$ 66,673,807	\$ 313,360

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

Year Ending June 30,	Lease Liabilities	
	Principal	Interest
2025	\$ 171,089	858
Total	\$ 171,089	\$ 858

COUNTY OF CULPEPER, VIRGINIA

Notes to Financial Statements
At June 30, 2024 (Continued)

Note 7—Long-Term Obligations: (Continued)**Component Unit School Board: (Continued)****Details of Long-Term Obligations:**

	<u>Amount Outstanding</u>
<u>Lease liabilities:</u>	
Various leases for copiers payable in various monthly payments through May 2025. Discount rate at 1.00%	\$ <u>171,089</u>
Total lease liabilities	\$ <u>171,089</u>
Compensated absences	\$ <u>1,422,709</u>
Net pension liability	\$ <u>53,146,715</u>
Net OPEB liability	\$ <u>11,933,294</u>
Total component unit obligations	\$ <u><u>66,673,807</u></u>

Note 8—Leases Receivable:

The County leases tower space to companies under various lease contracts. In fiscal year 2023, the County recognized lease and interest revenue in the amount of \$302,881 and \$36,651, respectively. A description of the leases is as follows:

<u>Lease Description</u>	<u>Start Date</u>	<u>End Date</u>	<u>Length of Lease Term (in months)</u>	<u>Payment Frequency</u>	<u>Discount Rate</u>	<u>Receivable Balance</u>
T-Mobile Landfill Tower	7/1/2021	1/1/2026	55	Monthly	3.00%	90,685
AT&T Landfill Tower	7/1/2021	5/1/2029	95	Monthly	3.00%	313,679
T-Mobile Lignum Tower	7/1/2021	8/1/2024	38	Monthly	3.00%	11,082
AT&T Rixeyville Tower	7/1/2021	4/1/2023	58	Monthly	3.00%	140,247
Praise Communications	7/1/2021	5/1/2025	47	Monthly	3.00%	<u>31,426</u>
Total						\$ <u><u>587,119</u></u>

COUNTY OF CULPEPER, VIRGINIA

Notes to Financial Statements
At June 30, 2024 (Continued)

Note 8—Leases Receivable: (Continued)

Expected future payments at June 30, 2024 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 227,561	\$ 14,323	\$ 241,884
2026	160,118	8,212	168,330
2027	63,733	5,112	68,845
2028	68,464	3,135	71,599
2029	67,243	1,014	68,257
Total	<u>\$ 587,119</u>	<u>\$ 31,796</u>	<u>\$ 618,915</u>

Note 9—Landfill Closure and Postclosure Care Cost:

The County owns a landfill site and began collecting tipping fees based upon the source of the waste as of July 1, 1994. The County maintains a contract with an independent contractor for operations of the landfill; however, the County is responsible for landfill closure and postclosure costs.

State and federal laws and regulations require the County to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$284,385 reported as landfill closure and postclosure care liability at June 30, 2024, represents the cumulative amount reported based on the use of 100% percent of the estimated capacity of the landfill. The County has closed the landfill. These amounts are based on what it would cost to perform all closure and postclosure care in 2024. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. The County intends to fund these costs from tipping fee revenues and from any funds accumulated for this purpose in the County Landfill Fund.

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

Note 10—Commitments and Contingencies:

Federal programs in which the County and its 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 disallowances of current grant program expenditures, if any, would be immaterial.

Note 11—Pension Plan:

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

Benefit Structures

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

- a. Employees with a membership date before July 1, 2010, vested as of January 1, 2013, and have not taken a refund, are covered under Plan 1, a defined benefit plan. Non-hazardous duty employees are eligible for an unreduced retirement benefit beginning at age 65 with at least 5 years of service credit or age 50 with at least 30 years of service credit. Non-hazardous duty employees may retire with a reduced benefit as early as age 55 with at least 5 years of service credit or age 50 with at least 10 years of service credit. Hazardous duty employees (law enforcement officers, firefighters, and sheriffs) are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit or age 50 with at least 25 years of service credit. Hazardous duty employees may retire with a reduced benefit as early as age 50 with at least 5 years of service credit.
- b. Employees with a membership date from July 1, 2010 to December 31, 2013, that have not taken a refund or employees with a membership date prior to July 1, 2010 and not vested before January 1, 2013, are covered under Plan 2, a defined benefit plan. Non-hazardous duty employees are eligible for an unreduced benefit beginning at their normal social security retirement age with at least 5 years of service credit or when the sum of their age plus service credit equals 90. Non-hazardous duty employees may retire with a reduced benefit as early as age 60 with at least 5 years of service credit. Hazardous duty employees are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit or age 50 with at least 25 years of service credit. Hazardous duty employees may retire with a reduced benefit as early as age 50 with at least 5 years of service credit.
- c. Non-hazardous duty employees with a membership date on or after January 1, 2014 are covered by the Hybrid Plan combining the features of a defined benefit plan and a defined contribution plan. Plan 1 and Plan 2 members also had the option of opting into this plan during the election window held January 1 – April 30, 2014 with an effective date of July 1, 2014. Employees covered by this plan are eligible for an unreduced benefit beginning at their normal social security retirement age with at least 5 years of service credit, or when the sum of their age plus service credit equals 90. Employees may retire with a reduced benefit as early as age 60 with at least 5 years of service credit. For the defined contribution component, members are eligible to receive distributions upon leaving employment, subject to restrictions.

Note 11—Pension Plan: (Continued)

Average Final Compensation and Service Retirement Multiplier

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

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

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

Employees Covered by Benefit Terms

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

	Primary Government	Component Unit School Board Nonprofessional
Inactive members or their beneficiaries currently receiving benefits	242	106
Inactive members:		
Vested inactive members	75	40
Non-vested inactive members	145	143
Inactive members active elsewhere in VRS	191	60
Total inactive members	411	243
Active members	398	175
Total covered employees	1,051	524

Note 11—Pension Plan: (Continued)

Contributions

The contribution requirement for active employees is governed by §51.1-145 of the Code of Virginia, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement. Prior to July 1, 2012, all or part of the 5.00% member contribution may have been assumed by the employer. Beginning July 1, 2012, new employees were required to pay the 5% member contribution. In addition, for existing employees, employers were required to begin making the employee pay the 5.00% member contribution. This could be phased in over a period of up to 5 years and the employer is required to provide a salary increase equal to the amount of the increase in the employee-paid member contribution.

The County's contractually required contribution rate for the year ended June 30, 2024 was 12.47% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2022.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the County were \$3,059,257 and \$2,829,896 for the years ended June 30, 2024 and June 30, 2023, respectively.

The Component Unit School Board's contractually required contribution rate for nonprofessional employees for the year ended June 30, 2023 was 1.72% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2022.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Component Unit School Board's nonprofessional employees were \$45,346 and \$37,410 for the years ended June 30, 2024 and June 30, 2023, respectively.

Net Pension Liability

The net pension liability (NPL) is calculated separately for each employer and represents that particular employer's total pension liability determined in accordance with GASB Statement No. 68, less that employer's fiduciary net position. The County's and Component Unit School Board's (nonprofessional) net pension liabilities (asset) were measured as of June 30, 2023. The total pension liabilities used to calculate the net pension liabilities (asset) were determined by an actuarial valuation performed as of June 30, 2022, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2023.

Note 11—Pension Plan: (Continued)

Actuarial Assumptions – General Employees

The total pension liability for General Employees in the County’s and Component Unit School Board’s (nonprofessional) Retirement Plan was based on an actuarial valuation as of June 30, 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	2.5%
Salary increases, including inflation	3.5% – 5.35%
Investment rate of return	6.75%, net of pension plan investment expenses, including inflation

Mortality rates:

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement:

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

Note 11—Pension Plan: (Continued)

Actuarial Assumptions – General Employees (Continued)

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

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

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

Actuarial Assumptions – Public Safety Employees with Hazardous Duty Benefits

The total pension liability for Public Safety employees with Hazardous Duty Benefits in the County’s Retirement Plan was based on an actuarial valuation as of June 30, 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	2.5%
Salary increases, including inflation	3.5% – 4.75%
Investment rate of return	6.75%, net of pension plan investment expenses, including inflation

Note 11—Pension Plan: (Continued)

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

Mortality rates:

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

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:

All Others (Non 10 Largest) – Hazardous Duty:

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

Note 11—Pension Plan: (Continued)***Long-Term Expected Rate of Return***

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

Asset Class (Strategy)	Long-Term Target Asset Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return*
Public Equity	34.00%	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 a one-year expected 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 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 return of 6.75% which was roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%.

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions; the County and Component Unit School Board (nonprofessional) was also provided with an opportunity to use an alternative employer contribution rate. For the year ended June 30, 2024, the alternate rate was the employer contribution rate used in FY

COUNTY OF CULPEPER, VIRGINIA

Notes to Financial Statements
At June 30, 2024 (Continued)

Note 11—Pension Plan: (Continued)

Discount Rate: (Continued)

2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2022 actuarial valuations, whichever was greater. Through the fiscal year ending June 30, 2023, the rate contributed by the employer for the County and Component Unit School Board (nonprofessional) Retirement Plans will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 112% of the actuarially valuations. From July 1, 2023 on, participating employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability

	Primary Government		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2022	\$ 87,245,345	\$ 81,581,173	\$ 5,664,172
Changes for the year:			
Service cost	\$ 2,987,352	\$ -	\$ 2,987,352
Interest	5,954,572	-	5,954,572
Changes of assumptions	-	-	-
Differences between expected and actual experience	(612,942)	-	(612,942)
Contributions - employer	-	2,813,935	(2,813,935)
Contributions - employee	-	1,141,713	(1,141,713)
Net investment income	-	5,317,707	(5,317,707)
Benefit payments, including refunds of employee contributions	(4,033,640)	(4,033,640)	-
Administrative expenses	-	(51,773)	51,773
Other changes	-	2,148	(2,148)
Net changes	\$ 4,295,342	\$ 5,190,090	\$ (894,748)
Balances at June 30, 2023	\$ 91,540,687	\$ 86,771,263	\$ 4,769,424

COUNTY OF CULPEPER, VIRGINIA

Notes to Financial Statements
At June 30, 2024 (Continued)

Note 11—Pension Plan: (Continued)

Changes in Net Pension Liability (Asset)

	Component School Board (nonprofessional)		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at June 30, 2022	\$ 15,108,742	\$ 18,263,952	\$ (3,155,210)
Changes for the year:			
Service cost	\$ 433,126	\$ -	\$ 433,126
Interest	1,022,281	-	1,022,281
changes of assumptions	-	-	-
Differences between expected and actual experience	(36,545)	-	(36,545)
Contributions - employer	-	48,917	(48,917)
Contributions - employee	-	242,423	(242,423)
Net investment income	-	1,169,676	(1,169,676)
Benefit payments, including refunds of employee contributions	(793,920)	(793,920)	-
Administrative expenses	-	(11,790)	11,790
Other changes	-	468	(468)
Net changes	\$ 624,942	\$ 655,774	\$ (30,832)
Balances at June 30, 2023	\$ 15,733,684	\$ 18,919,726	\$ (3,186,042)

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

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

	Rate		
	(5.75%)	(6.75%)	(7.75%)
County			
Net Pension Liability (Asset)	\$ 17,820,954	\$ 4,769,424	\$ (5,834,536)
Component Unit School Board (nonprofessional)			
Net Pension Liability (Asset)	\$ (1,312,645)	\$ (3,186,042)	\$ (4,755,918)

COUNTY OF CULPEPER, VIRGINIA

Notes to Financial Statements
At June 30, 2024 (Continued)

Note 11—Pension Plan: (Continued)

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

For the year ended June 30, 2024, County and Component Unit School Board (nonprofessional) recognized pension expense of \$1,986,189 and (\$169,561), respectively. At June 30, 2024, the County and Component Unit School Board (nonprofessional) reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Primary Government		Component Unit School Board (nonprofessional)	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 708,442	\$ -	\$ 35,830
Change in assumptions	264,865	-	-	-
Change in proportionate share	16,641	16,641	-	-
Net difference between projected and actual earnings on pension plan investments	-	1,210,584	-	294,285
Employer contributions subsequent to the measurement date	3,059,257	-	45,346	-
Total	<u>\$ 3,340,763</u>	<u>\$ 1,935,667</u>	<u>\$ 45,346</u>	<u>\$ 330,115</u>

\$3,059,257 and \$45,346 reported as deferred outflows of resources related to pensions resulting from the County's and Component Unit School Board's (nonprofessional) contributions, respectively, subsequent to the measurement date will be recognized as a reduction or Component of the Net Pension Liability in the fiscal year ended 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 in future reporting periods as follows:

Year ended June 30	Primary Government	Component Unit School Board (nonprofessional)
2025	\$ (1,084,348)	\$ (241,976)
2026	(1,761,094)	(359,151)
2027	1,154,338	261,851
2028	36,943	9,161
Thereafter	-	-

Note 11—Pension Plan: (Continued)

Pension Plan Data

Information about the VRS Political Subdivision Retirement Plan is also 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 <https://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 (Professional)

Plan Description

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

Contributions

The contribution requirement for active employees is governed by §51.1-145 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement. Each school division's contractually required employer contribution rate for the year ended June 30, 2024 was 16.62% of covered employee compensation. This was the General Assembly approved rate, which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the School Division were \$9,248,796 and \$8,300,593 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 Retirement Plan. This special payment was authorized by Chapter 2 of the Acts of Assembly of 2022, Special Session I, as amended by Chapter 769, 2023 Acts of Assembly Reconvened Session, and is classified as a non-employer contribution. The school division's proportionate share is reflected in the operating grants and contributions section of Exhibit 2 in the financial statements.

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

At June 30, 2024, the school division reported a liability of \$53,146,715 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 0.52583% as compared to 0.52516% at June 30, 2022.

Note 11—Pension Plan: (Continued)

Component Unit School Board (professional) (Continued)

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

For the year ended June 30, 2024, the school division recognized pension expense of \$4,920,990. Since there was a change in proportionate share between measurement dates, a portion of the pension expense was related to deferred amounts from changes in proportion and from differences between employer contributions and the proportionate share of employer contributions. Beginning with the June 30, 2023 measurement date, the difference between 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	\$ 4,565,348	\$ 2,074,012
Change in assumptions	2,409,327	-
Net difference between projected and actual earnings on pension plan investments	-	3,455,609
Changes in proportion and differences between employer contributions and proportionate share of contributions	152,964	917,599
Employer contributions subsequent to the measurement date	9,248,796	-
Total	\$ 16,376,435	\$ 6,447,220

\$9,248,796 reported as deferred outflows of resources related to pensions resulting from the school division’s contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Year ended June 30	
2024	\$ (1,407,022)
2025	(3,294,442)
2026	4,334,657
2027	1,047,226
2028	-
Thereafter	-

Note 11—Pension Plan: (Continued)

Component Unit School Board (professional) (Continued)

Actuarial Assumptions

The total pension liability for the VRS Teacher Retirement Plan was based on an actuarial valuation as of June 30, 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	2.5%
Salary increases, including inflation	3.5% – 5.95%
Investment rate of return	6.75%, net of pension plan investment expenses, including inflation

Mortality rates:

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

Note 10—Pension Plan: (Continued)

Component Unit School Board (professional) (Continued)

Actuarial Assumptions (Continued)

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

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

Net Pension Liability

The net pension liability (NPL) is calculated separately for each system and represents that particular system’s total pension liability determined in accordance with GASB Statement No. 67, less that system’s fiduciary net position. As of June 30, 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
Employer’s Net Pension Liability (Asset)	\$	10,107,204
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		82.45%

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.

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

COUNTY OF CULPEPER, VIRGINIA

Notes to Financial Statements
At June 30, 2024 (Continued)

Note 11—Pension Plan: (Continued)

Component Unit School Board (professional) (Continued)

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

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

	Rate		
	(5.75%)	(6.75%)	(7.75%)
School division's proportionate share of the VRS Teacher Employee Retirement Plan Net Pension Liability (Asset)	\$ 94,210,170	\$ 53,146,715	\$ 19,389,178

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 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.

Aggregate Pension Information

VRS Pension Plans:				
	Deferred Outflows	Deferred Inflows	Net Pension Liability (Asset)	Pension Expense
Primary Government				
Primary Government	\$ 3,340,763	\$ 1,935,667	\$ 4,769,424	\$ 1,986,189
Totals	\$ 3,340,763	\$ 1,935,667	\$ 4,769,424	\$ 1,986,189
Component Unit School Board				
School Board Nonprofessional	\$ 45,346	\$ 330,115	\$ (3,186,042)	\$ (169,561)
School Board Professional	16,376,435	6,447,220	53,146,715	4,920,990
Totals	\$ 16,421,781	\$ 6,777,335	\$ 49,960,673	\$ 4,751,429

COUNTY OF CULPEPER, VIRGINIA

Notes to Financial Statements
At June 30, 2024 (Continued)

Note 12—Risk Management:

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

Employee Health Insurance:

The County and School Board have contracted with private carriers to administer this activity. The County's Health Insurance Fund recognizes revenue from other fund charges and from other localities and agencies which participate in the County program. The interfund charges are reported as fund expenditures in the funds that have employees participating in the program. The Health Insurance Fund expenses represent premium payments to the private carrier. The premium payments are based on the number insured and benefits.

Employee Dental Insurance:

Culpeper County and Culpeper County School Board established a public entity risk pool to provide consolidated Dental Care benefits for their employees. The plan is based on a service contract with a private carrier in which bills are derived from actual expenses incurred or claims filed.

The County is a member of the Virginia Municipal Group Self Insurance Association for workers' compensation. This program is administered by a servicing contractor, which furnishes claims review and processing.

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

The County continues to carry commercial insurance for all other risks of losses. During the last three fiscal years, settled claims from these risks have not exceeded commercial coverage.

Note 13—Litigation:

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

COUNTY OF CULPEPER, VIRGINIA

Notes to Financial Statements
At June 30, 2024 (Continued)

Note 14—Surety Bonds:

	<u>Amount</u>
Fidelity and Deposit Company of Maryland - Surety	
Janice Corbin, Circuit Court Clerk	\$ 25,000
Missy N. White, Treasurer	400,000
Terry Yowell, Commissioner of the Revenue	3,000
Scott H. Jenkins, Sheriff	30,000
Above constitutional officers' employees - blanket bond	50,000
Aetna Casualty and Surety Company - Surety	
Lisa A. Peacock, Director of Human Services	100,000
David E. Durr, Supervisor	1,000
Paul Bates, Supervisor	1,000
Gary M. Deal, Supervisor	1,000
Kathy Campbell, Supervisor	1,000
Bradley C. Rosenberger, Supervisor	1,000
Susan L. Gugino, Supervisor	1,000
Tom Underwood, Supervisor	1,000

Note 15—Medical and Life Insurance – Pay-as-you-Go (OPEB Plan):

County:

Plan Description

In addition to the pension benefits described in Note 11, the County administers a single-employer defined benefit healthcare plan, The Culpeper County Post-Retirement Medical and Life Insurance Benefits. The plan provides postemployment health care benefits to all eligible permanent employees who meet the requirements under the County's pension plans. The plan does not issue a publicly available financial report.

Benefits Provided

Postemployment benefits are provided to eligible retirees include Medical, Dental, and Life insurance. The benefits that are provided for active employees are the same for eligible retirees, spouses and dependents of eligible retirees. All full-time employees who retire with 30 years of service, or at age 62 with 5 years of service are eligible. Employees with disabilities must meet service retirement eligibility to be eligible. Pre-Medicare retirees may continue to remain in the Key Care 100 Plan, which includes prescription drugs. Once the participant is Medicare eligible they are no longer eligible to remain in the plan.

Note 15—Medical and Life Insurance – Pay-as-you-Go (OPEB Plan): (Continued)

County (Continued)

Plan Membership

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

Total active employees with coverage	\$	298
Total retirees with coverage		<u>1</u>
Total	\$	<u><u>299</u></u>

Contributions

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

Total OPEB Liability

The County’s total OPEB liability was measured as of June 30, 2023. The total OPEB liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary Increases	3.50%
Discount Rate	3.86%

Mortality rates for Active employees and healthy retirees were based on a RP 2000 Fully Generational Combined Healthy Table while mortality rates for disabled retirees were based on a RP 2000 Fully Generational Combined Disabled Table.

The date of the most recent actuarial experience study for which significant assumptions were based is not available.

Discount Rate

The final equivalent single discount rate used for this year’s valuation is 3.86% as of the end of the fiscal year with the expectation that the County will continue contributing the Actuarially Determined Contribution and paying the pay-go cost.

Note 15—Medical and Life Insurance – Pay-as-you-Go (OPEB Plan): (Continued)

County (Continued)

Changes in Total OPEB Liability

		Primary Government Total OPEB Liability
Balances at June 30, 2022	\$	455,758
Changes for the year:		
Service cost		42,600
Interest		16,572
Difference between expected and actual experience		(19,699)
Changes in assumptions		(7,208)
Contributions - employer		5,888
Net changes		38,153
Balances at June 30, 2023	\$	493,911

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

The following amounts present the total OPEB liability of the County, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.86%) or one percentage point higher (4.86%) than the current discount rate:

Rate		
1% Decrease (2.86%)	Current Discount Rate (3.86%)	1% Increase (4.86%)
\$ 538,378	\$ 493,911	\$ 453,577

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

The following presents the total OPEB liability of the County was calculated using healthcare cost trend rates that are one percentage point lower (2.94%) or one percentage point higher (4.94%) than the current healthcare cost trend rates:

Rates		
1% Decrease (2.94%)	Healthcare Cost Trend (3.94%)	1% Increase (4.94%)
\$ 436,395	\$ 493,911	\$ 561,471

Note 15—Medical and Life Insurance – Pay-as-you-Go (OPEB Plan): (Continued)

County (Continued)

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

For the year ended June 30, 2024, the County recognized OPEB expense in the amount of (\$252,608). At June 30, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 45,330	\$ 274,430
Changes in assumptions	20,190	110,189
Total	<u>\$ 65,520</u>	<u>\$ 384,619</u>

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

<u>Year Ended June 30</u>	
2025	\$ (265,433)
2026	(15,707)
2027	(14,096)
2028	(19,376)
2029	(4,487)
Thereafter	-

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.

School Board:

Plan Description

The School Board Extended Service Program is a single employer defined benefit healthcare plan that offers health insurance for retirees. Employees who receive an unreduced retirement benefit from VRS, has reached Level M (or equivalent years) or the top of the administrative schedule, is a full time, salaried employee of the school division at the time of applying for the program, and is not eligible for disability retirement benefits under VRS are eligible for the program. The School Board Extended Service Program does not issue a separate GAAP basis report.

Note 15—Medical and Life Insurance – Pay-as-you-Go (OPEB Plan): (Continued)

School Board: (Continued)

Benefits Provided

Postemployment benefits provided to eligible retirees include Medical and Life insurance. The benefits that are provided for active employees are the same for eligible retirees, spouses and dependents of eligible retirees. The School Board Extended Service Program is a single employer defined benefit healthcare plan that offers health insurance for retirees. Employees who receive an unreduced retirement benefit from VRS, has reached Level M (or equivalent years) or the top of the administrative schedule, is a full time, salaried employee of the school division at the time of applying for the program, and is not eligible for disability retirement benefits under VRS are eligible for the program. The School Board Extended Service Program does not issue a separate GAAP basis report.

Plan Membership

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

Total active employees with coverage	\$	1,172
Total retirees with coverage		<u>15</u>
Total	\$	<u><u>1,187</u></u>

Contributions

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

Total OPEB Liability

The School Board’s total OPEB liability was measured as of June 30, 2023. The total OPEB liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary Increases	3.50%
Discount Rate	3.86%

Mortality rates for Active employees and healthy retirees were based on a RP 2000 Fully Generational Combined Healthy Table while mortality rates for disabled retirees were based on a RP 2000 Fully Generational Combined Disabled Table.

The date of the most recent actuarial experience study for which significant assumptions were based is not available.

Note 15—Medical and Life Insurance – Pay-as-you-Go (OPEB Plan): (Continued)

School Board: (Continued)

Discount Rate

The final equivalent single discount rate used for this year’s valuation is 3.86% as of the end of the fiscal year with the expectation that the School Board will continue contributing the Actuarially Determined Contribution and paying the pay-go cost.

Changes in Total OPEB Liability

		Component Unit School Board Total OPEB Liability
Balances at June 30, 2022	\$	2,474,147
Changes for the year:		
Service cost		151,772
Interest		88,586
Difference between expected and actual experience		23,551
Changes in assumptions		(30,234)
Contributions - employer		(170,418)
Net changes		63,257
Balances at June 30, 2023	\$	2,537,404

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

The following amounts present the total OPEB liability of the County, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.69%) or one percentage point higher (4.69) than the current discount rate:

Rate		
1% Decrease (2.86%)	Current Discount Rate (3.86%)	1% Increase (4.86%)
\$ 2,721,012	\$ 2,537,404	\$ 2,363,651

COUNTY OF CULPEPER, VIRGINIA

Notes to Financial Statements
At June 30, 2024 (Continued)

Note 15—Medical and Life Insurance – Pay-as-you-Go (OPEB Plan): (Continued)

School Board: (Continued)

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

The following presents the total OPEB liability of the School Board was calculated using healthcare cost trend rates that are one percentage point lower (2.94%) or one percentage point higher (4.94%) than the current healthcare cost trend rates:

Rates		
Healthcare Cost		
1% Decrease (2.94%)	Trend (3.94%)	1% Increase (4.94%)
\$ 2,267,874	\$ 2,537,404	\$ 2,854,607

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

For the year ended June 30, 2024, the School Board recognized OPEB expense in the amount of \$270,189. At June 30, 2024, the School Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 657,799	\$ 156,421
Changes in assumptions	102,927	692,656
Total	<u>\$ 760,726</u>	<u>\$ 849,077</u>

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	
2025	\$ 29,826
2026	30,099
2027	(15,819)
2028	(18,433)
2029	(113,071)
Thereafter	(953)

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 16—Health Insurance Credit (HIC) Plan:

Plan Description

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

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

Eligible Employees

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

Benefit Amounts

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

HIC Plan Notes

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

Note 16—Health Insurance Credit (HIC) Plan: (Continued)

Plan Description: (Continued)

Employees Covered by Benefit Terms

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

	Number
Inactive members or their beneficiaries currently receiving benefits	32
Inactive members:	
Vested inactive members	2
Total inactive members	34
Active members	172
Total covered employees	206

Contributions

The contribution requirements for active employees is governed by §51.1-1402(E) of the Code of Virginia, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. The School Board’s nonprofessional contractually required employer contribution rate for the year ended June 30, 2024 was 0.11% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2022. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the School Board to the Health Insurance Credit Plan were \$7,040 and \$6,035 for the years ended June 30, 2024 and June 30, 2023, respectively.

Net HIC OPEB Liability (Asset)

The School Board’s net Health Insurance Credit OPEB liability was measured as of June 30, 2023. The total Health Insurance Credit OPEB liability was determined by an actuarial valuation performed as of June 30, 2022, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2023.

Actuarial Assumptions

The total HIC OPEB liability 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	2.5%
Salary increases, including inflation:	
Locality - General employees	3.5%-5.35%
Investment rate of return	6.75%, net of investment expenses, including inflation

Note 16—Health Insurance Credit (HIC) Plan: (Continued)

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement Scale:

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

The actuarial assumptions used in the June 30, 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:

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

Note 16—Health Insurance Credit (HIC) Plan: (Continued)***Long-Term Expected Rate of Return***

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

Asset Class (Strategy)	Long-term Target Asset Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-term Expected Rate of Return
Public Equity	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 a one-year expected 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 return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 7.14%, including expected inflation of 2.50%.

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

Discount Rate

The discount rate used to measure the total HIC OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ended June 30, 2023, the rate contributed by the entity for the HIC OPEB was 100% of the actuarially determined contribution rate. From July 1, 2023 on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the HIC OPEB's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total HIC OPEB liability.

COUNTY OF CULPEPER, VIRGINIA

Notes to Financial Statements
At June 30, 2024 (Continued)

Note 16—Health Insurance Credit (HIC) Plan: (Continued)

Changes in Net HIC OPEB Liability/(Asset)

	Increase (Decrease)		
	Total HIC OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net HIC OPEB Liability (Asset) (a) - (b)
Balances at June 30, 2022	\$ 280,468	\$ 319,262	\$ (38,794)
Changes for the year:			
Service cost	\$ 4,139	\$	\$ 4,139
Interest	18,682		18,682
Benefit changes			-
Differences between expected and actual experience	6,980		6,980
Assumption changes			-
Contributions - employer		6,012	(6,012)
Net investment income		18,744	(18,744)
Benefit payments	(15,686)	(15,686)	-
Administrative expenses		(443)	443
Other changes		433	(433)
Net changes	\$ 14,115	\$ 9,060	\$ 5,055
Balances at June 30, 2023	\$ 294,583	\$ 328,322	\$ (33,739)

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

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

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
Culpeper County School Board Net HIC OPEB Liability (Asset)	\$ (2,829)	\$ (33,739)	\$ (60,008)

Note 16—Health Insurance Credit (HIC) Plan: (Continued)

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

For the year ended June 30, 2024, the *School Board* recognized Health Insurance Credit Plan OPEB expense of \$1,139. At June 30, 2024, the *School Board* reported deferred outflows of resources and deferred inflows of resources related to the School Board's Health Insurance Credit Plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 6,781	\$ 15,390
Net difference between projected and actual earnings on HIC OPEB plan investments	-	3,059
Change in assumptions	11,874	-
Employer contributions subsequent to the measurement date	<u>7,040</u>	<u>-</u>
Total	<u>\$ 25,695</u>	<u>\$ 18,449</u>

\$7,040 reported as deferred outflows of resources related to the HIC OPEB resulting from the School Board's contributions subsequent to the measurement date will be recognized as a reduction of the Net HIC OPEB Liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIC OPEB will be recognized in the HIC OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>	
2025	\$ (1,381)
2026	(4,766)
2027	6,180
2028	173
2029	-
Thereafter	-

HIC Plan Data

Information about the VRS Political Subdivision HIC Plan 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 <https://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 17—Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan):

Plan Description

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

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

Eligible Employees

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

Benefit Amounts

The Teacher Employee HIC Plan is a defined benefit plan that provides a credit toward the cost of health insurance coverage for retired teachers. For Teacher and other professional school employees who retire with at least 15 years of service credit, the monthly benefit is \$4.00 per year of service per month with no cap on the benefit amount. For Teacher and other professional school employees who retire on disability or go on long-term disability under the Virginia Local Disability Plan (VLDP), the monthly benefit is either: \$4.00 per month, multiplied by twice the amount of service credit, or \$4.00 per month, multiplied by the amount of service earned had the employee been active until age 60, whichever is lower.

HIC Plan Notes

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

Note 17—Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Contributions

The contribution requirements for active employees is governed by §51.1-1401(E) of the Code of Virginia, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Each school division's contractually required employer contribution rate for the year ended June 30, 2024 was 1.21% of covered employee compensation for employees in the VRS Teacher Employee Health Insurance Credit Plan. This rate was the final approved General Assembly rate, which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2022. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the school division to the VRS Teacher Employee Health Insurance Credit Plan were \$715,699 and \$639,463 for the years ended June 30, 2024 and June 30, 2023, respectively.

In June 2023, the Commonwealth made a special contribution of approximately \$4 million to the VRS Teacher Retirement Plan. This special payment was authorized by Chapter 2 of the Acts of Assembly of 2022, Special Session I, as amended by Chapter 769, 2023 Acts of Assembly Reconvened Session, and is classified as a special employer contribution. The school division's proportionate share is reflected in the operating grants and contributions section of Exhibit 2 in the financial statements.

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

At June 30, 2024, the school division reported a liability of \$6,420,633 for its proportionate share of the VRS Teacher Employee Health Insurance Credit Plan Net OPEB Liability. The Net VRS Teacher Employee HIC OPEB Liability was measured as of June 30, 2023 and the total VRS Teacher Employee HIC OPEB liability used to calculate the Net VRS Teacher Employee HIC OPEB Liability was determined by an actuarial valuation performed as of June 30, 2022 and rolled forward to the measurement date of June 30, 2023. The school division's proportion of the Net VRS Teacher Employee HIC OPEB Liability was based on the school division's actuarially determined employer contributions to the VRS Teacher Employee HIC OPEB plan for the year ended June 30, 2023 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2023, the school division's proportion of the Net VRS Teacher Employee Health Insurance Credit Plan OPEB Liability was based on the school division's actuarially determined employer contributions to the VRS Teacher Employee Health Insurance Credit Plan OPEB 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 of the VRS Teacher Employee Health Insurance Credit Plan was 0.53000% as compared to 0.52929% at June 30, 2022.

For the year ended June 30, 2024, the school division recognized VRS Teacher Employee Health Insurance Credit Plan OPEB expense of \$457,725. Since there was a change in proportionate share between measurement dates, a portion of the VRS Teacher Employee Health Insurance Credit Plan Net OPEB expense was related to deferred amounts from changes in proportionate share and differences between actual and expected contributions.

Note 17—Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

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

At June 30, 2024, the school division reported deferred outflows of resources and deferred inflows of resources related to the VRS Teacher Employee Health Insurance Credit Plan OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 282,604
Net difference between projected and actual earnings on Teacher HIC OPEB plan investments	3,222	
Change in assumptions	149,462	6,470
Change in proportion	15,469	143,005
Employer contributions subsequent to the measurement date	715,699	-
Total	\$ 883,852	\$ 432,079

\$715,699 reported as deferred outflows of resources related to the Teacher Employee HIC OPEB resulting from the school division’s contributions subsequent to the measurement date will be recognized as a reduction of the Net Teacher Employee HIC OPEB Liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Teacher Employee HIC OPEB will be recognized in the Teacher Employee HIC OPEB expense in future reporting periods as follows:

Year Ended June 30	
2025	\$ (67,222)
2026	(62,587)
2027	(39,716)
2028	(51,607)
2029	(31,616)
Thereafter	(11,178)

Note 17—Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Actuarial Assumptions

The total Teacher Employee HIC OPEB liability for the VRS Teacher Employee Health Insurance Credit 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	2.5%
Salary increases, including inflation	3.5%-5.95%
Investment rate of return	6.75%, net of investment expenses, including inflation

Mortality Rates – Teachers

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

Note 17—Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Actuarial Assumptions: (Continued)

Mortality Rates – Teachers: (Continued)

The actuarial assumptions used in the June 30, 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:

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

Net Teacher Employee HIC OPEB Liability

The net OPEB liability (NOL) for the Teacher Employee Health Insurance Credit Plan represents the Plan’s total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of June 30, 2023, NOL amounts for the VRS Teacher Employee Health Insurance Credit Plan are as follows (amounts expressed in thousands):

		Teacher Employee HIC OPEB Plan
Total Teacher Employee HIC OPEB Liability	\$	1,475,471
Plan Fiduciary Net Position		264,054
Teacher Employee net HIC OPEB Liability (Asset)	\$	1,211,417
Plan Fiduciary Net Position as a Percentage of the Total Teacher Employee HIC OPEB Liability		17.90%

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

Note 17—Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)***Long-Term Expected Rate of Return***

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

Asset Class (Strategy)	Long-Term Target Asset Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return*
Public Equity	34.00%	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 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 return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 7.14%, including expected inflation of 2.50%.

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

Discount Rate

The discount rate used to measure the total Teacher Employee HIC OPEB was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ending June 30, 2023, the rate contributed by each school division for the VRS Teacher Employee Health Insurance Credit Plan will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly. From July 1, 2023 on, all agencies are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the Teacher Employee HIC OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total Teacher Employee HIC OPEB liability.

Note 17—Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Discount Rate: (Continued)

the VRS Board-certified rates that are funded by the Virginia General Assembly. From July 1, 2023 on, all agencies are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the Teacher Employee HIC OPEB plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total Teacher Employee HIC OPEB liability.

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

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

		Rate		
		1% Decrease	Current Discount	1% Increase
		(5.75%)	(6.75%)	(7.75%)
School division's proportionate share of the VRS Teacher Employee HIC OPEB Plan				
Net HIC OPEB Liability	\$	7,262,453	\$ 6,420,633	\$ 5,707,264

Teacher Employee HIC OPEB Fiduciary Net Position

Detailed information about the VRS Teacher Employee HIC Plan’s Fiduciary Net Position is available in the separately issued VRS 2023 Annual Comprehensive Financial Report (Annual Report). A copy of the 2023 VRS Annual Report may be downloaded from the VRS website at <https://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 18—Group Life Insurance (GLI) Plan (OPEB Plan):

Plan Description

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

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

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

Eligible Employees

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

Benefit Amounts

The GLI Plan is a defined benefit plan with several components. The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled. The accidental death benefit is double the natural death benefit. In addition to basic natural and accidental death benefits, the plan provides additional benefits provided under specific circumstances that include the following: accidental dismemberment benefit, seatbelt benefit, repatriation benefit, felonious assault benefit, and accelerated death benefit option. The benefit amounts are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value. For covered members with at least 30 years of service credit, the minimum benefit payable was set at \$8,000 by statute in 2015. This will be increased annually based on the VRS Plan 2 cost-of-living adjustment calculation. The minimum benefit adjusted for the COLA was \$9,254 as of June 30, 2024.

Note 18—Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Contributions

The contribution requirements for the Group Life Insurance Plan are governed by §51.1-506 and §51.1-508 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the Group Life Insurance Plan was 1.34% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.80% (1.34% x 60%) and the employer component was 0.54% (1.34% x 40%). Employers may elect to pay all or part of the employee contribution; however, the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2024 was 0.54% of covered employee compensation. This rate was the final approved General Assembly rate, which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2022. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the Group Life Insurance Plan from the entity were \$138,956 and \$127,339 for the years ended June 30, 2024 and June 30, 2023, respectively, for the County; \$34,561 and \$29,646 for the years ended June 30, 2024 and June 30, 2023, respectively, for the School Board (nonprofessional); and \$319,928 and \$285,906 for the years ended June 30, 2024 and June 30, 2023, respectively, for the School Board (professional).

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, and is classified as a special employer contribution. The school division's proportionate share is reflected in the operating grants and contributions section of Exhibit 2 in the financial statements.

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

At June 30, 2024, the entity reported a liability of \$1,200,633, \$279,560, and \$2,695,697 for the County, School Board Nonprofessional, and School Board Professional, respectively, for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2023 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation as of June 30, 2022, and rolled forward to the measurement date of June 30, 2023. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the Group Life Insurance 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 participating employer's proportion was 0.10011%, 0.02331%, and 0.22477% as compared to 0.09880%, 0.02210%, and 0.22700% at June 30, 2022 for the County, School Board Nonprofessional, and School Board Professional, respectively.

For the year ended June 30, 2024, the participating employer recognized GLI OPEB expense of \$66,590, \$12,890, and \$97,477 for the County, School Board Nonprofessional, and School Board Professional, respectively. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

COUNTY OF CULPEPER, VIRGINIA

Notes to Financial Statements
At June 30, 2024 (Continued)

Note 18—Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Primary Government		
Differences between expected and actual experience	\$ 119,914	\$ 36,445
Net difference between projected and actual earnings on GLI OPEB program investments	-	48,248
Change in assumptions	25,664	83,185
Changes in proportion	33,566	22,711
Employer contributions subsequent to the measurement date	138,956	-
Total Primary Government	\$ 318,100	\$ 190,589
Component Unit School Board (nonprofessional)		
Differences between expected and actual experience	\$ 27,921	\$ 8,486
Net difference between projected and actual earnings on GLI OPEB program investments	-	11,234
Change in assumptions	5,976	19,369
Changes in proportion	14,037	14,305
Employer contributions subsequent to the measurement date	34,561	-
Total Component Unit School Board (nonprofessional)	\$ 82,495	\$ 53,394
Component Unit School Board (professional)		
Differences between expected and actual experience	\$ 269,234	\$ 81,828
Net difference between projected and actual earnings on GLI OPEB program investments	-	108,328
Change in assumptions	57,622	186,768
Changes in proportion	2,097	74,375
Employer contributions subsequent to the measurement date	319,928	-
Total Component Unit School Board (professional)	\$ 648,881	\$ 451,299

Note 18—Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

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

\$138,956, \$34,561 and \$319,928 for the County, School Board Nonprofessional, and School Board Professional, respectively, reported as deferred outflows of resources related to the GLI OPEB resulting from the employer’s contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>	<u>Primary Government</u>	<u>Component Unit School Board (nonprofessional)</u>	<u>Component Unit School Board (professional)</u>
2025	\$ (395)	\$ (3,195)	\$ (41,203)
2026	(45,185)	(13,093)	(132,703)
2027	19,533	2,882	29,794
2028	(40)	2,663	(242)
2029	14,642	5,283	22,008
Thereafter	-	-	-

Actuarial Assumptions

The total GLI OPEB liability 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. The assumptions include several employer groups as noted below. Salary increases and mortality rates included herein are for relevant employer groups. Information for other groups can be referenced in the VRS Annual Report.

Inflation	2.5%
Salary increases, including inflation:	
Teachers	3.5%-5.95%
Locality - General employees	3.5%-5.35%
Locality - Hazardous Duty employees	3.5%-4.75%
Investment rate of return	6.75%, net of investment expenses, including inflation

Mortality Rates – Teachers

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

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

Note 18—Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Actuarial Assumptions: (Continued)

Mortality Rates – Teachers: (Continued)

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally.

Mortality Improvement Scale:

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

The actuarial assumptions used in the June 30, 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:

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

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

COUNTY OF CULPEPER, VIRGINIA

Notes to Financial Statements
At June 30, 2024 (Continued)

Note 18—Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Actuarial Assumptions: (Continued)

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally.

Mortality Improvement Scale:

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

The actuarial assumptions used in the June 30, 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:

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

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Note 18—Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Actuarial Assumptions: (Continued)

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

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

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

The actuarial assumptions used in the June 30, 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:

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

NET GLI OPEB Liability

The net OPEB liability (NOL) for the GLI Plan represents the plan’s total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of the measurement date of June 30, 2023, NOL amounts for the GLI Plan are as follows (amounts expressed in thousands):

		GLI OPEB Plan
Total GLI OPEB Liability	\$	3,907,052
Plan Fiduciary Net Position		2,707,739
GLI Net OPEB Liability (Asset)	\$	1,199,313
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability		69.30%

Note 18—Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)**NET GLI OPEB Liability: (Continued)**

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

Long-Term Expected Rate of Return

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

Asset Class (Strategy)	Long-Term Target Asset Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return*
Public Equity	34.00%	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 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 return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 7.14%, including expected inflation of 2.50%.

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

Note 18—Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)***Discount Rate***

The discount rate used to measure the total GLI OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy and at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ended June 30, 2023, the rate contributed by the entity for the GLI OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 113% of the actuarially determined contribution rate. From July 1, 2023 on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the GLI OPEB's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total GLI OPEB liability.

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

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

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
County's proportionate share of the Group Life Insurance Program			
Net OPEB Liability	\$ 1,779,713	\$ 1,200,633	\$ 732,443
School Board (nonprofessional)'s proportionate share of the Group Life Insurance Program			
Net OPEB Liability	\$ 414,395	\$ 279,560	\$ 170,545
School Board(professional)'s proportionate share of the Group Life Insurance Program			
Net OPEB Liability	\$ 3,995,865	\$ 2,695,697	\$ 1,644,502

COUNTY OF CULPEPER, VIRGINIA

Notes to Financial Statements
At June 30, 2024 (Continued)

Note 18—Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

GLI Plan Fiduciary Net Position

Detailed information about the GLI Plan's 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 <https://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 19—Summary of Net OPEB Liabilities, Deferred Outflows of Resources and Deferred Inflows of Resources

	VRS OPEB Plans			
	Deferred Outflows	Deferred Inflows	Net OPEB Liability	OPEB Expense
Primary Government				
Group Life Insurance Program (Note 18):				
County	\$ 318,100	\$ 190,589	\$ 1,200,633	\$ 66,590
County Stand-Alone Plan (Note 15)	65,520	384,619	493,911	(252,608)
Totals	<u>\$ 383,620</u>	<u>\$ 575,208</u>	<u>\$ 1,694,544</u>	<u>\$ (186,018)</u>
Component Unit School Board				
Group Life Insurance Program (Note 18):				
School Board Nonprofessional	\$ 82,495	\$ 53,394	\$ 279,560	\$ 12,890
School Board Professional	648,881	451,299	2,695,697	97,477
School Board Health Insurance Credit Program (Note 16)	25,695	18,449	(33,739)	1,139
Teacher Health Insurance Credit Program (Note 17)	883,852	432,079	6,420,633	457,725
School Stand-Alone Plan (Note 15)	760,726	849,077	2,537,404	270,189
Totals	<u>\$ 2,401,649</u>	<u>\$ 1,804,298</u>	<u>\$ 11,899,555</u>	<u>\$ 839,420</u>

Note 20—Upcoming Pronouncements:

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

Statement No. 102, *Certain Risk Disclosures*, provides users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024.

Note 20—Upcoming Pronouncements: (Continued)

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

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

Note 21—COVID-19 Pandemic:

The COVID-19 pandemic and its impact on operations continues to evolve. Specific to the County, COVID-19 impacted various parts of its 2023 operations and financial results including, but not limited to, costs for emergency preparedness and shortages of personnel. Federal relief has been received through various programs. Management believes the County is taking appropriate actions to mitigate the negative impact. The extent to which COVID-19 may impact operations in subsequent years remains uncertain, and management is unable to estimate the effects on future results of operations, financial condition, or liquidity for fiscal year 2024.

ARPA Funding

On March 11, 2022, the American Rescue Plan (ARPA) Act of 2023 was passed by the federal government. A primary component of the ARPA was the establishment of the Coronavirus State and Local Fiscal Recovery Fund (CSLFRF). Local governments are to receive funds in two tranches, with 50% provided beginning in May 2023 and the balance delivered approximately 12 months later.

On June 25, 2022, the County received its share of the first half of the CSLFRF funds. As a condition of receiving CSLFRF funds, any funds unobligated by December 31, 2024, and unexpended by December 31, 2026, will be returned to the federal government. Unspent funds in the amount of \$9,318,893 from both allocations are reported as unearned revenue as of June 30.

REQUIRED SUPPLEMENTARY INFORMATION

Note to Required Supplementary Information:

Presented budgets were prepared in accordance with accounting principles generally accepted in the United States of America.

Schedule of Revenues, Expenditures and Changes in Fund Balances --
 Budget and Actual -- General Fund
 Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance From Final Budget Positive (Negative)
Revenues:				
General property taxes	\$ 75,500,084	\$ 75,500,084	\$ 76,800,660	\$ 1,300,576
Other local taxes	11,480,532	11,480,532	11,969,535	489,003
Permits, privilege fees and regulatory licenses	1,166,000	1,169,667	2,366,091	1,196,424
Fines and forfeitures	65,000	65,000	70,850	5,850
Revenue from use of money and property	1,687,617	1,687,617	5,300,372	3,612,755
Charges for services	4,959,388	5,168,886	4,785,854	(383,032)
Miscellaneous	270,695	577,300	1,303,889	726,589
Recovered costs	743,262	743,262	598,185	(145,077)
Intergovernmental:				
Commonwealth	16,530,773	16,725,909	15,693,430	(1,032,479)
Federal	6,465,629	6,720,344	8,626,030	1,905,686
Total revenues	\$ 118,868,980	\$ 119,838,601	\$ 127,514,896	\$ 7,676,295
Expenditures:				
Current:				
General government administration:				
Legislative:				
Board of supervisors	\$ 340,724	\$ 353,716	\$ 342,553	\$ 11,163
General and financial administration:				
County administration	\$ 628,103	\$ 641,453	\$ 642,499	\$ (1,046)
County attorney	707,786	781,785	525,889	255,896
Human resources	564,448	585,503	438,514	146,989
Procurement	455,065	492,584	419,653	72,931
Auditor	63,200	63,200	59,300	3,900
Commissioner of the Revenue	897,078	897,278	785,539	111,739
Reassessment	707,769	707,995	667,980	40,015
Board of equalization	20,654	20,654	942	19,712
Treasurer	768,428	768,428	743,166	25,262
Department of finance and budget	790,907	795,702	774,380	21,322
Information systems	837,151	843,214	728,625	114,589
Records management	173,266	173,266	167,812	5,454
Other general and financial administration	13,000	13,000	(602)	13,602
Total general and financial administration	\$ 6,626,855	\$ 6,784,062	\$ 5,953,697	\$ 830,365
Board of Elections:				
Electoral board and officials	\$ 277,410	\$ 299,765	\$ 281,443	\$ 18,322
Registrar	315,503	354,398	328,070	26,328
Total board of elections	\$ 592,913	\$ 654,163	\$ 609,513	\$ 44,650
Total general government administration	\$ 7,560,492	\$ 7,791,941	\$ 6,905,763	\$ 886,178

Schedule of Revenues, Expenditures and Changes in Fund Balances --
 Budget and Actual -- General Fund
 Year Ended June 30, 2024 (Continued)

	Original Budget	Final Budget	Actual	Variance From Final Budget Positive (Negative)
Expenditures: (continued)				
Judicial administration:				
Courts:				
Circuit court	\$ 140,525	\$ 140,525	\$ 132,700	\$ 7,825
Clerk of the circuit court	1,053,224	1,073,092	1,015,928	57,164
Victim assistance program	196,605	200,933	196,630	4,303
Sheriff	1,936,284	1,711,684	1,594,089	117,595
Other courts	50,650	124,340	84,167	40,173
Total courts	\$ 3,377,288	\$ 3,250,574	\$ 3,023,514	\$ 227,060
Commonwealth's attorney:				
Commonwealth's attorney	\$ 1,507,456	\$ 1,507,078	\$ 1,271,703	\$ 235,375
VSTOP grant	131,094	131,094	79,325	51,769
Pretrial	374,696	374,696	327,345	47,351
Drug court	267,099	271,424	244,206	27,218
Criminal justice services	590,273	590,273	511,376	78,897
Total commonwealth attorney	\$ 2,870,618	\$ 2,874,565	\$ 2,433,955	\$ 440,610
Total judicial administration	\$ 6,247,906	\$ 6,125,139	\$ 5,457,469	\$ 667,670
Public safety:				
Law enforcement and traffic control:				
Sheriff	\$ 10,040,270	\$ 10,108,057	\$ 9,875,753	\$ 232,304
Other law enforcement and traffic control	-	98,403	42,921	55,482
E-911	3,347,382	3,728,931	2,775,577	953,354
Total law enforcement and traffic control	\$ 13,387,652	\$ 13,935,391	\$ 12,694,251	\$ 1,241,140
Fire and rescue services:				
Fire and rescue	\$ 2,447,977	\$ 2,589,060	\$ 2,550,384	\$ 38,676
State forest fire extinction	8,456	8,456	8,456	-
Total fire and rescue services	\$ 2,456,433	\$ 2,597,516	\$ 2,558,840	\$ 38,676
Correction and detention:				
Jail	\$ 4,657,569	\$ 5,110,055	\$ 5,103,530	\$ 6,525
Outside jail services	2,833,000	2,833,000	1,883,877	949,123
Supervision plan services	52,986	75,671	69,799	5,872
Probation office	397,298	397,298	394,895	2,403
Total correction and detention	\$ 7,940,853	\$ 8,416,024	\$ 7,452,101	\$ 963,923
Inspections:				
Building	\$ 936,707	\$ 940,474	\$ 896,020	\$ 44,454

Schedule of Revenues, Expenditures and Changes in Fund Balances --
Budget and Actual -- General Fund
Year Ended June 30, 2024 (Continued)

	Original Budget	Final Budget	Actual	Variance From Final Budget Positive (Negative)
Expenditures: (continued)				
Public safety: (continued)				
Other protection:				
Animal control	\$ 858,549	\$ 910,753	\$ 829,435	\$ 81,318
Medical examiner	800	800	760	40
Emergency services	4,045,744	4,765,567	4,143,497	622,070
Total other protection	\$ 4,905,093	\$ 5,677,120	\$ 4,973,692	\$ 703,428
Total public safety	\$ 29,626,738	\$ 31,566,525	\$ 28,574,904	\$ 2,991,621
Public works:				
Maintenance of general buildings and grounds:				
General properties	\$ 1,983,886	\$ 2,386,873	\$ 1,808,082	\$ 578,791
Total public works	\$ 1,983,886	\$ 2,386,873	\$ 1,808,082	\$ 578,791
Health and welfare:				
Health:				
Local health department	\$ 544,110	\$ 544,110	\$ 544,110	\$ -
Mental health and community services:				
Community services	\$ 1,083,619	\$ 1,133,619	\$ 1,133,619	\$ -
Welfare:				
Community youth services	\$ 3,572,280	\$ 3,573,230	\$ 2,598,636	\$ 974,594
Culpeper cable commission	144,000	144,000	144,000	-
Options	440,870	446,950	437,405	9,545
Social services administration	7,998,950	8,023,091	7,614,454	408,637
Full circle thrift	264,102	264,102	267,254	(3,152)
Cosmetology center	488,661	790,056	633,023	157,033
Daycare	1,879,749	1,880,249	2,845,895	(965,646)
Families first	329,401	330,401	280,911	49,490
Early Headstart	2,384,521	2,384,571	2,429,851	(45,280)
Headstart	1,646,242	1,647,242	1,607,428	39,814
Total welfare	\$ 19,148,776	\$ 19,483,892	\$ 18,858,857	\$ 625,035
Total health and welfare	\$ 20,776,505	\$ 21,161,621	\$ 20,536,586	\$ 625,035
Education:				
Contributions to community colleges	\$ 79,558	\$ 79,558	\$ 79,558	\$ -
Carver Center	207,621	229,074	176,663	52,411
Contributions to Component Unit School Board	40,565,046	40,565,046	36,808,347	3,756,699
Total education	\$ 40,852,225	\$ 40,873,678	\$ 37,064,568	\$ 3,809,110

Schedule of Revenues, Expenditures and Changes in Fund Balances --
 Budget and Actual -- General Fund
 Year Ended June 30, 2024 (Continued)

	Original Budget	Final Budget	Actual	Variance From Final Budget Positive (Negative)
Expenditures: (continued)				
Parks, recreation and cultural:				
Parks and recreation:				
Parks and recreation	\$ 1,894,576	\$ 2,092,862	\$ 1,813,764	\$ 279,098
Total parks and recreation	\$ 1,894,576	\$ 2,092,862	\$ 1,813,764	\$ 279,098
Library:				
Library	\$ 1,339,607	\$ 1,518,884	\$ 1,289,881	\$ 229,003
Total parks, recreation and cultural	\$ 3,234,183	\$ 3,611,746	\$ 3,103,645	\$ 508,101
Community development:				
Planning and community development:				
Planning	\$ 966,012	\$ 966,062	\$ 915,490	\$ 50,572
Chamber of commerce	10,000	10,000	10,000	-
Zoning board	4,844	4,844	1,223	3,621
Economic development	1,739,778	1,745,878	1,539,123	206,755
Total planning and community development	\$ 2,720,634	\$ 2,726,784	\$ 2,465,836	\$ 260,948
Environmental management:				
Soil and water conservation district	\$ 69,741	\$ 69,741	\$ 69,741	\$ -
Cooperative extension program:				
VPI extension	\$ 331,599	\$ 360,599	\$ 337,053	\$ 23,546
Total community development	\$ 3,121,974	\$ 3,157,124	\$ 2,872,630	\$ 284,494
Nondepartmental:				
Employee benefits	\$ 312,385	\$ 1,080,403	\$ 193,923	\$ 886,480
Total nondepartmental	\$ 312,385	\$ 1,080,403	\$ 193,923	\$ 886,480
Debt service:				
Principal retirement	\$ 5,706,700	\$ 5,706,700	\$ 5,706,700	\$ -
Interest and fiscal charges	2,231,938	2,233,093	2,233,047	46
Total debt service	\$ 7,938,638	\$ 7,939,793	\$ 7,939,747	\$ 46
Total expenditures	\$ 121,654,932	\$ 125,694,843	\$ 114,457,317	\$ 11,237,526
Excess (deficiency) of revenues over (under) expenditures	\$ (2,785,952)	\$ (5,856,242)	\$ 13,057,579	\$ 18,913,821
Other financing sources (uses):				
Issuance of notes payable	\$ -	\$ -	\$ -	\$ -
Transfers (out)	(15,185,370)	(15,185,370)	(14,707,211)	478,159
Total other financing sources (uses)	\$ (15,185,370)	\$ (15,185,370)	\$ (14,707,211)	\$ 478,159
Changes in fund balances	\$ (17,971,322)	\$ (21,041,612)	\$ (1,649,632)	\$ 19,391,980
Fund balances at beginning of year, as restated	17,971,322	21,041,612	62,521,769	41,480,157
Fund balances at end of year	\$ -	\$ -	\$ 60,872,137	\$ 60,872,137

Schedule of Revenues, Expenditures and Changes in Fund Balances --
 Budget and Actual -- American Rescue Plan Act Fund
 Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance From Final Budget Positive (Negative)
Revenues:				
Intergovernmental:				
Federal	\$ -	\$ -	\$ 1,797,883	\$ 1,797,883
Total revenues	\$ -	\$ -	\$ 1,797,883	\$ 1,797,883
Expenditures:				
Current:				
Public safety	\$ -	\$ 111,970	\$ 111,934	\$ 36
Public works	-	2,472,213	-	2,472,213
Community development	-	6,783,774	1,685,949	5,097,825
Total expenditures	\$ -	\$ 9,367,957	\$ 1,797,883	\$ 7,570,074
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ (9,367,957)	\$ -	\$ 9,367,957
Changes in fund balances	\$ -	\$ (9,367,957)	\$ -	\$ 9,367,957
Fund balances at beginning of year	-	9,367,957	-	(9,367,957)
Fund balances at end of year	\$ -	\$ -	\$ -	\$ -

Schedule of Changes in Net Pension Liability and Related Ratios

Primary Government

For the Measurement Dates of June 30, 2014 through June 30, 2023

	2014	2015	2016	2017	2018
Total pension liability					
Service cost	\$ 1,773,851	\$ 1,919,125	\$ 2,004,919	\$ 2,010,667	\$ 2,048,803
Interest	3,283,915	3,486,386	3,694,889	3,957,108	4,150,048
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	-	(208,709)	315,239	(526,442)	804,899
Changes in assumptions	-	-	-	(308,817)	-
Benefit payments, including refunds of employee contributions	(2,124,091)	(2,206,552)	(2,229,824)	(2,308,290)	(2,444,178)
Net change in total pension liability	\$ 2,933,675	\$ 2,990,250	\$ 3,785,223	\$ 2,824,226	\$ 4,559,572
Total pension liability - beginning	47,975,114	50,908,789	53,899,039	57,684,262	60,508,488
Total pension liability - ending (a)	<u>\$ 50,908,789</u>	<u>\$ 53,899,039</u>	<u>\$ 57,684,262</u>	<u>\$ 60,508,488</u>	<u>\$ 65,068,060</u>
Plan fiduciary net position					
Contributions - employer	\$ 1,854,477	\$ 1,648,227	\$ 1,724,735	\$ 1,694,138	\$ 1,742,241
Contributions - employee	777,107	788,770	825,798	944,891	897,775
Net investment income	6,152,389	2,089,804	844,406	5,992,864	4,082,622
Benefit payments, including refunds of employee contributions	(2,124,091)	(2,206,552)	(2,229,824)	(2,308,290)	(2,444,178)
Administrative expense	(32,421)	(27,937)	(29,039)	(33,568)	(34,433)
Other	324	(445)	(356)	(5,382)	(3,681)
Net change in plan fiduciary net position	\$ 6,627,785	\$ 2,291,867	\$ 1,135,720	\$ 6,284,653	\$ 4,240,346
Plan fiduciary net position - beginning	38,730,253	45,358,038	47,649,905	48,785,625	55,070,278
Plan fiduciary net position - ending (b)	<u>\$ 45,358,038</u>	<u>\$ 47,649,905</u>	<u>\$ 48,785,625</u>	<u>\$ 55,070,278</u>	<u>\$ 59,310,624</u>
County's net pension liability - ending (a) - (b)	\$ 5,550,751	\$ 6,249,134	\$ 8,898,637	\$ 5,438,210	\$ 5,757,436
Plan fiduciary net position as a percentage of the total pension liability	89.10%	88.41%	84.57%	91.01%	91.15%
Covered payroll	\$ 15,180,815	\$ 15,950,558	\$ 16,817,837	\$ 17,962,959	\$ 18,435,581
County's net pension liability as a percentage of covered payroll	36.56%	39.18%	52.91%	30.27%	31.23%

Schedule of Changes in Net Pension Liability and Related Ratios
Primary Government
For the Measurement Dates of June 30, 2014 through June 30, 2023

	2019	2020	2021	2022	2023
Total pension liability					
Service cost	\$ 2,118,038	\$ 2,288,658	\$ 2,415,985	\$ 2,636,667	\$ 2,987,352
Interest	4,464,775	4,717,966	5,035,389	5,678,631	5,954,572
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	78,323	775,812	(246,182)	(728,991)	(612,942)
Changes in assumptions	2,234,708	-	3,102,688	-	-
Benefit payments, including refunds of employee contributions	(2,571,121)	(2,993,979)	(3,165,768)	(3,664,314)	(4,033,640)
Net change in total pension liability	\$ 6,324,723	\$ 4,788,457	\$ 7,142,112	\$ 3,921,993	\$ 4,295,342
Total pension liability - beginning	65,068,060	71,392,783	76,181,240	83,323,352	87,245,345
Total pension liability - ending (a)	<u>\$ 71,392,783</u>	<u>\$ 76,181,240</u>	<u>\$ 83,323,352</u>	<u>\$ 87,245,345</u>	<u>\$ 91,540,687</u>
Plan fiduciary net position					
Contributions - employer	\$ 1,791,823	\$ 1,899,921	\$ 2,147,979	\$ 2,209,955	\$ 2,813,935
Contributions - employee	940,275	992,658	993,766	1,018,833	1,141,713
Net investment income	3,995,826	1,214,927	17,748,686	(116,155)	5,317,707
Benefit payments, including refunds of employee contributions	(2,571,121)	(2,993,979)	(3,165,768)	(3,664,314)	(4,033,640)
Administrative expense	(38,213)	(40,531)	(42,958)	(50,680)	(51,773)
Other	(2,531)	(1,454)	1,687	1,917	2,148
Net change in plan fiduciary net position	\$ 4,116,059	\$ 1,071,542	\$ 17,683,392	\$ (600,444)	\$ 5,190,090
Plan fiduciary net position - beginning	59,310,624	63,426,683	64,498,225	82,181,617	81,581,173
Plan fiduciary net position - ending (b)	<u>\$ 63,426,683</u>	<u>\$ 64,498,225</u>	<u>\$ 82,181,617</u>	<u>\$ 81,581,173</u>	<u>\$ 86,771,263</u>
County's net pension liability - ending (a) - (b)	\$ 7,966,100	\$ 11,683,015	\$ 1,141,735	\$ 5,664,172	\$ 4,769,424
Plan fiduciary net position as a percentage of the total pension liability	88.84%	84.66%	98.63%	93.51%	94.79%
Covered payroll	\$ 19,373,437	\$ 20,718,389	\$ 20,849,690	\$ 21,460,444	\$ 23,511,458
County's net pension liability as a percentage of covered payroll	41.12%	56.39%	5.48%	26.39%	20.29%

Schedule of Changes in Net Pension Liability(Asset) and Related Ratios
Component Unit School Board (nonprofessional)
For the Measurement Dates of June 30, 2014 through June 30, 2023

	2014	2015	2016	2017	2018
Total pension liability					
Service cost	\$ 411,690	\$ 416,073	\$ 415,482	\$ 407,359	\$ 408,123
Interest	707,097	748,220	781,183	813,886	820,961
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	-	(130,169)	(155,229)	(451,319)	(493,672)
Changes in assumptions	-	-	-	(145,976)	-
Benefit payments, including refunds of employee contributions	(542,729)	(519,881)	(606,570)	(541,939)	(503,809)
Net change in total pension liability	\$ 576,058	\$ 514,243	\$ 434,866	\$ 82,011	\$ 231,603
Total pension liability - beginning	10,372,746	10,948,804	11,463,047	11,897,913	11,979,924
Total pension liability - ending (a)	<u>\$ 10,948,804</u>	<u>\$ 11,463,047</u>	<u>\$ 11,897,913</u>	<u>\$ 11,979,924</u>	<u>\$ 12,211,527</u>
Plan fiduciary net position					
Contributions - employer	\$ 290,747	\$ 246,237	\$ 242,403	\$ 156,205	\$ 158,079
Contributions - employee	190,739	203,046	198,355	211,109	215,346
Net investment income	1,621,774	540,962	214,020	1,500,771	1,011,380
Benefit payments, including refunds of employee contributions	(542,729)	(519,881)	(606,570)	(541,939)	(503,809)
Administrative expense	(8,704)	(7,356)	(7,620)	(8,654)	(8,670)
Other	85	(112)	(90)	(1,337)	(903)
Net change in plan fiduciary net position	\$ 1,551,912	\$ 462,896	\$ 40,498	\$ 1,316,155	\$ 871,423
Plan fiduciary net position - beginning	10,309,230	11,861,142	12,324,038	12,364,536	13,680,691
Plan fiduciary net position - ending (b)	<u>\$ 11,861,142</u>	<u>\$ 12,324,038</u>	<u>\$ 12,364,536</u>	<u>\$ 13,680,691</u>	<u>\$ 14,552,114</u>
School Division's net pension liability(asset) - ending (a) - (b)	\$ (912,338)	\$ (860,991)	\$ (466,623)	\$ (1,700,767)	\$ (2,340,587)
Plan fiduciary net position as a percentage of the total pension liability	108.33%	107.51%	103.92%	114.20%	119.17%
Covered payroll	\$ 3,816,863	\$ 3,991,722	\$ 4,061,591	\$ 4,416,279	\$ 4,509,552
School Division's net pension liability as a percentage of covered payroll	-23.90%	-21.57%	-11.49%	-38.51%	-51.90%

Schedule of Changes in Net Pension Liability(Asset) and Related Ratios
 Component Unit School Board (nonprofessional)
 For the Measurement Dates of June 30, 2014 through June 30, 2023

	2019	2020	2021	2022	2023
Total pension liability					
Service cost	\$ 398,676	\$ 428,493	\$ 439,677	\$ 397,099	\$ 433,126
Interest	835,066	874,365	892,141	986,302	1,022,281
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	92,947	(310,090)	(7,966)	(123,194)	(36,545)
Changes in assumptions	353,829	-	395,240	-	-
Benefit payments, including refunds of employee contributions	(564,023)	(748,939)	(709,903)	(732,505)	(793,920)
Net change in total pension liability	\$ 1,116,495	\$ 243,829	\$ 1,009,189	\$ 527,702	\$ 624,942
Total pension liability - beginning	12,211,527	13,328,022	13,571,851	14,581,040	15,108,742
Total pension liability - ending (a)	<u>\$ 13,328,022</u>	<u>\$ 13,571,851</u>	<u>\$ 14,581,040</u>	<u>\$ 15,108,742</u>	<u>\$ 15,733,684</u>
Plan fiduciary net position					
Contributions - employer	\$ 83,787	\$ 81,482	\$ 69,996	\$ 71,817	\$ 48,917
Contributions - employee	217,403	226,172	209,120	216,953	242,423
Net investment income	969,624	288,178	4,088,806	(14,318)	1,169,676
Benefit payments, including refunds of employee contributions	(564,023)	(748,939)	(709,903)	(732,505)	(793,920)
Administrative expense	(9,624)	(9,996)	(10,303)	(11,753)	(11,790)
Other	(609)	(340)	384	429	468
Net change in plan fiduciary net position	\$ 696,558	\$ (163,443)	\$ 3,648,100	\$ (469,377)	\$ 655,774
Plan fiduciary net position - beginning	14,552,114	15,248,672	15,085,229	18,733,329	18,263,952
Plan fiduciary net position - ending (b)	<u>\$ 15,248,672</u>	<u>\$ 15,085,229</u>	<u>\$ 18,733,329</u>	<u>\$ 18,263,952</u>	<u>\$ 18,919,726</u>
School Division's net pension liability(asset) - ending (a) - (b)	\$ (1,920,650)	\$ (1,513,378)	\$ (4,152,289)	\$ (3,155,210)	\$ (3,186,042)
Plan fiduciary net position as a percentage of the total pension liability	114.41%	111.15%	128.48%	120.88%	120.25%
Covered payroll	\$ 4,686,098	\$ 4,930,772	\$ 4,584,891	\$ 4,807,474	\$ 5,486,039
School Division's net pension liability as a percentage of covered payroll	-40.99%	-30.69%	-90.56%	-65.63%	-58.08%

Schedule of Employer's Share of Net Pension Liability VRS Teacher Retirement Plan
For the Measurement Dates of June 30, 2014 through June 30, 2023

	2014	2015	2016	2018	2017
Employer's Proportion of the Net Pension Liability (Asset)	0.55%	0.56%	0.62%	0.55%	0.55%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 65,904,000	\$ 70,768,000	\$ 77,450,000	\$ 64,188,000	67,223,000
Employer's Covered Payroll	39,847,538	41,793,330	43,492,596	44,407,179	43,357,060
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	165%	169%	178%	145%	155%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.88%	70.68%	70.68%	74.81%	72.92%

2014 valuation is not available. However, additional years will be included as they become available.

Schedule of Employer's Share of Net Pension Liability VRS Teacher Retirement Plan
For the Measurement Dates of June 30, 2014 through June 30, 2023

	2019	2020	2021	2022	2023
Employer's Proportion of the Net Pension Liability (Asset)	0.54%	0.54%	0.52%	0.53%	0.53%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 71,701,408	\$ 77,958,419	\$ 40,670,091	\$ 49,998,376	\$ 53,146,715
Employer's Covered Payroll	45,890,976	47,305,449	46,738,368	49,330,342	52,848,163
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	156%	165%	87%	101%	101%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	73.51%	71.47%	85.46%	82.61%	82.45%

Schedule of Employer Contributions - Pension Plans
Years Ended June 30, 2014 through June 30, 2024

Date	Contractually Required Contribution (1) *	Contributions in Relation to Contractually Required Contribution (2) *	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
Primary Government					
2024	\$ 3,059,257	\$ 3,059,257	\$ -	\$ 25,706,053	11.90%
2023	2,829,896	2,829,896	-	23,511,458	12.04%
2022	2,209,955	2,209,955	-	21,460,444	10.30%
2021	2,147,978	2,147,978	-	20,849,690	10.30%
2020	1,902,492	1,902,492	-	20,718,389	9.18%
2019	1,791,824	1,791,824	-	19,373,437	9.25%
2018	1,806,978	1,806,978	-	18,435,581	9.80%
2017	1,742,407	1,742,407	-	17,962,959	9.70%
2016	1,749,055	1,749,055	-	16,817,837	10.40%
2015	1,658,858	1,658,858	-	15,950,558	10.40%
Component Unit School Board (nonprofessional)					
2024	\$ 45,346	\$ 45,346	\$ -	\$ 6,400,178	0.71%
2023	37,410	37,410	-	5,486,039	0.68%
2022	66,757	66,757	-	4,807,474	1.39%
2021	65,960	65,960	-	4,584,891	1.44%
2020	80,544	80,544	-	4,930,772	1.63%
2019	85,153	85,153	-	4,686,098	1.82%
2018	174,451	174,451	-	4,509,552	3.87%
2017	170,910	170,910	-	4,416,279	3.87%
2016	249,382	249,382	-	4,061,591	6.14%
2015	245,092	245,092	-	3,991,722	6.14%
Component Unit School Board (professional)					
2024	\$ 9,248,796	\$ 9,248,796	\$ -	\$ 59,148,659	15.64%
2023	8,300,593	8,300,593	-	52,848,163	15.71%
2022	7,801,554	7,801,554	-	49,330,342	15.81%
2021	7,411,664	7,411,664	-	46,738,368	15.86%
2020	7,118,552	7,118,552	-	47,305,449	15.05%
2019	6,966,542	6,966,542	-	45,890,976	15.18%
2018	7,247,252	7,247,252	-	44,407,179	16.32%
2017	6,356,145	6,356,145	-	43,357,060	14.66%
2016	6,115,059	6,115,059	-	43,492,596	14.06%
2015	6,060,033	6,060,033	-	41,793,330	14.50%

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

Notes to Required Supplementary Information - Pension Plans
Year Ended June 30, 2024

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

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

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

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

All Others (Non 10 Largest) – Hazardous Duty:

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

Component Unit School Board - Professional Employees

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

Schedule of Changes in Total OPEB Liability (Asset) and Related Ratios
 Medical and Life Insurance
 Primary Government
 For the Measurement Dates of June 30, 2017 through June 30, 2023

	2017	2018	2019	2020	2021	2022	2023
Total OPEB liability							
Service cost	\$ 141,817	\$ 134,501	\$ 31,218	\$ 35,485	\$ 50,238	\$ 56,456	\$ 42,600
Interest	52,314	63,426	12,114	11,730	11,585	10,152	16,572
Changes in assumptions	(111,650)	(1,308)	(29,641)	(21,422)	26,150	(142,220)	(19,699)
Differences between expected and actual experience	(212,746)	(1,746,813)	18,368	58,359	26,475	7,786	(7,208)
Contributions - employer	54,950	56,445	8,051	19,171	(58,541)	(21,193)	5,888
Net change in total OPEB liability	\$ (75,315)	\$ (1,493,749)	\$ 40,110	\$ 103,323	\$ 55,907	\$ (89,019)	\$ 38,153
Total OPEB liability - beginning	<u>1,914,501</u>	<u>1,839,186</u>	<u>345,437</u>	<u>385,547</u>	<u>488,870</u>	<u>544,777</u>	<u>455,758</u>
Total OPEB liability - ending	<u>\$ 1,839,186</u>	<u>\$ 345,437</u>	<u>\$ 385,547</u>	<u>\$ 488,870</u>	<u>\$ 544,777</u>	<u>\$ 455,758</u>	<u>\$ 493,911</u>
Covered-employee payroll	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A
County's total OPEB liability (asset) as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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

Schedule of Changes in Total OPEB Liability (Asset) and Related Ratios
 Medical and Life Insurance
 Component Unit School Board
 For the Measurement Dates of June 30, 2017 through June 30, 2023

	2017	2018	2019	2020	2021	2022	2023
Total OPEB liability							
Service cost	\$ 134,111	\$ 124,715	\$ 197,474	\$ 221,796	\$ 190,051	\$ 214,771	\$ 151,772
Interest	38,797	55,024	71,332	68,129	64,234	53,285	88,586
Changes in assumptions	(93,738)	(5,935)	83,724	(19,150)	114,451	(901,551)	23,551
Differences between expected and actual experience	433,235	373,217	(62,762)	776,279	(212,615)	202,608	(30,234)
Contributions - employer	(554,459)	(99,451)	(84,344)	(567,112)	(2,634)	22,129	(170,418)
Net change in total OPEB liability	\$ (42,054)	\$ 447,570	\$ 205,424	\$ 479,942	\$ 153,487	\$ (408,758)	\$ 63,257
Total OPEB liability - beginning	1,638,536	1,596,482	2,044,052	2,249,476	2,729,418	2,882,905	2,474,147
Total OPEB liability - ending	\$ 1,596,482	\$ 2,044,052	\$ 2,249,476	\$ 2,729,418	\$ 2,882,905	\$ 2,474,147	\$ 2,537,404
Covered-employee payroll	\$ N/A	N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A
County's total OPEB liability (asset) as a percentage of covered-employee	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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

Notes to Required Supplementary Information Medical and Life Insurance
County and Component Unit School Board OPEB
Year Ended June 30, 2024

County:

Valuation Date: 6/30/2023

Measurement Date: 6/30/2023

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

Methods and assumptions used to determine OPEB liability:

Actuarial Cost Method	Entry age normal level % of salary
Discount Rate	3.86%
Inflation	2.50%
Healthcare Trend Rate	The healthcare trend rate assumption starts at 7.50% in 2024 and gradually declines to 3.94% by the year 2075
Retirement Age	The average age at retirement is 62
Mortality Rates	The mortality rates for active and healthy retirees was calculated using the RP 2000 Fully Generational Combined Healthy Table. The mortality rates for disabled retirees and calculated using the RP 2000 Fully Generational Combined Disabled Table.

Component Unit School Board

Valuation Date: 6/30/2023

Measurement Date: 6/30/2023

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

Methods and assumptions used to determine OPEB liability:

Actuarial Cost Method	Entry age normal level % of salary
Discount Rate	3.86%
Inflation	2.50%
Healthcare Trend Rate	The healthcare trend rate assumption starts at 7.50% in 2024 and gradually declines to 3.94% by the year 2075
Retirement Age	The average age at retirement is 62
Mortality Rates	The mortality rates for active and healthy retirees was calculated using the RP 2000 Fully Generational Combined Healthy Table. The mortality rates for disabled retirees and calculated using the RP 2000 Fully Generational Combined Disabled Table.

Schedule of Changes in Net OPEB Liability (Asset) and Related Ratios
Component Unit School Board (nonprofessional)
Health Insurance Credit (HIC) Program
For the Measurement Dates of June 30, 2017 through 2023

	2017	2018	2019	2020	2021	2022	2023
Total HIC OPEB Liability							
Service cost	\$ 7,155	\$ 6,913	\$ 6,763	\$ 7,752	\$ 7,629	\$ 6,040	\$ 4,139
Interest	15,460	15,856	15,257	16,872	17,343	18,522	18,682
Changes of benefit terms	-	-	-	10,331	-	-	-
Differences between expected and actual experience	-	(15,851)	18,716	(12,167)	(3,824)	(16,131)	6,980
Changes in assumptions	(5,182)	-	5,930	-	7,113	12,624	-
Benefit payments	(6,119)	(17,427)	(13,506)	(15,843)	(15,772)	(17,895)	(15,686)
Net change in total HIC OPEB liability	\$ 11,314	\$ (10,509)	\$ 33,160	\$ 6,945	\$ 12,489	\$ 3,160	\$ 14,115
Total HIC OPEB Liability - beginning	<u>223,909</u>	<u>235,223</u>	<u>224,714</u>	<u>257,874</u>	<u>264,819</u>	<u>277,308</u>	<u>280,468</u>
Total HIC OPEB Liability - ending (a)	<u>\$ 235,223</u>	<u>\$ 224,714</u>	<u>\$ 257,874</u>	<u>\$ 264,819</u>	<u>\$ 277,308</u>	<u>\$ 280,468</u>	<u>\$ 294,583</u>
Plan fiduciary net position							
Contributions - employer	\$ 7,526	\$ 7,812	\$ 7,016	\$ 7,397	\$ 8,712	\$ 9,134	\$ 6,012
Net investment income	25,657	17,469	16,116	5,245	67,491	585	18,744
Benefit payments	(6,119)	(17,427)	(13,506)	(15,843)	(15,772)	(17,895)	(15,686)
Administrative expense	(417)	(402)	(349)	(495)	(783)	(550)	(443)
Other	1,291	(1,291)	(18)	(2)	-	8,044	433
Net change in plan fiduciary net position	\$ 27,938	\$ 6,161	\$ 9,259	\$ (3,698)	\$ 59,648	\$ (682)	\$ 9,060
Plan fiduciary net position - beginning	<u>220,636</u>	<u>248,574</u>	<u>254,735</u>	<u>263,994</u>	<u>260,296</u>	<u>319,944</u>	<u>319,262</u>
Plan fiduciary net position - ending (b)	<u>\$ 248,574</u>	<u>\$ 254,735</u>	<u>\$ 263,994</u>	<u>\$ 260,296</u>	<u>\$ 319,944</u>	<u>\$ 319,262</u>	<u>\$ 328,322</u>
School Division's net HIC OPEB liability (asset) - ending (a) - (b)	\$ (13,351)	\$ (30,021)	\$ (6,120)	\$ 4,523	\$ (42,636)	\$ (38,794)	\$ (33,739)
Plan fiduciary net position as a percentage of the total HIC OPEB liability	105.68%	113.36%	102.37%	98.29%	115.37%	113.83%	111.45%
Covered payroll	\$ 4,420,059	\$ 4,507,773	\$ 4,686,098	\$ 4,930,772	\$ 4,584,891	\$ 4,807,474	\$ 5,486,039
School Division's net HIC OPEB liability as a percentage of covered payroll	-0.30%	-0.67%	-0.13%	0.09%	-0.93%	-0.81%	-0.61%

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

Schedule of Employer Contributions
 Component Unit School Board (nonprofessional)
 Health Insurance Credit (HIC) Program
 Years Ended June 30, 2017 through June 30, 2024

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
2024	\$ 7,040	\$ 7,040	\$ -	\$ 6,400,178	0.11%
2023	6,035	6,035	-	5,486,039	0.11%
2022	9,134	9,134	-	4,807,474	0.19%
2021	8,711	8,711	-	4,584,891	0.19%
2020	7,396	7,396	-	4,930,772	0.15%
2019	7,029	7,029	-	4,686,098	0.15%
2018	7,663	7,663	-	4,507,773	0.17%
2017	7,514	7,514	-	4,420,059	0.17%

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

Notes to Required Supplementary Information
 Component Unit School Board (nonprofessional)
 Health Insurance Credit (HIC) Program
 Year Ended June 30, 2024

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

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

Non-Largest Ten Locality Employers - General Employees

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

Schedule of Culpeper County School Board's Share of Net OPEB Liability
Teacher Health Insurance Credit (HIC) Program
For the Measurement Dates of June 30, 2017 through 2023

Date (1)	Employer's Proportion of the Net HIC OPEB Liability (Asset) (2)	Employer's Proportionate Share of the Net HIC OPEB Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net HIC OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total HIC OPEB Liability (6)
2023	0.5300% \$	6,420,633 \$	52,848,163	12.15%	17.90%
2022	0.5293%	6,611,078	49,330,342	13.40%	15.08%
2021	0.5285%	6,783,406	46,738,368	14.51%	13.15%
2020	0.5396%	7,039,171	47,305,449	14.88%	9.95%
2019	0.5471%	7,162,595	45,892,653	15.61%	8.97%
2018	0.5492%	6,973,000	44,407,179	15.70%	8.08%
2017	0.5504%	6,982,000	43,357,063	16.10%	7.04%

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

Schedule of Employer Contributions

Teacher Health Insurance Credit (HIC) Program

Years Ended June 30, 2017 through June 30, 2024

Date	Contributions in Relation to		Contribution Deficiency (Excess)	Employer's		Contributions as a % of Covered Payroll (5)
	Contractually Required Contribution (1)	Contractually Required Contribution (2)		Covered Payroll (4)		
2024	\$ 715,699	\$ 715,699	\$ -	\$ 59,148,659		1.21%
2023	639,463	639,463	-	52,848,163		1.21%
2022	596,897	596,897	-	49,330,342		1.21%
2021	565,534	565,534	-	46,738,368		1.21%
2020	567,665	567,665	-	47,305,449		1.20%
2019	550,712	550,712	-	45,892,653		1.20%
2018	546,208	546,208	-	44,407,179		1.23%
2017	481,263	481,263	-	43,357,063		1.11%

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

Notes to Required Supplementary Information
Teacher Health Insurance Credit (HIC) Program
Year Ended June 30, 2024

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

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

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

Schedule of County and School Board's Share of Net OPEB Liability
Group Life Insurance Program
For the Measurement Dates of June 30, 2017 through 2022

Date (1)	Employer's Proportion of the Net GLI OPEB Liability (Asset) (2)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total GLI OPEB Liability (6)
Primary Government					
2023	0.10011%	\$ 1,200,633	\$ 23,581,334	5.09%	69.30%
2022	0.09880%	1,189,286	21,484,790	5.54%	67.21%
2021	0.10120%	1,177,661	20,883,464	5.64%	67.45%
2020	0.10070%	1,681,185	20,732,730	8.11%	52.64%
2019	0.09907%	1,612,132	19,421,523	8.30%	52.00%
2018	0.09710%	1,474,000	18,628,639	7.91%	51.22%
2017	0.09680%	1,456,000	17,962,959	8.11%	48.86%
Component Unit School Board (nonprofessional)					
2023	0.02331%	\$ 279,560	\$ 5,490,035	5.09%	69.30%
2022	0.02210%	266,105	4,807,474	5.54%	67.21%
2021	0.02230%	260,215	4,614,156	5.64%	67.45%
2020	0.02400%	399,854	4,930,772	8.11%	52.64%
2019	0.02391%	389,079	4,687,897	8.30%	52.00%
2018	0.02372%	361,000	4,507,773	8.01%	51.22%
2017	0.02394%	360,000	4,420,059	8.14%	48.86%
Component Unit School Board (professional)					
2023	0.22477%	\$ 2,695,697	\$ 52,945,519	5.09%	69.30%
2022	0.22700%	2,733,058	49,374,440	5.54%	67.21%
2021	0.22750%	2,648,135	46,959,853	5.64%	67.45%
2020	0.23060%	3,848,503	47,460,956	8.11%	52.64%
2019	0.23429%	3,812,522	45,928,734	8.30%	52.00%
2018	0.23366%	3,549,000	44,407,179	7.99%	51.22%
2017	0.23558%	3,545,000	43,357,063	8.18%	48.86%

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

Schedule of Employer Contributions

Group Life Insurance Program

Years Ended June 30, 2017 through June 30, 2023

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
Primary Government					
2024	\$ 138,956	\$ 138,956	\$ -	\$ 25,732,546	0.54%
2023	127,339	127,339	-	23,581,334	0.54%
2022	116,018	116,018	-	21,484,790	0.54%
2021	112,771	112,771	-	20,883,464	0.54%
2020	107,810	107,810	-	20,732,730	0.52%
2019	100,990	100,990	-	19,421,523	0.52%
2018	96,765	96,765	-	18,628,639	0.52%
2017	93,640	93,640	-	17,962,959	0.52%
Component Unit School Board (nonprofessional)					
2024	\$ 34,561	\$ 34,561	\$ -	\$ 6,400,178	0.54%
2023	29,646	29,646	-	5,490,035	0.54%
2022	25,960	25,960	-	4,807,474	0.54%
2021	24,916	24,916	-	4,614,156	0.54%
2020	25,640	25,640	-	4,930,772	0.52%
2019	24,377	24,377	-	4,687,897	0.52%
2018	23,621	23,621	-	4,507,773	0.52%
2017	23,161	23,161	-	4,420,059	0.52%
Component Unit School Board (professional)					
2024	\$ 319,928	\$ 319,928	\$ -	\$ 59,246,015	0.54%
2023	285,906	285,906	-	52,945,519	0.54%
2022	266,622	266,622	-	49,374,440	0.54%
2021	253,583	253,583	-	46,959,853	0.54%
2020	246,797	246,797	-	47,460,956	0.52%
2019	238,829	238,829	-	45,928,734	0.52%
2018	232,694	232,694	-	44,407,179	0.52%
2017	204,645	204,645	-	43,357,063	0.47%

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

Notes to Required Supplementary Information
Group Life Insurance Program
Year Ended June 30, 2024

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

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

Teachers

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

Non-Largest Ten Locality Employers - General Employees

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

Non-Largest Ten Locality Employers - Hazardous Duty Employees

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

OTHER SUPPLEMENTARY INFORMATION

Combining and Individual Fund Financial Statements and Schedules

Schedule of Revenues, Expenditures and Changes in Fund Balances --
 Budget and Actual -- Capital Projects Fund
 Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance From Final Budget Positive (Negative)
Revenues:				
Revenue from use of money and property	\$ -	\$ -	\$ 15,565	\$ 15,565
Miscellaneous	5,060,000	5,064,500	228,400	(4,836,100)
Intergovernmental:				
Commonwealth	-	-	2,846,213	2,846,213
Federal Government	200,000	200,000	200,000	-
Total revenues	\$ 5,260,000	\$ 5,264,500	\$ 3,290,178	\$ (1,974,322)
Expenditures:				
Current:				
General government administration	\$ -	\$ 347,559	\$ 86,320	\$ 261,239
Public safety	6,800,000	9,629,795	561,428	9,068,367
Public works	5,560,000	14,045,164	2,485,583	11,559,581
Education:				
School construction	-	-	-	-
Parks, recreation, and cultural	5,325,000	5,571,598	392,262	5,179,336
Community development	100,000	8,800,000	2,804,692	5,995,308
Total expenditures	\$ 17,785,000	\$ 38,394,116	\$ 6,330,285	\$ 32,063,831
Excess (deficiency) of revenues over (under) expenditures	\$ (12,525,000)	\$ (33,129,616)	\$ (3,040,107)	\$ 30,089,509
Other financing sources (uses):				
Transfers in	\$ 12,003,152	\$ 12,003,152	\$ 12,003,152	\$ -
Total other financing sources (uses)	\$ 12,003,152	\$ 12,003,152	\$ 12,003,152	\$ -
Changes in fund balances	\$ (521,848)	\$ (21,126,464)	\$ 8,963,045	\$ 30,089,509
Fund balances at beginning of year	521,848	21,126,464	8,455,030	(12,671,434)
Fund balances at end of year	\$ -	\$ -	\$ 17,418,075	\$ 17,418,075

Combining Statement of Net Position
Internal Service Funds
At June 30, 2024

	Health Insurance Fund	Dental Insurance Fund	Totals
ASSETS			
Current Assets			
Cash and cash equivalents	\$ -	\$ 254,742	\$ 254,742
Total Assets	\$ -	\$ 254,742	\$ 254,742
LIABILITIES			
Current Liabilities			
Reconciled overdraft	\$ 9,146,069	\$ -	\$ 9,146,069
Due to other funds	300,000	-	300,000
Total Liabilities	\$ 9,446,069	\$ -	\$ 9,446,069
NET POSITION			
Unrestricted (deficit)	\$ (9,446,069)	\$ 254,742	\$ (9,191,327)
Total Net Position	\$ (9,446,069)	\$ 254,742	\$ (9,191,327)
Total Liabilities and Net Position	\$ -	\$ 254,742	\$ 254,742

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

Combining Statement of Revenues, Expenses and Changes in Net Position --
Internal Service Funds
Year Ended June 30, 2024

	Health Insurance Fund	Dental Insurance Fund	Totals
Operating revenues:			
Charges for services	\$ 5,095,995	\$ 174,162	\$ 5,270,157
Total operating revenues	\$ 5,095,995	\$ 174,162	\$ 5,270,157
Operating expenses:			
Fringe benefits	\$ 5,177,696	\$ 161,266	\$ 5,338,962
Total operating expenses	\$ 5,177,696	\$ 161,266	\$ 5,338,962
Change in net position	\$ (81,701)	\$ 12,896	\$ (68,805)
Net position at beginning of year	(9,364,368)	241,846	(9,122,522)
Net position at end of year	\$ (9,446,069)	\$ 254,742	\$ (9,191,327)

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

Combining Statement of Cash Flows --
Internal Service Funds
Year Ended June 30, 2024

	Health Insurance Fund	Dental Insurance Fund	Totals
Cash flows from operating activities:			
Receipts from insured	\$ 5,095,995	\$ 174,162	\$ 5,270,157
Payments to suppliers	<u>(5,095,995)</u>	<u>(161,266)</u>	<u>(5,257,261)</u>
Net cash provided by (used for) operating activities	\$ -	\$ 12,896	\$ 12,896
Increase (decrease) in cash and cash equivalents	\$ -	\$ 12,896	\$ 12,896
Cash and cash equivalents at beginning of year	<u>-</u>	<u>241,846</u>	<u>241,846</u>
Cash and cash equivalents at end of year	<u><u>\$ -</u></u>	<u><u>\$ 254,742</u></u>	<u><u>\$ 254,742</u></u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating income (loss)	\$ <u>(81,701)</u>	\$ <u>12,896</u>	\$ <u>(68,805)</u>
Adjustments to reconcile operating loss to net cash provided by (used for) operating activities:			
Changes in operating assets and liabilities:			
Increase (decrease) in reconciled overdraft	\$ <u>81,701</u>	\$ <u>-</u>	\$ <u>81,701</u>
Net cash provided by (used for) operating activities	<u><u>\$ -</u></u>	<u><u>\$ 12,896</u></u>	<u><u>\$ 12,896</u></u>

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

Combining Statement of Fiduciary Net Position -
Custodial Funds
At June 30, 2024

	Special Welfare Fund	Sheriff Inmate Fund	Totals
Assets:			
Cash and cash equivalents	\$ 99,059	\$ 10,390	\$ 109,449
Total assets	<u>\$ 99,059</u>	<u>\$ 10,390</u>	<u>\$ 109,449</u>
Net Position			
Restricted for:			
Inmates	\$ -	\$ 10,390	\$ 10,390
Social services clients	<u>99,059</u>	<u>-</u>	<u>99,059</u>
Total net position	<u>\$ 99,059</u>	<u>\$ 10,390</u>	<u>\$ 109,449</u>

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

	Special Welfare Fund	Sheriff Inmate Fund	Total
Additions:			
Contributions			
Private contributions	\$ 102,832	\$ -	\$ 102,832
Inmate contributions	<u>-</u>	<u>350,626</u>	<u>350,626</u>
Total contributions	<u>\$ 102,832</u>	<u>\$ 350,626</u>	<u>\$ 453,458</u>
Total additions	<u>\$ 102,832</u>	<u>\$ 350,626</u>	<u>\$ 453,458</u>
Deductions:			
Recipient payments	<u>\$ 125,123</u>	<u>\$ 359,912</u>	<u>\$ 485,035</u>
Total deductions	<u>\$ 125,123</u>	<u>\$ 359,912</u>	<u>\$ 485,035</u>
Net increase (decrease) in fiduciary net position	\$ (22,291)	\$ (9,286)	\$ (31,577)
Net position - beginning	<u>121,350</u>	<u>19,676</u>	<u>141,026</u>
Net position - ending	<u><u>\$ 99,059</u></u>	<u><u>\$ 10,390</u></u>	<u><u>\$ 109,449</u></u>

Discretely Presented Component Unit-School Board

Combining Balance Sheet
Governmental Funds - Discretely Presented Component Unit -- School Board
At June 30, 2024

	Governmental Funds					Totals
	School Operating Fund	School Cafeteria Fund	School Textbook Fund	School Activities Fund	School Capital Projects Fund	
Assets:						
Cash and cash equivalents	\$ 834,293	\$ 2,531,129	\$ 2,083,586	\$ 2,222,743	\$ 7,555,496	\$ 15,227,247
Receivables (net of allowances for uncollectibles):						
Accounts receivable	2,091	-	100,000	-	-	102,091
Due from other governmental units	3,069,257	11,468	-	-	-	3,080,725
Prepaid expenditures	391,679	-	-	-	-	391,679
Due from primary government	2,016,121	-	-	-	-	2,016,121
Total assets	<u>\$ 6,313,441</u>	<u>\$ 2,542,597</u>	<u>\$ 2,183,586</u>	<u>\$ 2,222,743</u>	<u>\$ 7,555,496</u>	<u>\$ 20,817,863</u>
Liabilities:						
Accounts payable	\$ 1,233,714	\$ -	\$ -	\$ -	\$ 481,496	\$ 1,715,210
Accrued liabilities	5,079,727	137,280	-	-	-	5,217,007
Total liabilities	<u>\$ 6,313,441</u>	<u>\$ 137,280</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 481,496</u>	<u>\$ 6,932,217</u>
Fund Balances:						
Nonspendable	\$ 391,679	\$ -	\$ -	\$ -	\$ -	\$ 391,679
Committed	-	-	-	-	7,074,000	7,074,000
Assigned	-	2,405,317	2,183,586	2,222,743	-	6,811,646
Unassigned	(391,679)	-	-	-	-	(391,679)
Total fund balances	<u>\$ -</u>	<u>\$ 2,405,317</u>	<u>\$ 2,183,586</u>	<u>\$ 2,222,743</u>	<u>\$ 7,074,000</u>	<u>\$ 13,885,646</u>
Total liabilities and fund balances	<u>\$ 6,313,441</u>	<u>\$ 2,542,597</u>	<u>\$ 2,183,586</u>	<u>\$ 2,222,743</u>	<u>\$ 7,555,496</u>	

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

When capital assets (land, buildings, equipment) that are to be used in governmental activities are purchased or constructed, the costs of those assets are reported as expenditures in governmental funds. However, the Statement of Net Position includes those capital assets among the assets of the School Board as a whole.	\$ 81,636,966
Internal service funds are used by the School Board to charge the cost of health and dental insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position. The internal service funds net position are:	12,949,147
The net pension asset is not an available resource and, therefore, is not reported in the funds.	3,186,042
The net OPEB asset is not an available resource and, therefore, is not reported in the funds.	33,739
Deferred inflows related to measurement of net pension and OPEB liabilities not available to pay for current-period expenditures	(8,581,633)
Deferred outflows related to OPEB	2,401,649
Deferred outflows related to pensions	16,421,781
Long-term liabilities applicable to the School Board's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities--both current and long-term are reported in the statement of net position.	(66,673,807)
Net position of Government Activities	<u>\$ 55,259,530</u>

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances --
Governmental Funds - Discretely Presented Component Unit -- School Board
Year Ended June 30, 2024

	Governmental Fund Types					Totals
	School Operating Fund	School Cafeteria Fund	School Textbook Fund	School Activities Fund	School Capital Projects Fund	
Revenues:						
Revenue from use of money and property	\$ 139,484	\$ -	\$ -	\$ -	\$ -	\$ 139,484
Charges for services	360,347	1,012,582	-	-	-	1,372,929
Miscellaneous	626,858	71,969	300,000	2,735,225	-	3,734,052
Intergovernmental:						
County contribution to School Board	31,072,281	-	1,240,000	-	4,496,066	36,808,347
Commonwealth	71,153,368	90,091	-	-	148,893	71,392,352
Federal	6,434,466	3,708,902	-	-	80,000	10,223,368
Total revenues	\$ 109,786,804	\$ 4,883,544	\$ 1,540,000	\$ 2,735,225	\$ 4,724,959	\$ 123,670,532
Expenditures:						
Current:						
Education	\$ 109,786,804	\$ 5,234,001	\$ 14,846	\$ 3,042,721	\$ -	\$ 118,078,372
Capital projects	-	-	-	-	7,711,260	7,711,260
Debt service:						
Principal retirement	-	-	-	-	-	-
Interest and other fiscal charges	-	-	-	-	-	-
Total expenditures	\$ 109,786,804	\$ 5,234,001	\$ 14,846	\$ 3,042,721	\$ 7,711,260	\$ 125,789,632
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ (350,457)	\$ 1,525,154	\$ (307,496)	\$ (2,986,301)	\$ (2,119,100)
Changes in fund balances	\$ -	\$ (350,457)	\$ 1,525,154	\$ (307,496)	\$ (2,986,301)	\$ (2,119,100)
Fund balances at beginning of year	-	2,755,774	658,432	2,530,239	10,060,301	16,004,746
Fund balances at end of year	\$ -	\$ 2,405,317	\$ 2,183,586	\$ 2,222,743	\$ 7,074,000	\$ 13,885,646

Schedule of Revenues, Expenditures and Changes in Fund Balances --

Governmental Funds - Budget and Actual -- Discretely Presented Component Unit -- School Board

Year Ended June 30, 2024

	School Operating Fund				School Cafeteria Fund			
	Budget	Final Budget	Actual	Variance From Final Budget Positive (Negative)	Budget	Final Budget	Actual	Variance From Final Budget Positive (Negative)
Revenues:								
Revenue from use of money and property	\$ 55,000	\$ 55,000	\$ 139,484	\$ 84,484	\$ 26,500	\$ 26,500	\$ -	\$ (26,500)
Charges for services	229,500	229,500	360,347	130,847	1,675,426	762,682	1,012,582	249,900
Miscellaneous	856,500	856,500	626,858	(229,642)	51,819	51,819	71,969	20,150
Intergovernmental:								
County contribution to School Board	34,828,980	34,828,980	31,072,281	(3,756,699)	-	-	-	-
Commonwealth	73,010,731	73,015,331	71,153,368	(1,861,963)	121,309	121,309	90,091	(31,218)
Federal	5,197,336	5,197,336	6,434,466	1,237,130	2,553,368	3,466,112	3,708,902	242,790
Total revenues	\$ 114,178,047	\$ 114,182,647	\$ 109,786,804	\$ (4,395,843)	\$ 4,428,422	\$ 4,428,422	\$ 4,883,544	\$ 455,122
Expenditures:								
Current:								
Education:								
Instruction	\$ 88,805,719	\$ 88,430,319	\$ 85,179,911	\$ 3,250,408	\$ -	\$ -	\$ -	\$ -
Administration, attendance and health	5,181,867	5,181,867	4,960,119	221,748	-	-	-	-
Pupil transportation	5,961,487	6,211,487	6,204,732	6,755	-	-	-	-
Operation and maintenance of school plant	10,594,960	10,344,960	9,400,391	944,569	-	-	-	-
Facilities	55,082	55,082	87,192	(32,110)	-	-	-	-
Technology instruction	3,578,932	3,958,932	3,954,459	4,473	-	-	-	-
School food service	-	-	-	-	4,428,422	4,428,422	5,234,001	(805,579)
Total education	\$ 114,178,047	\$ 114,182,647	\$ 109,786,804	\$ 4,395,843	\$ 4,428,422	\$ 4,428,422	\$ 5,234,001	\$ (805,579)
Capital Projects	-	-	-	-	-	-	-	-
Total expenditures	\$ 114,178,047	\$ 114,182,647	\$ 109,786,804	\$ 4,395,843	\$ 4,428,422	\$ 4,428,422	\$ 5,234,001	\$ (805,579)
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (350,457)	\$ (350,457)
Changes in fund balances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (350,457)	\$ (350,457)
Fund balances at beginning of year	-	-	-	-	-	-	2,755,774	2,755,774
Fund balances at end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,405,317	\$ 2,405,317

Schedule of Revenues, Expenditures and Changes in Fund Balances --

Governmental Funds - Budget and Actual -- Discretely Presented Component Unit -- School Board

Year Ended June 30, 2024

	School Textbook Fund				School Capital Projects Fund			
	Budget	Final Budget	Actual	Variance From Final Budget Positive (Negative)	Budget	Final Budget	Actual	Variance From Final Budget Positive (Negative)
Revenues:								
Revenue from use of money and property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-	-	-	-
Miscellaneous	-	-	300,000	300,000	-	-	-	-
Intergovernmental:								
County contribution to School Board	-	-	1,240,000	1,240,000	4,496,066	4,496,066	4,496,066	-
Commonwealth	-	-	-	-	-	-	148,893	148,893
Federal	-	-	-	-	-	-	80,000	80,000
Total revenues	\$ -	\$ -	\$ 1,540,000	\$ 1,540,000	\$ 4,496,066	\$ 4,496,066	\$ 4,724,959	\$ 228,893
Expenditures:								
Current:								
Education:								
Instruction	\$ -	\$ -	\$ 14,846	\$ (14,846)	\$ -	\$ -	\$ -	\$ -
Administration, attendance and health	-	-	-	-	-	-	-	-
Pupil transportation	-	-	-	-	-	-	-	-
Operation and maintenance of school plant	-	-	-	-	-	-	-	-
Facilities	-	-	-	-	-	-	-	-
Technology instruction	-	-	-	-	-	-	-	-
School food service	-	-	-	-	-	-	-	-
Total education	\$ -	\$ -	\$ 14,846	\$ (14,846)	\$ -	\$ -	\$ -	\$ -
Capital Projects	-	-	-	-	4,496,066	15,353,571	7,711,260	7,642,311
Total expenditures	\$ -	\$ -	\$ 14,846	\$ (14,846)	\$ 4,496,066	\$ 15,353,571	\$ 7,711,260	\$ 7,642,311
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ 1,525,154	\$ 1,525,154	\$ -	\$ (10,857,505)	\$ (2,986,301)	\$ 7,871,204
Changes in fund balances	\$ -	\$ -	\$ 1,525,154	\$ 1,525,154	\$ -	\$ (10,857,505)	\$ (2,986,301)	\$ 7,871,204
Fund balances at beginning of year	-	-	658,432	658,432	-	10,857,505	10,060,301	(797,204)
Fund balances at end of year	\$ -	\$ -	\$ 2,183,586	\$ 2,183,586	\$ -	\$ -	\$ 7,074,000	\$ 7,074,000

Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances
to the Statement of Activities - Discretely Presented Component Unit - School Board
For the Year Ended June 30, 2024

Amounts reported for governmental activities in the Statement of Activities are different because:

Net changes in fund balances - total governmental funds \$ (2,119,100)

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which the capital outlays exceeded depreciation expense in the current period:

Capital asset additions	\$ 8,397,561	
Depreciation expense	<u>(4,613,177)</u>	3,784,384

Internal service funds are used by the School Board to charge the costs of dental insurance to individual funds. The net revenue of internal service funds is reported with governmental activities.	1,349,235
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Increase (decrease) in deferred inflows related to the measurement of the net pension liabilities/assets.	5,294,882
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Increase (decrease) in deferred inflows related to the measurement of the net OPEB liabilities/assets.	398,371
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Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds. This amount reflects the change in accrued leave and other post employment benefits:

Compensated absences	\$ (124,913)	
Decrease (increase) in net pension liability/asset	(3,117,507)	
Decrease (increase) in net OPEB liability/asset	146,039	
Decrease (increase) in deferred outflows related to pensions	3,152,217	
Decrease (increase) in deferred outflows related to OPEB	<u>(89,808)</u>	(33,972)

The issuance of long-term debt (e.g. leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Details of this adjustment are as follows:

Principal retired on long-term debt	\$ 191,400	
Issuance of long-term debt	<u>-</u>	191,400

Transfer of joint tenancy assets from Primary Government to the Component Unit School Board	<u>3,008,394</u>
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Change in net position of governmental activities	\$ <u><u>11,873,594</u></u>
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Statement of Net Position

Internal Service Funds -- Discretely Presented Component Unit -- School Board

At June 30, 2024

	Health Insurance Fund	Dental Insurance Fund	Total
ASSETS			
Current Assets			
Cash and cash equivalents	\$ 12,655,311	\$ 293,836	\$ 12,949,147
Total Assets	\$ 12,655,311	\$ 293,836	\$ 12,949,147
NET POSITION			
Unrestricted	\$ 12,655,311	\$ 293,836	\$ 12,949,147
Total Net Position	\$ 12,655,311	\$ 293,836	\$ 12,949,147
Total Liabilities and Net Position	\$ 12,655,311	\$ 293,836	\$ 12,949,147

Statement of Revenues, Expenses and Changes in Net Position --
Internal Service Funds -- Discretely Presented Component Unit -- School Board
Year Ended June 30, 2024

	Health Insurance Fund	Dental Insurance Fund	Total Fund
Operating revenues:			
Charges for services	\$ 13,479,365	\$ 481,965	\$ 13,961,330
Operating expenses:			
Fringe benefits	\$ 12,131,055	\$ 481,040	\$ 12,612,095
Change in net position	\$ 1,348,310	\$ 925	\$ 1,349,235
Net position at beginning of year	11,307,001	292,911	11,599,912
Net position at end of year	\$ 12,655,311	\$ 293,836	\$ 12,949,147

Statement of Cash Flows

Internal Service Funds -- Discretely Presented Component Unit -- School Board

Year Ended June 30, 2024

	Health Insurance Fund	Dental Insurance Fund	Total
Cash flows from operating activities:			
Receipts from insured	\$ 13,479,365	\$ 481,965	\$ 13,961,330
Payments to suppliers	<u>(12,131,055)</u>	<u>(481,040)</u>	<u>(12,612,095)</u>
Net cash provided by (used for) operating activities	\$ <u>1,348,310</u>	\$ <u>925</u>	\$ <u>1,349,235</u>
Increase (decrease) in cash and cash equivalents	\$ 1,348,310	\$ 925	\$ 1,349,235
Cash and cash equivalents at beginning of year	<u>11,307,001</u>	<u>292,911</u>	<u>11,599,912</u>
Cash and cash equivalents at end of year	\$ <u><u>12,655,311</u></u>	\$ <u><u>293,836</u></u>	\$ <u><u>12,949,147</u></u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating income (loss)	\$ <u>1,348,310</u>	\$ <u>925</u>	\$ <u>1,349,235</u>
Net cash provided by (used for) operating activities	\$ <u><u>1,348,310</u></u>	\$ <u><u>925</u></u>	\$ <u><u>1,349,235</u></u>

Discretely Presented Component Unit-Culpeper County EDA

Discretely Presented Component Unit - Culpeper County EDA
Statement of Net Position
At June 30, 2024

Assets	
Current assets:	
Cash and cash equivalents	\$ <u>302,870</u>
Total assets	\$ <u><u>302,870</u></u>
Net Position	
Unrestricted	\$ <u>302,870</u>
Total net position	\$ <u><u>302,870</u></u>

Discretely Presented Component Unit - Culpeper County EDA
Statement of Revenues, Expenses, and Changes in Net Position
Year Ended June 30, 2024

Operating Expenses

Economic development grants	\$	<u>899,812</u>
Operating income (loss)	\$	<u>(899,812)</u>

Nonoperating revenues

Contribution from Culpeper County	\$	904,333
Interest revenue		<u>1,193</u>
Total nonoperating revenues	\$	<u>905,526</u>
Change in net position	\$	5,714

Net position, beginning of year		<u>297,156</u>
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Net position, end of year	\$	<u><u>302,870</u></u>
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Discretely Presented Component Unit - Culpeper County EDA
Statement of Cash Flows
Year Ended June 30, 2024

Cash flows from operating activities

Payments to suppliers \$ (899,812)

Net cash provided by (used for) by operating activities \$ (899,812)

Cash flows from noncapital financing activities

Contribution from Localities \$ 904,333

Cash flows from investing activities

Interest revenue \$ 1,193

Net increase (decrease) in cash and cash equivalents \$ 5,714

Cash and cash equivalents, beginning of year 297,156

Cash and cash equivalents, end of year \$ 302,870

**Reconciliation of operating income (loss) to net cash
provided by (used for) operating activities:**

Operating income (loss) \$ (899,812)

Net cash provided by (used for) by operating activities \$ (899,812)

Supporting Schedule

Governmental Funds and Discretely Presented Component Unit - School Board
 Schedule of Revenues -- Budget and Actual
 Year Ended June 30, 2024

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance From Final Budget Positive (Negative)
Primary Government:				
General Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 38,486,076	\$ 38,486,076	\$ 38,240,359	\$ (245,717)
Real and personal public service corporation property taxes	1,835,855	1,835,855	1,596,662	(239,193)
Personal property taxes	31,562,284	31,562,284	33,108,098	1,545,814
Mobile home taxes	18,716	18,716	16,556	(2,160)
Machinery and tools taxes	2,185,998	2,185,998	2,181,806	(4,192)
Recreational property taxes	411,155	411,155	401,286	(9,869)
Penalties	700,000	700,000	776,861	76,861
Interest	300,000	300,000	479,032	179,032
Total general property taxes	\$ 75,500,084	\$ 75,500,084	\$ 76,800,660	\$ 1,300,576
Other local taxes:				
Local sales and use taxes	\$ 9,100,000	\$ 9,100,000	\$ 9,550,810	\$ 450,810
Transient occupancy tax	-	-	-	-
Food and beverage tax	419,132	419,132	546,568	127,436
Consumer utility taxes	846,400	846,400	894,184	47,784
Motor vehicle licenses tax	-	-	14,725	14,725
Taxes on recordation and wills	1,115,000	1,115,000	963,248	(151,752)
Total other local taxes	\$ 11,480,532	\$ 11,480,532	\$ 11,969,535	\$ 489,003
Permits, privilege fees and regulatory licenses:				
Animal licenses	\$ 11,500	\$ 11,500	\$ 12,067	\$ 567
Building and related permits	850,000	853,667	996,407	142,740
Other permits and licenses	304,500	304,500	1,357,617	1,053,117
Total permits, privilege fees and regulatory licenses	\$ 1,166,000	\$ 1,169,667	\$ 2,366,091	\$ 1,196,424
Fines and Forfeitures:				
Court fines and forfeitures	\$ 65,000	\$ 65,000	\$ 70,850	\$ 5,850
Revenue from use of money and property:				
Revenue from use of money	\$ 1,000,000	\$ 1,000,000	\$ 4,628,235	\$ 3,628,235
Revenue from use of property	687,617	687,617	672,137	(15,480)
Total revenue from use of money and property	\$ 1,687,617	\$ 1,687,617	\$ 5,300,372	\$ 3,612,755

Governmental Funds and Discretely Presented Component Unit - School Board

Schedule of Revenues -- Budget and Actual

Year Ended June 30, 2024 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance From Final Budget Positive (Negative)
Primary Government: (Continued)				
General Fund: (Continued)				
Revenue from local sources: (Continued)				
Charges for services:				
Excess fees of clerk	\$ 6,000	\$ 6,000	\$ 6,656	\$ 656
Charges for Commonwealth's attorney	4,100	4,100	5,041	941
Charges for parks and recreation	276,046	361,227	294,672	(66,555)
Charges for law enforcement and traffic control	59,300	59,300	139,433	80,133
Charges for courthouse maintenance fees	36,000	36,000	39,866	3,866
Charges for courthouse and courtroom security fees	70,000	70,000	111,722	41,722
Charges for other court costs	14,200	15,200	17,208	2,008
Charges for other protection	-	29,115	32,985	3,870
Charges for library	-	93,402	67,250	(26,152)
Charges for fire and rescue services	955,000	955,000	584,798	(370,202)
Charges for planning and community development	2,400	3,200	3,667	467
Full circle thrift fees	264,102	264,102	244,142	(19,960)
Charges for law library	12,000	12,000	11,944	(56)
Cosmetology fees	488,661	488,661	598,267	109,606
Charges for daycare	2,771,579	2,771,579	2,628,203	(143,376)
Total charges for services	\$ 4,959,388	\$ 5,168,886	\$ 4,785,854	\$ (383,032)
Miscellaneous:				
Miscellaneous	\$ 270,695	\$ 577,300	\$ 1,303,889	\$ 726,589
Total miscellaneous	\$ 270,695	\$ 577,300	\$ 1,303,889	\$ 726,589
Recovered costs:				
Town of Culpeper E-911	\$ 743,262	\$ 743,262	\$ 598,185	\$ (145,077)
Total recovered costs	\$ 743,262	\$ 743,262	\$ 598,185	\$ (145,077)
Total revenue from local sources	\$ 95,872,578	\$ 96,392,348	\$ 103,195,436	\$ 6,803,088
Intergovernmental:				
Revenue from the Commonwealth:				
Noncategorical aid:				
Motor vehicle carriers' tax	\$ 40,500	\$ 40,500	\$ 44,768	\$ 4,268
Mobile home titling taxes	12,500	12,500	25,669	13,169
Communications tax	1,440,000	1,440,000	1,349,366	(90,634)
PPTRA	3,367,808	3,367,808	3,367,808	-
Auto rental tax	125,000	125,000	125,034	34
Other taxes	-	1,600	3,837	2,237
Total noncategorical aid	\$ 4,985,808	\$ 4,987,408	\$ 4,916,482	\$ (70,926)

Governmental Funds and Discretely Presented Component Unit - School Board
 Schedule of Revenues -- Budget and Actual
 Year Ended June 30, 2024 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance From Final Budget Positive (Negative)
Primary Government: (Continued)				
General Fund: (Continued)				
Intergovernmental : (Continued)				
Revenue from the Commonwealth: (Continued)				
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	\$ 583,852	\$ 583,852	\$ 626,490	\$ 42,638
Sheriff	3,679,471	3,679,471	3,877,686	198,215
Commissioner of the Revenue	196,527	196,527	200,680	4,153
Treasurer	157,535	157,535	177,634	20,099
Registrar/electoral board	82,500	82,500	89,523	7,023
Clerk of the Circuit Court	412,560	437,404	441,921	4,517
Combined Court	11,000	11,000	11,745	745
Total shared expenses	\$ 5,123,445	\$ 5,148,289	\$ 5,425,679	\$ 277,390
Other categorical aid:				
Welfare administration and assistance	\$ 2,779,878	\$ 2,779,878	\$ 1,814,550	\$ (965,328)
Local jail	145,000	145,000	142,867	(2,133)
Fire service program	130,000	130,000	146,285	16,285
Families first grant	177,549	177,549	183,898	6,349
Library aid	200,490	236,060	236,184	124
E-911 wireless	206,500	206,500	213,767	7,267
Four for life funds	60,000	60,000	58,980	(1,020)
Community youth services grant	2,092,045	2,092,045	1,468,968	(623,077)
Juvenile and domestic relations	51,802	71,362	69,240	(2,122)
Criminal justice services Probation	292,062	292,062	295,502	3,440
Crime victim assistance	210,525	210,525	232,570	22,045
Other categorical aid	75,669	189,231	488,458	299,227
Total other categorical aid	\$ 6,421,520	\$ 6,590,212	\$ 5,351,269	\$ (1,238,943)
Total categorical aid	\$ 11,544,965	\$ 11,738,501	\$ 10,776,948	\$ (961,553)
Total revenue from the Commonwealth	\$ 16,530,773	\$ 16,725,909	\$ 15,693,430	\$ (1,032,479)

Governmental Funds and Discretely Presented Component Unit - School Board

Schedule of Revenues -- Budget and Actual

Year Ended June 30, 2024 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance From Final Budget Positive (Negative)
Primary Government: (Continued)				
General Fund: (Continued)				
Intergovernmental : (Continued)				
Revenue from the federal government:				
Categorical aid:				
Welfare administration and assistance	\$ 2,903,818	\$ 2,903,818	\$ 3,463,376	\$ 559,558
Department of justice grants		203,232	220,846	17,614
Emergency services	-	-	10,751	10,751
VSTOP grant	36,638	36,638	33,585	(3,053)
Victim witness grant	64,184	64,184	57,766	(6,418)
Drug court federal grant	170,204	170,204	177,491	7,287
USDA grant funds	280,000	280,000	531,677	251,677
Headstart	1,099,739	1,099,739	1,359,319	259,580
Early Headstart	1,911,046	1,911,046	2,706,928	795,882
Federal interest subsidy	-	-	30,036	30,036
DMV selective enforcement grant		51,483	34,255	(17,228)
Total revenue from the federal government	\$ 6,465,629	\$ 6,720,344	\$ 8,626,030	\$ 1,905,686
Total General Fund	\$ 118,868,980	\$ 119,838,601	\$ 127,514,896	\$ 7,676,295
American Rescue Plan ACT Fund:				
Intergovernmental :				
Revenue from the federal government:				
Categorical aid:				
American Rescue Plan Act funds	\$ -	\$ -	\$ 1,797,883	\$ 1,797,883
Total American Rescue Plan ACT Fund	\$ -	\$ -	\$ 1,797,883	\$ 1,797,883
Capital Projects Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from use of property	\$ -	\$ -	\$ 15,565	\$ 15,565
Total revenue from use of money and property	\$ -	\$ -	\$ 15,565	\$ 15,565
Miscellaneous:				
Miscellaneous	\$ 5,060,000	\$ 5,064,500	\$ 228,400	\$ (4,836,100)
Total revenue from local sources	\$ 5,060,000	\$ 5,064,500	\$ 243,965	\$ (4,820,535)
Revenue from the Commonwealth:				
Categorical aid:				
VDOT grant	\$ -	\$ -	\$ 36,683	\$ 36,683
VATI grant	-	-	2,804,692	2,804,692
DHCD industrial revitalization grant	-	-	-	-
Other grants	-	-	4,838	4,838
Total revenue from the Commonwealth	\$ -	\$ -	\$ 2,846,213	\$ 2,846,213
Revenue from the Federal Government:				
Categorical aid:				
Carver grant	\$ 200,000	\$ 200,000	\$ 200,000	\$ -
Total Capital Projects Fund	\$ 5,260,000	\$ 5,264,500	\$ 3,290,178	\$ (1,974,322)
Total Revenues -- Primary Government	\$ 124,128,980	\$ 125,103,101	\$ 132,602,957	\$ 7,499,856

Governmental Funds and Discretely Presented Component Unit - School Board
 Schedule of Revenues -- Budget and Actual
 Year Ended June 30, 2024 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance From Final Budget Positive (Negative)
Component Unit -- School Board:				
School Operating Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from use of property	\$ 55,000	\$ 55,000	\$ 139,484	\$ 84,484
Total revenue from use of money and property	\$ 55,000	\$ 55,000	\$ 139,484	\$ 84,484
Charges for services:				
Textbook sales	\$ 6,000	\$ 6,000	\$ -	\$ (6,000)
Transportation and field trips	45,000	45,000	289,391	244,391
Tuition and fees	178,500	178,500	70,956	(107,544)
Total charges for services	\$ 229,500	\$ 229,500	\$ 360,347	\$ 130,847
Miscellaneous:				
Miscellaneous	\$ 856,500	\$ 856,500	\$ 626,858	\$ (229,642)
Total miscellaneous	\$ 856,500	\$ 856,500	\$ 626,858	\$ (229,642)
Total revenue from local sources	\$ 1,141,000	\$ 1,141,000	\$ 1,126,689	\$ (14,311)
Intergovernmental:				
County contribution to School Board	\$ 34,828,980	\$ 34,828,980	\$ 31,072,281	\$ (3,756,699)
Revenue from the Commonwealth:				
Categorical aid:				
Share of state sales tax	\$ 12,761,083	\$ 12,761,083	\$ 12,031,533	\$ (729,550)
Basic school aid	29,486,147	29,486,147	29,204,176	(281,971)
Special education-SOQ	2,384,801	2,384,801	2,338,091	(46,710)
Primary class size	1,121,281	1,121,281	1,104,476	(16,805)
Infrastructure and operation PPA	2,093,984	2,093,984	2,122,734	28,750
Gifted and talented	304,784	304,784	298,814	(5,970)
Remedial education	1,048,029	1,048,029	1,027,502	(20,527)
Preschool initiative	900,133	900,133	595,953	(304,180)
Vocational education-SOQ	433,114	433,114	424,631	(8,483)
Educational technology	310,000	310,000	-	(310,000)
At - risk	2,674,386	2,674,386	2,685,115	10,729
Textbook	707,848	707,848	693,983	(13,865)
Fringe benefits	5,678,608	5,678,608	5,546,413	(132,195)
ESL	1,399,740	1,399,740	1,348,895	(50,845)
Special education-Tuition	493,835	493,835	502,328	8,493
Early reading intervention	463,542	463,542	365,438	(98,104)
Compensation supplements	8,395,805	8,395,805	4,452,198	(3,943,607)
All in Virginia Initiative	-	-	3,341,365	3,341,365
Hold Harmless Rebenchmarking	938,985	938,985	938,985	-
Other categorical aid	1,414,626	1,419,226	2,130,738	711,512
Total categorical aid	\$ 73,010,731	\$ 73,015,331	\$ 71,153,368	\$ (1,861,963)
Total revenue from the Commonwealth	\$ 73,010,731	\$ 73,015,331	\$ 71,153,368	\$ (1,861,963)

Governmental Funds and Discretely Presented Component Unit - School Board

Schedule of Revenues -- Budget and Actual

Year Ended June 30, 2024 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance From Final Budget Positive (Negative)
Component Unit -- School Board: (Continued)				
School Operating Fund: (Continued)				
Intergovernmental: (Continued)				
Revenue from the federal government:				
Categorical aid:				
Title I	\$ 1,636,123	\$ 1,636,123	\$ 1,595,037	\$ (41,086)
Title II -- Part A	174,722	174,722	228,042	53,320
Title IV -- Part A		-	81,672	81,672
Title VI - B	1,547,623	1,547,623	2,001,976	454,353
Preschool incentive	45,688	45,688	47,776	2,088
Title III	83,336	83,336	152,031	68,695
Vocational education	127,757	127,757	151,388	23,631
ESSER	1,494,420	1,494,420	2,049,459	555,039
ARPA	-	-	30,000	30,000
Miscellaneous federal grants	87,667	87,667	97,085	9,418
Total revenue from the federal government	\$ 5,197,336	\$ 5,197,336	\$ 6,434,466	\$ 1,237,130
Total School Operating Fund	\$ 114,178,047	\$ 114,182,647	\$ 109,786,804	\$ (4,395,843)
School Cafeteria Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from use of money	\$ 26,500	\$ 26,500	\$	\$ (26,500)
Charges for services:				
Cafeteria sales	1,675,426	762,682	1,012,582	249,900
Miscellaneous:				
Miscellaneous	51,819	51,819	71,969	20,150
Total revenue from local sources	\$ 1,753,745	\$ 841,001	\$ 1,084,551	\$ 243,550
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
School food program grant	\$ 121,309	\$ 121,309	\$ 90,091	\$ (31,218)
Total revenue from the Commonwealth	\$ 121,309	\$ 121,309	\$ 90,091	\$ (31,218)
Revenue from the federal government:				
Categorical aid:				
School food program grant	\$ 2,553,368	\$ 3,466,112	\$ 3,708,902	\$ 242,790
Total revenue from the federal government	\$ 2,553,368	\$ 3,466,112	\$ 3,708,902	\$ 242,790
Total School Cafeteria Fund	\$ 4,428,422	\$ 4,428,422	\$ 4,883,544	\$ 455,122

Governmental Funds and Discretely Presented Component Unit - School Board
 Schedule of Revenues -- Budget and Actual
 Year Ended June 30, 2024 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance From Final Budget Positive (Negative)
Component Unit -- School Board: (Continued)				
Special Revenue Funds: (Continued)				
School Textbook Fund:				
Miscellaneous:				
Miscellaneous	\$ -	\$ -	\$ 300,000	\$ 300,000
Intergovernmental:				
County contribution to School Board	\$ -	\$ -	\$ 1,240,000	\$ 1,240,000
Total School Textbook Fund	\$ -	\$ -	\$ 1,540,000	\$ 1,540,000
School Capital Projects Fund:				
Revenue from local sources:				
Miscellaneous:				
Miscellaneous	\$ -	\$ -	\$ -	\$ -
Intergovernmental:				
County contribution to School Board	\$ 4,496,066	\$ 4,496,066	\$ 4,496,066	\$ -
Revenue from the Commonwealth:				
Categorical aid:				
School security grant	\$ -	\$ -	\$ 148,893	\$ 148,893
Total revenue from the Commonwealth	\$ -	\$ -	\$ 148,893	\$ 148,893
Revenue from the federal government:				
Categorical aid:				
EPA	\$ -	\$ -	\$ 80,000	\$ 80,000
Total School Capital Projects Fund	\$ 4,496,066	\$ 4,496,066	\$ 4,724,959	\$ 228,893

Description	Table #
Financial Trends	
These tables contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	
Net Position by Component	1
Changes in Net Position	2
Governmental Activities Tax Revenues by Source (Accrual Basis of Accounting)	3
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Governmental Activities Tax Revenues by Source (Modified Accrual Basis of Accounting)	6
Revenue Capacity	
These tables contain information to help the reader assess the factors affecting the County's ability to generate its property and sales taxes.	
Assessed Value of Taxable Property	7
Property Tax Rates	8
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This table offers 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.	
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These tables contain information about the County's operations and resources to help the reader understand how the County's financial information relates to the services the County provides and the activities it performs.	
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Full-time Equivalent County Government Employees by Function	16
Operating Indicators by Function	17
Capital Asset Statistics by Function	18

Sources:

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

Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2015	2016	2017	2018	2019
Governmental activities:					
Net investment in capital assets	\$ 17,459,113	\$ 21,001,499	\$ 20,476,394	\$ 22,417,921	\$ 25,730,555
Restricted	-	-	-	-	-
Unrestricted	28,338,644	29,135,567	31,150,231	31,272,022	31,945,875
Total governmental activities net position	<u>\$ 45,797,757</u>	<u>\$ 50,137,066</u>	<u>\$ 51,626,625</u>	<u>\$ 53,689,943</u>	<u>\$ 57,676,430</u>
Business-type activities:					
Net investment in capital assets	\$ 38,385,061	\$ 38,066,796	\$ 36,577,263	\$ 35,819,052	\$ 34,797,441
Unrestricted	1,451,761	744,747	987,074	462,725	502,152
Total primary government expenses	<u>\$ 39,836,822</u>	<u>\$ 38,811,543</u>	<u>\$ 37,564,337</u>	<u>\$ 36,281,777</u>	<u>\$ 35,299,593</u>
Primary government					
Net investment in capital assets	\$ 55,844,174	\$ 59,068,295	\$ 57,053,657	\$ 58,236,973	\$ 60,527,996
Restricted	-	-	-	-	-
Unrestricted	29,790,405	29,880,314	32,137,305	31,734,747	32,448,027
Total primary government	<u>\$ 85,634,579</u>	<u>\$ 88,948,609</u>	<u>\$ 89,190,962</u>	<u>\$ 89,971,720</u>	<u>\$ 92,976,023</u>

Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2020	2021	2022	2023	2024
Governmental activities:					
Net investment in capital assets	\$ 26,119,321	\$ 27,908,531	\$ 39,186,778	\$ 44,297,912	\$ 46,700,177
Restricted	-	-	-	837,792	1,294,492
Unrestricted	30,927,744	50,335,048	52,610,847	54,746,849	66,614,871
Total governmental activities net position	<u>\$ 57,047,065</u>	<u>\$ 78,243,579</u>	<u>\$ 91,797,625</u>	<u>\$ 99,882,553</u>	<u>\$ 114,609,540</u>
Business-type activities:					
Net investment in capital assets	\$ 36,598,124	\$ 35,294,632	\$ 34,222,628	\$ 33,099,471	\$ 33,475,257
Unrestricted	(362,843)	(699,047)	(567,387)	21,632	(1,804,335)
Total primary government expenses	<u>\$ 36,235,281</u>	<u>\$ 34,595,585</u>	<u>\$ 33,655,241</u>	<u>\$ 33,121,103</u>	<u>\$ 31,670,922</u>
Primary government					
Net investment in capital assets	\$ 62,717,445	\$ 63,203,163	\$ 73,409,406	\$ 77,397,383	\$ 80,175,434
Restricted	-	-	-	837,792	1,294,492
Unrestricted	30,564,901	49,636,001	52,043,460	54,768,481	64,810,536
Total primary government	<u>\$ 93,282,346</u>	<u>\$ 112,839,164</u>	<u>\$ 125,452,866</u>	<u>\$ 133,003,656</u>	<u>\$ 146,280,462</u>

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses:										
Governmental activities:										
General government										
administration	\$ 4,254,839	\$ 4,547,939	\$ 4,046,456	\$ 5,452,121	\$ 6,336,513	\$ 8,214,257	\$ 8,088,135	\$ 7,933,264	\$ 6,891,872	\$ 6,551,526
Judicial administration	3,159,004	3,344,654	3,457,114	3,778,989	4,093,726	4,139,416	4,462,880	4,539,565	5,016,859	5,295,956
Public safety	16,857,312	17,603,365	17,316,692	18,516,259	18,270,446	22,793,670	22,711,193	25,024,572	26,698,813	28,581,083
Public works	2,627,335	5,880,173	2,819,964	1,669,650	3,429,626	1,922,119	1,796,329	1,049,559	3,548,376	3,491,293
Health & welfare	15,551,493	16,346,871	17,400,767	17,311,790	16,522,900	16,348,441	16,578,982	16,745,043	18,580,394	20,672,139
Education	33,516,082	33,452,127	40,747,103	39,310,935	37,801,053	44,226,572	33,412,209	35,767,380	41,361,293	41,309,594
Parks, recreation, & cultural	1,890,478	1,974,084	2,112,076	2,234,409	2,466,357	2,374,545	2,414,771	2,675,289	3,057,361	3,458,941
Community development	1,759,110	1,994,738	1,640,577	1,708,184	2,823,207	2,131,723	6,579,196	2,417,226	2,683,864	7,320,516
Interest & other fiscal charges	4,073,880	3,078,129	2,833,683	2,608,220	2,439,642	2,788,264	1,681,542	2,233,131	1,959,006	1,700,509
Total governmental activities expenses	\$ 83,689,533	\$ 88,222,080	\$ 92,374,432	\$ 92,590,557	\$ 94,183,470	\$ 104,939,007	\$ 97,725,237	\$ 98,385,029	\$ 109,797,838	\$ 118,381,557
Business-type activities:										
Landfill	\$ 2,200,272	\$ 2,405,621	\$ 2,844,365	\$ 2,997,172	\$ 2,978,183	\$ 2,881,121	\$ 2,854,476	\$ 2,907,713	\$ 2,994,824	\$ 4,530,272
Water & sewer	1,224,855	3,616,354	1,354,845	1,187,162	1,426,735	1,514,899	1,727,280	1,720,829	2,089,854	2,402,367
Airport	1,708,933	1,626,017	1,765,017	1,832,838	1,747,414	1,749,614	1,915,699	1,814,628	2,023,845	1,985,296
Water & sewer authority	953,879	901,092	834,070	874,662	1,041,137	1,076,296	758,888	626,103	626,103	626,103
Total business-type activities expenses	\$ 6,087,939	\$ 8,549,084	\$ 6,798,297	\$ 6,891,834	\$ 7,193,469	\$ 7,221,930	\$ 7,256,343	\$ 7,069,273	\$ 7,734,626	\$ 9,544,038
Total primary government expenses	\$ 89,777,472	\$ 96,771,164	\$ 99,172,729	\$ 99,482,391	\$ 101,376,939	\$ 112,160,937	\$ 104,981,580	\$ 105,454,302	\$ 117,532,464	\$ 127,925,595
Program revenues:										
Governmental activities:										
Charges for services:										
General government										
Judicial administration	\$ 209,594	\$ 220,689	\$ 245,394	\$ 230,716	\$ 255,027	\$ 228,638	\$ 188,137	\$ 310,085	\$ 347,786	\$ 263,287
Public safety	1,585,417	1,475,965	1,760,350	1,910,465	1,981,762	2,232,971	2,215,984	2,242,177	3,654,460	3,123,307
Health & welfare	2,624,598	2,424,414	2,372,851	2,385,305	2,801,443	2,242,436	2,975,389	2,490,360	3,359,513	3,470,612
Parks, recreation, & cultural	197,551	214,469	216,603	318,693	188,487	160,308	160,328	222,978	281,378	361,922
Community development	4,543	1,311	3,874	5,688	4,924	5,086	3,879	2,051	4,405	3,667
Operating grants & contributions:										
General government										
administration	320,993	369,826	338,893	343,888	349,205	392,281	965,969	505,732	444,867	497,873
Judicial administration	707,908	741,865	738,963	762,183	754,869	879,313	883,877	963,785	1,068,935	1,257,647
Public safety	3,481,667	3,913,187	3,636,924	3,672,751	3,819,008	6,612,188	6,347,201	5,097,736	5,372,817	5,994,492
Public works	-	-	-	-	-	-	-	281,931	-	-
Health & welfare	8,964,935	12,107,884	11,101,707	9,918,230	9,320,146	9,235,376	9,208,790	12,418,624	11,201,171	11,528,716
Parks, recreation, & cultural	145,514	148,946	153,288	152,500	154,277	161,944	177,356	176,688	200,498	236,184
Community development	-	420,000	-	-	-	-	4,680,581	-	79,833	1,685,949
Interest on long-term debt	-	-	-	-	-	-	-	-	-	-
Capital grants & contributions	4,441,317	1,075,856	208,004	542,927	146,498	553,285	8,208,270	844,477	702,200	3,046,213
Total governmental activities program revenues	\$ 22,684,037	\$ 23,114,412	\$ 20,776,851	\$ 20,243,346	\$ 19,775,646	\$ 22,703,826	\$ 36,015,761	\$ 25,556,624	\$ 26,717,863	\$ 31,469,869

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Program revenues: (Continued)										
Business-type activities:										
Charges for services:										
Landfill	\$ 1,415,977	\$ 1,607,937	\$ 1,975,783	\$ 2,051,170	\$ 1,966,749	\$ 1,709,775	\$ 1,535,177	\$ 1,628,606	\$ 1,597,844	\$ 2,268,421
Water & sewer	847,081	788,210	773,496	745,269	948,438	967,807	668,641	518,151	630,245	781,272
Airport	929,679	829,613	978,422	1,009,731	962,574	991,404	1,116,457	1,156,964	1,222,527	1,341,117
Operating grants & contributions:										
Water & sewer	-	-	-	-	-	-	-	-	-	-
Airport	131,062	26,400	36,887	20,918	23,516	48,743	13,030	18,252	60,287	31,731
Capital grants & contributions	455,445	1,617,157	473,031	255,496	350,716	2,880,428	308,251	263,695	357,562	1,415,914
Total business-type activities program revenues	\$ 3,779,244	\$ 4,869,317	\$ 4,237,619	\$ 4,082,584	\$ 4,251,993	\$ 6,598,157	\$ 3,641,556	\$ 3,585,668	\$ 3,868,465	\$ 5,838,455
Total primary government program revenues	\$ 26,463,281	\$ 27,983,729	\$ 25,014,470	\$ 24,325,930	\$ 24,027,639	\$ 29,301,983	\$ 39,657,317	\$ 29,142,292	\$ 30,586,328	\$ 37,308,324
Net (expense) / revenue										
Governmental activities	\$ (61,005,496)	\$ (65,107,668)	\$ (71,597,581)	\$ (72,347,211)	\$ (74,407,824)	\$ (82,235,181)	\$ (61,709,476)	\$ (72,828,405)	\$ (83,079,975)	\$ (86,911,688)
Business-type activities	(2,308,695)	(3,679,767)	(2,560,678)	(2,809,250)	(2,941,476)	(623,773)	(3,614,787)	(3,483,605)	(3,866,161)	(3,705,583)
Total primary government net expense	\$ (63,314,191)	\$ (68,787,435)	\$ (74,158,259)	\$ (75,156,461)	\$ (77,349,300)	\$ (82,858,954)	\$ (65,324,263)	\$ (76,312,010)	\$ (86,946,136)	\$ (90,617,271)
General Revenues & Other										
Changes in Net Position										
Governmental activities:										
General property taxes	\$ 54,849,577	\$ 56,828,062	\$ 58,674,302	\$ 63,260,943	\$ 64,113,770	\$ 66,437,262	\$ 66,952,977	\$ 70,208,355	\$ 72,492,113	\$ 79,447,858
Local sales & use taxes	5,824,383	5,836,450	6,561,608	6,913,346	6,535,334	7,144,442	8,115,035	8,922,468	8,974,561	9,550,810
Consumer utility taxes	778,733	784,328	799,701	842,434	853,940	835,781	845,215	856,092	844,578	894,184
E-911 taxes	-	-	-	-	-	-	-	-	-	-
Taxes on recordation & wills	658,320	762,765	885,276	795,709	849,730	962,595	1,445,465	1,321,394	1,060,896	963,248
Motor vehicle license taxes	962,847	842,419	804,588	789,141	813,619	798,671	864,857	833,491	50,917	14,725
Other local taxes	14,048	16,459	19,021	20,975	18,755	51,875	54,825	88,510	221,719	546,568
Unrestricted revenues from use of money & property	499,326	511,220	548,640	644,546	1,132,434	1,143,782	636,770	650,949	3,742,271	5,315,937
Miscellaneous	1,112,623	828,463	381,966	675,503	512,657	365,104	856,753	1,024,584	1,922,928	1,943,592
Grants & contributions not restricted to specific programs	5,723,154	5,688,086	5,717,658	5,564,604	5,462,041	5,366,796	5,071,666	5,015,746	4,998,127	4,916,482
Transfers	(1,560,438)	(2,651,275)	(1,305,620)	(1,602,161)	(1,897,969)	(1,500,492)	(1,973,345)	(2,539,138)	(3,143,207)	(2,704,059)
Total governmental activities	\$ 68,862,573	\$ 69,446,977	\$ 73,087,140	\$ 77,905,040	\$ 78,394,311	\$ 81,605,816	\$ 82,870,218	\$ 86,382,451	\$ 91,164,903	\$ 100,889,345
Business-type activities:										
Unrestricted revenues from use of money & property	\$ 1,528	\$ 3,213	\$ 7,852	\$ 20,847	\$ 61,323	\$ 58,969	\$ 1,746	\$ 4,123	\$ 188,816	\$ 300,673
Transfers	1,560,438	2,651,275	1,305,620	1,602,161	1,897,969	1,500,492	1,973,345	2,539,138	3,143,207	2,704,059
Total business-type activities	\$ 1,561,966	\$ 2,654,488	\$ 1,313,472	\$ 1,623,008	\$ 1,959,292	\$ 1,559,461	\$ 1,975,091	\$ 2,543,261	\$ 3,332,023	\$ 3,004,732
Total primary government	\$ 70,424,539	\$ 72,101,465	\$ 74,400,612	\$ 79,528,048	\$ 80,353,603	\$ 83,165,277	\$ 84,845,309	\$ 88,925,712	\$ 94,496,926	\$ 103,894,077
Change in Net Position										
Governmental activities	\$ 7,857,077	\$ 4,339,309	\$ 1,489,559	\$ 5,557,829	\$ 3,986,487	\$ (629,365)	\$ 21,160,742	\$ 13,554,046	\$ 8,084,928	\$ 13,977,657
Business-type activities	(746,729)	(1,025,279)	(1,247,206)	(1,186,242)	(982,184)	935,688	(1,639,696)	(940,344)	(534,138)	(700,851)
Total primary government	\$ 7,110,348	\$ 3,314,030	\$ 242,353	\$ 4,371,587	\$ 3,004,303	\$ 306,323	\$ 19,521,046	\$ 12,613,702	\$ 7,550,790	\$ 13,276,806

Governmental Activities Tax Revenues by Source
 Last Ten Fiscal Years
 (Accrual Basis of Accounting)

Fiscal Year	General Property Taxes	Local Sales and Use Taxes	Consumer Utility Taxes	Taxes on Recordation and Wills	Motor Vehicle License Taxes	Other Local Taxes (1)	Total
2024	\$ 79,447,858	\$ 9,550,810	\$ 894,184	\$ 963,248	\$ 14,725	\$ 546,568	\$ 91,417,393
2023	72,492,113	8,974,561	844,578	1,060,896	50,917	221,719	83,644,784
2022	70,208,355	8,922,468	856,092	1,321,394	833,491	88,510	82,230,310
2021	66,952,977	8,115,035	845,215	1,445,465	864,857	54,825	78,278,374
2020	66,437,262	7,144,442	835,781	962,595	798,671	51,875	76,230,626
2019	64,113,770	6,535,334	853,940	849,730	813,619	18,755	73,185,148
2018	63,260,943	6,913,346	842,434	795,709	789,141	20,975	72,622,548
2017	58,674,302	6,561,608	799,701	885,276	804,588	19,021	67,744,496
2016	56,828,062	5,836,450	784,328	762,765	842,419	16,459	65,070,483
2015	54,849,577	5,824,383	778,733	658,320	962,847	14,048	63,087,908

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
General fund					
Nonspendable	\$ -	\$ -	\$ -	\$ -	84,057
Restricted	68,704	106,625	110,427	87,128	86,799
Committed	2,512,042	2,373,097	1,860,834	1,898,597	4,459,548
Assigned	4,175	11,675	11,675	2,061,373	2,188,011
Unassigned	<u>30,511,542</u>	<u>30,097,176</u>	<u>30,747,712</u>	<u>31,253,990</u>	<u>31,606,771</u>
Total general fund	<u>\$ 33,096,463</u>	<u>\$ 32,588,573</u>	<u>\$ 32,730,648</u>	<u>\$ 35,301,088</u>	<u>\$ 38,425,186</u>
All other governmental funds					
Committed	<u>\$ 3,161,445</u>	<u>\$ 2,880,952</u>	<u>\$ 4,741,026</u>	<u>\$ 5,266,929</u>	<u>\$ 3,364,194</u>
Total all other governmental funds	<u>\$ 3,161,445</u>	<u>\$ 2,880,952</u>	<u>\$ 4,741,026</u>	<u>\$ 5,266,929</u>	<u>\$ 3,364,194</u>

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

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
General fund					
Nonspendable	\$ 118,239	\$ 142,238	\$ 168,246	\$ 244,950	\$ 625,805
Restricted	105,501	230,636	1,076,515	872,461	984,575
Committed	5,638,734	8,749,397	10,653,900	12,304,149	12,470,035
Assigned	2,520,226	2,684,474	2,920,556	2,785,111	2,989,718
Unassigned	<u>38,148,765</u>	<u>47,708,808</u>	<u>47,646,902</u>	<u>45,565,768</u>	<u>43,802,004</u>
Total general fund	<u>\$ 46,531,465</u>	<u>\$ 59,515,553</u>	<u>\$ 62,466,119</u>	<u>\$ 61,772,439</u>	<u>\$ 60,872,137</u>
All other governmental funds					
Committed	<u>\$ 5,401,574</u>	<u>\$ 7,156,386</u>	<u>\$ 6,338,588</u>	<u>\$ 8,455,030</u>	<u>\$ 17,418,075</u>
Total all other governmental funds	<u>\$ 5,401,574</u>	<u>\$ 7,156,386</u>	<u>\$ 6,338,588</u>	<u>\$ 8,455,030</u>	<u>\$ 17,418,075</u>

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

	2015	2016	2017	2018	2019
Revenues:					
General property taxes	\$ 54,872,724	\$ 56,741,652	\$ 59,087,406	\$ 63,368,224	\$ 63,979,906
Other local taxes	8,238,331	8,242,421	9,070,194	9,361,605	9,071,378
Permits, privilege fees and regulatory licenses	765,036	857,772	963,959	944,909	1,092,849
Fines and forfeitures	50,048	53,638	42,749	45,371	65,124
Revenue from use of money and property	499,326	511,220	548,640	644,546	1,132,434
Charges for services	3,806,619	3,425,438	3,592,364	3,860,587	4,073,670
Miscellaneous	899,723	828,463	381,966	675,503	512,657
Recovered costs	37,133	42,656	350,621	450,697	481,197
Intergovernmental:					
School Board Contribution to Primary Government	4,409,912	809,724	-	-	-
Commonwealth	14,576,767	15,995,003	14,863,756	15,192,936	14,277,581
Federal	4,798,809	7,660,923	7,031,681	5,764,147	5,728,463
Total revenues	\$ 92,954,428	\$ 95,168,910	\$ 95,933,336	\$ 100,308,525	\$ 100,415,259
Expenditures:					
General government administration	\$ 4,350,632	\$ 4,953,548	\$ 4,339,420	\$ 4,878,705	\$ 4,871,075
Judicial administration	3,171,912	3,383,748	3,371,500	3,790,604	4,132,245
Public safety	17,611,122	17,779,124	18,488,205	21,228,815	22,306,240
Public works	2,432,381	5,838,019	2,945,253	1,577,177	2,984,749
Health and welfare	15,569,457	18,214,297	17,829,715	17,254,103	16,595,866
Education	33,323,986	29,758,919	32,757,601	33,976,985	32,226,214
Parks, recreation, and cultural	2,040,179	1,922,212	1,961,670	2,413,384	2,621,458
Community development	1,763,992	2,046,156	1,634,352	1,732,493	2,838,723
Nondepartmental	-	-	-	-	-
Debt service:					
Principal retirement	10,888,917	5,996,910	6,122,712	5,830,252	5,947,662
Interest and other fiscal charges	5,518,903	3,413,085	3,175,139	2,944,639	2,771,695
Total expenditures	\$ 96,671,481	\$ 93,306,018	\$ 92,625,567	\$ 95,627,157	\$ 97,295,927
Excess (deficiency) of revenues over (under) expenditures	\$ (3,717,053)	\$ 1,862,892	\$ 3,307,769	\$ 4,681,368	\$ 3,119,332
Other financing sources (uses):					
Transfers in	\$ 3,207,913	\$ 5,762,903	\$ 4,678,875	\$ 2,771,740	\$ 4,158,148
Transfers (out)	(4,768,351)	(8,414,178)	(5,984,495)	(4,373,901)	(6,056,117)
Issuance of debt	49,745,000	-	-	731,464	-
Premium on bonds issued	4,006,776	-	-	-	-
Payment to bond escrow agent	(47,085,223)	-	-	-	-
Retirement of temporary financing	-	-	-	-	-
Total other financing sources (uses)	\$ 5,106,115	\$ (2,651,275)	\$ (1,305,620)	\$ (870,697)	\$ (1,897,969)
Net changes in fund balances	\$ 1,389,062	\$ (788,383)	\$ 2,002,149	\$ 3,810,671	\$ 1,221,363
Debt service as a percentage of noncapital expenditures	18.11%	10.55%	10.34%	9.53%	9.37%

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

	2020	2021	2022	2023	2024
Revenues:					
General property taxes	\$ 65,382,461	\$ 67,883,449	\$ 69,457,255	\$ 71,991,794	\$ 76,800,660
Other local taxes	9,793,364	11,325,397	12,021,955	11,152,671	11,969,535
Permits, privilege fees and regulatory licenses	1,079,778	1,076,354	1,128,823	2,475,652	2,366,091
Fines and forfeitures	63,755	45,916	76,465	117,237	70,850
Revenue from use of money and property	1,143,782	636,770	650,949	3,742,271	5,315,937
Charges for services	3,725,906	4,421,447	4,062,363	5,054,653	4,785,854
Miscellaneous	365,104	856,753	892,484	1,118,897	1,532,289
Recovered costs	514,429	403,311	344,522	386,190	598,185
Intergovernmental:					
School Board Contribution to Primary Government	-	8,177,396	844,477	-	-
Commonwealth	14,747,440	13,945,941	14,159,769	15,418,596	18,539,643
Federal	8,453,743	13,420,373	10,300,473	8,649,852	10,623,913
Total revenues	\$ 105,269,762	\$ 122,193,107	\$ 113,939,535	\$ 120,107,813	\$ 132,602,957
Expenditures:					
General government administration	\$ 5,272,344	\$ 6,027,486	\$ 5,979,019	\$ 6,303,514	\$ 6,992,083
Judicial administration	4,034,154	4,229,087	4,585,471	5,126,470	5,457,469
Public safety	22,977,849	23,564,314	26,647,895	27,605,422	29,248,266
Public works	1,499,103	1,345,508	2,839,388	5,033,219	4,293,665
Health and welfare	16,111,169	16,208,835	19,320,293	20,042,284	20,536,586
Education	47,438,530	36,333,744	32,100,417	37,367,579	37,064,568
Parks, recreation, and cultural	2,247,092	2,186,286	7,846,474	3,999,936	3,495,907
Community development	2,116,119	6,545,751	2,437,668	2,723,264	7,363,271
Nondepartmental	-	-	-	12,406	193,923
Debt service:					
Principal retirement	6,423,882	21,974,306	6,019,220	5,508,200	5,706,700
Interest and other fiscal charges	3,158,442	3,300,884	2,820,530	2,490,550	2,233,047
Total expenditures	\$ 111,278,684	\$ 121,716,201	\$ 110,596,375	\$ 116,212,844	\$ 122,585,485
Excess (deficiency) of revenues over (under) expenditures	\$ (6,008,922)	\$ 476,906	\$ 3,343,160	\$ 3,894,969	\$ 10,017,472
Other financing sources (uses):					
Transfers in	\$ 2,708,000	\$ 3,706,100	\$ 7,178,400	\$ 7,250,000	\$ 12,003,152
Transfers (out)	(4,208,492)	(5,679,445)	(9,717,538)	(10,393,207)	(14,707,211)
Issuance of debt	16,450,000	13,605,000	1,328,746	671,000	-
Premium on bonds issued	1,203,073	2,594,567	-	-	-
Payment to bond escrow agent	-	-	-	-	-
Retirement of temporary financing	-	-	-	-	-
Total other financing sources (uses)	\$ 16,152,581	\$ 14,226,222	\$ (1,210,392)	\$ (2,472,207)	\$ (2,704,059)
Net changes in fund balances	\$ 10,143,659	\$ 14,703,128	\$ 2,132,768	\$ 1,422,762	\$ 7,313,413
Debt service as a percentage of noncapital expenditures	9.36%	22.62%	8.99%	7.26%	6.62%

Governmental Activities Tax Revenues by Source
 Last Ten Fiscal Years
 (Modified Accrual Basis of Accounting)

Fiscal Year	General Property Taxes	Local Sales and Use Taxes	Consumer Utility Taxes (1)	Taxes on Recordation and Wills	Vehicle License Taxes	Other Local Taxes (1)	Total
2015	\$ 54,872,724	\$ 5,824,383	\$ 778,733	\$ 658,320	\$ 962,847	\$ 14,048	\$ 63,111,055
2016	56,741,652	5,836,450	784,328	762,765	842,419	16,459	64,984,073
2017	59,087,406	6,561,608	799,701	885,276	804,588	19,021	68,157,600
2018	63,368,224	6,913,346	842,434	795,709	789,141	20,975	72,729,829
2019	63,979,906	6,535,334	853,940	849,730	813,619	18,755	73,051,284
2020	65,382,461	7,144,442	835,781	962,595	798,671	51,875	75,175,825
2021	67,883,449	8,115,035	845,215	1,445,465	864,857	54,825	79,208,846
2022	69,457,255	8,922,468	856,092	1,060,896	833,491	88,510	81,218,712
2023	71,991,794	8,974,561	844,578	1,321,394	50,917	221,719	83,404,963
2024	76,800,660	9,550,810	894,184	963,248	14,725	546,568	88,770,195

Assessed Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year	Real Estate	Personal Property	Mobile Homes	Machinery and Tools	Public Service	Total	Direct Tax Rate
2014-15	\$ 4,564,280,180	\$ 661,189,332	\$ 2,395,100	\$ 71,043,729	\$ 178,726,950	\$ 5,477,635,291	6.33
2015-16	5,102,653,639	726,629,228	2,448,568	70,237,404	218,994,108	6,120,962,947	6.23
2016-17	5,168,221,853	760,805,390	2,724,413	82,437,316	206,779,011	6,220,967,983	6.23
2017-18	5,585,154,697	850,784,798	2,679,738	84,885,503	247,296,570	6,770,801,306	6.17
2018-19	5,671,642,820	876,167,949	2,635,298	87,292,113	244,573,562	6,882,311,742	6.17
2019-20	6,201,452,818	879,322,129	2,590,238	96,197,880	268,521,330	7,448,084,395	6.12
2020-21	6,295,575,146	879,599,890	2,746,616	115,978,989	268,645,248	7,562,545,889	6.12
2021-22	7,066,061,328	985,825,141	2,904,684	117,619,687	296,323,154	8,468,733,994	6.12
2022-23	7,177,180,228	1,215,940,788	3,477,952	111,718,282	256,287,050	8,764,604,300	6.05
2023-24	9,074,262,811	1,261,506,406	3,835,190	107,528,584	315,784,785	10,762,917,776	0.00

(1) All amounts are at 100% fair market value.

Property Tax Rates (1)
Last Ten Fiscal Years

Fiscal Years	Real Estate	Personal Property	Machinery and Tools	Total Direct Tax Rate
2014-15 (2)	\$ 0.83	\$ 3.50	\$ 2.00	\$ 6.33
2015-16 (2)	0.73	3.50	2.00	6.23
2016-17 (2)	0.73	3.50	2.00	6.23
2017-18 (2)	0.67	3.50	2.00	6.17
2018-19 (2)	0.67	3.50	2.00	6.17
2019-20 (2)	0.62	3.50	2.00	6.12
2020-21 (2)	0.62	3.50	2.00	6.12
2021-22 (2)	0.55	3.50	2.00	6.05
2022-23 (2)	0.55	3.50	2.00	6.05
2023-24 (2)	0.46	3.00	2.00	5.46

(1) Per \$100 of assessed value.

(2) In fiscal year 2006-07 the Board of Supervisors split the personal property rate between recreational, aircraft and non-recreational. The recreational PP rate is \$1.50; the aircraft rate is \$.63 and the non-recreational rate is \$3.50.

Principal Taxpayers

Current Year and Nine Years Ago

Taxpayer	Type of Business	2024			2015		
		Assessed Valuation	Rank	% of Total Assessed Valuation	Assessed Valuation	Rank	% of Total Assessed Valuation
Equinix, LLC (was Verizon Data Centers, LLC Managed Data Services		\$ 70,174,100	1	0.80%	\$ 35,109,700	1	0.66%
SWIFT	Communications	23,590,600	2	0.27%	19,638,100	n/a	0.37%
Culpeper 2018 LLC	Retail	17,574,800	3	0.20%	n/a	2	n/a
Continental Teves	Manufacturing	16,535,000	4	0.19%	n/a	5	n/a
Dominion Square-Culpeper LLC	Retail	15,854,700	5	0.18%	15,681,100	3	0.29%
FREP IV-Centre at Culpeper LLC	Shopping Center	14,193,100	6	0.16%	n/a	n/a	n/a
GG Virginia LLC	Industrial Greenhouse	14,102,600	7	0.16%	n/a	6	n/a
Wal-Mart	Retail	13,505,900	8	0.15%	11,213,900	n/a	0.21%
Wingspread Partners of Palm Beach LTD	Industrial	12,336,200	9	0.14%	n/a	n/a	n/a
Euro-Composite Corp.	Manufacturing	12,132,500	10	0.14%	n/a	n/a	n/a
Culpeper Regency, LLC	Retail	n/a	n/a	n/a	15,409,500	4	0.29%
Friendship Heights, LLC	Developer	n/a	n/a	n/a	11,963,400	7	0.22%
Culpeper Marketplace Assoc, LLC	Retail	n/a	n/a	n/a	9,848,700	8	0.18%
Centex Homes	Developer	n/a	n/a	n/a	9,269,600	9	0.17%
Culpeper Shopping Center Joint Venture	Retail	n/a	n/a	n/a	9,282,400	10	0.17%
Totals		\$ 209,999,500		2.40%	\$ 137,416,400		2.57%

Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Total (1) Tax Levy	Collected within the Fiscal Year of the Levy		Delinquent (1) Tax (2) Collections	Total Collections to Date	
		Amount (1) (3)	Percent of Levy		Amount (1)	Percent of Levy
2014-15	\$ 57,165,955	\$ 55,335,680	96.80%	\$ 2,064,235	\$ 57,399,915	100.41%
2015-16	59,234,910	57,205,748	96.57%	2,210,042	59,415,790	100.31%
2016-17	61,078,989	58,866,864	96.38%	1,981,816	60,848,680	99.62%
2017-18	64,332,506	63,745,969	99.09%	2,270,619	66,016,588	102.62%
2018-19	65,809,789	64,979,148	98.74%	1,522,482	66,501,630	101.05%
2019-20	66,635,415	65,391,324	98.13%	2,362,073	67,753,397	101.68%
2020-21	67,933,064	66,939,365	98.54%	1,510,379	68,449,744	100.76%
2021-22	71,132,848	69,705,232	97.99%	1,460,956	71,166,188	100.05%
2022-23	74,953,682	72,082,177	96.17%	1,933,705	74,015,882	98.75%
2023-24	78,872,929	76,031,006	96.40%	-	76,031,006	96.40%

(1) Exclusive of penalties and interest.

(2) Does not include land redemptions.

(3) Includes revenue from the Commonwealth for Personal Property Tax Relief Act.

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities					
	County General Obligation Bonds	Lease Revenue Bonds	Literary Loans	Notes Payable	School Lease Revenue Bonds	School General Obligation Bonds
2015	\$ 1,985,600	11,731,884	5,250,000	378,649	52,520,893	26,771,842
2016	1,790,000	10,912,758	4,875,000	193,671	50,245,010	24,125,479
2017	1,589,800	10,069,632	4,500,000	-	47,904,127	21,446,914
2018	1,384,900	9,196,506	4,125,000	476,362	45,493,244	19,165,509
2019	1,175,100	8,294,380	3,750,000	243,649	43,027,361	16,855,594
2020	960,300	7,365,254	3,375,000	-	57,749,397	14,506,459
2021	740,500	9,681,776	-	-	54,953,360	11,363,239
2022	515,600	8,315,285	-	890,241	51,607,323	9,760,381
2023	285,400	6,937,794	-	1,089,464	48,121,286	8,824,843
2024	49,700	5,527,303	-	550,810	44,485,249	7,879,305

(1) Weldon Cooper Website

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Business-Type Activities		Total Primary Government	Personal Income (1) (amounts expressed in thousands)	Percentage of Personal Income	Population (1)	Per Capita
	Lease Revenue Bonds	Notes Payable					
2015	-	-	98,640,883	1,959,118	5.03%	49,166	2,006
2016	1,792,620	-	93,936,554	1,948,412	4.82%	49,432	1,900
2017	2,548,270	-	88,060,760	2,005,323	4.39%	50,083	1,758
2018	2,512,233	-	82,355,772	2,091,315	3.94%	50,272	1,638
2019	2,474,913	-	75,823,016	2,273,655	3.33%	51,282	1,479
2020	2,436,263	-	86,394,693	2,446,659	3.53%	52,605	1,642
2021	2,396,246	-	79,137,142	2,506,152	3.16%	52,552	1,506
2022	2,354,801	-	73,445,653	2,705,704	2.71%	54,310	1,352
2023	2,311,882	-	67,572,692	3,005,298	2.25%	54,310	1,244
2024	2,267,433	-	60,761,824	3,068,452	1.98%	54,831	1,108

(1) Weldon Cooper Website

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

Fiscal Year	Population (1)	Assessed Value (2)(1)	Gross Bonded Debt	Less Business Type Activities Lease Revenue Bonds	Net Bonded Debt (3)	Ratio of Net General Obligation Debt to Assessed Value	Net Bonded Debt per Capita
2013-14	48,506	\$ 5,346,571,153	\$ 103,245,274	\$ 260,723	\$ 102,984,551	1.93%	2,123
2014-15	49,166	5,477,635,291	98,638,868	-	98,638,868	1.80%	2,006
2015-16	49,432	6,120,962,947	93,934,538	1,792,620	92,141,918	1.51%	1,864
2016-17	50,083	6,220,967,983	88,058,743	2,548,270	85,510,473	1.37%	1,707
2017-18	50,272	6,770,801,306	82,353,754	2,512,233	79,841,521	1.18%	1,588
2018-19	51,282	6,882,311,742	75,820,997	2,474,913	73,346,084	1.07%	1,430
2019-20	52,605	7,448,084,395	86,392,673	2,436,263	83,956,410	1.13%	1,596
2020-21	52,552	7,562,545,889	79,135,121	2,396,246	76,738,875	1.01%	1,460
2021-22	52,552	8,468,733,994	73,443,631	2,354,801	71,088,830	0.84%	1,353
2022-23	54,310	8,764,604,300	67,570,669	2,311,882	65,258,787	0.74%	1,202
2023-24	54,831	10,762,917,776	60,759,800	2,267,433	58,492,367	0.54%	1,067

(1) Bureau of the Census.

(2) From Table 7

(3) Includes all long-term General Obligation Bonded Debt, Bond Anticipation Notes, and Literary Fund loans. Excludes revenue bonds, leases, and compensated absences.

Computation of Direct and Overlapping Bonded Debt
At June 30, 2024

Direct:(1)

County of Culpeper, Virginia	\$	58,492,367	100%	\$	58,492,367
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(1) The County of Culpeper has no overlapping debt.

Demographic and Economic Statistics
Last Ten Fiscal Years

<u>Year</u>	<u>Population (1)</u>	<u>School Enrollment (2)</u>	<u>Unemployment Rate (3)</u>	<u>Personal Income (4) (amounts expressed in thousands)</u>	<u>Per Capita Personal Income</u>
2014-15	49,166	7,965	5.00%	1,959,118	39,847
2015-16	49,432	7,974	3.70%	1,948,412	39,416
2016-17	50,083	8,114	3.70%	2,005,323	40,040
2017-18	50,272	8,141	3.00%	2,091,315	41,600
2018-19	51,282	8,090	2.70%	2,273,655	44,336
2019-20	52,605	8,449	6.50%	2,446,659	46,510
2020-21	52,552	8,157	3.30%	2,506,152	47,689
2021-22	53,596	8,055	2.80%	2,705,704	50,483
2022-23	54,310	8,118	2.80%	3,005,298	55,336
2023-24	54,831	8,217	3.00%	3,068,452	55,962

(1) From Planning and Zoning Department

(2) School Enrollment doesn't include pre-school

(3) Ycharts

(4) U.S. Bureau of Economic Analysis

Principal Employers
Current Year and Nine Years Ago

Employer	Fiscal Year 2024			Fiscal Year 2014		
	Employees	% of Total County Employment	Rank	Employees	% of Total County Employment	Rank
Culpeper County Public Schools	1,316	8.25%	1	1,245	8.17%	1
UVA Culpeper Regional Hospital	772	4.84%	2	575	3.77%	2
County of Culpeper	768	4.81%	3	568	3.73%	3
Walmart	496	3.11%	4	360	2.36%	4
Va. Dept. of Transportation	486	3.05%	5	442	2.90%	5
Rappahannock Rapidan Community Services	331	2.07%	6	300	n/a	n/a
Coffeewood Correctional Center	278	1.74%	7	230	1.51%	7
Continental Automotive	241	1.51%	8	225	1.48%	9
Cintas	209	1.31%	9	340	2.23%	10
SWIFT	198	1.24%	10	250	1.64%	11
Merillat Industries, Inc.	n/a	n/a	n/a	340	2.23%	6
Builder's First Source	n/a	n/a	n/a	257	1.69%	8
Total	<u>5,095</u>			<u>5,132</u>		
Total County	<u>15,956</u>			<u>15,237</u>		

Source: Virginia Employment Commission

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

Function	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General government	44	45	45	46	47	47	47	47	47	50
Judicial administration	36	40	47	45	45	49	45	43	43	48
Public safety										
Sheriffs department	85	84	86	87	87	93	99	101	101	110
E911	22	22	26	26	26	26	26	27	27	27
Fire & rescue/emergency services	24	24	24	25	25	33	33	33	33	33
Building inspections	7	7	7	7	7	8	8	8	8	9
Animal control	8	8	7	8	8	8	8	8	8	8
Public works										
General maintenance	3	6	6	5	6	6	6	6	6	6
Landfill	5	4	4	4	6	6	6	7	7	9
Water & Sewer	3	6	4	6	7	7	7	6	6	8
Health and welfare (Options/CSA)	4	4	5	5	5	5	5	5	5	6
Department of social services	89	89	115	120	120	125	126	126	126	149
Culture and recreation										
Parks and recreation	4	5	5	7	8	8	9	10	10	11
Library	7	7	7	7	7	7	7	7	7	7
Community development										
Planning	5	5	5	5	6	6	6	6	6	7
Economic Development	2	2	2	2	2	2	2	2	2	2
Airport	2	2	2	2	2	2	2	2	2	2
Totals	350	360	397	407	414	438	442	444	444	492

Source: FY adopted budgets

Operating Indicators by Function
Last Ten Fiscal Years

		2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Sheriff	Physical arrests	1,356	1,148	932	1,495	1,264	1,185	1,005	1,130	1,514	1,488
	Traffic violations	1,546	622	578	768	781	703	475	756	1,133	729
Fire Protection	Number of stations - Fire	7	7	7	7	7	7	7	7	7	7
	Number of stations - EMS	1	1	1	1	1	1	1	1	1	1
Community Development	Residential building permits	200	252	163	289	255	229	253	257	325	380
Parks & Recreation	Number of parks & recreation facilities	8	8	8	8	8	8	8	9	9	7
	Number of libraries	1	1	1	1	1	1	1	1	1	1

Source: Individual county departments

Capital Asset Statistics by Function
Last Ten Fiscal Years

Function	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General government										
Administration buildings	1	1	1	1	1	1	1	1	1	1
Public safety										
Sheriffs department:										
Stations	1	1	1	1	1	1	1	1	1	1
Vehicles	98	99	95	109	105	105	105	115	139	142
Animal control:										
Buildings	1	1	1	1	1	1	1	1	1	1
Public works										
General maintenance:										
Trucks/vehicles	8	8	8	7	7	7	7	7	7	7
Landfill:										
Vehicles	2	2	2	2	2	2	2	2	2	2
Equipment	13	13	13	13	13	13	13	13	13	13
Sites	1	1	1	1	1	1	1	1	1	1
Health and welfare										
Department of Social Services:										
Vehicles	2	3	5	9	13	15	19	19	25	25
Culture and recreation										
Parks and recreation:										
Vehicles	2	2	2	2	2	2	2	2	2	2
Parks acreage (or playing fields)	8	8	8	8	8	8	8	8	8	8
Community development										
Planning:										
Vehicles	1	1	1	1	1	1	1	1	1	1
Component Unit - School Board										
Education:										
Schools	10	10	10	10	10	10	10	10	10	10
School buses	120	125	124	122	122	123	118	118	125	125

NA - Not available

Source: Individual county departments

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

**To the Board of Supervisors
County of Culpeper, Virginia
Culpeper, Virginia**

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Culpeper, Virginia, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the County of Culpeper, Virginia's basic financial statements, and have issued our report thereon dated December 27, 2024.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County of Culpeper, Virginia's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

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

Robinson, Farnell, Cox Associates

Charlottesville, Virginia
December 27, 2024



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

**To the Board of Supervisors
County of Culpeper, Virginia
Culpeper, Virginia**

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

Report on Internal Control over Compliance (Continued)

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

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

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

Robinson, Farnell, Cox Associates

Charlottesville, Virginia
December 27, 2024

COUNTY OF CULPEPER, VIRGINIA

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

Federal Grantor/Pass - Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Passed-through to Subrecipients	Federal Expenditures
Primary Government:				
Department of Agriculture:				
Pass through payments:				
Department of Social Services:				
SNAP Cluster:				
State Administration Matching Grants for Supplemental Nutrition Assistance Program	10.561	0010121/0010122/0040121/0040122	\$ -	\$ 837,429
Child and Adult Care Food Program	10.558	Not Available	-	531,677
Total Department of Agriculture			\$ -	\$ 1,369,106
Department of Housing and Urban Development:				
Direct payments:				
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	N/A		\$ 200,000
Department of Health and Human Services:				
Direct Payments:				
Head Start Cluster:				
Head Start	93.600	N/A	\$ -	\$ 4,066,247
Pass Through Payments:				
Department of Social Services:				
MaryLee Allen Promoting Safe and Stable Families	93.556	0950120/0950121	-	8,215
Title IV-E Prevention Program	93.472	1140122		8,935
Guardianship Assistance	93.090	1110121/1110122		18,619
Temporary Assistance for Needy Families	93.558	0400121/0400122	-	340,414
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	93.566	0500122	-	1,324
Low Income Home Energy Assistance	93.568	0600421/0600422	-	70,206
Child Care and Development Fund Cluster:				
Child Care and Development Block Grant	93.575	0770119/0770120	-	(971)
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	0760121/0760122	-	81,329
Total Child Care and Development Fund Cluster			\$ -	\$ 80,358
Stephanie Tubbs Jones Child Welfare Services Program	93.645	0900121	-	456
Foster Care - Title IV-E	93.658	1100121/1100122	-	292,627
Adoption Assistance	93.659	1120121/1120122	-	690,591
Social Services Block Grant	93.667	1000121/1000122	-	355,323
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	915120/9150121	-	4,286
COVID-19-Elder Abuse Prevention Interventions Program	93.747	8000221/8000321		(414)
Children's Health Insurance Program	93.767	0540121/0540122	-	9,786
Medicaid Cluster:				
Medical Assistance Program	93.778	1200121/1200122	-	713,344
Total pass through payments			\$ -	\$ 2,594,070
Total Department of Health and Human Services			\$ -	\$ 6,660,317
Department of Justice:				
Pass Through Payments:				
Department of Criminal Justice Services:				
Crime Victim Assistance	16.575	21A8572VW19VICT	\$ -	\$ 57,766
Treatment Court Discretionary Grant Program	16.585	N/A	-	177,491
Bulletproof Vest Partnership Program	16.607	N/A	-	14,647
Violence Against Women Formula Grants	16.588	21Y9389VA20	-	33,585
Total Department of Justice			\$ -	\$ 283,489
Department of Transportation:				
Direct Payments:				
Airport Improvement Program	20.106	N/A	\$ -	\$ 994,651

COUNTY OF CULPEPER, VIRGINIA

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024 (Continued)

Federal Grantor/Pass - Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Passed-through to Subrecipients	Federal Expenditures
Primary Government: (Continued)				
Department of Transportation: (Continued)				
Pass through payments:				
Virginia Department of Motor Vehicles:				
Highway Safety Cluster:				
State and Community Highway Safety	20.600	FSC2151276	\$ -	\$ 22,051
Total Highway Safety Cluster			\$ -	\$ 22,051
Alcohol Open Container Requirements	20.607	ENFAL202353278GRAN	-	12,204
Total Department of Transportation			\$ -	\$ 1,028,906
Department of Treasury:				
Direct payments:				
Equitable Sharing Program	21.016	N/A	\$ -	\$ 24,894
COVID-19-Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	-	2,011,065
Total Department of Treasury			\$ -	\$ 2,035,959
Department of Homeland Security:				
Pass through payments:				
Department of Emergency Management:				
Emergency Management Performance Grants	97.042	Not Available	\$ -	\$ 10,751
Total Expenditures of Federal Awards-Primary Government			\$ -	\$ 11,588,528
Component Unit School Board:				
Department of Agriculture:				
Pass Through Payments:				
Child Nutrition Cluster:				
Department of Agriculture:				
Food Distribution -- Schools	10.555	Not Available	\$ -	\$ 241,753
Department of Education:				
National School Lunch Program	10.555	202121N11994/202221N11994	-	2,657,252
Total CFDA 10.555			\$ -	\$ 2,899,005
School Breakfast Program	10.553	202121N11994/202222N11994	-	809,897
Total Child Nutrition Cluster			\$ -	\$ 3,708,902
Total Department of Agriculture			\$ -	\$ 3,708,902
Department of Education:				
Pass Through Payments:				
Department of Education:				
Title 1 Grants to Local Educational Agencies	84.010	S010A200046/S010A210046	\$ -	\$ 1,595,037
Special Education Cluster:				
Special Education - Grants to States	84.027	H027A200107/H027A210107	-	2,001,976
Special Education - Preschool Grants	84.173	H173A200112/H173A210112	-	47,776
Total Special Education Cluster			\$ -	\$ 2,049,752
Career and Technical Education -- Basic Grants to States	84.048	V048A190046/VA048A200046	-	151,388
English Language Acquisition State Grants	84.365	S365A200046/S365A210046	-	152,031
Student Support and Academic Enrichment Program	84.424	S424A200048/S424A210048	-	81,672
COVID-19 Education Stabilization Fund:				
Elementary and Secondary School Emergency Relief Fund	84.425D	S425D200008	-	2,256,544
ARP Elementary and Secondary School Emergency Relief For Homeless Children and Youth	84.425W	Not Available	-	0
Total COVID-19 Education Stabilization Fund			-	2,256,544
Supporting Effective Instruction State Grants	84.367	S367A200044/S367A210044	-	228,042
Total Department of Education			\$ -	\$ 6,514,466
Total Expenditures of Federal Awards-Component Unit School Board			\$ -	\$ 10,223,368
Total Expenditures of Federal Awards-Reporting Entity			\$ -	\$ 21,811,896

COUNTY OF CULPEPER, 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 (the Schedule) includes the federal award activity of the County of Culpeper, Virginia under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Because the Schedule presents only a selected portion of the operations of the County of Culpeper, Virginia, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County of Culpeper, Virginia.

Note 2 - Summary of Significant Accounting Policies

- (1) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- (2) Pass-through entity identifying numbers are presented where available.

Note 3 - Food Donation

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed.

Note 4 - De Minimis Cost Rate

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

Note 5 - Loan Balances

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

Note 6 - Relationship to Financial Statements

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

Intergovernmental federal revenues per the basic financial statements:

Primary government:	
General Fund	\$ 8,626,030
American Rescue Plan Act	1,797,883
Capital Projects	200,000
Airport Fund	994,651
Total primary government	\$ 11,618,564
Component Unit School Board:	
School Operating Fund	\$ 6,434,466
School Cafeteria Fund	3,708,902
School Capital Projects Fund	80,000
Total component unit school board	\$ 10,223,368
Total federal expenditures per basic financial statements	\$ 21,841,932
Less federal subsidy	\$ 30,036
Total federal expenditures per the Schedule of Expenditures of Federal Awards	\$ 21,811,896

COUNTY OF CULPEPER, VIRGINIA

Schedule of Findings and Questioned Costs
Year Ended June 30, 2024

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Type of auditors' report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)?	No
Identification of major programs:	

Assistance Listing	Name of Federal Program or Cluster
84.010	Title I Grants to Local Education Agencies
93.600	Head Start
20.106	Airport Improvement Program
84.425	COVID-19-Education Stabalization Fund
21.027	COVID-19-Coronavirus State and Local Fiscal Recovery Funds
Dollar threshold used to distinguish between Type A and Type B programs	\$750,000
Auditee qualified as low-risk auditee?	Yes

Section II - Financial Statement Findings

There are no financial statement findings to report.

Section III - Federal Award Findings and Questioned Costs

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

Section IV - Prior Year Audit Findings

None