

COUNTY OF CULPEPER, VIRGINIA



ANNUAL COMPREHENSIVE FINANCIAL REPORT

YEAR ENDED JUNE 30, 2025

County of Culpeper, Virginia
Annual Comprehensive Financial Report
Year Ended June 30, 2025

PREPARED BY:

Valerie H. Lamb, Finance Director

COUNTY OF CULPEPER, VIRGINIA

Annual Comprehensive Financial Report
Fiscal Year Ended June 30, 2025

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County of Culpeper
Samuel A. McLearn, County Administrator
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Email: smclearen@culpepercounty.gov

January 29, 2026

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, 2025. 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, 2025 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 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 REPORTING ENTITY AND ITS SERVICES (CONTINUED)

The County's economic projections reflect stability, with the unemployment rate in May 2025 at 3.0% vs 2.7% in May 2024; and very close to the state rates, with Virginia's unemployment rate in May 2025 at 3.3% vs. 2.8% in May 2024; while doing better than the national rate of unemployment at 4.2% in May 2025, vs 3.7% in May 2024. The median household income for Culpeper is \$96,098, while the median household income for Virginia is \$90,974 and for the U.S. it is \$80,610. 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.

MAJOR INITIATIVES

For fiscal year 2025: 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:

- 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

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.

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.

MAJOR INITIATIVES (CONTINUED)

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.

Culpeper County Public School Projects

The Board approved during FY25, 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. Funding for the project was secured during FY25 and construction has begun.

The Board has also identified a clear need for the construction of a seventh elementary school in the County. Funding for the project was secured during FY25 with design of the school underway.

PROSPECTS FOR THE FUTURE

For the fiscal year 2025-2026, the Board of Supervisors approved a General Fund Operating Budget of \$64,205,953, with an overall adopted operating and capital budget for FY26 of \$286,828,667.

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, 2024 and plans to continue usage of this allowable classification for CY2025. The personal property revenue in the adopted budget maintains an increase from FY25 to FY26.

- ◆ As part of the calculations for salary adjustments, the County reviews the previous calendar year consumer price index change. For calendar year 2024, the CPI was 2.9%; as of May, 2025 the CPI is 2.4%. This is something for the County to continue monitor moving forward into FY26 for spending purposes.
- ◆ The FY26 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

- ◆ Included in the FY26 budget are 9 new full-time positions and 1 new part-time position. These positions include:
 - County Administration and the County Attorney's Office requested a full-time FOIA/Public Relations position;
 - The Clerk of the Circuit Court requested an additional courtroom position;
 - Buildings & Grounds requested a new electrician;
 - Parks & Recreation requested an additional Recreation Coordinator;
 - The Sheriff's Office requested 6 deputy positions; however, they were granted 3 – one for road patrol; one for Criminal division; and the 3rd one for the Jail;
 - The Finance Department requested an additional position to assist with payroll and other duties as assigned;
 - Options requested a part-time community services worker converted to full time; and
 - The 1 part-time position is 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 FY25 was \$4,419,232. Beginning in FY23, inflation began and the interest rates on idle funds increased such that the county was able, again, for FY25, 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)

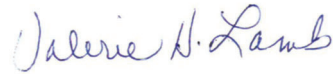
Certificate of Achievement. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate for Excellence in Financial Reporting to County of Culpeper, Virginia for its comprehensive annual financial report for the fiscal year, which ended June 30, 2023. In order 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.

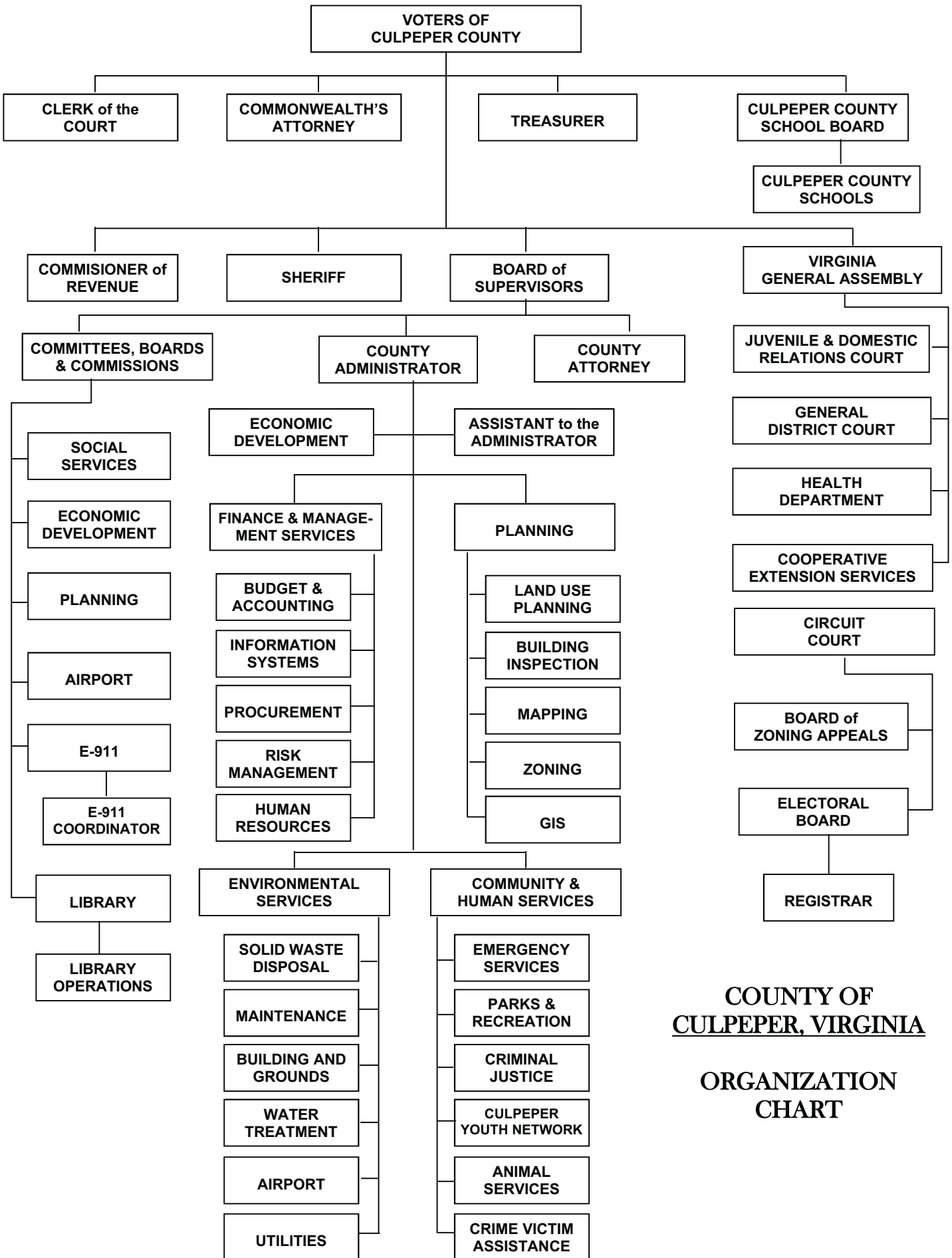
Respectfully submitted,



Samuel A. McLearn
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, 2025

PRIMARY GOVERNMENT OFFICIALS

BOARD OF SUPERVISORS

Paul Bates, Catalpa District

| | |
|-------------------------------|-------------------------|
| David E. Durr, Chairman..... | Cedar Mountain District |
| Gary M. Deal, Vice-Chair..... | West Fairfax District |
| Bradley C. Rosenberger..... | Jefferson District |
| Susan L. Gugino..... | Stevensburg 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

| | |
|------------------------|----------------------------|
| Samuel A. McLearn..... | County Administrator |
| John Bennett..... | Interim 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 Finance |



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

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**County of Culpeper
Virginia**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morrill

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, 2025, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Culpeper, Virginia, as of and for the year ended June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County of 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.

Change in Accounting Principles

As described in Note 21 to the financial statements, in 2025, the County adopted new accounting guidance, GASB Statement No. 101, *Compensated Absences*. Our opinions are not modified with respect to this matter.

Restatement of Beginning Balances

As described in Note 21 to the financial statements, in 2025, the County restated beginning balances to reflect the requirements of GASB Statement No. 101. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about County of 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 January 29, 2026, 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

January 29, 2026

**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, 2025. 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 \$165,867,565 (net position). Of this amount, \$76,172,758 (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 \$86,757,013 an increase of \$8,466,801 in comparison with the prior year. Approximately 58.5 percent of this amount, \$50,776,594, 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 \$50,776,594, or 39 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 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, Landfill, 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 presented for the primary government itself.

Fund financial statements - A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. 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 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 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 plus deferred outflows of resources exceeded liabilities plus deferred inflows of resources by \$165,867,565 at year-end.

The second largest portion of the County's net position (53 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, 2025 and 2024

| | <u>Governmental Activities</u> | | <u>Business-type Activities</u> | | <u>Totals</u> | |
|-----------------------------------|--------------------------------|-----------------------|---------------------------------|----------------------|-----------------------|-----------------------|
| | <u>2025</u> | <u>2024</u> | <u>2025</u> | <u>2024</u> | <u>2025</u> | <u>2024</u> |
| Current and other assets | \$ 173,506,304 | \$ 91,625,095 | \$ (792,294) | \$ (897,202) | \$ 172,714,010 | \$ 90,727,893 |
| Capital assets | 115,815,307 | 104,493,819 | 36,273,837 | 35,748,716 | 152,089,144 | 140,242,535 |
| Total assets | <u>289,321,611</u> | <u>196,118,914</u> | <u>35,481,543</u> | <u>34,851,514</u> | <u>324,803,154</u> | <u>230,970,428</u> |
| Deferred Outflows of Resources | \$ 5,814,749 | \$ 3,742,498 | \$ 225,891 | \$ 156,401 | \$ 6,040,640 | \$ 3,898,899 |
| Long-term liabilities outstanding | \$ 141,629,731 | \$ 60,974,044 | \$ 2,767,096 | \$ 2,828,732 | \$ 144,396,827 | \$ 63,802,776 |
| Current liabilities | 16,082,257 | 20,771,253 | 540,886 | 415,535 | 16,623,143 | 21,186,788 |
| Total liabilities | <u>\$ 157,711,988</u> | <u>\$ 81,745,297</u> | <u>\$ 3,307,982</u> | <u>\$ 3,244,267</u> | <u>\$ 161,019,970</u> | <u>\$ 84,989,564</u> |
| Deferred Inflows of Resources | \$ 3,842,067 | \$ 3,506,575 | \$ 114,192 | \$ 92,726 | \$ 3,956,259 | \$ 3,599,301 |
| Net Position: | | | | | | |
| Net investment in capital assets | \$ 54,427,047 | \$ 46,700,177 | \$ 34,052,426 | \$ 33,475,257 | \$ 88,479,473 | \$ 80,175,434 |
| Restricted - Opioid settlement | 1,215,334 | 1,294,492 | - | - | 1,215,334 | 1,294,492 |
| Unrestricted | 77,939,924 | 66,614,871 | (1,767,166) | (1,804,335) | 76,172,758 | 64,810,536 |
| Total Net Position | <u>\$ 133,582,305</u> | <u>\$ 114,609,540</u> | <u>\$ 32,285,260</u> | <u>\$ 31,670,922</u> | <u>\$ 165,867,565</u> | <u>\$ 146,280,462</u> |

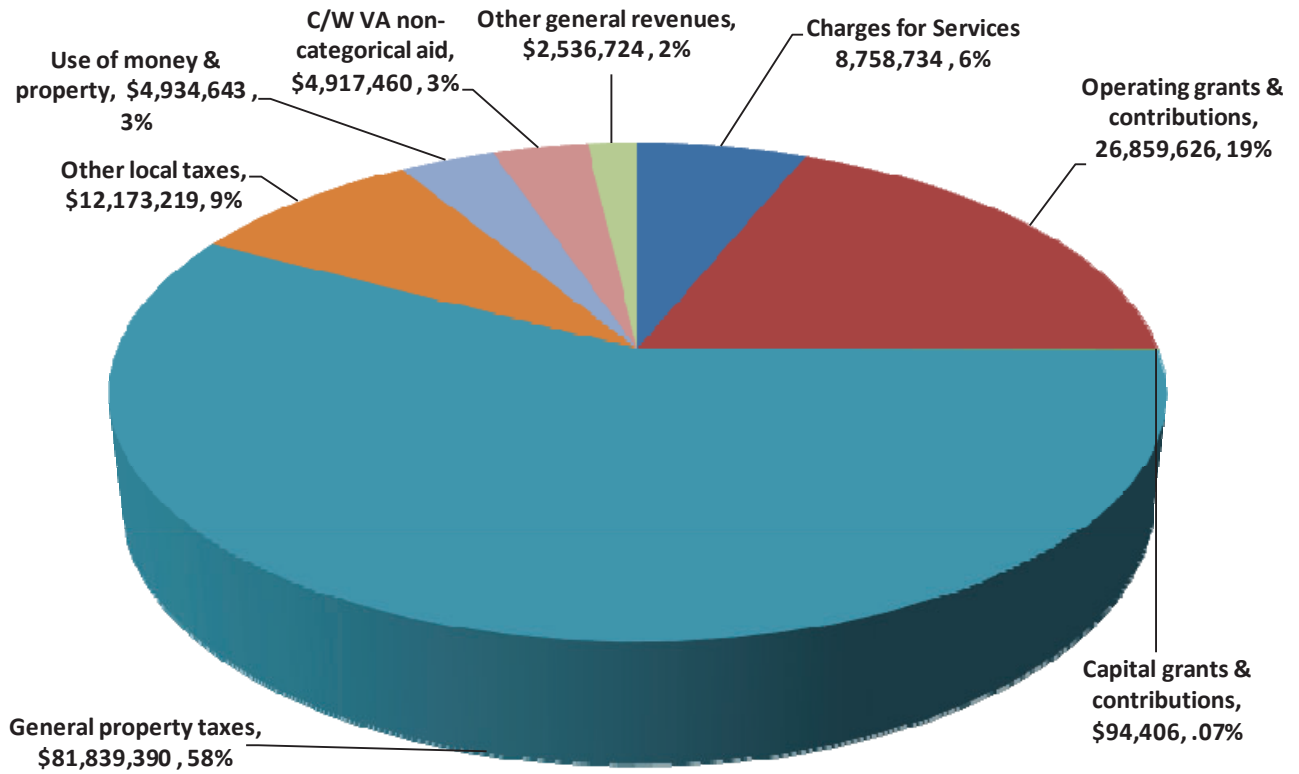
Government-wide Financial Analysis: (Continued)

Governmental Activities - Governmental activities increased the County's net position by \$18,972,765 and the Business-type activities by \$614,338. Key elements of the changes in net position are as follows:

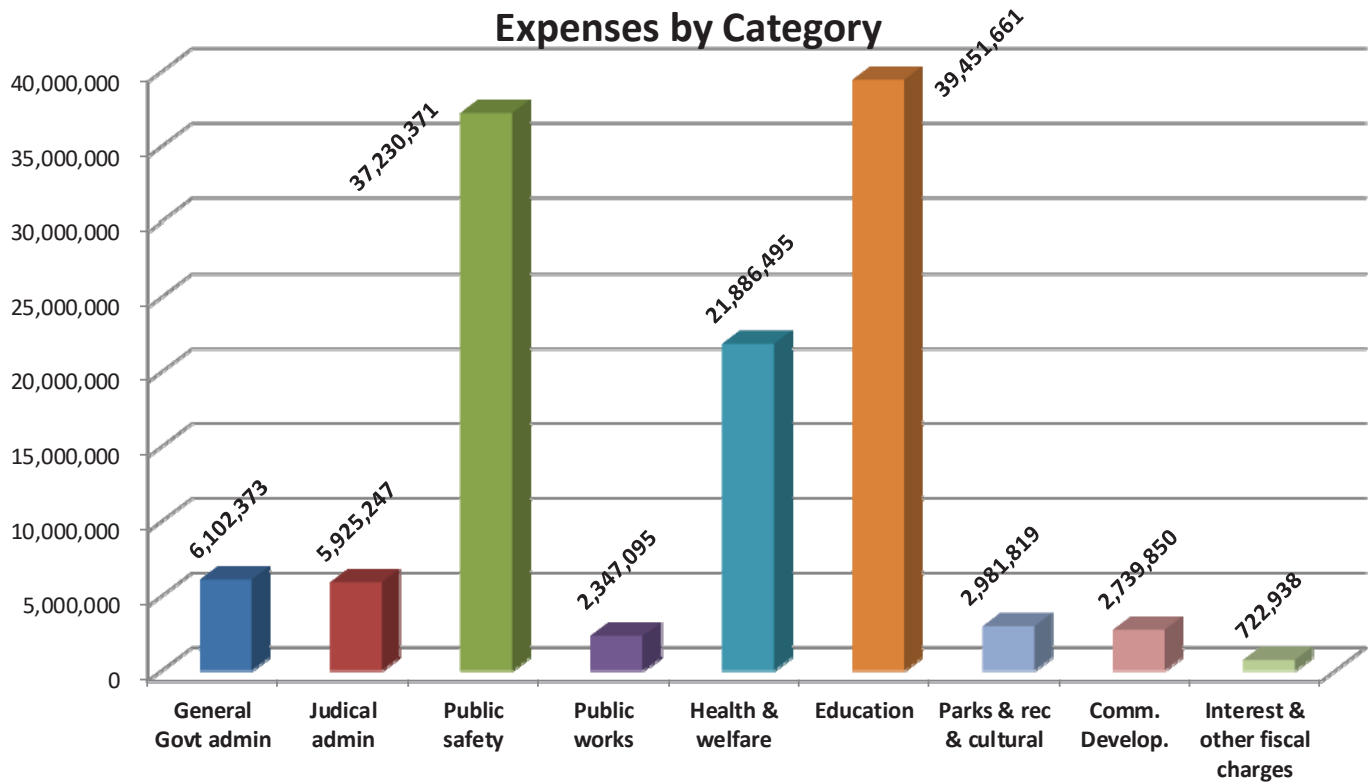
**Changes in Net Position
For the Years Ended June 30, 2025 and 2024**

| | <u>Governmental Activities</u> | | <u>Business-type Activities</u> | | <u>Totals</u> | |
|--|--------------------------------|------------------------------|---------------------------------|-----------------------------|------------------------------|------------------------------|
| | <u>2025</u> | <u>2024</u> | <u>2025</u> | <u>2024</u> | <u>2025</u> | <u>2024</u> |
| Revenues: | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$ 8,758,734 | \$ 7,222,795 | \$ 4,735,489 | \$ 4,390,810 | \$ 13,494,223 | \$ 11,613,605 |
| Operating grants & contributions | 26,859,626 | 21,200,861 | 36,229 | 31,731 | 26,895,855 | 21,232,592 |
| Capital grants & contributions | 94,406 | 3,046,213 | 1,883,444 | 1,415,914 | 1,977,850 | 4,462,127 |
| General revenues: | | | | | | |
| General property taxes | 81,839,390 | 79,447,858 | - | - | 81,839,390 | 79,447,858 |
| Other local taxes | 12,173,219 | 11,969,535 | - | - | 12,173,219 | 11,969,535 |
| Use of money & property | 4,934,643 | 5,315,937 | 228,285 | 300,673 | 5,162,928 | 5,616,610 |
| C/W VA non-categorical aid | 4,917,460 | 4,916,482 | - | - | 4,917,460 | 4,916,482 |
| Other general revenues | 2,536,724 | 1,943,592 | - | - | 2,536,724 | 1,943,592 |
| | | | | | - | - |
| Total revenues | \$ <u>142,114,202</u> | \$ <u>135,063,273</u> | \$ <u>6,883,447</u> | \$ <u>6,139,128</u> | \$ <u>148,997,649</u> | \$ <u>141,202,401</u> |
| Expenses: | | | | | | |
| General Govt admin | \$ 6,102,373 | \$ 6,551,526 | \$ - | \$ - | \$ 6,102,373 | \$ 6,551,526 |
| Judicial admin | 5,925,247 | 5,295,956 | - | - | 5,925,247 | 5,295,956 |
| Public safety | 37,230,371 | 28,581,083 | - | - | 37,230,371 | 28,581,083 |
| Public works | 2,347,095 | 3,491,293 | - | - | 2,347,095 | 3,491,293 |
| Health & welfare | 21,886,495 | 20,672,139 | - | - | 21,886,495 | 20,672,139 |
| Education | 39,451,661 | 41,309,594 | - | - | 39,451,661 | 41,309,594 |
| Parks & rec & cultural | 2,981,819 | 3,458,941 | - | - | 2,981,819 | 3,458,941 |
| Comm. Develop. | 2,739,850 | 7,320,516 | - | - | 2,739,850 | 7,320,516 |
| Interest & other fiscal charges | 722,938 | 1,700,509 | - | - | 722,938 | 1,700,509 |
| Landfill | - | - | 5,328,030 | 4,530,272 | 5,328,030 | 4,530,272 |
| Water & sewer | - | - | 1,967,059 | 2,402,367 | 1,967,059 | 2,402,367 |
| Airport | - | - | 2,101,505 | 1,985,296 | 2,101,505 | 1,985,296 |
| Water & sewer Authority | - | - | 626,103 | 626,103 | 626,103 | 626,103 |
| Total expenses | \$ <u>119,387,849</u> | \$ <u>118,381,557</u> | \$ <u>10,022,697</u> | \$ <u>9,544,038</u> | \$ <u>129,410,546</u> | \$ <u>127,925,595</u> |
| Increase (decrease) in net position before transfers | \$ 22,726,353 | \$ 16,681,716 | \$ (3,139,250) | \$ (3,404,910) | \$ 19,587,103 | \$ 13,276,806 |
| Transfers | <u>(3,753,588)</u> | <u>(2,704,059)</u> | <u>3,753,588</u> | <u>2,704,059</u> | - | - |
| Increase in net position | \$ 18,972,765 | \$ 13,977,657 | \$ 614,338 | \$ (700,851) | \$ 19,587,103 | \$ 13,276,806 |
| Net position, beginning of year | <u>114,609,540</u> | <u>100,631,883</u> | <u>31,670,922</u> | <u>32,371,773</u> | <u>146,280,462</u> | <u>133,003,656</u> |
| Net position, end of year | \$ <u><u>133,582,305</u></u> | \$ <u><u>114,609,540</u></u> | \$ <u><u>32,285,260</u></u> | \$ <u><u>31,670,922</u></u> | \$ <u><u>165,867,565</u></u> | \$ <u><u>146,280,462</u></u> |

Governmental Revenues



Expenses by Category



Government-wide Financial Analysis: (Continued)

- Governmental Activities – Total government spending increased in FY25 from FY24 by approximately \$1M. The areas with the most changes are Public Safety, at \$8.6M; Education, at (\$1.9M); and Community Development at \$(4.6M). The increase in public safety is related to using ARPA funds to offset governmental expenditures in payroll for the County. So that we could meet the federal deadline for obligation of funding, the county utilized the ARPA funds received, we used the “loss of revenue” section of the ARPA funds to pay the final quarter of 2024 payroll for all county employees. The decrease in education is a reduction in local funding to the school system due to more state and federal funding being utilized. The decrease under Community Development was for \$2.8M spent in capital, along with \$1.7M of ARPR 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 \$7M from FY24 to FY25. \$2.4M of that increase is in general property tax collections; \$1.5M is an increase in charges for services, another \$2.7M in federal funds related to the broadband project above; and \$0.5M in other general revenues.
- Business-Type Activities – Business-type activities increased for FY25, both in revenue generated and expenses incurred. Landfill generated the largest amount of revenue from 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, the 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 \$ 86,757,013, an increase of \$8.5M in comparison with the prior year. Approximately 59 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 to 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 \$50,776,594, while total fund balance reached \$69,442,946, an increase from the prior year of \$8.6M. Key factors in the net increase are as follows:

Most of the changes in unassigned fund balance are due to increases in other areas of the fund balance. Non-spendable decreased by \$424K; restricted decreased by \$275K; committed increased by \$2M; and assigned increased by \$343K. The unassigned fund balance decreased by approximately \$1.8M. Even though general fund revenues increased by approximately \$7M.

The County’s Capital Projects Fund balance remained flat at \$17.3M, a reduction of only \$104K. Expenditures for capital projects were as follows:

1. Contribution to Fire & Rescue Assn for capital needs, \$87,230.
2. Options House renovations, \$13,607.
3. Galbreath Marshall bldg. roof replacement, \$270,290.
4. Community Pool project, \$768,938.

Government-wide Financial Analysis: (Continued)

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 \$ 12,710,089, a decrease from the prior year of \$1,411,247. Net loss for FY25 was \$765,396 vs. the net loss for FY24 was \$531,765. Further capital contributions and construction grants were \$1,883,444 for FY25 vs \$1,415,914 for FY24.

Net position of the Solid waste Transfer (Landfill) Fund totaled \$5,660,083, an increase from prior the year of \$291,989. The net loss for FY25 was \$2,600,548 vs. the net loss for FY24 was \$2,261,851. The General Fund transfer into the Landfill Fund for FY25 was 2,892,537 vs the transfer in FY24 was \$1,714,745; and interest revenue for FY25 was \$228,285 vs FY24 it was \$300,673.

The Water and Sewer Fund net position decreased by \$244,596 for the year ending June 30, 2025 and totaled (\$801,668). The primary reason for the decrease was a decrease in the transfer from the General Fund of \$786,051 vs \$1,621,095 in FY24.

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. At June 30, 2025, net position totaled \$14,716,756.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget were \$18,070,508 and can be briefly summarized as follows:

| Budget Amendments | Amount |
|--|---------------|
| Debt service for bond refunding | \$15,890,000 |
| Budget reduction for Oct – Dec general government salaries paid w/ARPA funds | (\$6,478,782) |
| Carryover requests for ongoing projects | \$3,587,083 |
| Carryover requests for open purchase orders | \$366,147 |
| Human Services, various grants | \$2,235,044 |
| Animal Shelter, various grants and donations | \$42,658 |
| Library, various donations | \$79,457 |
| Opioid abatement funding | \$245,809 |
| Parks & Recreation, various grants and donations | \$33,019 |
| Sheriff, various grants and donations | \$617,662 |
| E911, various grants | \$282,276 |
| Other departments, grants, donations, etc. | \$1,170,135 |

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 actual revenues that exceeded budget estimates by a total of \$4,181,400. Personal property taxes exceeded the budget by \$1,464,803. Other local tax revenues exceeded budget estimates by \$319,181; Permits fees and licenses exceeded the budget by \$2,110,790, 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 \$3,220,530. Total commonwealth intergovernmental and federal revenues netted to not exceeding the budget by \$2,475,555. 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 2026 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 \$11,750,070 coming from the undesignated balance of the General Fund. Also included in the adopted FY25 budget is \$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 continue to be avoided.

Capital assets - The County's investment in capital assets for its governmental and business type activities as of June 30, 2025 amounts to \$152,089,144 (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 \$111,005,000. Of this amount, \$111,005,000 represents debt backed by the full faith and credit of the County.

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

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 \$7.9M from the fund balance for capital projects (one-time costs), while adhering to the fund balance policy. This budget also uses \$1.8M of funds previously set aside in prior budgets and another \$1.8M of reserved proffer funds to use for debt service payments for the new elementary school.
- ◆ 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 FY26 based on 8,315 average daily membership, vs for FY25 the budget was based on 8,340 average daily membership.
- ◆ For the fiscal year ended June 30, 2024, the Commonwealth of Virginia ended with a \$1.2B higher surplus than forecasted with overall revenue collections growing 5.5%, exceeding the forecasted 1.3% increase.
- ◆ The Commonwealth's General Fund balance increased by \$469.2 million to \$15.6 billion (cash basis).
- ◆ 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, 2024 and plans to continue usage of this allowable classification for CY2025. The personal property revenue in the adopted budget maintains an increase from FY25 to FY26.

Economic Factors and Next Year's Budget and Rates: (Continued)

- ◆ The County's economic projections reflect stability, with the unemployment rate in May 2025 at 3.0% vs 2.7% in May 2024; and very close to the state rates, with Virginia's unemployment rate in May 2025 at 3.3% vs. 2.8% in May 2024; while doing better than the national rate of unemployment at 4.2% in May 2025, vs 3.7% in May 2024. The median household income for Culpeper is \$96,098, while the median household income for Virginia is \$90,974 and for the U.S. it is \$80,610. 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.
- ◆ As part of the calculations for salary adjustments, the County reviews the previous calendar year consumer price index change. For calendar year 2024, the CPI was 2.9%; as of May, 2025 the CPI is 2.4%. This is something for the County to continue monitor moving forward into FY26 for spending purposes.
- ◆ The FY26 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.
- ◆ Included in the FY26 budget are 9 new full-time positions and 1 new part-time position. These positions include:
 - County Administration and the County Attorney's Office requested a full-time FOIA/Public Relations position;
 - The Clerk of the Circuit Court requested an additional courtroom position;
 - Buildings & Grounds requested a new electrician;
 - Parks & Recreation requested an additional Recreation Coordinator;
 - The Sheriff's Office requested 6 deputy positions, however they were granted 3 – one for road patrol; one for Criminal division; and the 3rd one for the Jail;
 - The Finance Department requested an additional position to assist with payroll and other duties as assigned;
 - Options requested a part-time community services worker converted to full time; and
 - The 1 part-time position is for the Library for additional open hours to the public.

Tax Rates and Fees

Due to the recent general reassessment, the total value of real property, excluding additional assessments due to new construction or improvements to property, increased from last year's total assessed value by 17.22% percent.

This assessment increase dictates an adjusted tax rate to offset the increased assessment. The General fund real estate tax rate to achieve an equalization rate would need to be reduced to \$0.41 from the current rate of \$0.47 in order to achieve a fully equalized rate.

This adopted budget includes an increase of 2¢ increase to the calculated equalized real estate tax rate, bringing the total real estate tax rate to \$0.43 per \$100 of assessed value, down from the current rate of \$0.47. The proposed budget included a 3¢ increase. Due to the reduction of 1¢ in tax revenue, this adopted budget includes additional funding from the set-aside funds to balance the budget than in the proposed budget.

Tax Rates and Fees: (Continued)

In conjunction with the general assessment increase, an adjustment of the tax rate for the Fire & Rescue levy also has been calculated. The equalized rate for the Fire & Rescue levy is \$0.07 per \$100 of assessed value, down from the current \$0.08 per \$100 of assessed value. By doing so, this allows the rate to fully cover the operational costs of the Emergency Services Department and the Culpeper County Volunteer Fire & Rescue Association, which was the original intent of this levy.

The breakdown of the current real estate rate is \$0.39 General Fund and \$0.08 Fire & Rescue levy for a total of \$0.47. The equalized rate would be \$0.34 General Fund and \$0.07 Fire & Rescue for a total of \$0.41; the tax rate proposed was \$0.37 General Fund and \$0.07 Fire and Rescue; the tax rate adopted was \$0.36 General Fund and \$0.07 Fire and Rescue.

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, 2025

| | Primary Government | | | Component Unit | Component Unit |
|---|-------------------------|--------------------------|----------------|----------------|---------------------|
| | Governmental Activities | Business-type Activities | Total | School Board | Culpeper County EDA |
| ASSETS | | | | | |
| Current Assets | | | | | |
| Cash and cash equivalents | \$ 72,731,915 | \$ 4,930,188 | \$ 77,662,103 | \$ 33,538,942 | \$ 307,358 |
| Cash and cash equivalents - Restricted for School Construction | 77,700,096 | - | 77,700,096 | - | - |
| Receivables (net of allowance for uncollectibles): | | | | | |
| Property taxes | 7,671,283 | - | 7,671,283 | - | - |
| Accounts receivable | 2,755,497 | 619,910 | 3,375,407 | 276,817 | - |
| Leases receivable | 359,558 | - | 359,558 | - | - |
| Prepaid items | 155,825 | 24,596 | 180,421 | 244,985 | - |
| Inventory | - | 31,241 | 31,241 | - | - |
| Due from primary government | - | - | - | 2,594,609 | - |
| Internal balances | 6,579,254 | (6,579,254) | - | - | - |
| Due from other governments | 5,552,876 | 181,025 | 5,733,901 | 3,307,713 | - |
| Total Current Assets | \$ 173,506,304 | \$ (792,294) | \$ 172,714,010 | \$ 39,963,066 | \$ 307,358 |
| Noncurrent Assets | | | | | |
| Net pension asset | \$ - | \$ - | \$ - | \$ 3,144,289 | \$ - |
| Net OPEB asset | \$ - | \$ - | \$ - | \$ 53,917 | \$ - |
| Capital assets (net of depreciation): | | | | | |
| Land and land improvements | \$ 17,741,956 | \$ 7,043,528 | \$ 24,785,484 | \$ 5,728,588 | \$ - |
| Construction in progress | 14,187,044 | 4,681,850 | 18,868,894 | 1,986,923 | - |
| Buildings and improvements | 27,724,072 | 23,800,624 | 51,524,696 | 111,575,569 | - |
| Lease land | 8,570 | - | 8,570 | - | - |
| Leased buildings and improvements | - | - | - | 463,517 | - |
| Lease equipment | - | - | - | 604,390 | - |
| Equipment | 13,049,819 | 747,835 | 13,797,654 | 6,107,192 | - |
| Jointly owned assets | 43,103,846 | - | 43,103,846 | (43,103,846) | - |
| Total Capital Assets | \$ 115,815,307 | \$ 36,273,837 | \$ 152,089,144 | \$ 83,362,333 | \$ - |
| Total Noncurrent assets | \$ 115,815,307 | \$ 36,273,837 | \$ 152,089,144 | \$ 86,560,539 | \$ - |
| Total Assets | \$ 289,321,611 | \$ 35,481,543 | \$ 324,803,154 | \$ 126,523,605 | \$ 307,358 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | |
| Deferred charge on refunding | \$ 155,126 | \$ - | \$ 155,126 | \$ - | \$ - |
| Pension deferrals | 5,283,466 | 212,676 | 5,496,142 | 21,175,315 | - |
| OPEB deferrals | 376,157 | 13,215 | 389,372 | 2,566,717 | - |
| Total Deferred Outflows of Resources | \$ 5,814,749 | \$ 225,891 | \$ 6,040,640 | \$ 23,742,032 | \$ - |
| Total Assets and Deferred Outflows of Resources | \$ 295,136,360 | \$ 35,707,434 | \$ 330,843,794 | \$ 150,265,637 | \$ 307,358 |
| LIABILITIES | | | | | |
| Current Liabilities | | | | | |
| Accounts payable and other current liabilities | \$ 1,485,319 | \$ 443,221 | \$ 1,928,540 | \$ 8,494,470 | \$ - |
| Unearned revenue | 3,567,823 | - | 3,567,823 | - | - |
| Amounts held for others | 578,416 | - | 578,416 | - | - |
| Due to component unit | 2,594,609 | - | 2,594,609 | - | - |
| Accrued interest payable | 613,675 | 1,278 | 614,953 | - | - |
| Current portion of long-term obligations | 7,242,415 | 96,387 | 7,338,802 | 1,265,166 | - |
| Total Current Liabilities | \$ 16,082,257 | \$ 540,886 | \$ 16,623,143 | \$ 9,759,636 | \$ - |
| Noncurrent Liabilities | | | | | |
| Noncurrent portion of long-term obligations | \$ 141,629,731 | \$ 2,767,096 | \$ 144,396,827 | \$ 72,229,041 | \$ - |
| Total Noncurrent Liabilities | \$ 141,629,731 | \$ 2,767,096 | \$ 144,396,827 | \$ 72,229,041 | \$ - |
| Total Liabilities | \$ 157,711,988 | \$ 3,307,982 | \$ 161,019,970 | \$ 81,988,677 | \$ - |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Deferred revenues - taxes | \$ 609,978 | \$ - | \$ 609,978 | \$ - | \$ - |
| Lease deferrals | 313,513 | - | 313,513 | - | - |
| Pension deferrals | 2,549,752 | 99,513 | 2,649,265 | 9,119,733 | - |
| OPEB deferrals | 368,824 | 14,679 | 383,503 | 2,201,967 | - |
| Total deferred inflows of resources | \$ 3,842,067 | \$ 114,192 | \$ 3,956,259 | \$ 11,321,700 | \$ - |
| NET POSITION | | | | | |
| Net investment in capital assets | \$ 54,427,047 | \$ 34,052,426 | \$ 88,479,473 | \$ 82,291,554 | \$ - |
| Restricted | | | | | |
| Net pension and OPEB assets | - | - | - | 3,198,206 | - |
| Opioid settlement | 1,215,334 | - | 1,215,334 | - | - |
| Unrestricted | 77,939,924 | (1,767,166) | 76,172,758 | (28,534,500) | 307,358 |
| Total Net Position | \$ 133,582,305 | \$ 32,285,260 | \$ 165,867,565 | \$ 56,955,260 | \$ 307,358 |
| Total Liabilities, Deferred inflows of resources and Net Position | \$ 295,136,360 | \$ 35,707,434 | \$ 330,843,794 | \$ 150,265,637 | \$ 307,358 |

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

Statement of Activities
Year Ended June 30, 2025

| Functions/Programs | Expenses | Program Revenues | | |
|---------------------------------------|-----------------------|----------------------|------------------------------------|----------------------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| PRIMARY GOVERNMENT: | | | | |
| Governmental activities: | | | | |
| General government administration | \$ 6,102,373 | \$ - | \$ 531,108 | \$ - |
| Judicial administration | 5,925,247 | 408,888 | 1,313,340 | - |
| Public safety | 37,230,371 | 4,413,622 | 13,207,015 | - |
| Public works | 2,347,095 | - | - | - |
| Health and welfare | 21,886,495 | 3,510,062 | 11,554,418 | - |
| Education | 39,451,661 | - | - | - |
| Parks, recreation, and cultural | 2,981,819 | 422,221 | 253,745 | - |
| Community development | 2,739,850 | 3,941 | - | 94,406 |
| Interest on long-term debt | 722,938 | - | - | - |
| Total governmental activities | \$ 119,387,849 | \$ 8,758,734 | \$ 26,859,626 | \$ 94,406 |
| Business-type activities: | | | | |
| Landfill | \$ 5,328,030 | \$ 2,499,197 | \$ - | \$ - |
| Water and sewer | 1,967,059 | 936,412 | - | - |
| Airport | 2,101,505 | 1,299,880 | 36,229 | 1,883,444 |
| Water and sewer authority | 626,103 | - | - | - |
| Total business-type activities | \$ 10,022,697 | \$ 4,735,489 | \$ 36,229 | \$ 1,883,444 |
| Total primary government | \$ 129,410,546 | \$ 13,494,223 | \$ 26,895,855 | \$ 1,977,850 |
| COMPONENT UNITS: | | | | |
| School Board | \$ 122,190,275 | \$ 529,778 | \$ 88,267,648 | \$ - |
| Culpeper County EDA | 687,062 | - | - | - |
| Total component units | \$ 122,877,337 | \$ 529,778 | \$ 88,267,648 | \$ - |

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

Statement of Activities
Year Ended June 30, 2025

| Functions/Programs | Net (Expense) Revenue and Changes in Net Position | | | | |
|--|---|--------------------------|-----------------|-----------------|---------------------|
| | Primary Government | | | Component Unit | Component Unit |
| | Governmental Activities | Business-type Activities | Total | School Board | Culpeper County EDA |
| PRIMARY GOVERNMENT: | | | | | |
| Governmental activities: | | | | | |
| General government administration | \$ (5,571,265) | \$ - | \$ (5,571,265) | \$ - | \$ - |
| Judicial administration | (4,203,019) | - | (4,203,019) | - | - |
| Public safety | (19,609,734) | - | (19,609,734) | - | - |
| Public works | (2,347,095) | - | (2,347,095) | - | - |
| Health and welfare | (6,822,015) | - | (6,822,015) | - | - |
| Education | (39,451,661) | - | (39,451,661) | - | - |
| Parks, recreation, and cultural | (2,305,853) | - | (2,305,853) | - | - |
| Community development | (2,641,503) | - | (2,641,503) | - | - |
| Interest on long-term debt | (722,938) | - | (722,938) | - | - |
| Total governmental activities | \$ (83,675,083) | \$ - | \$ (83,675,083) | \$ - | \$ - |
| Business-type activities: | | | | | |
| Landfill | \$ - | \$ (2,828,833) | \$ (2,828,833) | \$ - | \$ - |
| Water and sewer | - | (1,030,647) | (1,030,647) | - | - |
| Airport | - | 1,118,048 | 1,118,048 | - | - |
| Water and sewer authority | - | (626,103) | (626,103) | - | - |
| Total business-type activities | \$ - | \$ (3,367,535) | \$ (3,367,535) | \$ - | \$ - |
| Total primary government | \$ (83,675,083) | \$ (3,367,535) | \$ (87,042,618) | \$ - | \$ - |
| COMPONENT UNITS: | | | | | |
| School Board | \$ - | \$ - | \$ - | \$ (33,392,849) | \$ - |
| Culpeper County EDA | - | - | - | - | (687,062) |
| Total component units | \$ - | \$ - | \$ - | \$ (33,392,849) | \$ (687,062) |
| General revenues: | | | | | |
| General property taxes | \$ 81,839,390 | \$ - | \$ 81,839,390 | \$ - | \$ - |
| Local sales and use taxes | 9,459,717 | - | 9,459,717 | - | - |
| Consumer utility taxes | 876,302 | - | 876,302 | - | - |
| Taxes on recordation and wills | 1,319,565 | - | 1,319,565 | - | - |
| Motor vehicle license taxes | 4,363 | - | 4,363 | - | - |
| Other local taxes | 513,272 | - | 513,272 | - | - |
| County contribution to School Board | - | - | - | 37,918,138 | - |
| County contribution to EDA | - | - | - | - | 690,331 |
| Town contribution to EDA | - | - | - | - | - |
| Unrestricted revenues from use of money | 4,934,643 | 228,285 | 5,162,928 | 834,789 | 1,219 |
| Miscellaneous | 2,536,724 | - | 2,536,724 | 4,110,767 | - |
| Grants and contributions not restricted to specific programs | 4,917,460 | - | 4,917,460 | - | - |
| Transfers | (3,753,588) | 3,753,588 | - | - | - |
| Total general revenues and transfers | \$ 102,647,848 | \$ 3,981,873 | \$ 106,629,721 | \$ 42,863,694 | \$ 691,550 |
| Change in net position | \$ 18,972,765 | \$ 614,338 | \$ 19,587,103 | \$ 9,470,845 | \$ 4,488 |
| Net position - beginning, as previously reported | 114,609,540 | 31,670,922 | 146,280,462 | 55,259,530 | 302,870 |
| Restatements | - | - | - | (7,775,115) | - |
| Net position - beginning, as restated | 114,609,540 | 31,670,922 | 146,280,462 | 47,484,415 | 302,870 |
| Net position - ending | \$ 133,582,305 | \$ 32,285,260 | \$ 165,867,565 | \$ 56,955,260 | \$ 307,358 |

Fund Financial Statements

Balance Sheet - Governmental Funds
At June 30, 2025

| | General | American Rescue Plan ACT | Capital Projects | Total |
|--|----------------------|--------------------------------|----------------------|-----------------------|
| ASSETS | | | | |
| Cash and cash equivalents | \$ 62,816,228 | \$ - | \$ 17,955,590 | \$ 80,771,818 |
| Receivables (net of allowance for uncollectible): | | | | |
| Taxes, including penalties | 7,671,283 | - | - | 7,671,283 |
| Accounts | 2,282,140 | - | 473,357 | 2,755,497 |
| Leases receivable | 359,558 | - | - | 359,558 |
| Prepaid expenditures | 155,825 | - | - | 155,825 |
| Due from other funds | 6,879,254 | - | - | 6,879,254 |
| Due from other governmental units | 5,535,581 | - | 17,295 | 5,552,876 |
| Total assets | <u>\$ 85,699,869</u> | <u>\$ -</u> | <u>\$ 18,446,242</u> | <u>\$ 104,146,111</u> |
| LIABILITIES | | | | |
| Accounts payable | \$ 353,144 | \$ - | \$ 1,132,175 | \$ 1,485,319 |
| Unearned revenue | 3,567,823 | - | - | 3,567,823 |
| Amounts held for others | 578,416 | - | - | 578,416 |
| Due to component unit | 2,594,609 | - | - | 2,594,609 |
| Total liabilities | <u>\$ 7,093,992</u> | <u>\$ -</u> | <u>\$ 1,132,175</u> | <u>\$ 8,226,167</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Unavailable revenue - taxes | \$ 7,634,084 | \$ - | \$ - | \$ 7,634,084 |
| Opioid deferrals | 1,215,334 | - | - | 1,215,334 |
| Lease deferrals | 313,513 | - | - | 313,513 |
| Total deferred inflows of resources | <u>\$ 9,162,931</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 9,162,931</u> |
| FUND BALANCES | | | | |
| Nonspendable | \$ 201,870 | \$ - | \$ - | \$ 201,870 |
| Restricted | 709,759 | - | - | 709,759 |
| Committed | 14,421,789 | - | 17,314,067 | 31,735,856 |
| Assigned | 3,332,934 | - | - | 3,332,934 |
| Unassigned | 50,776,594 | - | - | 50,776,594 |
| Total fund balances | <u>\$ 69,442,946</u> | <u>\$ -</u> | <u>\$ 17,314,067</u> | <u>\$ 86,757,013</u> |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 85,699,869</u> | <u>\$ -</u> | <u>\$ 18,446,242</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. | 115,815,307 |
| Restricted cash from unspent bond proceeds for School Construction reported on the Statement of Net Position for the Primary Government | 77,700,096 |
| Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. | (613,675) |
| 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: | (8,339,903) |
| 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 | 7,024,106 |
| Unavailable revenue - opioid settlement | 1,215,334 |
| Deferred inflows related to measurement of net pension liability | (2,549,752) |
| Deferred inflows related to measurement of net OPEB liability | (368,824) |
| 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 | 5,283,466 |
| Deferred outflows related to net OPEB liability | 376,157 |
| 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. | (148,717,020) |
| Net position of General Governmental Activities | <u>\$ 133,582,305</u> |

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

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

| | Governmental Fund Types | | | Total Governmental Funds |
|---|-------------------------|--------------------------------|----------------------|--------------------------------|
| | General | American Rescue Plan ACT | Capital Projects | |
| Revenues: | | | | |
| General property taxes | \$ 80,907,432 | \$ - | \$ - | \$ 80,907,432 |
| Other local taxes | 12,173,219 | - | - | 12,173,219 |
| Permits, privilege fees and regulatory licenses | 3,426,190 | - | - | 3,426,190 |
| Fines and forfeitures | 179,340 | - | - | 179,340 |
| Revenue from use of money and property | 4,919,806 | - | 14,837 | 4,934,643 |
| Charges for services | 5,153,204 | - | - | 5,153,204 |
| Miscellaneous | 1,096,260 | - | 1,440,464 | 2,536,724 |
| Recovered costs | 647,570 | - | - | 647,570 |
| Intergovernmental: | | | | |
| School Board Contribution to Primary Government | - | - | - | - |
| Commonwealth | 16,460,647 | - | 94,406 | 16,555,053 |
| Federal | 7,936,800 | 7,379,639 | - | 15,316,439 |
| Total revenues | \$ 132,900,468 | \$ 7,379,639 | \$ 1,549,707 | \$ 141,829,814 |
| Expenditures: | | | | |
| Current: | | | | |
| General government administration | \$ 6,734,767 | \$ - | \$ - | \$ 6,734,767 |
| Judicial administration | 5,913,495 | - | - | 5,913,495 |
| Public safety | 30,395,946 | 7,379,639 | - | 37,775,585 |
| Public works | 1,698,084 | - | - | 1,698,084 |
| Health and welfare | 21,666,948 | - | - | 21,666,948 |
| Education | 35,057,017 | - | 87,000,000 | 122,057,017 |
| Parks, recreation, and cultural | 2,838,461 | - | - | 2,838,461 |
| Community development | 2,644,484 | - | - | 2,644,484 |
| Nondepartmental | 245,814 | - | - | 245,814 |
| Capital projects | - | - | 8,710,751 | 8,710,751 |
| Debt service: | | | | |
| Principal retirement | 21,302,700 | - | - | 21,302,700 |
| Interest and other fiscal charges | 1,862,704 | - | - | 1,862,704 |
| Total expenditures | \$ 130,360,420 | \$ 7,379,639 | \$ 95,710,751 | \$ 233,450,810 |
| Excess (deficiency) of revenues over (under) expenditures | \$ 2,540,048 | \$ - | \$ (94,161,044) | \$ (91,620,996) |
| Other financing sources (uses): | | | | |
| Transfers in | \$ - | \$ - | \$ 6,302,585 | \$ 6,302,585 |
| Issuance of lease revenue and refunding bonds | 14,565,000 | - | 79,090,000 | 93,655,000 |
| Premium on issuance of lease revenue bonds | 1,521,934 | - | 8,664,451 | 10,186,385 |
| Transfers (out) | (10,056,173) | - | - | (10,056,173) |
| Total other financing sources (uses) | \$ 6,030,761 | \$ - | \$ 94,057,036 | \$ 100,087,797 |
| Changes in fund balances | \$ 8,570,809 | \$ - | \$ (104,008) | \$ 8,466,801 |
| Fund balances at beginning of year | 60,872,137 | - | 17,418,075 | 78,290,212 |
| Fund balances at end of year | \$ 69,442,946 | \$ - | \$ 17,314,067 | \$ 86,757,013 |

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, 2025

| | Primary Governmental Funds |
|---|----------------------------------|
| Amounts reported for governmental activities in the Statement of Activities are different because: | |
| Net changes in fund balances - total governmental funds | \$ 8,466,801 |
| 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 | \$ 19,395,346 |
| Depreciation expense | <u>(4,828,837)</u> |
| | 14,566,509 |
| The net effect of various transactions involving capital assets (i.e. sales, trade-ins, and donations) is to increase net position. | (134,729) |
| Transfer of joint tenancy assets from Primary Government to the Component Unit School Board | (3,110,292) |
| Transfer of restricted cash from unspent bond proceeds for School Construction | 77,700,096 |
| 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 | \$ 931,958 |
| Increase (decrease) in deferred inflows related to the measurement of the net OPEB liability | 184,447 |
| Increase (decrease) in deferred inflows related to the measurement of the net pension liability | <u>(684,874)</u> |
| | 431,531 |
| 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. | 851,424 |
| 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 | \$ 21,571,256 |
| Issuance of long-term debt | (93,655,000) |
| Premium on issuance of lease revenue bonds | (10,186,385) |
| Amortization of premium on bonds issued | 1,598,752 |
| Amortization of deferred charge on refunding | <u>(19,390)</u> |
| | (80,690,767) |
| 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 | \$ (310,465) |
| Change in net OPEB liability | (1,307,914) |
| Decrease (increase) in net pension liability | 858,526 |
| Decrease (increase) in deferred outflows related to OPEB | 6,735 |
| Decrease (increase) in deferred outflows related to pensions | 2,084,906 |
| Change in accrued interest payable | <u>(439,596)</u> |
| | 892,192 |
| Change in net position of governmental activities | <u>\$ 18,972,765</u> |

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

Statement of Net Position
 Proprietary Funds
 At June 30, 2025

| | Business-type Activies-Enterprise Funds | | | | | Governmental |
|---|---|--------------------|---------------|-------------------------|---------------|------------------------|
| | Landfill Fund | Water & Sewer Fund | Airport Fund | Water & Sewer Authority | Totals | Internal Service Funds |
| ASSETS | | | | | | |
| Current Assets | | | | | | |
| Cash and cash equivalents | \$ 4,930,188 | \$ - | \$ - | \$ - | \$ 4,930,188 | \$ 269,585 |
| Receivables (net of allowance for uncollectibles): | | | | | | |
| Accounts receivable | 306,040 | 255,287 | 58,583 | - | 619,910 | - |
| Due from other governments | - | - | 181,025 | - | 181,025 | - |
| Prepaid expenses | - | 13,506 | 11,090 | - | 24,596 | - |
| Inventory | - | - | 31,241 | - | 31,241 | - |
| Total Current Assets | \$ 5,236,228 | \$ 268,793 | \$ 281,939 | \$ - | \$ 5,786,960 | \$ 269,585 |
| Noncurrent Assets | | | | | | |
| Capital assets (net of depreciation): | | | | | | |
| Land | \$ 401,073 | \$ 485,200 | \$ 4,688,135 | \$ 1,469,120 | \$ 7,043,528 | \$ - |
| Construction in progress | - | 262,289 | 4,419,561 | - | 4,681,850 | - |
| Buildings and improvements | 4,483 | 955,942 | 6,892,563 | 15,947,636 | 23,800,624 | - |
| Lease equipment | - | - | - | - | - | - |
| Equipment | 365,702 | 39,645 | 342,488 | - | 747,835 | - |
| Total Capital Assets | \$ 771,258 | \$ 1,743,076 | \$ 16,342,747 | \$ 17,416,756 | \$ 36,273,837 | \$ - |
| Total Assets | \$ 6,007,486 | \$ 2,011,869 | \$ 16,624,686 | \$ 17,416,756 | \$ 42,060,797 | \$ 269,585 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | | |
| Pension deferrals | \$ 59,799 | \$ 117,048 | \$ 35,829 | \$ - | \$ 212,676 | \$ - |
| OPEB deferrals | 3,527 | 7,329 | 2,359 | - | 13,215 | - |
| Total Deferred Outflows of Resources | \$ 63,326 | \$ 124,377 | \$ 38,188 | \$ - | \$ 225,891 | \$ - |
| Total assets and deferred outflows of resources | \$ 6,070,812 | \$ 2,136,246 | \$ 16,662,874 | \$ 17,416,756 | \$ 42,286,688 | \$ 269,585 |
| LIABILITIES | | | | | | |
| Current Liabilities | | | | | | |
| Reconciled overdraft | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 8,309,488 |
| Accounts payable and accrued expenses | 16,550 | 48,154 | 378,517 | - | 443,221 | - |
| Accrued Interest payable | - | - | 1,278 | - | 1,278 | - |
| Due to other funds | - | 2,633,148 | 1,246,106 | 2,700,000 | 6,579,254 | 300,000 |
| Current portion of long-term obligations | 40,109 | 4,592 | 51,686 | - | 96,387 | - |
| Total Current Liabilities | \$ 56,659 | \$ 2,685,894 | \$ 1,677,587 | \$ 2,700,000 | \$ 7,120,140 | \$ 8,609,488 |
| Noncurrent Liabilities | | | | | | |
| Noncurrent portion of long-term obligations | \$ 327,000 | \$ 185,935 | \$ 2,254,161 | \$ - | \$ 2,767,096 | \$ - |
| Total Noncurrent Liabilities | \$ 327,000 | \$ 185,935 | \$ 2,254,161 | \$ - | \$ 2,767,096 | \$ - |
| Total Liabilities | \$ 383,659 | \$ 2,871,829 | \$ 3,931,748 | \$ 2,700,000 | \$ 9,887,236 | \$ 8,609,488 |
| DEFERRED INFLOWS OF RESOURCES | | | | | | |
| Pension deferrals | \$ 22,990 | \$ 57,927 | \$ 18,596 | \$ - | \$ 99,513 | \$ - |
| OPEB deferrals | 4,080 | 8,158 | 2,441 | - | 14,679 | - |
| Total Deferred Inflows of Resources | \$ 27,070 | \$ 66,085 | \$ 21,037 | \$ - | \$ 114,192 | \$ - |
| NET POSITION | | | | | | |
| Net investment in capital assets | \$ 771,258 | \$ 1,743,076 | \$ 14,121,336 | \$ 17,416,756 | \$ 34,052,426 | \$ - |
| Unrestricted (deficit) | 4,888,825 | (2,544,744) | (1,411,247) | (2,700,000) | (1,767,166) | (8,339,903) |
| Total Net Position | \$ 5,660,083 | \$ (801,668) | \$ 12,710,089 | \$ 14,716,756 | \$ 32,285,260 | \$ (8,339,903) |
| Total Liabilities, Deferred Inflows of Resources and Net Position | \$ 6,070,812 | \$ 2,136,246 | \$ 16,662,874 | \$ 17,416,756 | \$ 42,286,688 | \$ 269,585 |

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

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

| | Business-type Activies-Enterprise Funds | | | | Totals | Governmental |
|--|---|--------------------|---------------|-------------------------|----------------|------------------------|
| | Landfill Fund | Water & Sewer Fund | Airport Fund | Water & Sewer Authority | | Internal Service Funds |
| Operating revenues: | | | | | | |
| Charges for services | \$ 2,499,197 | \$ 936,412 | \$ 1,299,880 | \$ - | \$ 4,735,489 | \$ 5,527,379 |
| Maintenance grants | - | - | 36,229 | - | 36,229 | - |
| Total operating revenues | \$ 2,499,197 | \$ 936,412 | \$ 1,336,109 | \$ - | \$ 4,771,718 | \$ 5,527,379 |
| Operating expenses: | | | | | | |
| Personal services | \$ 279,625 | \$ 497,027 | \$ 285,688 | \$ - | \$ 1,062,340 | \$ - |
| Fringe benefits | 100,215 | 183,979 | 60,057 | - | 344,251 | 4,675,955 |
| Contractual services | 4,785,718 | 437,810 | 129,787 | - | 5,353,315 | - |
| Other charges | 92,530 | 742,235 | 816,684 | - | 1,651,449 | - |
| Depreciation | 69,942 | 106,008 | 730,033 | 626,103 | 1,532,086 | - |
| Total operating expenses | \$ 5,328,030 | \$ 1,967,059 | \$ 2,022,249 | \$ 626,103 | \$ 9,943,441 | \$ 4,675,955 |
| Operating income (loss) | \$ (2,828,833) | \$ (1,030,647) | \$ (686,140) | \$ (626,103) | \$ (5,171,723) | \$ 851,424 |
| Nonoperating revenues (expenses): | | | | | | |
| Interest income | \$ 228,285 | \$ - | \$ - | \$ - | \$ 228,285 | \$ - |
| Interest expense | - | - | (79,256) | - | (79,256) | - |
| Total nonoperating revenues (expenses) | \$ 228,285 | \$ - | \$ (79,256) | \$ - | \$ 149,029 | \$ - |
| Income (loss) before contributions and transfers | \$ (2,600,548) | \$ (1,030,647) | \$ (765,396) | \$ (626,103) | \$ (5,022,694) | \$ 851,424 |
| Capital contributions and construction grants | \$ - | \$ - | \$ 1,883,444 | \$ - | \$ 1,883,444 | \$ - |
| Transfers: | | | | | | |
| Transfers in | \$ 2,892,537 | \$ 786,051 | \$ 75,000 | \$ - | \$ 3,753,588 | \$ - |
| Total transfers | \$ 2,892,537 | \$ 786,051 | \$ 75,000 | \$ - | \$ 3,753,588 | \$ - |
| Change in net position | \$ 291,989 | \$ (244,596) | \$ 1,193,048 | \$ (626,103) | \$ 614,338 | \$ 851,424 |
| Net position at beginning of year | 5,368,094 | (557,072) | 11,517,041 | 15,342,859 | 31,670,922 | (9,191,327) |
| Net position at end of year | \$ 5,660,083 | \$ (801,668) | \$ 12,710,089 | \$ 14,716,756 | \$ 32,285,260 | \$ (8,339,903) |

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

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

| | Business-type Activies-Enterprise Funds | | | | Governmental |
|--|---|--------------------|----------------|-------------------------|------------------------|
| | Landfill Fund | Water & Sewer Fund | Airport Fund | Water & Sewer Authority | Internal Service Funds |
| Cash flows from operating activities: | | | | | |
| Receipts from customers and users | \$ 2,551,288 | \$ 900,205 | \$ 1,356,150 | \$ - | \$ 4,807,643 |
| Receipts from insured | - | - | - | - | 5,527,379 |
| Payments to suppliers | (4,911,248) | (1,186,261) | (751,713) | - | (6,849,222) |
| Payments to employees | (384,379) | (700,225) | (348,361) | - | (1,432,965) |
| Net cash provided by (used for) operating activities | \$ (2,744,339) | \$ (986,281) | \$ 256,076 | \$ - | \$ (3,474,544) |
| Cash flows from capital and related financing activities: | | | | | |
| Purchases of capital assets | \$ (63,039) | \$ (149,986) | \$ (1,844,182) | \$ - | \$ (2,057,207) |
| Capital grants and contributions | - | - | 2,168,361 | - | 2,168,361 |
| Interest expense | - | - | (78,630) | - | (78,630) |
| Retirement of indebtedness | (1,634) | (4,392) | (46,022) | - | (52,048) |
| Net cash provided by (used for) capital and related financing activities | \$ (64,673) | \$ (154,378) | \$ 199,527 | \$ - | \$ (19,524) |
| Cash flows from noncapital financing activities: | | | | | |
| Transfers in | \$ 2,892,537 | \$ 1,140,659 | \$ (455,603) | \$ - | \$ 3,577,593 |
| Net cash provided by (used for) noncapital financing activities | \$ 2,892,537 | \$ 1,140,659 | \$ (455,603) | \$ - | \$ 3,577,593 |
| Cash flows from investing activities: | | | | | |
| Interest income | \$ 228,285 | \$ - | \$ - | \$ - | \$ 228,285 |
| Increase (decrease) in cash and cash equivalents | \$ 311,810 | \$ - | \$ - | \$ - | \$ 311,810 |
| Cash and cash equivalents at beginning of year | 4,618,378 | - | - | - | 4,618,378 |
| Cash and cash equivalents at end of year | \$ 4,930,188 | \$ - | \$ - | \$ - | \$ 4,930,188 |
| Reconciliation of operating income (loss) to net cash provided by (used for) operating activities: | | | | | |
| Operating income (loss) | \$ (2,828,833) | \$ (1,030,647) | \$ (686,140) | \$ (626,103) | \$ (5,171,723) |
| Adjustments to reconcile operating loss to net cash provided by (used for) operating activities: | | | | | |
| Depreciation expense | \$ 69,942 | \$ 106,008 | \$ 730,033 | \$ 626,103 | \$ 1,532,086 |
| Changes in operating assets and liabilities: | | | | | |
| (Increase) decrease in accounts receivable | 52,091 | (36,207) | 20,041 | - | 35,925 |
| (Increase) decrease in prepaid expenses | 3,442 | 954 | (1,042) | - | 3,354 |
| (Increase) decrease in inventory | - | - | 58,701 | - | 58,701 |
| (Increase) decrease in deferred outflows of resources | (27,019) | (29,941) | (12,530) | - | (69,490) |
| Increase (decrease) in reconciled overdraft | - | - | - | - | (836,581) |
| Increase (decrease) in accounts payable | (902) | (7,170) | 137,099 | - | 129,027 |
| Increase (decrease) in deferred inflows of resources | 9,881 | 7,316 | 4,269 | - | 21,466 |
| Increase (decrease) in net pension liability | (7,077) | (19,602) | (7,864) | - | (34,543) |
| Increase (decrease) in net GLI OPEB liability | (420) | (349) | (610) | - | (1,379) |
| Increase (decrease) in net insurance OPEB liability | 16,657 | 31,684 | 8,364 | - | 56,705 |
| Increase (decrease) in compensated absences | 3,439 | (8,327) | 5,755 | - | 867 |
| Increase (decrease) in landfill closure | (35,540) | - | - | - | (35,540) |
| Total adjustments | \$ 84,494 | \$ 44,366 | \$ 942,216 | \$ 626,103 | \$ 1,697,179 |
| Net cash provided by (used for) operating activities | \$ (2,744,339) | \$ (986,281) | \$ 256,076 | \$ - | \$ (3,474,544) |

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

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

| | <u>Custodial Funds</u> |
|---------------------------|----------------------------|
| ASSETS | |
| Cash and cash equivalents | \$ <u>79,795</u> |
| Total assets | \$ <u><u>79,795</u></u> |
| NET POSITION | |
| Restricted for: | |
| Inmates | \$ 10,472 |
| Social services clients | <u>69,323</u> |
| Total net position | \$ <u><u>79,795</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, 2025

| | <u>Custodial Funds</u> |
|--|----------------------------|
| Additions: | |
| Contributions | |
| Private contributions | \$ 121,627 |
| Inmate contributions | <u>322,289</u> |
| Total contributions | \$ <u>443,916</u> |
| Total additions | \$ <u>443,916</u> |
| Deductions: | |
| Recipient payments | \$ <u>473,570</u> |
| Total deductions | \$ <u>473,570</u> |
| Net increase (decrease) in fiduciary net position | \$ (29,654) |
| Net position - beginning | <u>109,449</u> |
| Net position - ending | <u><u>\$ 79,795</u></u> |

COUNTY OF CULPEPER, VIRGINIA

Notes to Financial Statements
At June 30, 2025

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, 2025.

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, 2025.

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, 2025.

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 \$1,117,176 at June 30, 2025, 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 lease 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 |

I. Compensated Absences

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

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

I. Compensated Absences: (Continued)

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

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

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, 2025 (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 | \$ 155,825 | \$ - | \$ 155,825 | \$ 244,985 |
| Net lease receivable | 46,045 | - | 46,045 | - |
| Total Nonspendable | \$ 201,870 | \$ - | \$ 201,870 | \$ 244,985 |
| Restricted: | | | | |
| USDA Debt Service Reserve | \$ 114,268 | \$ - | \$ 114,268 | \$ - |
| Unexpended Bond Proceeds: | | | | |
| School Construction | - | - | - | 77,700,096 |
| Parks and Recreation Multi Use Trails | 375,315 | - | 375,315 | - |
| DSS Children's Programs | 3,218 | - | 3,218 | - |
| DSS Senior Citizen Programs | 3,613 | - | 3,613 | - |
| Animal shelter | 12,874 | - | 12,874 | - |
| Sheriff Commissary | 90,439 | - | 90,439 | - |
| Drug forfeitures | 110,032 | - | 110,032 | - |
| Total Restricted | \$ 709,759 | \$ - | \$ 709,759 | \$ 77,700,096 |
| Committed: | | | | |
| School Capital Projects | \$ 6,206,934 | \$ - | \$ 6,206,934 | \$ 9,202,895 |
| Library | 609,354 | - | 609,354 | - |
| Proffers | 3,375,647 | - | 3,375,647 | - |
| IT Fee-Building permits | 67,690 | - | 67,690 | - |
| Courthouse construction fees | 287,702 | - | 287,702 | - |
| Fire and Rescue | 11,457 | - | 11,457 | - |
| Day Care | 2,782,329 | - | 2,782,329 | - |
| Cosmetology | 1,080,676 | - | 1,080,676 | - |
| Capital Projects | - | 17,314,067 | 17,314,067 | - |
| Total Committed | \$ 14,421,789 | \$ 17,314,067 | \$ 31,735,856 | \$ 9,202,895 |
| Assigned: | | | | |
| Animal Services | \$ 1,175 | \$ - | \$ 1,175 | \$ - |
| E911 Tower Deposit | 3,000 | - | 3,000 | - |
| Eurocomposites easement | 7,500 | - | 7,500 | - |
| E911 | 3,321,259 | - | 3,321,259 | - |
| Textbook | - | - | - | 2,139,586 |
| School Activities | - | - | - | 2,670,975 |
| Cafeteria | - | - | - | 1,917,917 |
| Total Assigned | \$ 3,332,934 | \$ - | \$ 3,332,934 | \$ 6,728,478 |
| Unassigned | \$ 50,776,594 | \$ - | \$ 50,776,594 | \$ (244,985) |
| Total Fund Balance | \$ 69,442,946 | \$ 17,314,067 | \$ 86,757,013 | \$ 93,631,469 |

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)

Q. 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, 2025 (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, 2025 were rated by Standard & Poor’s and the ratings are presented below using Standard & Poor’s rating scale.

Rated Debt Investments' Values

| Rated Debt Investments | Fair Quality Ratings | | |
|---|----------------------|---------------------|---------------------|
| | AAAm | AAAf | AA+f |
| Local Government Investment Pool | \$ 5,449,733 | \$ 5,843,115 | \$ - |
| Virginia State Non-Arbitrage Program | 85,961,464 | - | - |
| VACo/VML Virginia Investment Pool Bond Fund | - | - | 2,306,076 |
| Total | <u>\$ 91,411,197</u> | <u>\$ 5,843,115</u> | <u>\$ 2,306,076</u> |

Investment maturities in years:

| Investment Type | Fair Value | Less Than 1 Year | 1-5 Years |
|---|----------------------|----------------------|---------------------|
| Local Government Investment Pool | \$ 11,292,848 | \$ 5,449,733 | \$ 5,843,115 |
| Virginia State Non-Arbitrage Program | 85,961,464 | 85,961,464 | - |
| VACo/VML Virginia Investment Pool Bond Fund | 2,306,076 | - | 2,306,076 |
| Total | <u>\$ 99,560,388</u> | <u>\$ 91,411,197</u> | <u>\$ 8,149,191</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, 2025 (Continued)

Note 2—Deposits and Investments: (Continued)

External Investment Pool:

The value of the positions in the external investment pools (Local Government Investment Pool and State Non-Arbitrage Program) are is the same as the value of the pool shares. As LGIP and SNAP are 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, 2025, the County and School Board have receivables from other governments as follows:

| | <u>Primary Government</u> | <u>Discretely Presented Component Unit School Board</u> |
|---------------------------|-------------------------------|---|
| Commonwealth of Virginia: | | |
| Shared expenses | \$ 478,162 | \$ - |
| State sales taxes | - | 2,273,472 |
| Local sales taxes | 2,152,644 | - |
| Communication taxes | 210,678 | - |
| Public assistance | 231,993 | - |
| Comprehensive services | 411,031 | - |
| Capital grants | 17,295 | - |
| Airport | 152,684 | - |
| Miscellaneous | 157,939 | - |
| Federal Government: | | |
| School funds | - | 1,034,241 |
| Public assistance | 332,316 | - |
| Headstart | 1,358,332 | - |
| Airport | 28,341 | - |
| USDA | 25,007 | - |
| Miscellaneous | 177,479 | - |
| | <u>5,733,901</u> | <u>3,307,713</u> |
| Total | <u>\$ 5,733,901</u> | <u>\$ 3,307,713</u> |

COUNTY OF CULPEPER, VIRGINIA

Notes to Financial Statements
At June 30, 2025 (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, 2025 are summarized below:

| Fund | Due from Other Funds | Due to Other Funds |
|---------------------------|----------------------------|--------------------------|
| General | \$ 6,879,254 | \$ - |
| Health Insurance Fund | - | 300,000 |
| Water and Sewer Fund | - | 2,633,148 |
| Water and Sewer Authority | - | 2,700,000 |
| Airport | - | 1,246,106 |
| Total | \$ 6,879,254 | \$ 6,879,254 |

| Fund | Due from Primary Government | Due to Component Unit |
|---------|-----------------------------------|-----------------------------|
| General | \$ - | \$ 2,594,609 |
| School | 2,594,609 | - |
| Total | \$ 2,594,609 | \$ 2,594,609 |

| Fund | Transfers In | Transfers Out |
|-----------------------|---------------|---------------|
| Primary Government: | | |
| General Fund | \$ - | \$ 10,056,173 |
| Landfill Fund | 2,892,537 | - |
| Water & Sewer Fund | 786,051 | - |
| Capital Projects Fund | 6,302,585 | - |
| Airport Fund | 75,000 | - |
| Total | \$ 10,056,173 | \$ 10,056,173 |

Transfers to the Landfill Fund are to help fund landfill operations. Transfers to Water & Sewer Fund are help fund water & sewer operations. Transfers to Capital Projects Fund are to fund various capital projects. Transfers to Airport Fund are to help fund Airport operations.

COUNTY OF CULPEPER, VIRGINIA

Notes to Financial Statements
At June 30, 2025 (Continued)

Note 5—Capital Assets:

Primary Government

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

| | Balance July 1, 2024 | Additions | Deletions | Balance June 30, 2025 |
|---|-------------------------------------|----------------------|---------------------|--------------------------------------|
| Governmental Activities: | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | \$ 11,926,155 | \$ 2,396,440 | \$ - | \$ 14,322,595 |
| Land - jointly owned assets | - | 3,419,361 | - | 3,419,361 |
| Construction in Progress | 4,048,255 | 4,312,823 | 65,345 | 8,295,733 |
| Construction in Progress-jointly owned assets | - | 5,891,311 | - | 5,891,311 |
| | <u>15,974,410</u> | <u>16,019,935</u> | <u>65,345</u> | <u>31,929,000</u> |
| Total capital assets not being depreciated | \$ 15,974,410 | \$ 16,019,935 | \$ 65,345 | \$ 31,929,000 |
| Capital assets, being depreciated: | | | | |
| Buildings and improvements | \$ 50,384,168 | \$ 37,135 | \$ - | \$ 50,421,303 |
| Lease land | 111,414 | - | - | 111,414 |
| Lease equipment | 387,888 | - | 387,888 | - |
| Equipment | 25,151,965 | 3,403,621 | 695,751 | 27,859,835 |
| Jointly owned assets | 54,403,241 | - | 5,267,741 | 49,135,500 |
| | <u>130,438,676</u> | <u>3,440,756</u> | <u>6,351,380</u> | <u>127,528,052</u> |
| Total capital assets being depreciated | \$ 130,438,676 | \$ 3,440,756 | \$ 6,351,380 | \$ 127,528,052 |
| Less accumulated depreciation for: | | | | |
| Buildings and improvements | \$ 21,265,575 | \$ 1,431,656 | \$ - | \$ 22,697,231 |
| Lease land | 77,133 | 25,711 | - | 102,844 |
| Lease equipment | 345,895 | 41,993 | 387,888 | - |
| Equipment | 13,336,681 | 2,034,357 | 561,022 | 14,810,016 |
| Jointly owned assets | 6,893,983 | 1,295,120 | 2,157,449 | 6,031,654 |
| | <u>41,919,267</u> | <u>4,828,837</u> | <u>3,106,359</u> | <u>43,641,745</u> |
| Total accumulated depreciation | \$ 41,919,267 | \$ 4,828,837 | \$ 3,106,359 | \$ 43,641,745 |
| Total capital assets being depreciated, net | \$ 88,519,409 | \$ (1,388,081) | \$ 3,245,021 | \$ 83,886,307 |
| Governmental activities capital assets, net | <u>\$ 104,493,819</u> | <u>\$ 14,631,854</u> | <u>\$ 3,310,366</u> | <u>\$ 115,815,307</u> |

COUNTY OF CULPEPER, VIRGINIA

Notes to Financial Statements
At June 30, 2025 (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, 2025:

| | Balance July 1, 2024 | Additions | Deletions | Balance June 30, 2025 |
|--|-------------------------------------|---------------------|------------------|--------------------------------------|
| Governmental Activities: | | | | |
| Lenn Park improvements | \$ 247,820 | \$ 228,824 | \$ - | \$ 476,644 |
| Carver Center demolition | 1,270,419 | - | - | 1,270,419 |
| Carver Center upgrades | 57,466 | - | - | 57,466 |
| Carver Center Kitchen | 1,212,415 | - | 15,815 | 1,196,600 |
| Carver Center Parking Lot | - | 10,320 | - | 10,320 |
| Carver Outdoor Classroom (Pergola) | - | 37,135 | 37,135 | - |
| Carver auditorium | - | 4,298 | - | 4,298 |
| Cradlepoint cameras | 9,133 | - | 9,133 | - |
| Community Pool | 327,799 | 3,232,910 | - | 3,560,709 |
| County wide CCTV Security | - | - | - | - |
| Voting machines | 70,318 | - | - | 70,318 |
| Options House Renovations | 13,214 | 407,313 | - | 420,527 |
| Courthouse Cooling Towers | 13,650 | 8,430 | - | 22,080 |
| VBAF Piedmont abatement project | 207,149 | - | - | 207,149 |
| Mountain Run Park | 10,030 | 32,260 | - | 42,290 |
| Sports complex | - | 58,482 | - | 58,482 |
| Galbreath Marshall Bldg Roof Replacement | - | 10,543 | - | 10,543 |
| VOIP Phone System | 2,994 | 268 | 3,262 | - |
| EMS bldg | 1,680 | 31,000 | - | 32,680 |
| Boiler/HVAC - Jail | - | 52,054 | - | 52,054 |
| Renovate Lower Level 155 W Davis St | 515,955 | 175,961 | - | 691,916 |
| Shade Sail Project | 4,163 | 827 | - | 4,990 |
| Courthouse Improvements | 84,050 | 22,198 | - | 106,248 |
| | <u>4,048,255</u> | <u>4,312,823</u> | <u>65,345</u> | <u>8,295,733</u> |
| Total | \$ <u>4,048,255</u> | \$ <u>4,312,823</u> | \$ <u>65,345</u> | \$ <u>8,295,733</u> |

COUNTY OF CULPEPER, VIRGINIA

Notes to Financial Statements
At June 30, 2025 (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</u> <u>July 1, 2024</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance</u> <u>June 30, 2025</u> |
|---|---------------------------------------|---------------------|------------------|--|
| Water and Sewer Fund: | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | \$ 485,200 | \$ - | \$ - | \$ 485,200 |
| Construction in Progress | 112,303 | 159,527 | 9,541 | 262,289 |
| Total capital assets not being depreciated | <u>\$ 597,503</u> | <u>\$ 159,527</u> | <u>\$ 9,541</u> | <u>\$ 747,489</u> |
| Capital assets, being depreciated: | | | | |
| Sewer Plant | \$ 3,023,476 | \$ - | \$ - | \$ 3,023,476 |
| Lease equipment | 81,543 | - | 81,543 | - |
| Equipment | 452,803 | - | - | 452,803 |
| Total capital assets being depreciated | <u>\$ 3,557,822</u> | <u>\$ -</u> | <u>\$ 81,543</u> | <u>\$ 3,476,279</u> |
| Less accumulated depreciation for: | | | | |
| Sewer Plant | \$ 1,990,956 | \$ 76,578 | \$ - | \$ 2,067,534 |
| Lease equipment | 78,147 | 3,396 | 81,543 | - |
| Equipment | 387,124 | 26,034 | - | 413,158 |
| Total accumulated depreciation | <u>\$ 2,456,227</u> | <u>\$ 106,008</u> | <u>\$ 81,543</u> | <u>\$ 2,480,692</u> |
| Total capital assets being depreciated, net | <u>\$ 1,101,595</u> | <u>\$ (106,008)</u> | <u>\$ -</u> | <u>\$ 995,587</u> |
| Net capital assets | <u>\$ 1,699,098</u> | <u>\$ 53,519</u> | <u>\$ 9,541</u> | <u>\$ 1,743,076</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 | 30,350 | - | 30,350 | - |
| Equipment | 863,559 | 63,039 | 5,635 | 920,963 |
| Total capital assets being depreciated | <u>\$ 902,448</u> | <u>\$ 63,039</u> | <u>\$ 35,985</u> | <u>\$ 929,502</u> |
| Less accumulated depreciation for: | | | | |
| Buildings and improvements | \$ 3,843 | \$ 213 | \$ - | \$ 4,056 |
| Lease equipment | 29,086 | 1,264 | 30,350 | - |
| Equipment | 492,431 | 68,465 | 5,635 | 555,261 |
| Total accumulated depreciation | <u>\$ 525,360</u> | <u>\$ 69,942</u> | <u>\$ 35,985</u> | <u>\$ 559,317</u> |
| Total capital assets being depreciated, net | <u>\$ 377,088</u> | <u>\$ (6,903)</u> | <u>\$ -</u> | <u>\$ 370,185</u> |
| Net capital assets | <u>\$ 778,161</u> | <u>\$ (6,903)</u> | <u>\$ -</u> | <u>\$ 771,258</u> |

COUNTY OF CULPEPER, VIRGINIA

Notes to Financial Statements
At June 30, 2025 (Continued)

Note 5—Capital Assets: (Continued)

Primary Government: (Continued)

Business-type Activities: (Continued)

| | <u>Balance</u> <u>July 1, 2024</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance</u> <u>June 30, 2025</u> |
|--|---------------------------------------|---------------------|------------------|--|
| Airport Fund: | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | \$ 4,685,344 | \$ 2,791 | \$ - | \$ 4,688,135 |
| Construction in Progress | <u>2,578,170</u> | <u>1,852,169</u> | <u>10,778</u> | <u>4,419,561</u> |
| Total capital assets, not being depreciated | <u>\$ 7,263,514</u> | <u>\$ 1,854,960</u> | <u>\$ 10,778</u> | <u>\$ 9,107,696</u> |
| Capital assets, being depreciated: | | | | |
| Buildings and improvements | \$ 21,748,501 | \$ - | \$ - | \$ 21,748,501 |
| Lease equipment | 7,391 | - | 7,391 | - |
| Equipment | <u>777,566</u> | <u>-</u> | <u>17,227</u> | <u>760,339</u> |
| Total capital assets being depreciated | <u>\$ 22,533,458</u> | <u>\$ -</u> | <u>\$ 24,618</u> | <u>\$ 22,508,840</u> |
| Less accumulated depreciation for: | | | | |
| Buildings and improvements | \$ 14,149,934 | \$ 706,004 | \$ - | \$ 14,855,938 |
| Lease equipment | 7,391 | - | 7,391 | - |
| Equipment | <u>411,049</u> | <u>24,029</u> | <u>17,227</u> | <u>417,851</u> |
| Total accumulated depreciation | <u>\$ 14,568,374</u> | <u>\$ 730,033</u> | <u>\$ 24,618</u> | <u>\$ 15,273,789</u> |
| Total capital assets, not being depreciated, net | <u>\$ 7,965,084</u> | <u>\$ (730,033)</u> | <u>\$ -</u> | <u>\$ 7,235,051</u> |
| Net capital assets | <u>\$ 15,228,598</u> | <u>\$ 1,124,927</u> | <u>\$ 10,778</u> | <u>\$ 16,342,747</u> |
| Water and Sewer Authority: | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | <u>\$ 1,469,120</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,469,120</u> |
| Capital assets, being depreciated: | | | | |
| Buildings and improvements | \$ 25,026,130 | \$ - | \$ - | \$ 25,026,130 |
| Equipment | <u>17,983</u> | <u>-</u> | <u>-</u> | <u>17,983</u> |
| Total capital assets being depreciated | <u>\$ 25,044,113</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 25,044,113</u> |
| Less accumulated depreciation for: | | | | |
| Buildings and improvements | \$ 8,452,391 | \$ 626,103 | \$ - | \$ 9,078,494 |
| Equipment | <u>17,983</u> | <u>-</u> | <u>-</u> | <u>17,983</u> |
| Total accumulated depreciation | <u>\$ 8,470,374</u> | <u>\$ 626,103</u> | <u>\$ -</u> | <u>\$ 9,096,477</u> |
| Total capital assets, not being depreciated, net | <u>\$ 16,573,739</u> | <u>\$ (626,103)</u> | <u>\$ -</u> | <u>\$ 15,947,636</u> |
| Net capital assets | <u>\$ 18,042,859</u> | <u>\$ (626,103)</u> | <u>\$ -</u> | <u>\$ 17,416,756</u> |

COUNTY OF CULPEPER, VIRGINIA

Notes to Financial Statements
At June 30, 2025 (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, 2025:

| | <u>Balance</u> <u>July 1, 2024</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance</u> <u>June 30, 2025</u> |
|--|---------------------------------------|---------------------|------------------|--|
| Airport Fund: | | | | |
| Land acquisition | \$ 10,778 | \$ - | \$ 10,778 | \$ - |
| Greenhouse road extension | 305,309 | - | - | 305,309 |
| Greenhouse road extension - Construction | 1,878,822 | 1,757,301 | - | 3,636,123 |
| Airport terminal facility - design | 310,001 | - | - | 310,001 |
| T-Hangar repairs | 27,322 | 46,243 | - | 73,565 |
| East Side Terminal Area Plan | 45,938 | 48,625 | - | 94,563 |
| Total | <u>\$ 2,578,170</u> | <u>\$ 1,852,169</u> | <u>\$ 10,778</u> | <u>\$ 4,419,561</u> |
| Water and Sewer Fund: | | | | |
| Emerald Hill radium removal Pump house | \$ 11,107 | \$ - | \$ - | \$ 11,107 |
| Water System SCADA Upgrade | - | 159,527 | - | 159,527 |
| Washout/inspect and repair water storage | 9,541 | - | 9,541 | - |
| Automated Meter Reading System | 91,655 | - | - | 91,655 |
| Total | <u>\$ 112,303</u> | <u>\$ 159,527</u> | <u>\$ 9,541</u> | <u>\$ 262,289</u> |

Component Unit-School Board

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

| | <u>Balance</u> <u>July 1, 2024</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance</u> <u>June 30, 2025</u> |
|---|---------------------------------------|---------------------|-----------------------|--|
| Capital assets, not being depreciated: | | | | |
| Land | \$ 200,151 | \$ 3,419,361 | \$ - | \$ 3,619,512 |
| Land - jointly owned | - | (3,419,361) | - | (3,419,361) |
| Land improvements | 5,528,437 | - | - | 5,528,437 |
| Construction in progress | 5,174,767 | 6,666,460 | 3,962,993 | 7,878,234 |
| Construction in progress - jointly owned | - | (5,891,311) | - | (5,891,311) |
| Total capital assets, not being depreciated | <u>\$ 10,903,355</u> | <u>\$ 775,149</u> | <u>\$ 3,962,993</u> | <u>\$ 7,715,511</u> |
| Capital assets, being depreciated: | | | | |
| Buildings and improvements | \$ 184,916,939 | \$ 4,052,807 | \$ - | \$ 188,969,746 |
| Lease buildings and improvements | 173,886 | 550,469 | 173,886 | 550,469 |
| Lease equipment | 746,656 | 613,629 | 746,656 | 613,629 |
| Equipment | 22,248,971 | 1,435,400 | 610,391 | 23,073,980 |
| Jointly owned assets | (54,403,241) | - | (5,267,741) | (49,135,500) |
| Total capital assets being depreciated | <u>\$ 153,683,211</u> | <u>\$ 6,652,305</u> | <u>\$ (3,736,808)</u> | <u>\$ 164,072,324</u> |
| Less accumulated depreciation for: | | | | |
| Buildings and improvements | \$ 72,774,238 | \$ 4,619,939 | \$ - | \$ 77,394,177 |
| Lease buildings and improvements | 173,886 | 86,952 | 173,886 | 86,952 |
| Lease equipment | 577,961 | 177,934 | 746,656 | 9,239 |
| Equipment | 16,317,498 | 1,244,703 | 595,413 | 16,966,788 |
| Jointly owned assets | (6,893,983) | (1,295,120) | (2,157,449) | (6,031,654) |
| Total accumulated depreciation | <u>\$ 82,949,600</u> | <u>\$ 4,834,408</u> | <u>\$ (641,494)</u> | <u>\$ 88,425,502</u> |
| Total capital assets being depreciated, net | <u>\$ 70,733,611</u> | <u>\$ 1,817,897</u> | <u>\$ (3,095,314)</u> | <u>\$ 75,646,822</u> |
| School Board capital assets, net | <u>\$ 81,636,966</u> | <u>\$ 2,593,046</u> | <u>\$ 867,679</u> | <u>\$ 83,362,333</u> |

COUNTY OF CULPEPER, VIRGINIA

Notes to Financial Statements
At June 30, 2025 (Continued)

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 | \$ 141,840 |
| Judicial administration | 77,709 |
| Public safety | 1,828,581 |
| Public works | 667,520 |
| Health and welfare | 414,432 |
| Education | 1,295,120 |
| Parks, recreation and cultural | 239,008 |
| Community development | <u>164,627</u> |
| Total governmental activities | <u>\$ 4,828,837</u> |
| Enterprise Funds: | |
| Landfill | \$ 69,942 |
| Water & sewer | 106,008 |
| Airport | 730,033 |
| Water & sewer authority | <u>626,103</u> |
| Total enterprise funds | <u>\$ 1,532,086</u> |
| Component Unit-School Board | <u>\$ 4,834,408</u> |

Note 6—Deferred/Unavailable/Unearned Revenue:

The following is a summary of unavailable/unearned revenue at June 30, 2025:

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.

| | <u>Government-wide Statements</u> | <u>Balance Sheet</u> |
|---|---------------------------------------|-------------------------------|
| | <u>Governmental Activities</u> | <u>Governmental Funds</u> |
| 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. | \$ - | \$ 7,024,106 |
| Prepaid property tax revenues representing collections received for property taxes that are applicable to the subsequent budget year. | <u>609,978</u> | <u>609,978</u> |
| Total primary government | <u>\$ 609,978</u> | <u>\$ 7,634,084</u> |

COUNTY OF CULPEPER, VIRGINIA

Notes to Financial Statements
At June 30, 2025 (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, 2025:

| | <u>Balance July 1, 2024</u> | <u>Issuances/ Increases</u> | <u>Retirements/ Decreases</u> | <u>Balance June 30, 2025</u> | <u>Amounts Due Within One Year</u> |
|--|---------------------------------|---------------------------------|-----------------------------------|----------------------------------|--|
| Governmental Activities: | | | | | |
| School Lease Revenue and Refunding Bonds: | | | | | |
| Direct Borrowings and Direct Placements | \$ 27,675,000 | \$ 93,655,000 | \$ 18,690,000 | \$ 102,640,000 | \$ 2,900,000 |
| Premium on school bonds | <u>1,897,946</u> | <u>10,186,385</u> | <u>1,288,569</u> | <u>10,795,762</u> | <u>1,229,522</u> |
| Total school lease revenue and refunding bonds | \$ <u>29,572,946</u> | \$ <u>103,841,385</u> | \$ <u>19,978,569</u> | \$ <u>113,435,762</u> | \$ <u>4,129,522</u> |
| School Lease Revenue Bonds: | | | | | |
| Public Offerings | \$ 14,010,000 | \$ - | \$ 715,000 | \$ 13,295,000 | \$ 750,000 |
| Premium on school bonds | <u>902,303</u> | <u>-</u> | <u>60,154</u> | <u>842,149</u> | <u>60,154</u> |
| Total school lease revenue and refunding bonds | \$ <u>14,912,303</u> | \$ <u>-</u> | \$ <u>775,154</u> | \$ <u>14,137,149</u> | \$ <u>810,154</u> |
| School general obligation bonds: | | | | | |
| Public Offerings | \$ 6,555,000 | \$ - | \$ 790,000 | \$ 5,765,000 | \$ 800,000 |
| Premium on general obligation bonds | <u>1,324,305</u> | <u>-</u> | <u>165,538</u> | <u>1,158,767</u> | <u>165,538</u> |
| Total school general obligation bonds | \$ <u>7,879,305</u> | \$ <u>-</u> | \$ <u>955,538</u> | \$ <u>6,923,767</u> | \$ <u>965,538</u> |
| Compensated absences | \$ 2,645,495 | \$ 310,465 | \$ - | \$ 2,955,960 | \$ 295,596 |
| Net OPEB liability: | | | | | |
| Total medical Insurance OPEB liability | \$ 477,316 | \$ 1,505,608 | \$ 116,817 | \$ 1,866,107 | \$ - |
| Net group life insurance OPEB liability | <u>1,157,487</u> | <u>414,381</u> | <u>495,258</u> | <u>1,076,610</u> | <u>-</u> |
| Total net OPEB liability | \$ <u>1,634,803</u> | \$ <u>1,919,989</u> | \$ <u>612,075</u> | \$ <u>2,942,717</u> | \$ <u>-</u> |
| Net pension liability | 4,588,513 | 11,735,927 | 12,594,453 | 3,729,987 | - |
| Direct Borrowings and Direct Placements: | | | | | |
| General obligation bonds | 49,700 | - | 49,700 | - | - |
| Notes payable | 550,810 | - | 199,459 | 351,351 | 136,473 |
| Lease liabilities | 79,738 | - | 69,097 | 10,641 | 10,641 |
| Lease revenue bonds: | | | | | |
| Direct Placement and Direct Borrowings | \$ 1,768,000 | \$ - | \$ 493,000 | \$ 1,275,000 | \$ 235,000 |
| Public Offerings | 3,175,000 | - | 565,000 | 2,610,000 | 575,000 |
| Premium on lease revenue bonds | <u>584,303</u> | <u>-</u> | <u>84,491</u> | <u>499,812</u> | <u>84,491</u> |
| Total lease revenue bonds | \$ <u>5,527,303</u> | \$ <u>-</u> | \$ <u>1,142,491</u> | \$ <u>4,384,812</u> | \$ <u>894,491</u> |
| Total Governmental Activities | \$ <u><u>67,440,916</u></u> | \$ <u><u>117,807,766</u></u> | \$ <u><u>36,376,536</u></u> | \$ <u><u>148,872,146</u></u> | \$ <u><u>7,242,415</u></u> |
| Business-type Activities: | | | | | |
| Compensated absences | \$ 130,925 | \$ 867 | \$ - | \$ 131,792 | \$ 13,179 |
| Direct Borrowings and Direct Placements: | | | | | |
| Lease revenue bonds | 2,267,433 | - | 46,022 | 2,221,411 | 47,668 |
| Net OPEB liability: | | | | | |
| Total medical Insurance OPEB liability | \$ 16,595 | \$ 61,474 | \$ 4,769 | \$ 73,300 | \$ - |
| Net group life insurance OPEB liability | <u>43,146</u> | <u>17,809</u> | <u>19,188</u> | <u>41,767</u> | <u>-</u> |
| Total net OPEB liability | \$ <u>59,741</u> | \$ <u>79,283</u> | \$ <u>23,957</u> | \$ <u>115,067</u> | \$ <u>-</u> |
| Net pension liability | 180,911 | 462,678 | 497,221 | 146,368 | - |
| Lease liabilities | 6,026 | - | 6,026 | - | - |
| Landfill closure and postclosure costs | <u>284,385</u> | <u>-</u> | <u>35,540</u> | <u>248,845</u> | <u>35,540</u> |
| Total Business-type Activities | \$ <u><u>2,929,421</u></u> | \$ <u><u>542,828</u></u> | \$ <u><u>608,766</u></u> | \$ <u><u>2,863,483</u></u> | \$ <u><u>96,387</u></u> |
| Total Primary Government | \$ <u><u>70,370,337</u></u> | \$ <u><u>118,350,594</u></u> | \$ <u><u>36,985,302</u></u> | \$ <u><u>151,735,629</u></u> | \$ <u><u>7,338,802</u></u> |

COUNTY OF CULPEPER, VIRGINIA

Notes to Financial Statements
At June 30, 2025 (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 |
| | | | | | | | | |
| 2026 | \$ 235,000 | \$ 68,489 | \$ 2,900,000 | \$ 6,430,222 | \$ 800,000 | \$ 254,650 | \$ 136,473 | \$ 12,417 |
| 2027 | 245,000 | 54,292 | 5,595,000 | 5,468,725 | 815,000 | 214,650 | 141,861 | 7,028 |
| 2028 | 255,000 | 39,497 | 5,800,000 | 5,249,075 | 815,000 | 173,900 | 73,017 | 1,427 |
| 2029 | 265,000 | 24,112 | 5,705,000 | 4,417,250 | 825,000 | 133,150 | - | - |
| 2030 | 275,000 | 8,137 | 5,975,000 | 4,132,000 | 830,000 | 91,900 | - | - |
| 2031 | - | - | 5,920,000 | 3,833,250 | 840,000 | 50,400 | - | - |
| 2032 | - | - | 6,220,000 | 3,537,250 | 840,000 | 16,800 | - | - |
| 2033 | - | - | 6,525,000 | 3,226,250 | - | - | - | - |
| 2034 | - | - | 3,645,000 | 2,900,000 | - | - | - | - |
| 2035 | - | - | 3,825,000 | 2,717,750 | - | - | - | - |
| 2036 | - | - | 4,015,000 | 2,526,500 | - | - | - | - |
| 2037 | - | - | 4,220,000 | 2,325,750 | - | - | - | - |
| 2038 | - | - | 4,430,000 | 2,114,750 | - | - | - | - |
| 2039 | - | - | 4,650,000 | 1,893,250 | - | - | - | - |
| 2040 | - | - | 4,885,000 | 1,660,750 | - | - | - | - |
| 2041 | - | - | 5,125,000 | 1,416,500 | - | - | - | - |
| 2042 | - | - | 5,385,000 | 1,160,250 | - | - | - | - |
| 2043 | - | - | 5,655,000 | 891,000 | - | - | - | - |
| 2044 | - | - | 5,935,000 | 608,250 | - | - | - | - |
| 2045 | - | - | 6,230,000 | 311,500 | - | - | - | - |
| Total | \$ <u>1,275,000</u> | \$ <u>194,527</u> | \$ <u>102,640,000</u> | \$ <u>56,820,272</u> | \$ <u>5,765,000</u> | \$ <u>935,450</u> | \$ <u>351,351</u> | \$ <u>20,872</u> |

COUNTY OF CULPEPER, VIRGINIA

Notes to Financial Statements
At June 30, 2025 (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 | | General | | | | | |
| | Principal | Interest | Obligation Bonds | | School Lease | | Lease Revenue Bonds | | | |
| | | | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest |
| 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 | \$ 10,641 | \$ 20 | \$ - | \$ - | \$ 13,295,000 | \$ 2,819,620 | \$ 2,610,000 | \$ 301,775 | | |

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, 2025 (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 Revenue Bonds | |
| | Principal | Interest |
| 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 | 118,231 | 2,185 |
| Total | \$ <u>2,221,411</u> | \$ <u>1,264,718</u> |

COUNTY OF CULPEPER, VIRGINIA

Notes to Financial Statements
At June 30, 2025 (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% | \$ 2,610,000 | \$ 575,000 |
| <u>Direct Borrowings and Direct Placements:</u> | | |
| \$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% | \$ 1,275,000 | \$ 235,000 |
| Premium on bonds | <u>499,812</u> | <u>84,491</u> |
| Total County lease revenue bonds | <u>\$ 4,384,812</u> | <u>\$ 894,491</u> |

COUNTY OF CULPEPER, VIRGINIA

Notes to Financial Statements
At June 30, 2025 (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% | \$ 8,985,000 | \$ 2,900,000 |
| \$93,655,000 Public Facility Revenue Refunding Bonds, Series 2025, issued March 14, 2015 payable in various annual installments through June 1, 2045, interest at rate of 5.00% | 93,655,000 | - |
| Premium on bonds | <u>10,795,762</u> | <u>1,229,522</u> |
| Total school lease revenue refunding bonds | <u>\$ 113,435,762</u> | <u>\$ 4,129,522</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% | \$ 13,295,000 | \$ 750,000 |
| Premium on bonds | <u>842,149</u> | <u>60,154</u> |
| Total school lease revenue bonds | <u>\$ 14,137,149</u> | <u>\$ 810,154</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% | \$ 5,765,000 | \$ 800,000 |
| Premium on general obligation bonds | <u>1,158,767</u> | <u>165,538</u> |
| Total school general obligation bonds | <u>\$ 6,923,767</u> | <u>\$ 965,538</u> |

COUNTY OF CULPEPER, VIRGINIA

Notes to Financial Statements
At June 30, 2025 (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> | | |
| \$671,000 note payable, issued October 24, 2022, payable semi-annual installments of \$74,445 through October, 2027, interest payable annually at 3.910%. | \$ 351,351 | \$ 136,473 |
| Total notes payable | <u>\$ 351,351</u> | <u>\$ 136,473</u> |
| <u>Lease liabilities:</u> | | |
| Lease for land payable in monthly payments of \$2,188 through October 2025. Discount rate at 1.00%. | \$ 8,694 | \$ 8,694 |
| Various leases for vehicles and copiers payable in various monthly payments through October 2025. Discount rate at 1.00% | <u>1,947</u> | <u>1,947</u> |
| Total lease liabilities | <u>\$ 10,641</u> | <u>\$ 10,641</u> |
| <u>Compensated absences</u> | <u>\$ 2,955,960</u> | <u>\$ 295,596</u> |
| <u>Net medical insurance OPEB liability</u> | <u>\$ 1,866,107</u> | <u>\$ -</u> |
| <u>Net group life insurance OPEB liability</u> | <u>\$ 1,076,610</u> | <u>\$ -</u> |
| <u>Net pension liability</u> | <u>\$ 3,729,987</u> | <u>\$ -</u> |
| Total governmental activities | <u><u>\$ 148,872,146</u></u> | <u><u>\$ 7,242,415</u></u> |

COUNTY OF CULPEPER, VIRGINIA

Notes to Financial Statements
At June 30, 2025 (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% | \$ 2,221,411 | \$ 47,668 |
| <u>Compensated absences</u> | 131,792 | 13,179 |
| <u>Net medical insurance OPEB liability</u> | 73,300 | - |
| <u>Net group life insurance OPEB liability</u> | 41,767 | - |
| <u>Net pension liability</u> | 146,368 | - |
| <u>Landfill closure and postclosure costs</u> | <u>248,845</u> | <u>35,540</u> |
| Total business-type activities | \$ <u>2,863,483</u> | \$ <u>96,387</u> |
| Total Primary Government | \$ <u>151,735,629</u> | \$ <u>7,338,802</u> |

COUNTY OF CULPEPER, VIRGINIA

Notes to Financial Statements
At June 30, 2025 (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, 2025.

| | Balance | | | Balance | Amounts |
|---|----------------------|----------------------|----------------------|----------------------|---------------------|
| | July 1, | Issuances/ | Retirements/ | June 30, | Due |
| | 2024* | Increases | Decreases | 2025 | Within |
| | | | | | One Year |
| Compensated absences | \$ 9,197,824 | \$ 555,013 | \$ - | \$ 9,752,837 | \$ 975,284 |
| Lease liabilities | 171,089 | 1,164,098 | 264,408 | 1,070,779 | 289,882 |
| Net pension liability | 53,146,715 | 23,283,887 | 24,956,407 | 51,474,195 | - |
| Net OPEB liability: | | | | | |
| Net VRS HIC OPEB liability | \$ 6,420,633 | \$ 1,274,568 | \$ 1,315,099 | \$ 6,380,102 | \$ - |
| Net group life insurance OPEB liability | 2,975,257 | 1,121,559 | 1,243,738 | 2,853,078 | - |
| Total medical insurance OPEB liability | 2,537,404 | 248,742 | 822,930 | 1,963,216 | - |
| Total net OPEB liability | <u>\$ 11,933,294</u> | <u>\$ 2,644,869</u> | <u>\$ 3,381,767</u> | <u>\$ 11,196,396</u> | <u>\$ -</u> |
| | | | | | |
| Total | <u>\$ 74,448,922</u> | <u>\$ 27,647,867</u> | <u>\$ 28,602,582</u> | <u>\$ 73,494,207</u> | <u>\$ 1,265,166</u> |

* Beginning balances have been restated for implementation of GASB 101

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

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

| Year Ending | Lease Liabilities | |
|--------------------|--------------------------|------------------|
| | Principal | Interest |
| June 30, | | |
| 2026 | \$ 289,882 | \$ 37,947 |
| 2027 | 308,214 | 25,388 |
| 2028 | 222,620 | 13,336 |
| 2029 | 128,037 | 7,347 |
| 2030 | <u>122,026</u> | <u>2,076</u> |
| | | |
| Total | <u>\$ 1,070,779</u> | <u>\$ 86,094</u> |

COUNTY OF CULPEPER, VIRGINIA

Notes to Financial Statements
At June 30, 2025 (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 office space payable in various monthly payments through December 2027. Discount rate at 4.29% | \$ 466,389 |
| Various leases for copiers payable in various monthly payments through May 2030. Discount rate at 4.07% | <u>604,390</u> |
| Total lease liabilities | \$ <u>1,070,779</u> |
| Compensated absences | \$ <u>9,752,837</u> |
| Net pension liability | \$ <u>51,474,195</u> |
| Net OPEB liability | \$ <u>11,196,396</u> |
| Total component unit obligations | \$ <u><u>73,494,207</u></u> |

Note 8—Leases Receivable:

The County leases tower space to companies under various lease contracts. In fiscal year 2025, the County recognized lease and interest revenue in the amount of \$227,561 and \$14,323, 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% | 34,763 |
| AT&T Landfill Tower | 7/1/2021 | 5/1/2029 | 95 | Monthly | 3.00% | 258,687 |
| AT&T Rixeyville Tower | 7/1/2021 | 4/1/2026 | 58 | Monthly | 3.00% | <u>66,108</u> |
| Total | | | | | | \$ <u><u>359,558</u></u> |

COUNTY OF CULPEPER, VIRGINIA

Notes to Financial Statements
At June 30, 2025 (Continued)

Note 8—Leases Receivable: (Continued)

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

| <u>Year Ending June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-----------------------------|-------------------|------------------|-------------------|
| 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>\$ 359,558</u> | <u>\$ 17,473</u> | <u>\$ 377,031</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 \$248,845 reported as landfill closure and postclosure care liability at June 30, 2025, 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 2025. 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.

COUNTY OF CULPEPER, VIRGINIA

Notes to Financial Statements
At June 30, 2025 (Continued)

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

| | Primary Government | Component Unit School Board Nonprofessional |
|--|-------------------------------|--|
| Inactive members or their beneficiaries currently receiving benefits | 275 | 115 |
| Inactive members: | | |
| Vested inactive members | 88 | 43 |
| Non-vested inactive members | 175 | 164 |
| Inactive members active elsewhere in VRS | 218 | 58 |
| Total inactive members | 481 | 265 |
| Active members | 412 | 195 |
| Total covered employees | 1,168 | 575 |

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, 2025 was 12.06% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the County were \$3,577,329 and \$3,059,257 for the years ended June 30, 2025 and June 30, 2024, respectively.

The Component Unit School Board's contractually required contribution rate for nonprofessional employees for the year ended June 30, 2025 was 2.33% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Component Unit School Board's nonprofessional employees were \$158,912 and \$45,346 for the years ended June 30, 2025 and June 30, 2024, respectively.

The defined contributions component of the Hybrid plan includes member and employer mandatory and voluntary contributions. The Hybrid plan member must contribute a mandatory rate of 1% of their covered payroll. The employer must also contribute a mandatory rate of 1% of this covered payroll, which totaled \$105,304 and \$43,507 for the County and School Board, respectively, for the year ended June 30, 2025. Hybrid plan members may also elect to contribute an additional voluntary rate of up to 4% of their covered payroll; which would require the employer a mandatory additional contribution rate of up to 2.5%. This additional employer mandatory contribution totaled \$127,570 and \$32,412 for the County and School Board, respectively, for the year ended June 30, 2025. The total Hybrid plan participant covered payroll totaled \$10,530,424 and \$4,350,680 for the County and School Board, respectively, for the year ended June 30, 2025.

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, 2024. The total pension liabilities used to calculate the net pension liabilities (asset) were determined by an actuarial valuation performed as of June 30, 2023, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2024.

COUNTY OF CULPEPER, VIRGINIA

Notes to Financial Statements
At June 30, 2025 (Continued)

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, 2023, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2024.

| | |
|---------------------------------------|---|
| Inflation | 2.5% |
| 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.

COUNTY OF CULPEPER, VIRGINIA

Notes to Financial Statements
At June 30, 2025 (Continued)

Note 11—Pension Plan: (Continued)

Actuarial Assumptions – General Employees (Continued)

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

All Others (Non 10 Largest) – 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, 2023, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2024.

| | |
|---------------------------------------|---|
| Inflation | 2.5% |
| Salary increases, including inflation | 3.5% – 4.75% |
| Investment rate of return | 6.75%, net of pension plan investment expenses, including inflation |

COUNTY OF CULPEPER, VIRGINIA

Notes to Financial Statements
At June 30, 2025 (Continued)

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

All Others (Non 10 Largest) – Hazardous Duty:

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

COUNTY OF CULPEPER, VIRGINIA

Notes to Financial Statements
At June 30, 2025 (Continued)

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:

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

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

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

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. For the year ended June 30, 2024, the employer contribution rate was 100% of the actuarially determined employer contribution rate from the June 30, 2023 actuarial valuations. Through the fiscal year ended June 30, 2024, the rate contributed by the school division for the VRS Teacher Retirement Plan was subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 112% of the actuarially determined contribution rate. From July

COUNTY OF CULPEPER, VIRGINIA

Notes to Financial Statements
At June 30, 2025 (Continued)

Note 11—Pension Plan: (Continued)

Discount Rate: (Continued)

1, 2024 on, participating employers and school divisions are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability

| | Primary Government | | |
|--|--|--|--|
| | Increase (Decrease) | | |
| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Net Pension Liability (a) - (b) |
| Balances at June 30, 2023 | \$ 91,540,687 | \$ 86,771,263 | \$ 4,769,424 |
| Changes for the year: | | | |
| Service cost | \$ 3,016,673 | \$ - | \$ 3,016,673 |
| Interest | 6,232,820 | - | 6,232,820 |
| Changes of assumptions | - | - | - |
| Differences between expected and actual experience | 2,894,729 | - | 2,894,729 |
| Contributions - employer | - | 3,322,948 | (3,322,948) |
| Contributions - employee | - | 1,309,217 | (1,309,217) |
| Net investment income | - | 8,454,555 | (8,454,555) |
| Benefit payments, including refunds of employee contributions | (4,438,586) | (4,438,586) | - |
| Administrative expenses | - | (51,380) | 51,380 |
| Other changes | - | 1,951 | (1,951) |
| Net changes | \$ 7,705,636 | \$ 8,598,705 | \$ (893,069) |
| Balances at June 30, 2024 | \$ 99,246,323 | \$ 95,369,968 | \$ 3,876,355 |

COUNTY OF CULPEPER, VIRGINIA

Notes to Financial Statements
At June 30, 2025 (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, 2023 | \$ 15,733,684 | \$ 18,919,726 | \$ (3,186,042) |
| Changes for the year: | | | |
| Service cost | \$ 514,162 | \$ - | \$ 514,162 |
| Interest | 1,070,554 | - | 1,070,554 |
| changes of assumptions | - | - | - |
| Differences between expected and actual experience | 606,265 | - | 606,265 |
| Contributions - employer | - | 54,497 | (54,497) |
| Contributions - employee | - | 280,712 | (280,712) |
| Net investment income | - | 1,826,331 | (1,826,331) |
| Benefit payments, including refunds of employee contributions | (775,572) | (775,572) | - |
| Administrative expenses | - | (12,198) | 12,198 |
| Other changes | - | (114) | 114 |
| Net changes | \$ 1,415,409 | \$ 1,373,656 | \$ 41,753 |
| Balances at June 30, 2024 | \$ 17,149,093 | \$ 20,293,382 | \$ (3,144,289) |

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) | \$ 16,926,879 | \$ 3,876,355 | \$ (6,760,543) |
| Component Unit School Board (nonprofessional) | | | |
| Net Pension Liability (Asset) | \$ (1,183,424) | \$ (3,144,289) | \$ (4,788,712) |

COUNTY OF CULPEPER, VIRGINIA

Notes to Financial Statements
At June 30, 2025 (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, 2025, County and Component Unit School Board (nonprofessional) recognized pension expense of \$1,506,170 and (\$27,277), respectively. At June 30, 2025, the County and Component Unit School Board (nonprofessional) reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Primary Government | | Component Unit School Board (nonprofessional) | |
|--|--------------------------------|-------------------------------|---|-------------------------------|
| | Deferred Outflows of Resources | Deferred Inflows of Resources | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Differences between expected and actual experience | \$ 1,913,465 | \$ 260,017 | \$ 333,173 | \$ 3,915 |
| Change in assumptions | - | - | - | - |
| Change in proportionate share | 5,348 | 5,348 | - | - |
| Net difference between projected and actual earnings on pension plan investments | - | 2,383,900 | - | 535,846 |
| Employer contributions subsequent to the measurement date | <u>3,577,329</u> | <u>-</u> | <u>158,912</u> | <u>-</u> |
| Total | <u>\$ 5,496,142</u> | <u>\$ 2,649,265</u> | <u>\$ 492,085</u> | <u>\$ 539,761</u> |

\$3,577,329 and \$158,912 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, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

| Year ended June 30 | Primary Government | Component Unit School Board (nonprofessional) |
|--------------------|--------------------|---|
| 2026 | \$ (1,298,356) | \$ (198,964) |
| 2027 | 1,568,013 | 209,027 |
| 2028 | (481,583) | (103,744) |
| 2029 | (518,526) | (112,907) |
| 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 2024 Annual Comprehensive Financial Report (Annual Report). A copy of the 2024 VRS Annual Report may be downloaded from the VRS website at <https://www.varetire.org/pdf/publications/2024-annual-report.pdf> or by writing to the System’s Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

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, 2025 was 14.21% 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, 2023. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the School Division were \$8,979,061 and \$9,248,796 for the years ended June 30, 2025 and June 30, 2024, respectively.

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

At June 30, 2025, the school division reported a liability of \$51,474,195 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2024 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation performed as of June 30, 2023, and rolled forward to the measurement date of June 30, 2024. The school division’s proportion of the Net Pension Liability was based on the school division’s actuarially determined employer contributions to the pension plan for the year ended June 30, 2024 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2024, the school division’s proportion was 0.54836% as compared to 0.52583% at June 30, 2023.

COUNTY OF CULPEPER, VIRGINIA

Notes to Financial Statements
At June 30, 2025 (Continued)

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, 2025, the school division recognized pension expense of \$5,132,498. 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, 2024 measurement date, the difference between expected and actual contributions is included with the pension expense calculation.

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

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|--|
| Differences between expected and actual experience | \$ 8,930,047 | \$ 1,059,890 |
| Change in assumptions | 934,325 | - |
| Net difference between projected and actual earnings on pension plan investments | - | 7,085,454 |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | 1,839,797 | 434,628 |
| Employer contributions subsequent to the measurement date | <u>8,979,061</u> | <u>-</u> |
| Total | <u>\$ 20,683,230</u> | <u>\$ 8,579,972</u> |

\$8,979,061 reported as deferred outflows of resources related to pensions resulting from the school division's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

| <u>Year ended June 30</u> | |
|----------------------------------|----------------|
| 2026 | \$ (2,996,137) |
| 2027 | 4,944,532 |
| 2028 | 1,517,496 |
| 2029 | (341,693) |
| 2030 | - |
| 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, 2023, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2024.

| | |
|---------------------------------------|---|
| Inflation | 2.5% |
| 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.

COUNTY OF CULPEPER, VIRGINIA

Notes to Financial Statements
At June 30, 2025 (Continued)

Note 11—Pension Plan: (Continued)

Component Unit School Board (professional) (Continued)

Actuarial Assumptions (Continued)

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

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

Net Pension Liability

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

| | | Teacher Employee Retirement Plan |
|---|----|---|
| Total Pension Liability | \$ | 60,622,260 |
| Plan Fiduciary Net Position | | 51,235,326 |
| Employer’s Net Pension Liability (Asset) | \$ | <u>9,386,934</u> |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | | 84.52% |

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, 2025 (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) | \$ 95,628,964 | \$ 51,474,195 | \$ 15,312,843 |

Pension Plan Fiduciary Net Position

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

Aggregate Pension Information

| | VRS Pension Plans: | | | |
|------------------------------------|----------------------|---------------------|-------------------------------|---------------------|
| | Deferred Outflows | Deferred Inflows | Net Pension Liability (Asset) | Pension Expense |
| Primary Government | | | | |
| Primary Government | \$ 5,496,142 | \$ 2,649,265 | \$ 3,876,355 | \$ 1,506,170 |
| Totals | <u>\$ 5,496,142</u> | <u>\$ 2,649,265</u> | <u>\$ 3,876,355</u> | <u>\$ 1,506,170</u> |
| Component Unit School Board | | | | |
| School Board Nonprofessional | \$ 492,085 | \$ 539,761 | \$ (3,144,289) | \$ (27,277) |
| School Board Professional | 20,683,230 | 8,579,972 | 51,474,195 | 5,132,498 |
| Totals | <u>\$ 21,175,315</u> | <u>\$ 9,119,733</u> | <u>\$ 48,329,906</u> | <u>\$ 5,105,221</u> |

COUNTY OF CULPEPER, VIRGINIA

Notes to Financial Statements
At June 30, 2025 (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, 2025, 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, 2025 (Continued)

Note 14—Surety Bonds:

| | <u>Amount</u> |
|---|---------------|
| Fidelity and Deposit Company of Maryland - Surety | |
| Carson Beard, Circuit Court Clerk | \$ 25,000 |
| Missy N. White, Treasurer | 400,000 |
| Terry Yowell, Commissioner of the Revenue | 3,000 |
| Timothy W. Chilton, 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 |
| David Lee, 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.

COUNTY OF CULPEPER, VIRGINIA

Notes to Financial Statements
At June 30, 2025 (Continued)

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

County (Continued)

Plan Membership

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

| | | |
|--------------------------------------|----|-------------------|
| Total active employees with coverage | \$ | 313 |
| Total retirees with coverage | | <u>4</u> |
| Total | \$ | <u><u>317</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, 2024. The total OPEB liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The total OPEB liability in the June 30, 2024 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 | 3.97% |

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 3.97% 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.

COUNTY OF CULPEPER, VIRGINIA

Notes to Financial Statements
At June 30, 2025 (Continued)

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, 2023 | \$ | 493,911 |
| Changes for the year: | | |
| Service cost | | 43,234 |
| Interest | | 18,733 |
| Changes of benefit terms | | 1,505,116 |
| Difference between expected and actual experience | | (73,286) |
| Changes in assumptions | | (31,112) |
| Contributions - employer | | (17,189) |
| Net changes | | <u>1,445,496</u> |
| Balances at June 30, 2024 | \$ | <u><u>1,939,407</u></u> |

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 (2.97%) or one percentage point higher (4.97%) than the current discount rate:

| Rate | | |
|--------------------------------|--|--------------------------------|
| 1% Decrease (2.97%) | Current Discount Rate (3.97%) | 1% Increase (4.97%) |
| \$ 2,123,816 | \$ 1,939,407 | \$ 1,770,611 |

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 (3.04%) or one percentage point higher (5.04%) than the current healthcare cost trend rates:

| Rates | | |
|--------------------------------|--|--------------------------------|
| 1% Decrease (3.04%) | Healthcare Cost Trend (4.04%) | 1% Increase (5.04%) |
| \$ 1,778,092 | \$ 1,939,407 | \$ 2,132,622 |

COUNTY OF CULPEPER, VIRGINIA

Notes to Financial Statements
At June 30, 2025 (Continued)

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, 2025, the County recognized OPEB expense in the amount of \$1,286,736. At June 30, 2025, 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 | \$ 31,913 | \$ 80,187 |
| Changes in assumptions | 13,830 | 108,706 |
| Total | <u>\$ 45,743</u> | <u>\$ 188,893</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> | |
|---------------------------|-------------|
| 2026 | \$ (30,621) |
| 2027 | (29,010) |
| 2028 | (34,290) |
| 2029 | (19,401) |
| 2030 | (14,914) |
| Thereafter | (14,914) |

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.

COUNTY OF CULPEPER, VIRGINIA

Notes to Financial Statements
At June 30, 2025 (Continued)

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

| | | |
|--------------------------------------|----|-------------------|
| Total active employees with coverage | \$ | 785 |
| Total retirees with coverage | | <u>17</u> |
| Total | \$ | <u><u>802</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, 2024. The total OPEB liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The total OPEB liability in the June 30, 2024 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 | 3.97% |

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 June 30, 2024.

COUNTY OF CULPEPER, VIRGINIA

Notes to Financial Statements
At June 30, 2025 (Continued)

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 3.97% 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, 2023 | \$ 2,537,404 |
| Changes for the year: | |
| Service cost | 153,855 |
| Interest | 94,887 |
| Difference between expected and actual experience | (577,232) |
| Changes in assumptions | (87,321) |
| Contributions - employer | (158,377) |
| Net changes | (574,188) |
| Balances at June 30, 2024 | \$ <u>1,963,216</u> |

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 (2.97%) or one percentage point higher (4.97%) than the current discount rate:

| | | | Rate | | | |
|--------------------------------|-----------|--|-------------|--------------------------------|-----------|--|
| 1% Decrease (2.97%) | | Current Discount Rate (3.97%) | | 1% Increase (4.97%) | | |
| \$ | 2,107,943 | \$ | 1,963,216 | \$ | 1,826,462 | |

COUNTY OF CULPEPER, VIRGINIA

Notes to Financial Statements
At June 30, 2025 (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 (3.04%) or one percentage point higher (5.04%) than the current healthcare cost trend rates:

| Rates | | |
|------------------------|------------------|------------------------|
| Healthcare Cost | | |
| 1% Decrease (3.04%) | Trend (4.04%) | 1% Increase (5.04%) |
| \$ 1,765,480 | \$ 1,963,216 | \$ 2,194,946 |

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

For the year ended June 30, 2025, the School Board recognized OPEB expense in the amount of \$183,632. At June 30, 2025, 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 | \$ 470,356 | \$ 616,769 |
| Changes in assumptions | 78,155 | 619,536 |
| Total | \$ 548,511 | \$ 1,236,305 |

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 | |
|--------------------|-------------|
| 2026 | \$ (64,837) |
| 2027 | (110,755) |
| 2028 | (113,369) |
| 2029 | (208,007) |
| 2030 | (95,889) |
| Thereafter | (94,937) |

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.

COUNTY OF CULPEPER, VIRGINIA

Notes to Financial Statements
At June 30, 2025 (Continued)

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

Plan Description: (Continued)

Employees Covered by Benefit Terms

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

| | <u>Number</u> |
|--|-------------------|
| Inactive members or their beneficiaries currently receiving benefits | <u>47</u> |
| Inactive members: | |
| Vested inactive members | 2 |
| Inactive members active elsewhere in VRS | 53 |
| Total inactive members | <u>102</u> |
| Active members | 195 |
| Total covered employees | <u><u>297</u></u> |

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, 2025 was 0.04% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2024. 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 \$2,728 and \$7,040 for the years ended June 30, 2025 and June 30, 2025, respectively.

Net HIC OPEB Liability (Asset)

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

Actuarial Assumptions

The total HIC OPEB liability was based on an actuarial valuation as of June 30, 2023, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2024.

| | |
|--|---|
| Inflation | 2.5% |
| Salary increases, including inflation: | |
| Locality - General employees | 3.5%-5.35% |
| Investment rate of return | 6.75%, net of investment expenses, including inflation |

COUNTY OF CULPEPER, VIRGINIA

Notes to Financial Statements
At June 30, 2025 (Continued)

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

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

COUNTY OF CULPEPER, VIRGINIA

Notes to Financial Statements
At June 30, 2025 (Continued)

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 | 32.00% | 6.70% | 2.14% |
| Fixed Income | 16.00% | 5.40% | 0.86% |
| Credit Strategies | 16.00% | 8.10% | 1.30% |
| Real Assets | 15.00% | 7.20% | 1.08% |
| Private Equity | 15.00% | 8.70% | 1.31% |
| PIP - Private Investment Partnerships | 1.00% | 8.00% | 0.08% |
| Diversifying Strategies | 6.00% | 5.80% | 0.35% |
| Cash | 2.00% | 3.00% | 0.06% |
| Leverage | -3.00% | 3.50% | -0.11% |
| Total | 100.00% | | 7.07% |
| | | *Expected arithmetic nominal return | 7.07% |

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

*On June 15, 2023, the VRS Board elected a long-term rate of return of 6.75% which was roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at 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, 2024, the rate contributed by the entity for the HIC OPEB was 100% of the actuarially determined contribution rate. From July 1, 2024 on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the HIC OPEB’s fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total HIC OPEB liability.

COUNTY OF CULPEPER, VIRGINIA

Notes to Financial Statements
At June 30, 2025 (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, 2023 | \$ 294,583 | \$ 328,322 | \$ (33,739) |
| Changes for the year: | | | |
| Service cost | \$ 4,361 | \$ | \$ 4,361 |
| Interest | 19,611 | | 19,611 |
| Differences between expected and actual experience | (7,144) | | - |
| Assumption changes | | | - |
| Contributions - employer | | 7,037 | (7,037) |
| Net investment income | | 30,408 | (30,408) |
| Benefit payments | (16,813) | (16,813) | - |
| Administrative expenses | | (415) | 415 |
| Other changes | | (24) | 24 |
| Net changes | \$ 15 | \$ 20,193 | \$ (20,178) |
| Balances at June 30, 2024 | \$ 294,598 | \$ 348,515 | \$ (53,917) |

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) | \$ (23,577) | \$ (53,917) | \$ (79,791) |

COUNTY OF CULPEPER, VIRGINIA

Notes to Financial Statements
At June 30, 2025 (Continued)

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, 2025, the *School Board* recognized Health Insurance Credit Plan OPEB expense of (\$2,210). At June 30, 2025, 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 | \$ 3,490 | \$ 15,013 |
| Net difference between projected and actual earnings on HIC OPEB plan investments | - | 7,038 |
| Change in assumptions | 7,836 | - |
| Employer contributions subsequent to the measurement date | <u>2,728</u> | <u>-</u> |
| Total | <u>\$ 14,054</u> | <u>\$ 22,051</u> |

\$2,728 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, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIC OPEB will be recognized in the HIC OPEB expense in future reporting periods as follows:

Year Ended June 30

| | | |
|------------|----|---------|
| 2026 | \$ | (8,189) |
| 2027 | | 2,757 |
| 2028 | | (3,250) |
| 2029 | | (2,043) |
| 2030 | | - |
| Thereafter | | - |

HIC Plan Data

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

Note 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, 2025 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, 2023. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the school division to the VRS Teacher Employee Health Insurance Credit Plan were \$764,579 and \$715,699 for the years ended June 30, 2025 and June 30, 2024, respectively.

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, 2025, the school division reported a liability of \$6,380,102 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, 2024 and the total VRS Teacher Employee HIC OPEB liability used to calculate the Net VRS Teacher Employee HIC OPEB Liability was determined by an actuarial valuation performed as of June 30, 2023 and rolled forward to the measurement date of June 30, 2024. The school division's proportion of the Net VRS Teacher Employee HIC OPEB Liability was based on the school division's actuarially determined employer contributions to the VRS Teacher Employee HIC OPEB plan for the year ended June 30, 2025 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2025, 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, 2025 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2024, the school division's proportion of the VRS Teacher Employee Health Insurance Credit Plan was 0.55208% as compared to 0.53000% at June 30, 2023.

For the year ended June 30, 2025, the school division recognized VRS Teacher Employee Health Insurance Credit Plan OPEB expense of \$486,865. 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.

COUNTY OF CULPEPER, VIRGINIA

Notes to Financial Statements
At June 30, 2025 (Continued)

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, 2025, 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:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|---|---|--|
| Differences between expected and actual experience | \$ - | \$ 302,274 |
| Net difference between projected and actual earnings on Teacher HIC OPEB plan investments | - | 22,694 |
| Change in assumptions | 109,911 | - |
| Change in proportion | 245,713 | 106,281 |
| Employer contributions subsequent to the measurement date | <u>764,579</u> | <u>-</u> |
| Total | <u>\$ 1,120,203</u> | <u>\$ 431,249</u> |

\$764,579 reported as deferred outflows of resources related to the Teacher Employee HIC OPEB resulting from the school division’s contributions subsequent to the measurement date will be recognized as a reduction of the Net Teacher Employee HIC OPEB Liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Teacher Employee HIC OPEB will be recognized in the Teacher Employee HIC OPEB expense in future reporting periods as follows:

Year Ended June 30

| | | |
|------------|----|----------|
| 2026 | \$ | (44,568) |
| 2027 | | (20,862) |
| 2028 | | (33,663) |
| 2029 | | (13,745) |
| 2030 | | 15,025 |
| Thereafter | | 22,188 |

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, 2023, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2024.

| | |
|---------------------------------------|---|
| Inflation | 2.5% |
| 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.

COUNTY OF CULPEPER, VIRGINIA

Notes to Financial Statements
At June 30, 2025 (Continued)

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

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

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, 2024, 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 | \$ | 1,478,105 |
| Plan Fiduciary Net Position | | 322,457 |
| Teacher Employee net HIC OPEB Liability (Asset) | \$ | <u>1,155,648</u> |
| Plan Fiduciary Net Position as a Percentage of the Total Teacher Employee HIC OPEB Liability | | 21.82% |

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

COUNTY OF CULPEPER, VIRGINIA

Notes to Financial Statements
At June 30, 2025 (Continued)

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 | 32.00% | 6.70% | 2.14% |
| Fixed Income | 16.00% | 5.40% | 0.86% |
| Credit Strategies | 16.00% | 8.10% | 1.30% |
| Real Assets | 15.00% | 7.20% | 1.08% |
| Private Equity | 15.00% | 8.70% | 1.31% |
| PIP - Private Investment Partnerships | 1.00% | 8.00% | 0.08% |
| Diversifying Strategies | 6.00% | 5.80% | 0.35% |
| Cash | 2.00% | 3.00% | 0.06% |
| Leverage | -3.00% | 3.50% | -0.11% |
| Total | 100.00% | | 7.07% |
| | **Expected arithmetic nominal return | | 7.07% |

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

**On June 15, 2023, the VRS Board elected a long-term rate of 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, 2024, the rate contributed by each school division for the VRS Teacher Employee

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

Discount Rate: (Continued)

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, 2024 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 (5.75%) | Current Discount (6.75%) | 1% Increase (7.75%) |
| School division's proportionate share of the VRS Teacher Employee HIC OPEB Plan Net HIC OPEB Liability | \$ 7,255,767 | \$ 6,380,102 | \$ 5,637,895 |

Teacher Employee HIC OPEB Fiduciary Net Position

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

Note 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 \$9,532 as of June 30, 2025.

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

Contributions

The contribution requirements for the GLI Plan are governed by §51.1-506 and §51.1-508 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the GLI Plan was 1.18% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.71% (1.18% x 60%) and the employer component was 0.47% (1.18% x 40%). Employers may elect to pay all or part of the employee contribution; however, the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2025, was 0.47% of covered employee compensation. This rate was the final approved General Assembly rate, which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. The actuarially determined rate, 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 \$139,489 and \$138,956 for the years ended June 30, 2025 and June 30, 2024, respectively, for the County; \$32,055 and \$34,561 for the years ended June 30, 2025 and June 30, 2024, respectively, for the School Board (nonprofessional); and \$297,405 and \$319,928 for the years ended June 30, 2025 and June 30, 2024, respectively, for the School Board (professional).

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

At June 30, 2025, the entity reported a liability of \$1,118,377, \$278,199, and \$2,574,879 for the County, School Board Nonprofessional, and School Board Professional, respectively, for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2024 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation as of June 30, 2023, and rolled forward to the measurement date of June 30, 2024. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the Group Life Insurance Plan for the year ended June 30, 2024, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2024, the participating employer's proportion was 0.10022%, 0.02493%, and 0.23074% as compared to 0.10011%, 0.02331%, and 0.22477% at June 30, 2023 for the County, School Board Nonprofessional, and School Board Professional, respectively.

For the year ended June 30, 2025, the participating employer recognized GLI OPEB expense of \$35,727, \$8,976, and \$53,401 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, 2025 (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, 2025, 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 | \$ 176,394 | \$ 27,318 |
| Net difference between projected and actual earnings on GLI OPEB program investments | - | 94,267 |
| Change in assumptions | 6,375 | 55,424 |
| Changes in proportion | 21,371 | 17,601 |
| Employer contributions subsequent to the measurement date | 139,489 | - |
| Total Primary Government | \$ 343,629 | \$ 194,610 |
| Component Unit School Board (nonprofessional) | | |
| Differences between expected and actual experience | \$ 43,878 | \$ 6,795 |
| Net difference between projected and actual earnings on GLI OPEB program investments | - | 23,449 |
| Change in assumptions | 1,586 | 13,787 |
| Changes in proportion | 27,205 | 9,873 |
| Employer contributions subsequent to the measurement date | 32,055 | - |
| Total Component Unit School Board (nonprofessional) | \$ 104,724 | \$ 53,904 |
| Component Unit School Board (professional) | | |
| Differences between expected and actual experience | \$ 406,118 | \$ 62,896 |
| Net difference between projected and actual earnings on GLI OPEB program investments | - | 217,035 |
| Change in assumptions | 14,677 | 127,606 |
| Changes in proportion | 61,025 | 50,921 |
| Employer contributions subsequent to the measurement date | 297,405 | - |
| Total Component Unit School Board (professional) | \$ 779,225 | \$ 458,458 |

COUNTY OF CULPEPER, VIRGINIA

Notes to Financial Statements
At June 30, 2025 (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)

\$139,489, \$32,055 and \$297,405 for the County, School Board Nonprofessional, and School Board Professional, respectively, reported as deferred outflows of resources related to the GLI OPEB resulting from the employer’s contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI 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> |
|---------------------------|-------------------------------|--|---|
| 2026 | \$ (44,482) | \$ (10,387) | \$ (121,995) |
| 2027 | 20,311 | 6,713 | 44,647 |
| 2028 | 720 | 6,206 | 13,552 |
| 2029 | 15,411 | 8,975 | 36,354 |
| 2030 | 17,568 | 7,257 | 50,803 |
| Thereafter | - | - | - |

Actuarial Assumptions

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2023, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2024. The assumptions include several employer groups 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.

COUNTY OF CULPEPER, VIRGINIA

Notes to Financial Statements
At June 30, 2025 (Continued)

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

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

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, 2025 (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, 2023, valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

COUNTY OF CULPEPER, VIRGINIA

Notes to Financial Statements
At June 30, 2025 (Continued)

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

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

NET GLI OPEB Liability

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

| | | |
|--|----|----------------------|
| | | GLI OPEB Plan |
| Total GLI OPEB Liability | \$ | 4,196,055 |
| Plan Fiduciary Net Position | | 3,080,133 |
| GLI Net OPEB Liability (Asset) | \$ | <u>1,115,922</u> |
| Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability | | 73.41% |

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:

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

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

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

COUNTY OF CULPEPER, VIRGINIA

Notes to Financial Statements
At June 30, 2025 (Continued)

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, 2024, the rate contributed by the entity for the GLI OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 113% of the actuarially determined contribution rate. From July 1, 2024 on, employers are assumed to 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 | \$ 1,739,222 | \$ 1,118,377 | \$ 616,816 |
| School Board (nonprofessional)'s proportionate share of the Group Life Insurance Program Net OPEB Liability | \$ 432,636 | \$ 278,199 | \$ 153,435 |
| School Board(professional)'s proportionate share of the Group Life Insurance Program Net OPEB Liability | \$ 4,004,271 | \$ 2,574,879 | \$ 1,420,118 |

COUNTY OF CULPEPER, VIRGINIA

Notes to Financial Statements
At June 30, 2025 (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 2024 Annual Comprehensive Financial Report (Annual Report). A copy of the 2024 VRS Annual Report may be downloaded from the VRS website at <https://www.varetire.org/pdf/publications/2024-annual-report.pdf>, or by writing to the System’s Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Note 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 | \$ 343,629 | \$ 194,610 | \$ 1,118,377 | \$ 35,727 |
| County Stand-Alone Plan (Note 15) | 45,743 | 188,893 | 1,939,407 | 1,286,736 |
| Totals | <u>\$ 389,372</u> | <u>\$ 383,503</u> | <u>\$ 3,057,784</u> | <u>\$ 1,322,463</u> |
| Component Unit School Board | | | | |
| Group Life Insurance Program (Note 18): | | | | |
| School Board Nonprofessional | \$ 104,724 | \$ 53,904 | \$ 278,199 | \$ 8,976 |
| School Board Professional | 779,225 | 458,458 | 2,574,879 | 53,401 |
| School Board Health Insurance Credit Program (Note 16) | 14,054 | 22,051 | (53,917) | (2,210) |
| Teacher Health Insurance Credit Program (Note 17) | 1,120,203 | 431,249 | 6,380,102 | 486,865 |
| School Stand-Alone Plan (Note 15) | 548,511 | 1,236,305 | 1,963,216 | 183,632 |
| Totals | <u>\$ 2,566,717</u> | <u>\$ 2,201,967</u> | <u>\$ 11,142,479</u> | <u>\$ 730,664</u> |

COUNTY OF CULPEPER, VIRGINIA

Notes to Financial Statements
At June 30, 2025 (Continued)

Note 20—Upcoming Pronouncements:

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

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

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

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

NOTE 21 – ADOPTION OF ACCOUNTING PRINCIPLES

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

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

| | | Component Unit School Board |
|---|----|--|
| | | <hr/> |
| Net Position as reported at June 30, 2024 | \$ | 55,259,530 |
| Implementation of GASB 101 | | <hr/> (7,775,115) <hr/> |
| Net Position as restated at July 1, 2024 | \$ | <hr/> <u>47,484,415</u> <hr/> |

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, 2025

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance From Final Budget Positive (Negative)</u> |
|---|----------------------------|-------------------------|-----------------------|---|
| Revenues: | | | | |
| General property taxes | \$ 79,245,889 | \$ 79,245,889 | \$ 80,907,432 | \$ 1,661,543 |
| Other local taxes | 12,492,400 | 12,492,400 | 12,173,219 | (319,181) |
| Permits, privilege fees and regulatory licenses | 1,295,900 | 1,315,400 | 3,426,190 | 2,110,790 |
| Fines and forfeitures | 70,000 | 70,000 | 179,340 | 109,340 |
| Revenue from use of money and property | 1,699,276 | 1,699,276 | 4,919,806 | 3,220,530 |
| Charges for services | 5,402,731 | 5,542,384 | 5,153,204 | (389,180) |
| Miscellaneous | 198,764 | 623,169 | 1,096,260 | 473,091 |
| Recovered costs | 857,548 | 857,548 | 647,570 | (209,978) |
| Intergovernmental: | | | | |
| Commonwealth | 16,738,891 | 19,235,079 | 16,460,647 | (2,774,432) |
| Federal | 7,477,050 | 7,637,923 | 7,936,800 | 298,877 |
| Total revenues | <u>\$ 125,478,449</u> | <u>\$ 128,719,068</u> | <u>\$ 132,900,468</u> | <u>\$ 4,181,400</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General government administration: | | | | |
| Legislative: | | | | |
| Board of supervisors | \$ 352,309 | \$ 346,367 | \$ 330,291 | \$ 16,076 |
| General and financial administration: | | | | |
| County administration | \$ 667,207 | \$ 570,485 | \$ 567,119 | \$ 3,366 |
| County attorney | 690,894 | 642,500 | 619,981 | 22,519 |
| Human resources | 776,986 | 700,220 | 497,128 | 203,092 |
| Procurement | 469,717 | 456,558 | 377,792 | 78,766 |
| Auditor | 66,300 | 74,800 | 74,800 | - |
| Commissioner of the Revenue | 1,146,350 | 1,006,599 | 772,613 | 233,986 |
| Reassessment | 830,358 | 687,579 | 642,614 | 44,965 |
| Board of equalization | 20,655 | 5,415 | 1,135 | 4,280 |
| Treasurer | 847,758 | 743,445 | 720,499 | 22,946 |
| Department of finance and budget | 860,972 | 719,944 | 677,824 | 42,120 |
| Information systems | 912,830 | 846,907 | 723,483 | 123,424 |
| Records management | 183,078 | 157,163 | 151,746 | 5,417 |
| Other general and financial administration | 13,000 | 13,000 | 15,407 | (2,407) |
| Total general and financial administration | <u>\$ 7,486,105</u> | <u>\$ 6,624,615</u> | <u>\$ 5,842,141</u> | <u>\$ 782,474</u> |
| Board of Elections: | | | | |
| Electoral board and officials | \$ 336,618 | \$ 334,227 | \$ 266,211 | \$ 68,016 |
| Registrar | 426,924 | 358,898 | 296,124 | 62,774 |
| Total board of elections | <u>\$ 763,542</u> | <u>\$ 693,125</u> | <u>\$ 562,335</u> | <u>\$ 130,790</u> |
| Total general government administration | <u>\$ 8,601,956</u> | <u>\$ 7,664,107</u> | <u>\$ 6,734,767</u> | <u>\$ 929,340</u> |

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

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance From Final Budget Positive (Negative)</u> |
|---|----------------------------|-------------------------|----------------------|---|
| Expenditures: (continued) | | | | |
| Judicial administration: | | | | |
| Courts: | | | | |
| Circuit court | \$ 266,390 | \$ 221,112 | \$ 195,725 | \$ 25,387 |
| Clerk of the circuit court | 1,175,515 | 1,085,525 | 1,013,346 | 72,179 |
| Victim assistance program | 212,832 | 207,037 | 191,625 | 15,412 |
| Sheriff | 1,810,066 | 1,794,995 | 1,792,000 | 2,995 |
| Other courts | <u>57,600</u> | <u>100,085</u> | <u>84,920</u> | <u>15,165</u> |
| Total courts | \$ <u>3,522,403</u> | \$ <u>3,408,754</u> | \$ <u>3,277,616</u> | \$ <u>131,138</u> |
| Commonwealth's attorney: | | | | |
| Commonwealth's attorney | \$ 1,609,842 | \$ 1,462,023 | \$ 1,352,560 | \$ 109,463 |
| VSTOP grant | 141,363 | 120,789 | 120,788 | 1 |
| Pretrial | 533,914 | 532,368 | 366,378 | 165,990 |
| Drug court | 288,379 | 290,114 | 261,430 | 28,684 |
| Criminal justice services | <u>538,702</u> | <u>534,759</u> | <u>534,723</u> | <u>36</u> |
| Total commonwealth attorney | \$ <u>3,112,200</u> | \$ <u>2,940,053</u> | \$ <u>2,635,879</u> | \$ <u>304,174</u> |
| Total judicial administration | \$ <u>6,634,603</u> | \$ <u>6,348,807</u> | \$ <u>5,913,495</u> | \$ <u>435,312</u> |
| Public safety: | | | | |
| Law enforcement and traffic control: | | | | |
| Sheriff | \$ 10,100,219 | \$ 10,164,272 | \$ 10,039,607 | \$ 124,665 |
| Other law enforcement and traffic control | - | 139,604 | 88,284 | 51,320 |
| E-911 | <u>3,459,135</u> | <u>3,314,041</u> | <u>2,925,845</u> | <u>388,196</u> |
| Total law enforcement and traffic control | \$ <u>13,559,354</u> | \$ <u>13,617,917</u> | \$ <u>13,053,736</u> | \$ <u>564,181</u> |
| Fire and rescue services: | | | | |
| Fire and rescue | \$ 2,783,586 | \$ 2,877,277 | \$ 2,759,340 | \$ 117,937 |
| State forest fire extinction | <u>8,538</u> | <u>8,538</u> | <u>8,538</u> | <u>-</u> |
| Total fire and rescue services | \$ <u>2,792,124</u> | \$ <u>2,885,815</u> | \$ <u>2,767,878</u> | \$ <u>117,937</u> |
| Correction and detention: | | | | |
| Jail | \$ 5,311,508 | \$ 4,910,934 | \$ 4,887,812 | \$ 23,122 |
| Outside jail services | 2,408,875 | 2,923,875 | 2,923,243 | 632 |
| Supervision plan services | 52,921 | 52,921 | 31,109 | 21,812 |
| Probation office | <u>334,548</u> | <u>338,078</u> | <u>335,813</u> | <u>2,265</u> |
| Total correction and detention | \$ <u>8,107,852</u> | \$ <u>8,225,808</u> | \$ <u>8,177,977</u> | \$ <u>47,831</u> |
| Inspections: | | | | |
| Building | \$ <u>1,028,511</u> | \$ <u>853,633</u> | \$ <u>828,673</u> | \$ <u>24,960</u> |

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

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance From Final Budget Positive (Negative)</u> |
|---|----------------------------|-------------------------|----------------------|---|
| Expenditures: (continued) | | | | |
| Public safety: (continued) | | | | |
| Other protection: | | | | |
| Animal control | \$ 932,094 | \$ 878,158 | \$ 859,009 | \$ 19,149 |
| Medical examiner | 1,200 | 1,200 | 740 | 460 |
| Emergency services | <u>5,322,409</u> | <u>4,955,075</u> | <u>4,707,933</u> | <u>247,142</u> |
| Total other protection | \$ <u>6,255,703</u> | \$ <u>5,834,433</u> | \$ <u>5,567,682</u> | \$ <u>266,751</u> |
| Total public safety | \$ <u>31,743,544</u> | \$ <u>31,417,606</u> | \$ <u>30,395,946</u> | \$ <u>1,021,660</u> |
| Public works: | | | | |
| Maintenance of general buildings and grounds: | | | | |
| General properties | \$ <u>1,848,715</u> | \$ <u>2,357,768</u> | \$ <u>1,698,084</u> | \$ <u>659,684</u> |
| Total public works | \$ <u>1,848,715</u> | \$ <u>2,357,768</u> | \$ <u>1,698,084</u> | \$ <u>659,684</u> |
| Health and welfare: | | | | |
| Health: | | | | |
| Local health department | \$ <u>568,152</u> | \$ <u>568,152</u> | \$ <u>568,152</u> | \$ <u>-</u> |
| Mental health and community services: | | | | |
| Community services | \$ <u>1,195,190</u> | \$ <u>1,261,257</u> | \$ <u>1,261,257</u> | \$ <u>-</u> |
| Welfare: | | | | |
| Community youth services | \$ 3,579,341 | \$ 3,955,121 | \$ 3,754,683 | \$ 200,438 |
| Culpeper cable commission | 146,404 | 146,404 | 146,404 | - |
| Options | 504,889 | 420,088 | 398,129 | 21,959 |
| Social services administration | 8,802,175 | 8,884,454 | 7,699,038 | 1,185,416 |
| Full circle thrift | 300,865 | 300,915 | 266,171 | 34,744 |
| Cosmetology center | 557,877 | 557,977 | 797,699 | (239,722) |
| Daycare | 1,950,019 | 4,124,909 | 2,190,855 | 1,934,054 |
| Families first | 336,604 | 336,604 | 225,323 | 111,281 |
| Early Headstart | 1,542,369 | 1,542,419 | 1,536,118 | 6,301 |
| Headstart | <u>3,050,943</u> | <u>3,051,193</u> | <u>2,823,119</u> | <u>228,074</u> |
| Total welfare | \$ <u>20,771,486</u> | \$ <u>23,320,084</u> | \$ <u>19,837,539</u> | \$ <u>3,482,545</u> |
| Total health and welfare | \$ <u>22,534,828</u> | \$ <u>25,149,493</u> | \$ <u>21,666,948</u> | \$ <u>3,482,545</u> |
| Education: | | | | |
| Contributions to community colleges | \$ 79,558 | \$ 79,558 | \$ 79,558 | \$ - |
| Carver Center | 226,529 | 262,982 | 158,845 | 104,137 |
| Contributions to Component Unit School Board | <u>39,682,593</u> | <u>39,682,593</u> | <u>34,818,614</u> | <u>4,863,979</u> |
| Total education | \$ <u>39,988,680</u> | \$ <u>40,025,133</u> | \$ <u>35,057,017</u> | \$ <u>4,968,116</u> |

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

| | Original Budget | Final Budget | Actual | Variance From Final Budget Positive (Negative) |
|---|--------------------|-----------------|----------------|---|
| Expenditures: (continued) | | | | |
| Parks, recreation and cultural: | | | | |
| Parks and recreation: | | | | |
| Parks and recreation | \$ 2,175,202 | \$ 2,105,203 | \$ 1,684,977 | \$ 420,226 |
| Total parks and recreation | \$ 2,175,202 | \$ 2,105,203 | \$ 1,684,977 | \$ 420,226 |
| Library: | | | | |
| Library | \$ 1,476,979 | \$ 1,385,370 | \$ 1,153,484 | \$ 231,886 |
| Total parks, recreation and cultural | \$ 3,652,181 | \$ 3,490,573 | \$ 2,838,461 | \$ 652,112 |
| Community development: | | | | |
| Planning and community development: | | | | |
| Planning | \$ 1,087,184 | \$ 879,725 | \$ 842,765 | \$ 36,960 |
| Chamber of commerce | 10,000 | 10,000 | 10,000 | - |
| Zoning board | 9,689 | 9,078 | 1,904 | 7,174 |
| Economic development | 1,495,929 | 1,461,888 | 1,396,045 | 65,843 |
| Total planning and community development | \$ 2,602,802 | \$ 2,360,691 | \$ 2,250,714 | \$ 109,977 |
| Environmental management: | | | | |
| Soil and water conservation district | \$ 87,487 | \$ 87,487 | \$ 87,487 | - |
| Cooperative extension program: | | | | |
| VPI extension | \$ 342,682 | \$ 347,982 | \$ 306,283 | \$ 41,699 |
| Total community development | \$ 3,032,971 | \$ 2,796,160 | \$ 2,644,484 | \$ 151,676 |
| Nondepartmental: | | | | |
| Employee benefits | \$ 307,385 | \$ 1,275,724 | \$ 245,814 | \$ 1,029,910 |
| Total nondepartmental | \$ 307,385 | \$ 1,275,724 | \$ 245,814 | \$ 1,029,910 |
| Debt service: | | | | |
| Principal retirement | \$ 5,412,700 | \$ 21,302,700 | \$ 21,302,700 | - |
| Interest and fiscal charges | 1,967,345 | 1,967,345 | 1,862,704 | 104,641 |
| Total debt service | \$ 7,380,045 | \$ 23,270,045 | \$ 23,165,404 | \$ 104,641 |
| Total expenditures | \$ 125,724,908 | 143,795,416 | \$ 130,360,420 | \$ 13,434,996 |
| Excess (deficiency) of revenues over (under) expenditures | \$ (246,459) | \$ (15,076,348) | \$ 2,540,048 | \$ 17,616,396 |
| Other financing sources (uses): | | | | |
| Issuance of lease revenue refunding bonds | \$ - | \$ - | \$ 14,565,000 | \$ 14,565,000 |
| Premium on issuance of lease revenue refunding bonds | - | - | 1,521,934 | 1,521,934 |
| Transfers (out) | (11,429,888) | (11,429,888) | (10,056,173) | 1,373,715 |
| Total other financing sources (uses) | \$ (11,429,888) | \$ (11,429,888) | \$ 6,030,761 | \$ 17,460,649 |
| Changes in fund balances | \$ (11,676,347) | \$ (26,506,236) | \$ 8,570,809 | \$ 35,077,045 |
| Fund balances at beginning of year, as restated | 11,676,347 | 26,506,236 | 60,872,137 | 34,365,901 |
| Fund balances at end of year | \$ - | \$ - | \$ 69,442,946 | \$ 69,442,946 |

Schedule of Revenues, Expenditures and Changes in Fund Balances --
 Budget and Actual -- American Rescue Plan Act Fund
 Year Ended June 30, 2025

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance From Final Budget Positive (Negative)</u> |
|---|----------------------------|-------------------------|---------------|---|
| Revenues: | | | | |
| Intergovernmental: | | | | |
| Federal | \$ - | \$ - | \$ 7,379,639 | \$ 7,379,639 |
| Total revenues | \$ - | \$ - | \$ 7,379,639 | \$ 7,379,639 |
| Expenditures: | | | | |
| Current: | | | | |
| Public safety | \$ - | \$ 7,379,639 | \$ 7,379,639 | \$ - |
| Total expenditures | \$ - | \$ 7,379,639 | \$ 7,379,639 | \$ - |
| Excess (deficiency) of revenues over (under) expenditures | \$ - | \$ (7,379,639) | \$ - | \$ 7,379,639 |
| Changes in fund balances | \$ - | \$ (7,379,639) | \$ - | \$ 7,379,639 |
| Fund balances at beginning of year | - | 7,379,639 | - | (7,379,639) |
| Fund balances at end of year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

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

| | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
| Total pension liability | | | | | |
| Service cost | \$ 1,919,125 | \$ 2,004,919 | \$ 2,010,667 | \$ 2,048,803 | \$ 2,118,038 |
| Interest | 3,486,386 | 3,694,889 | 3,957,108 | 4,150,048 | 4,464,775 |
| Changes of benefit terms | - | - | - | - | - |
| Differences between expected and actual experience | (208,709) | 315,239 | (526,442) | 804,899 | 78,323 |
| Changes in assumptions | - | - | (308,817) | - | 2,234,708 |
| Benefit payments, including refunds of employee contributions | (2,206,552) | (2,229,824) | (2,308,290) | (2,444,178) | (2,571,121) |
| Net change in total pension liability | <u>\$ 2,990,250</u> | <u>\$ 3,785,223</u> | <u>\$ 2,824,226</u> | <u>\$ 4,559,572</u> | <u>\$ 6,324,723</u> |
| Total pension liability - beginning | 50,908,789 | 53,899,039 | 57,684,262 | 60,508,488 | 65,068,060 |
| Total pension liability - ending (a) | <u>\$ 53,899,039</u> | <u>\$ 57,684,262</u> | <u>\$ 60,508,488</u> | <u>\$ 65,068,060</u> | <u>\$ 71,392,783</u> |
| Plan fiduciary net position | | | | | |
| Contributions - employer | \$ 1,648,227 | \$ 1,724,735 | \$ 1,694,138 | \$ 1,742,241 | \$ 1,791,823 |
| Contributions - employee | 788,770 | 825,798 | 944,891 | 897,775 | 940,275 |
| Net investment income | 2,089,804 | 844,406 | 5,992,864 | 4,082,622 | 3,995,826 |
| Benefit payments, including refunds of employee contributions | (2,206,552) | (2,229,824) | (2,308,290) | (2,444,178) | (2,571,121) |
| Administrative expense | (27,937) | (29,039) | (33,568) | (34,433) | (38,213) |
| Other | (445) | (356) | (5,382) | (3,681) | (2,531) |
| Net change in plan fiduciary net position | <u>\$ 2,291,867</u> | <u>\$ 1,135,720</u> | <u>\$ 6,284,653</u> | <u>\$ 4,240,346</u> | <u>\$ 4,116,059</u> |
| Plan fiduciary net position - beginning | 45,358,038 | 47,649,905 | 48,785,625 | 55,070,278 | 59,310,624 |
| Plan fiduciary net position - ending (b) | <u>\$ 47,649,905</u> | <u>\$ 48,785,625</u> | <u>\$ 55,070,278</u> | <u>\$ 59,310,624</u> | <u>\$ 63,426,683</u> |
| County's net pension liability - ending (a) - (b) | \$ 6,249,134 | \$ 8,898,637 | \$ 5,438,210 | \$ 5,757,436 | \$ 7,966,100 |
| Plan fiduciary net position as a percentage of the total pension liability | 88.41% | 84.57% | 91.01% | 91.15% | 88.84% |
| Covered payroll | \$ 15,950,558 | \$ 16,817,837 | \$ 17,962,959 | \$ 18,435,581 | \$ 19,373,437 |
| County's net pension liability as a percentage of covered payroll | 39.18% | 52.91% | 30.27% | 31.23% | 41.12% |

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

| | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> | <u>2024</u> |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
| Total pension liability | | | | | |
| Service cost | \$ 2,288,658 | \$ 2,415,985 | \$ 2,636,667 | \$ 2,987,352 | \$ 3,016,673 |
| Interest | 4,717,966 | 5,035,389 | 5,678,631 | 5,954,572 | 6,232,820 |
| Changes of benefit terms | - | - | - | | |
| Differences between expected and actual experience | 775,812 | (246,182) | (728,991) | (612,942) | 2,894,729 |
| Changes in assumptions | - | 3,102,688 | - | | |
| Benefit payments, including refunds of employee contributions | (2,993,979) | (3,165,768) | (3,664,314) | (4,033,640) | (4,438,586) |
| Net change in total pension liability | \$ 4,788,457 | \$ 7,142,112 | \$ 3,921,993 | \$ 4,295,342 | \$ 7,705,636 |
| Total pension liability - beginning | 71,392,783 | 76,181,240 | 83,323,352 | 87,245,345 | 91,540,687 |
| Total pension liability - ending (a) | <u>\$ 76,181,240</u> | <u>\$ 83,323,352</u> | <u>\$ 87,245,345</u> | <u>\$ 91,540,687</u> | <u>\$ 99,246,323</u> |
| Plan fiduciary net position | | | | | |
| Contributions - employer | \$ 1,899,921 | \$ 2,147,979 | \$ 2,209,955 | \$ 2,813,935 | \$ 3,322,948 |
| Contributions - employee | 992,658 | 993,766 | 1,018,833 | 1,141,713 | 1,309,217 |
| Net investment income | 1,214,927 | 17,748,686 | (116,155) | 5,317,707 | 8,454,555 |
| Benefit payments, including refunds of employee contributions | (2,993,979) | (3,165,768) | (3,664,314) | (4,033,640) | (4,438,586) |
| Administrative expense | (40,531) | (42,958) | (50,680) | (51,773) | (51,380) |
| Other | (1,454) | 1,687 | 1,917 | 2,148 | 1,951 |
| Net change in plan fiduciary net position | \$ 1,071,542 | \$ 17,683,392 | \$ (600,444) | \$ 5,190,090 | \$ 8,598,705 |
| Plan fiduciary net position - beginning | 63,426,683 | 64,498,225 | 82,181,617 | 81,581,173 | 86,771,263 |
| Plan fiduciary net position - ending (b) | <u>\$ 64,498,225</u> | <u>\$ 82,181,617</u> | <u>\$ 81,581,173</u> | <u>\$ 86,771,263</u> | <u>\$ 95,369,968</u> |
| County's net pension liability - ending (a) - (b) | \$ 11,683,015 | \$ 1,141,735 | \$ 5,664,172 | \$ 4,769,424 | \$ 3,876,355 |
| Plan fiduciary net position as a percentage of the total pension liability | 84.66% | 98.63% | 93.51% | 94.79% | 96.09% |
| Covered payroll | \$ 20,718,389 | \$ 20,849,690 | \$ 21,460,444 | \$ 23,511,458 | \$ 25,706,053 |
| County's net pension liability as a percentage of covered payroll | 56.39% | 5.48% | 26.39% | 20.29% | 15.08% |

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

| | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Total pension liability | | | | | |
| Service cost | \$ 416,073 | \$ 415,482 | \$ 407,359 | \$ 408,123 | \$ 398,676 |
| Interest | 748,220 | 781,183 | 813,886 | 820,961 | 835,066 |
| Changes of benefit terms | - | - | - | - | - |
| Differences between expected and actual experience | (130,169) | (155,229) | (451,319) | (493,672) | 92,947 |
| Changes in assumptions | - | - | (145,976) | - | 353,829 |
| Benefit payments, including refunds of employee contributions | (519,881) | (606,570) | (541,939) | (503,809) | (564,023) |
| Net change in total pension liability | <u>\$ 514,243</u> | <u>\$ 434,866</u> | <u>\$ 82,011</u> | <u>\$ 231,603</u> | <u>\$ 1,116,495</u> |
| Total pension liability - beginning | <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> |
| Total pension liability - ending (a) | <u><u>\$ 11,463,047</u></u> | <u><u>\$ 11,897,913</u></u> | <u><u>\$ 11,979,924</u></u> | <u><u>\$ 12,211,527</u></u> | <u><u>\$ 13,328,022</u></u> |
| Plan fiduciary net position | | | | | |
| Contributions - employer | \$ 246,237 | \$ 242,403 | \$ 156,205 | \$ 158,079 | \$ 83,787 |
| Contributions - employee | 203,046 | 198,355 | 211,109 | 215,346 | 217,403 |
| Net investment income | 540,962 | 214,020 | 1,500,771 | 1,011,380 | 969,624 |
| Benefit payments, including refunds of employee contributions | (519,881) | (606,570) | (541,939) | (503,809) | (564,023) |
| Administrative expense | (7,356) | (7,620) | (8,654) | (8,670) | (9,624) |
| Other | (112) | (90) | (1,337) | (903) | (609) |
| Net change in plan fiduciary net position | <u>\$ 462,896</u> | <u>\$ 40,498</u> | <u>\$ 1,316,155</u> | <u>\$ 871,423</u> | <u>\$ 696,558</u> |
| Plan fiduciary net position - beginning | <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> |
| Plan fiduciary net position - ending (b) | <u><u>\$ 12,324,038</u></u> | <u><u>\$ 12,364,536</u></u> | <u><u>\$ 13,680,691</u></u> | <u><u>\$ 14,552,114</u></u> | <u><u>\$ 15,248,672</u></u> |
| School Division's net pension liability(asset) - ending (a) - (b) | \$ (860,991) | \$ (466,623) | \$ (1,700,767) | \$ (2,340,587) | \$ (1,920,650) |
| Plan fiduciary net position as a percentage of the total pension liability | 107.51% | 103.92% | 114.20% | 119.17% | 114.41% |
| Covered payroll | \$ 3,991,722 | \$ 4,061,591 | \$ 4,416,279 | \$ 4,509,552 | \$ 4,686,098 |
| School Division's net pension liability as a percentage of covered payroll | -21.57% | -11.49% | -38.51% | -51.90% | -40.99% |

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

| | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> | <u>2024</u> |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
| Total pension liability | | | | | |
| Service cost | \$ 428,493 | \$ 439,677 | \$ 397,099 | \$ 433,126 | \$ 514,162 |
| Interest | 874,365 | 892,141 | 986,302 | 1,022,281 | 1,070,554 |
| Changes of benefit terms | - | - | - | - | - |
| Differences between expected and actual experience | (310,090) | (7,966) | (123,194) | (36,545) | 606,265 |
| Changes in assumptions | - | 395,240 | - | - | - |
| Benefit payments, including refunds of employee contributions | (748,939) | (709,903) | (732,505) | (793,920) | (775,572) |
| Net change in total pension liability | \$ 243,829 | \$ 1,009,189 | \$ 527,702 | \$ 624,942 | \$ 1,415,409 |
| Total pension liability - beginning | 13,328,022 | 13,571,851 | 14,581,040 | 15,108,742 | 15,733,684 |
| Total pension liability - ending (a) | <u>\$ 13,571,851</u> | <u>\$ 14,581,040</u> | <u>\$ 15,108,742</u> | <u>\$ 15,733,684</u> | <u>\$ 17,149,093</u> |
| Plan fiduciary net position | | | | | |
| Contributions - employer | \$ 81,482 | \$ 69,996 | \$ 71,817 | \$ 48,917 | \$ 54,497 |
| Contributions - employee | 226,172 | 209,120 | 216,953 | 242,423 | 280,712 |
| Net investment income | 288,178 | 4,088,806 | (14,318) | 1,169,676 | 1,826,331 |
| Benefit payments, including refunds of employee contributions | (748,939) | (709,903) | (732,505) | (793,920) | (775,572) |
| Administrative expense | (9,996) | (10,303) | (11,753) | (11,790) | (12,198) |
| Other | (340) | 384 | 429 | 468 | (114) |
| Net change in plan fiduciary net position | \$ (163,443) | \$ 3,648,100 | \$ (469,377) | \$ 655,774 | \$ 1,373,656 |
| Plan fiduciary net position - beginning | 15,248,672 | 15,085,229 | 18,733,329 | 18,263,952 | 18,919,726 |
| Plan fiduciary net position - ending (b) | <u>\$ 15,085,229</u> | <u>\$ 18,733,329</u> | <u>\$ 18,263,952</u> | <u>\$ 18,919,726</u> | <u>\$ 20,293,382</u> |
| School Division's net pension liability(asset) - ending (a) - (b) | \$ (1,513,378) | \$ (4,152,289) | \$ (3,155,210) | \$ (3,186,042) | \$ (3,144,289) |
| Plan fiduciary net position as a percentage of the total pension liability | 111.15% | 128.48% | 120.88% | 120.25% | 118.34% |
| Covered payroll | \$ 4,930,772 | \$ 4,584,891 | \$ 4,807,474 | \$ 5,486,039 | \$ 6,400,178 |
| School Division's net pension liability as a percentage of covered payroll | -30.69% | -90.56% | -65.63% | -58.08% | -49.13% |

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

| | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> |
|--|---------------|---------------|---------------|-------------|---------------|
| Employer's Proportion of the Net Pension Liability (Asset) | 0.56% | 0.62% | 0.55% | 0.55% | 0.54% |
| Employer's Proportionate Share of the Net Pension Liability (Asset) | \$ 70,768,000 | \$ 77,450,000 | \$ 64,188,000 | 67,223,000 | \$ 71,701,408 |
| Employer's Covered Payroll | 41,793,330 | 43,492,596 | 43,357,060 | 44,407,179 | 45,890,976 |
| Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll | 169% | 178% | 148% | 151% | 156% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 70.68% | 70.68% | 74.81% | 72.92% | 73.51% |

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

| | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> | <u>2024</u> |
|--|---------------|---------------|---------------|---------------|---------------|
| Employer's Proportion of the Net Pension Liability (Asset) | 0.54% | 0.52% | 0.53% | 0.53% | 0.55% |
| Employer's Proportionate Share of the Net Pension Liability (Asset) | \$ 77,958,419 | \$ 40,670,091 | \$ 49,998,376 | \$ 53,146,715 | \$ 51,474,195 |
| Employer's Covered Payroll | 47,305,449 | 46,738,368 | 49,330,342 | 52,848,163 | 59,148,659 |
| Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll | 165% | 87% | 101% | 101% | 87% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 71.47% | 85.46% | 82.61% | 82.45% | 84.52% |

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

| Date | Contractually Required Contribution (1) * | Contributions in Relation to Contractually Required Contribution (2) * | Contribution Deficiency (Excess) (3) | Employer's Covered Payroll (4) | Contributions as a % of Covered Payroll (5) |
|--|--|---|---|---|---|
| Primary Government | | | | | |
| 2025 | \$ 3,577,329 | \$ 3,577,329 | \$ - | \$ 29,659,368 | 12.06% |
| 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% |
| Component Unit School Board (nonprofessional) | | | | | |
| 2025 | \$ 158,912 | \$ 158,912 | \$ - | \$ 6,820,242 | 2.33% |
| 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% |
| Component Unit School Board (professional) | | | | | |
| 2025 | \$ 8,979,061 | \$ 8,979,061 | \$ - | \$ 63,188,327 | 14.21% |
| 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% |

* 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, 2025

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

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

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 and Related Ratios
 Medical and Life Insurance
 Primary Government
 For the Measurement Dates of June 30, 2017 through June 30, 2024

| | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|--|---------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|---------------------|
| Total OPEB liability | | | | | | | | |
| Service cost | \$ 141,817 | \$ 134,501 | \$ 31,218 | \$ 35,485 | \$ 50,238 | \$ 56,456 | \$ 42,600 | \$ 43,234 |
| Interest | 52,314 | 63,426 | 12,114 | 11,730 | 11,585 | 10,152 | 16,572 | 18,733 |
| Changes of benefit terms* | - | - | - | - | - | - | - | 1,505,116 |
| Changes in assumptions | (111,650) | (1,308) | (29,641) | (21,422) | 26,150 | (142,220) | (19,699) | (31,112) |
| Differences between expected and actual experience | (212,746) | (1,746,813) | 18,368 | 58,359 | 26,475 | 7,786 | (7,208) | (73,286) |
| Contributions - employer | 54,950 | 56,445 | 8,051 | 19,171 | (58,541) | (21,193) | 5,888 | (17,189) |
| Net change in total OPEB liability | \$ (75,315) | \$ (1,493,749) | \$ 40,110 | \$ 103,323 | \$ 55,907 | \$ (89,019) | \$ 38,153 | \$ 1,445,496 |
| 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> | <u>493,911</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> | <u>\$ 1,939,407</u> |
| Covered-employee payroll | \$ N/A | \$ 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 | N/A |

* Effective January 1, 2025, the County began offering a \$500 per month subsidy to eligible retirees.

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 and Related Ratios
 Medical and Life Insurance
 Component Unit School Board
 For the Measurement Dates of June 30, 2017 through June 30, 2024

| | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Total OPEB liability | | | | | | | | |
| Service cost | \$ 134,111 | \$ 124,715 | \$ 197,474 | \$ 221,796 | \$ 190,051 | \$ 214,771 | \$ 151,772 | \$ 153,855 |
| Interest | 38,797 | 55,024 | 71,332 | 68,129 | 64,234 | 53,285 | 88,586 | 94,887 |
| Changes in assumptions | (93,738) | (5,935) | 83,724 | (19,150) | 114,451 | (901,551) | 23,551 | (87,321) |
| Differences between expected and actual experience | 433,235 | 373,217 | (62,762) | 776,279 | (212,615) | 202,608 | (30,234) | (577,232) |
| Contributions - employer | (554,459) | (99,451) | (84,344) | (567,112) | (2,634) | 22,129 | (170,418) | (158,377) |
| Net change in total OPEB liability | \$ (42,054) | \$ 447,570 | \$ 205,424 | \$ 479,942 | \$ 153,487 | \$ (408,758) | \$ 63,257 | \$ (574,188) |
| Total OPEB liability - beginning | <u>1,638,536</u> | <u>1,596,482</u> | <u>2,044,052</u> | <u>2,249,476</u> | <u>2,729,418</u> | <u>2,882,905</u> | <u>2,474,147</u> | <u>2,537,404</u> |
| Total OPEB liability - ending | <u>\$ 1,596,482</u> | <u>\$ 2,044,052</u> | <u>\$ 2,249,476</u> | <u>\$ 2,729,418</u> | <u>\$ 2,882,905</u> | <u>\$ 2,474,147</u> | <u>\$ 2,537,404</u> | <u>\$ 1,963,216</u> |
| Covered-employee payroll | \$ N/A | 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 | 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, 2025

County:

Valuation Date: 6/30/2024
 Measurement Date: 6/30/2024

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 | 3.97% |
| Inflation | 2.50% |
| Healthcare Trend Rate | The healthcare trend rate assumption starts at 7.00% in 2024 and gradually declines to 4.04% 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: 6/30/2024
 Measurement Date: 6/30/2024

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 | 3.97% |
| Inflation | 2.50% |
| Healthcare Trend Rate | The healthcare trend rate assumption starts at 7.00% in 2024 and gradually declines to 4.04% 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 2024

| | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Total HIC OPEB Liability | | | | | | | | |
| Service cost | \$ 7,155 | \$ 6,913 | \$ 6,763 | \$ 7,752 | \$ 7,629 | \$ 6,040 | \$ 4,139 | \$ 4,361 |
| Interest | 15,460 | 15,856 | 15,257 | 16,872 | 17,343 | 18,522 | 18,682 | 19,611 |
| Changes of benefit terms | - | - | - | 10,331 | - | - | - | - |
| Differences between expected and actual experience | - | (15,851) | 18,716 | (12,167) | (3,824) | (16,131) | 6,980 | (7,144) |
| 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) | (16,813) |
| Net change in total HIC OPEB liability | \$ 11,314 | \$ (10,509) | \$ 33,160 | \$ 6,945 | \$ 12,489 | \$ 3,160 | \$ 14,115 | \$ 15 |
| Total HIC OPEB Liability - beginning | 223,909 | 235,223 | 224,714 | 257,874 | 264,819 | 277,308 | 280,468 | 294,583 |
| Total HIC OPEB Liability - ending (a) | \$ 235,223 | \$ 224,714 | \$ 257,874 | \$ 264,819 | \$ 277,308 | \$ 280,468 | \$ 294,583 | \$ 294,598 |
| Plan fiduciary net position | | | | | | | | |
| Contributions - employer | \$ 7,526 | \$ 7,812 | \$ 7,016 | \$ 7,397 | \$ 8,712 | \$ 9,134 | \$ 6,012 | \$ 7,037 |
| Net investment income | 25,657 | 17,469 | 16,116 | 5,245 | 67,491 | 585 | 18,744 | 30,408 |
| Benefit payments | (6,119) | (17,427) | (13,506) | (15,843) | (15,772) | (17,895) | (15,686) | (16,813) |
| Administrative expense | (417) | (402) | (349) | (495) | (783) | (550) | (443) | (415) |
| Other | 1,291 | (1,291) | (18) | (2) | - | 8,044 | 433 | (24) |
| Net change in plan fiduciary net position | \$ 27,938 | \$ 6,161 | \$ 9,259 | \$ (3,698) | \$ 59,648 | \$ (682) | \$ 9,060 | \$ 20,193 |
| Plan fiduciary net position - beginning | 220,636 | 248,574 | 254,735 | 263,994 | 260,296 | 319,944 | 319,262 | 328,322 |
| Plan fiduciary net position - ending (b) | \$ 248,574 | \$ 254,735 | \$ 263,994 | \$ 260,296 | \$ 319,944 | \$ 319,262 | \$ 328,322 | \$ 348,515 |
| 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) | \$ (53,917) |
| 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% | 118.30% |
| Covered payroll | \$ 4,420,059 | \$ 4,507,773 | \$ 4,686,098 | \$ 4,930,772 | \$ 4,584,891 | \$ 4,807,474 | \$ 5,486,039 | \$ 6,400,178 |
| 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% | -0.84% |

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, 2025

| Date | Contractually Required Contribution (1) | Contributions in Relation to Contractually Required Contribution (2) | Contribution Deficiency (Excess) (3) | Employer's Covered Payroll (4) | Contributions as a % of Covered Payroll (5) |
|-------------|--|---|---|---|--|
| 2025 | \$ 2,728 | \$ 2,728 | \$ - | \$ 6,820,242 | 0.04% |
| 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, 2025

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

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

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 2024

| Date (1) | Employer's Proportion of the Net HIC OPEB Liability (Asset) (2) | Employer's Proportionate Share of the Net HIC OPEB Liability (Asset) (3) | Employer's Covered Payroll (4) | Employer's Proportionate Share of the Net HIC OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) (5) | Plan Fiduciary Net Position as a Percentage of Total HIC OPEB Liability (6) |
|---------------------|--|---|---|--|--|
| 2024 | 0.5521% | \$ 6,380,102 | \$ 59,148,659 | 10.79% | 21.82% |
| 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, 2025

| Date | Contractually Required Contribution (1) | Contributions in Relation to Contractually Required Contribution (2) | Contribution Deficiency (Excess) (3) | Employer's Covered Payroll (4) | Contributions as a % of Covered Payroll (5) |
|-------------|--|---|---|---|--|
| 2025 | \$ 764,579 | \$ 764,579 | \$ - | \$ 63,188,327 | 1.21% |
| 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, 2025

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

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

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

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

| Date (1) | Employer's Proportion of the Net GLI OPEB Liability (Asset) (2) | Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) (3) | Employer's Covered Payroll (4) | Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) (5) | Plan Fiduciary Net Position as a Percentage of Total GLI OPEB Liability (6) |
|--|---|---|---|--|---|
| Primary Government | | | | | |
| 2024 | 0.10022% | \$ 1,118,377 | \$ 25,732,546 | 4.35% | 73.41% |
| 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) | | | | | |
| 2024 | 0.02493% | \$ 278,199 | \$ 6,400,178 | 4.35% | 73.41% |
| 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) | | | | | |
| 2024 | 0.23074% | \$ 2,574,879 | \$ 59,246,015 | 4.35% | 73.41% |
| 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, 2025

| Date | Contractually Required Contribution (1) | Contributions in Relation to Contractually Required Contribution (2) | Contribution Deficiency (Excess) (3) | Employer's Covered Payroll (4) | Contributions as a % of Covered Payroll (5) |
|--|---|--|--------------------------------------|--------------------------------|---|
| Primary Government | | | | | |
| 2025 | \$ 139,489 | \$ 139,489 | \$ - | \$ 29,678,480 | 0.47% |
| 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) | | | | | |
| 2025 | \$ 32,055 | \$ 32,055 | \$ - | \$ 6,820,242 | 0.47% |
| 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) | | | | | |
| 2025 | \$ 297,405 | \$ 297,405 | \$ - | \$ 63,277,570 | 0.47% |
| 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, 2025

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

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

Teachers

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

Non-Largest Ten Locality Employers - General Employees

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

Non-Largest Ten Locality Employers - Hazardous Duty Employees

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

OTHER SUPPLEMENTARY INFORMATION

Combining and Individual Fund Financial Statements and Schedules

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

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance From Final Budget Positive (Negative)</u> |
|--|----------------------------|-------------------------|------------------------|---|
| Revenues: | | | | |
| Revenue from use of money and property | \$ - | \$ - | \$ 14,837 | \$ 14,837 |
| Miscellaneous | 60,000 | 144,520 | 1,440,464 | 1,295,944 |
| Intergovernmental: | | | | |
| Commonwealth | - | 271,600 | 94,406 | (177,194) |
| Total revenues | <u>\$ 60,000</u> | <u>\$ 416,120</u> | <u>\$ 1,549,707</u> | <u>\$ 1,133,587</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Education: | | | | |
| Contributions to School Board Component Unit | \$ - | \$ - | \$ 87,000,000 | \$ (87,000,000) |
| School construction | | | | - |
| Capital projects | <u>6,362,585</u> | <u>47,060,126</u> | <u>8,710,751</u> | <u>38,349,375</u> |
| Total expenditures | <u>\$ 6,362,585</u> | <u>\$ 47,060,126</u> | <u>\$ 95,710,751</u> | <u>\$ (48,650,625)</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>\$ (6,302,585)</u> | <u>\$ (46,644,006)</u> | <u>\$ (94,161,044)</u> | <u>\$ (47,517,038)</u> |
| Other financing sources (uses): | | | | |
| Issuance of lease revenue bonds | \$ - | \$ - | \$ 79,090,000 | \$ 79,090,000 |
| Premium on lease revenue bonds | - | - | 8,664,451 | 8,664,451 |
| Transfers in | <u>6,302,585</u> | <u>6,302,585</u> | <u>6,302,585</u> | <u>-</u> |
| Total other financing sources (uses) | <u>\$ 6,302,585</u> | <u>\$ 6,302,585</u> | <u>\$ 94,057,036</u> | <u>\$ 87,754,451</u> |
| Changes in fund balances | \$ - | \$ (40,341,421) | \$ (104,008) | \$ 40,237,413 |
| Fund balances at beginning of year | <u>-</u> | <u>40,341,421</u> | <u>17,418,075</u> | <u>(22,923,346)</u> |
| Fund balances at end of year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 17,314,067</u> | <u>\$ 17,314,067</u> |

Combining Statement of Net Position
 Internal Service Funds
 At June 30, 2025

| | Health Insurance Fund | Dental Insurance Fund | Totals |
|------------------------------------|-----------------------------|-----------------------------|-----------------------|
| ASSETS | | | |
| Current Assets | | | |
| Cash and cash equivalents | \$ - | \$ 269,585 | \$ 269,585 |
| Total Assets | <u>\$ -</u> | <u>\$ 269,585</u> | <u>\$ 269,585</u> |
| LIABILITIES | | | |
| Current Liabilities | | | |
| Reconciled overdraft | \$ 8,309,488 | \$ - | \$ 8,309,488 |
| Due to other funds | <u>300,000</u> | <u>-</u> | <u>300,000</u> |
| Total Liabilities | <u>\$ 8,609,488</u> | <u>\$ -</u> | <u>\$ 8,609,488</u> |
| NET POSITION | | | |
| Unrestricted (deficit) | <u>\$ (8,609,488)</u> | <u>\$ 269,585</u> | <u>\$ (8,339,903)</u> |
| Total Net Position | <u>\$ (8,609,488)</u> | <u>\$ 269,585</u> | <u>\$ (8,339,903)</u> |
| Total Liabilities and Net Position | <u>\$ -</u> | <u>\$ 269,585</u> | <u>\$ 269,585</u> |

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, 2025

| | <u>Health Insurance Fund</u> | <u>Dental Insurance Fund</u> | <u>Totals</u> |
|-----------------------------------|--------------------------------------|--------------------------------------|-----------------------|
| Operating revenues: | | | |
| Charges for services | \$ 5,344,180 | \$ 183,199 | \$ 5,527,379 |
| Total operating revenues | \$ 5,344,180 | \$ 183,199 | \$ 5,527,379 |
| Operating expenses: | | | |
| Fringe benefits | \$ 4,507,599 | \$ 168,356 | \$ 4,675,955 |
| Total operating expenses | \$ 4,507,599 | \$ 168,356 | \$ 4,675,955 |
| Change in net position | \$ 836,581 | \$ 14,843 | \$ 851,424 |
| Net position at beginning of year | <u>(9,446,069)</u> | <u>254,742</u> | <u>(9,191,327)</u> |
| Net position at end of year | <u>\$ (8,609,488)</u> | <u>\$ 269,585</u> | <u>\$ (8,339,903)</u> |

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, 2025

| | <u>Health Insurance Fund</u> | <u>Dental Insurance Fund</u> | <u>Totals</u> |
|--|--------------------------------------|--------------------------------------|---------------------|
| Cash flows from operating activities: | | | |
| Receipts from insured | \$ 5,344,180 | \$ 183,199 | \$ 5,527,379 |
| Payments to suppliers | <u>(5,344,180)</u> | <u>(168,356)</u> | <u>(5,512,536)</u> |
| Net cash provided by (used for) operating activities | \$ - | \$ 14,843 | \$ 14,843 |
| Increase (decrease) in cash and cash equivalents | \$ - | \$ 14,843 | \$ 14,843 |
| Cash and cash equivalents at beginning of year | <u>-</u> | <u>254,742</u> | <u>254,742</u> |
| Cash and cash equivalents at end of year | <u>\$ -</u> | <u>\$ 269,585</u> | <u>\$ 269,585</u> |
| Reconciliation of operating income (loss) to net cash provided by (used for) operating activities: | | | |
| Operating income (loss) | <u>\$ 836,581</u> | <u>\$ 14,843</u> | <u>\$ 851,424</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>\$ (836,581)</u> | <u>\$ -</u> | <u>\$ (836,581)</u> |
| Net cash provided by (used for) operating activities | <u>\$ -</u> | <u>\$ 14,843</u> | <u>\$ 14,843</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, 2025

| | <u>Special Welfare Fund</u> | <u>Sheriff Inmate Fund</u> | <u>Totals</u> |
|---------------------------|-------------------------------------|------------------------------------|------------------|
| Assets: | | | |
| Cash and cash equivalents | \$ 69,323 | \$ 10,472 | \$ 79,795 |
| Total assets | <u>\$ 69,323</u> | <u>\$ 10,472</u> | <u>\$ 79,795</u> |
| Net Position | | | |
| Restricted for: | | | |
| Inmates | \$ - | \$ 10,472 | \$ 10,472 |
| Social services clients | <u>69,323</u> | <u>-</u> | <u>69,323</u> |
| Total net position | <u>\$ 69,323</u> | <u>\$ 10,472</u> | <u>\$ 79,795</u> |

Combining Statement of Changes in Fiduciary Net Position
 Custodial Funds
 Year Ended June 30, 2025

| | <u>Special Welfare Fund</u> | <u>Sheriff Inmate Fund</u> | <u>Total</u> |
|--|-------------------------------------|------------------------------------|-------------------------|
| Additions: | | | |
| Contributions | | | |
| Private contributions | \$ 121,627 | \$ - | \$ 121,627 |
| Inmate contributions | <u>-</u> | <u>322,289</u> | <u>322,289</u> |
| Total contributions | \$ <u>121,627</u> | \$ <u>322,289</u> | \$ <u>443,916</u> |
| Total additions | \$ <u>121,627</u> | \$ <u>322,289</u> | \$ <u>443,916</u> |
| Deductions: | | | |
| Recipient payments | \$ <u>151,363</u> | \$ <u>322,207</u> | \$ <u>473,570</u> |
| Total deductions | \$ <u>151,363</u> | \$ <u>322,207</u> | \$ <u>473,570</u> |
| Net increase (decrease) in fiduciary net position | \$ (29,736) | \$ 82 | \$ (29,654) |
| Net position - beginning | <u>99,059</u> | <u>10,390</u> | <u>109,449</u> |
| Net position - ending | <u><u>\$ 69,323</u></u> | <u><u>\$ 10,472</u></u> | <u><u>\$ 79,795</u></u> |

Discretely Presented Component Unit-School Board

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

| | Governmental Funds | | | | | Totals |
|--|-----------------------|-----------------------|----------------------|------------------------|------------------------------|-----------------------|
| | School Operating Fund | School Cafeteria Fund | School Textbook Fund | School Activities Fund | School Capital Projects Fund | |
| Assets: | | | | | | |
| Cash and cash equivalents | \$ 897,772 | \$ 2,055,634 | \$ 1,889,586 | \$ 2,670,975 | \$ 10,487,752 | \$ 18,001,719 |
| Cash and cash equivalents - Restricted bond proceeds | - | - | - | - | 77,700,096 | 77,700,096 |
| Receivables (net of allowances for uncollectibles): | | | | | | |
| Accounts receivable | 2,091 | 24,726 | 250,000 | - | - | 276,817 |
| Due from other governmental units | 3,307,713 | - | - | - | - | 3,307,713 |
| Prepaid expenditures | 244,985 | - | - | - | - | 244,985 |
| Due from primary government | 2,594,609 | - | - | - | - | 2,594,609 |
| Total assets | <u>\$ 7,047,170</u> | <u>\$ 2,080,360</u> | <u>\$ 2,139,586</u> | <u>\$ 2,670,975</u> | <u>\$ 88,187,848</u> | <u>\$ 102,125,939</u> |
| Liabilities: | | | | | | |
| Accounts payable | \$ 1,572,855 | \$ 12,519 | \$ - | \$ - | \$ 1,284,857 | \$ 2,870,231 |
| Accrued liabilities | 5,474,315 | 149,924 | - | - | - | 5,624,239 |
| Total liabilities | <u>\$ 7,047,170</u> | <u>\$ 162,443</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,284,857</u> | <u>\$ 8,494,470</u> |
| Fund Balances: | | | | | | |
| Nonspendable | \$ 244,985 | \$ - | \$ - | \$ - | \$ - | \$ 244,985 |
| Restricted | - | - | - | - | 77,700,096 | 77,700,096 |
| Committed | - | - | - | - | 9,202,895 | 9,202,895 |
| Assigned | - | 1,917,917 | 2,139,586 | 2,670,975 | - | 6,728,478 |
| Unassigned | (244,985) | - | - | - | - | (244,985) |
| Total fund balances | <u>\$ -</u> | <u>\$ 1,917,917</u> | <u>\$ 2,139,586</u> | <u>\$ 2,670,975</u> | <u>\$ 86,902,991</u> | <u>\$ 93,631,469</u> |
| Total liabilities and fund balances | <u>\$ 7,047,170</u> | <u>\$ 2,080,360</u> | <u>\$ 2,139,586</u> | <u>\$ 2,670,975</u> | <u>\$ 88,187,848</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. | \$ 83,362,333 |
| 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: | 15,537,223 |
| The net pension asset is not an available resource and, therefore, is not reported in the funds. | 3,144,289 |
| Restricted cash from unspent bond proceeds for School Construction reported on the Statement of Net Position for the Primary Government | (77,700,096) |
| The net OPEB asset is not an available resource and, therefore, is not reported in the funds. | 53,917 |
| Deferred inflows related to measurement of net pension and OPEB liabilities not available to pay for current-period expenditures | (11,321,700) |
| Deferred outflows related to OPEB | 2,566,717 |
| Deferred outflows related to pensions | 21,175,315 |
| 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. | <u>(73,494,207)</u> |
| Net position of Government Activities | <u>\$ 56,955,260</u> |

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

| | 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 | \$ 129,227 | \$ - | \$ - | \$ - | \$ 705,562 | \$ 834,789 |
| Charges for services | 189,535 | 340,243 | - | - | - | 529,778 |
| Miscellaneous | 634,007 | 121,674 | 250,000 | 3,105,086 | - | 4,110,767 |
| Intergovernmental: | | | | | | |
| County contribution to School Board | 32,070,182 | - | - | - | 89,748,432 | 121,818,614 |
| Commonwealth | 78,133,104 | 71,341 | - | - | 169,794 | 78,374,239 |
| Federal | 5,057,333 | 4,036,076 | - | - | 800,000 | 9,893,409 |
| Total revenues | \$ 116,213,388 | \$ 4,569,334 | \$ 250,000 | \$ 3,105,086 | \$ 91,423,788 | \$ 215,561,596 |
| Expenditures: | | | | | | |
| Current: | | | | | | |
| Education | \$ 116,213,388 | \$ 5,056,734 | \$ 294,000 | \$ 2,656,854 | \$ - | \$ 124,220,976 |
| Capital projects | - | - | - | - | 11,594,797 | 11,594,797 |
| Debt service: | | | | | | |
| Principal retirement | - | - | - | - | - | - |
| Interest and other fiscal charges | - | - | - | - | - | - |
| Total expenditures | \$ 116,213,388 | \$ 5,056,734 | \$ 294,000 | \$ 2,656,854 | \$ 11,594,797 | \$ 135,815,773 |
| Excess (deficiency) of revenues over (under) expenditures | \$ - | \$ (487,400) | \$ (44,000) | \$ 448,232 | \$ 79,828,991 | \$ 79,745,823 |
| Changes in fund balances | \$ - | \$ (487,400) | \$ (44,000) | \$ 448,232 | \$ 79,828,991 | \$ 79,745,823 |
| Fund balances at beginning of year | - | 2,405,317 | 2,183,586 | 2,222,743 | 7,074,000 | 13,885,646 |
| Fund balances at end of year | \$ - | \$ 1,917,917 | \$ 2,139,586 | \$ 2,670,975 | \$ 86,902,991 | \$ 93,631,469 |

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

| | 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 | \$ 129,227 | \$ 74,227 | \$ 26,500 | \$ 26,500 | \$ - | \$ (26,500) |
| Charges for services | 229,500 | 229,500 | 189,535 | (39,965) | 762,682 | 762,682 | 340,243 | (422,439) |
| Miscellaneous | 856,500 | 856,500 | 634,007 | (222,493) | 51,819 | 51,819 | 121,674 | 69,855 |
| Intergovernmental: | | | | | | | | |
| County contribution to School Board | 36,934,161 | 36,934,161 | 32,070,182 | (4,863,979) | - | - | - | - |
| Commonwealth | 77,603,701 | 77,606,720 | 78,133,104 | 526,384 | 101,789 | 101,789 | 71,341 | (30,448) |
| Federal | 3,680,223 | 3,680,223 | 5,057,333 | 1,377,110 | 3,729,703 | 3,729,703 | 4,036,076 | 306,373 |
| Total revenues | \$ 119,359,085 | \$ 119,362,104 | \$ 116,213,388 | \$ (3,148,716) | \$ 4,672,493 | \$ 4,672,493 | \$ 4,569,334 | \$ (103,159) |
| Expenditures: | | | | | | | | |
| Current: | | | | | | | | |
| Education: | | | | | | | | |
| Instruction | \$ 92,583,952 | \$ 91,793,266 | \$ 89,467,387 | \$ 2,325,879 | \$ - | \$ - | \$ - | \$ - |
| Administration, attendance and health | 5,302,326 | 5,314,117 | 5,313,589 | 528 | - | - | - | - |
| Pupil transportation | 6,147,433 | 6,397,433 | 6,232,207 | 165,226 | - | - | - | - |
| Operation and maintenance of school plant | 10,978,257 | 10,978,257 | 10,354,573 | 623,684 | - | - | - | - |
| Facilities | 55,082 | 154,461 | 121,666 | 32,795 | - | - | - | - |
| Technology instruction | 4,292,035 | 4,725,532 | 4,723,966 | 1,566 | - | - | - | - |
| School food service | - | - | - | - | 4,672,493 | 4,672,493 | 5,056,734 | (384,241) |
| Total education | \$ 119,359,085 | \$ 119,363,066 | \$ 116,213,388 | \$ 3,149,678 | \$ 4,672,493 | \$ 4,672,493 | \$ 5,056,734 | \$ (384,241) |
| Capital Projects | - | - | - | - | - | - | - | - |
| Total expenditures | \$ 119,359,085 | \$ 119,363,066 | \$ 116,213,388 | \$ 3,149,678 | \$ 4,672,493 | \$ 4,672,493 | \$ 5,056,734 | \$ (384,241) |
| Excess (deficiency) of revenues over (under) expenditures | \$ - | \$ (962) | \$ - | \$ 962 | \$ - | \$ - | \$ (487,400) | \$ (487,400) |
| Changes in fund balances | \$ - | \$ (962) | \$ - | \$ 962 | \$ - | \$ - | \$ (487,400) | \$ (487,400) |
| Fund balances at beginning of year | - | - | - | - | - | - | 2,405,317 | 2,405,317 |
| Fund balances at end of year | \$ - | \$ (962) | \$ - | \$ 962 | \$ - | \$ - | \$ 1,917,917 | \$ 1,917,917 |

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

| | 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 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 705,562 | \$ 705,562 |
| Charges for services | - | - | - | - | - | - | - | - |
| Miscellaneous | - | - | 250,000 | 250,000 | - | - | - | - |
| Intergovernmental: | | | | | | | | |
| County contribution to School Board | - | - | - | - | 71,748,432 | 71,748,432 | 89,748,432 | 18,000,000 |
| Commonwealth | - | - | - | - | 50,000 | 330,254 | 169,794 | (160,460) |
| Federal | - | - | - | - | - | - | 800,000 | 800,000 |
| Total revenues | \$ - | \$ - | \$ 250,000 | \$ 250,000 | \$ 71,798,432 | \$ 72,078,686 | \$ 91,423,788 | \$ 19,345,102 |
| Expenditures: | | | | | | | | |
| Current: | | | | | | | | |
| Education: | | | | | | | | |
| Instruction | \$ - | \$ - | \$ 294,000 | \$ (294,000) | \$ - | \$ - | \$ - | \$ - |
| Administration, attendance and health | - | - | - | - | - | - | - | - |
| Pupil transportation | - | - | - | - | - | - | - | - |
| Operation and maintenance of school plant | - | - | - | - | - | - | - | - |
| Facilities | - | - | - | - | - | - | - | - |
| Technology instruction | - | - | - | - | - | - | - | - |
| School food service | - | - | - | - | - | - | - | - |
| Total education | \$ - | \$ - | \$ 294,000 | \$ (294,000) | \$ - | \$ - | \$ - | \$ - |
| Capital Projects | - | - | - | - | 71,798,432 | 79,939,427 | 11,594,797 | 68,344,630 |
| Total expenditures | \$ - | \$ - | \$ 294,000 | \$ (294,000) | \$ 71,798,432 | \$ 79,939,427 | \$ 11,594,797 | \$ 68,344,630 |
| Excess (deficiency) of revenues over (under) expenditures | \$ - | \$ - | \$ (44,000) | \$ (44,000) | \$ - | \$ (7,860,741) | \$ 79,828,991 | \$ 87,689,732 |
| Changes in fund balances | \$ - | \$ - | \$ (44,000) | \$ (44,000) | \$ - | \$ (7,860,741) | \$ 79,828,991 | \$ 87,689,732 |
| Fund balances at beginning of year | - | - | 2,183,586 | 2,183,586 | - | 7,860,741 | 7,074,000 | (786,741) |
| Fund balances at end of year | \$ - | \$ - | \$ 2,139,586 | \$ 2,139,586 | \$ - | \$ - | \$ 86,902,991 | \$ 86,902,991 |

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

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

| | | | |
|---|----|--------------------|-------------------------|
| Net changes in fund balances - total governmental funds | \$ | 79,745,823 | |
| <p>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:</p> | | | |
| Capital asset additions | \$ | 3,464,461 | |
| Depreciation expense | | <u>(4,834,408)</u> | (1,369,947) |
| The net effect of various transactions involving capital assets (i.e. sales, trade-ins, and donations) is to decrease net position. | | | (14,978) |
| 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. | | | 2,588,076 |
| Increase (decrease) in deferred inflows related to the measurement of the net pension liabilities/assets. | | | (2,342,398) |
| Increase (decrease) in deferred inflows related to the measurement of the net OPEB liabilities/assets. | | | (397,669) |
| <p>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:</p> | | | |
| Compensated absences | \$ | (555,013) | |
| Decrease (increase) in net pension liability/asset | | 1,630,767 | |
| Decrease (increase) in net OPEB liability/asset | | 757,076 | |
| Decrease (increase) in deferred outflows related to pensions | | 4,753,534 | |
| Decrease (increase) in deferred outflows related to OPEB | | <u>165,068</u> | 6,751,432 |
| <p>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:</p> | | | |
| Principal retired on long-term debt | \$ | 264,408 | |
| Issuance of long-term debt | | <u>(1,164,098)</u> | (899,690) |
| Transfer of restricted cash from unspent bond proceeds for School Construction | | | (77,700,096) |
| Transfer of joint tenancy assets from Primary Government to the Component Unit School Board | | | <u>3,110,292</u> |
| Change in net position of governmental activities | \$ | | <u><u>9,470,845</u></u> |

Statement of Net Position
 Internal Service Funds -- Discretely Presented Component Unit -- School Board
 At June 30, 2025

| | Health Insurance Fund | Dental Insurance Fund | Total |
|---|--------------------------------------|--------------------------------------|----------------------|
| ASSETS | | | |
| Current Assets | | | |
| Cash and cash equivalents | \$ 15,277,914 | \$ 259,309 | \$ 15,537,223 |
| Total Assets | \$ 15,277,914 | \$ 259,309 | \$ 15,537,223 |
| NET POSITION | | | |
| Unrestricted | | | |
| Total Net Position | \$ 15,277,914 | \$ 259,309 | \$ 15,537,223 |
| Total Liabilities and Net Position | \$ 15,277,914 | \$ 259,309 | \$ 15,537,223 |

Statement of Revenues, Expenses and Changes in Net Position --
 Internal Service Funds -- Discretely Presented Component Unit -- School Board
 Year Ended June 30, 2025

| | <u>Health Insurance Fund</u> | <u>Dental Insurance Fund</u> | <u>Total Fund</u> |
|-----------------------------------|--------------------------------------|--------------------------------------|-----------------------------|
| Operating revenues: | | | |
| Charges for services | \$ <u>13,716,596</u> | \$ <u>496,179</u> | \$ <u>14,212,775</u> |
| Operating expenses: | | | |
| Fringe benefits | \$ <u>11,093,993</u> | \$ <u>530,706</u> | \$ <u>11,624,699</u> |
| Change in net position | \$ 2,622,603 | \$ (34,527) | \$ 2,588,076 |
| Net position at beginning of year | <u>12,655,311</u> | <u>293,836</u> | <u>12,949,147</u> |
| Net position at end of year | <u>\$ <u>15,277,914</u></u> | <u>\$ <u>259,309</u></u> | <u>\$ <u>15,537,223</u></u> |

Statement of Cash Flows
 Internal Service Funds -- Discretely Presented Component Unit -- School Board
 Year Ended June 30, 2025

| | Health Insurance Fund | Dental Insurance Fund | Total |
|--|--------------------------------------|--------------------------------------|----------------------|
| Cash flows from operating activities: | | | |
| Receipts from insured | \$ 13,716,596 | \$ 496,179 | \$ 14,212,775 |
| Payments to suppliers | <u>(11,093,993)</u> | <u>(530,706)</u> | <u>(11,624,699)</u> |
| Net cash provided by (used for) operating activities | \$ <u>2,622,603</u> | \$ <u>(34,527)</u> | \$ <u>2,588,076</u> |
| Increase (decrease) in cash and cash equivalents | \$ 2,622,603 | \$ (34,527) | \$ 2,588,076 |
| Cash and cash equivalents at beginning of year | <u>12,655,311</u> | <u>293,836</u> | <u>12,949,147</u> |
| Cash and cash equivalents at end of year | <u>\$ 15,277,914</u> | <u>\$ 259,309</u> | <u>\$ 15,537,223</u> |
| Reconciliation of operating income (loss) to net cash provided by (used for) operating activities: | | | |
| Operating income (loss) | <u>\$ 2,622,603</u> | <u>\$ (34,527)</u> | <u>\$ 2,588,076</u> |
| Net cash provided by (used for) operating activities | <u>\$ 2,622,603</u> | <u>\$ (34,527)</u> | <u>\$ 2,588,076</u> |

Discretely Presented Component Unit-Culpeper County EDA

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

Assets

Current assets:

Cash and cash equivalents \$ 307,358

Total assets \$ 307,358

Net Position

Unrestricted \$ 307,358

Total net position \$ 307,358

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

| | |
|--|--------------------------|
| Operating Expenses | |
| Economic development grants | \$ <u>687,062</u> |
| Operating income (loss) | \$ <u>(687,062)</u> |
| Nonoperating revenues | |
| Contribution from Culpeper County | \$ 690,331 |
| Interest revenue | <u>1,219</u> |
| Total nonoperating revenues | \$ <u>691,550</u> |
| Change in net position | \$ 4,488 |
| Net position, beginning of year | <u>302,870</u> |
| Net position, end of year | <u><u>\$ 307,358</u></u> |

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

| | |
|---|----------------------------|
| Cash flows from operating activities | |
| Payments to suppliers | \$ <u>(687,062)</u> |
| Net cash provided by (used for) by operating activities | \$ <u>(687,062)</u> |
| Cash flows from noncapital financing activities | |
| Contribution from Localities | \$ <u>690,331</u> |
| Cash flows from investing activities | |
| Interest revenue | \$ <u>1,219</u> |
| Net increase (decrease) in cash and cash equivalents | \$ 4,488 |
| Cash and cash equivalents, beginning of year | <u>302,870</u> |
| Cash and cash equivalents, end of year | \$ <u><u>307,358</u></u> |
| Reconciliation of operating income (loss) to net cash provided by (used for) operating activities: | |
| Operating income (loss) | \$ <u>(687,062)</u> |
| Net cash provided by (used for) by operating activities | \$ <u><u>(687,062)</u></u> |

Supporting Schedule

Governmental Funds and Discretely Presented Component Unit - School Board
 Schedule of Revenues -- Budget and Actual
 Year Ended June 30, 2025

| 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 | \$ 40,005,631 | \$ 40,005,631 | \$ 39,955,888 | \$ (49,743) |
| Real and personal public service corporation property taxes | 1,596,662 | 1,596,662 | 1,726,325 | 129,663 |
| Personal property taxes | 34,024,572 | 34,024,572 | 35,489,809 | 1,465,237 |
| Mobile home taxes | 17,203 | 17,203 | 16,754 | (449) |
| Machinery and tools taxes | 2,096,745 | 2,096,745 | 2,036,237 | (60,508) |
| Recreational property taxes | 405,076 | 405,076 | 398,388 | (6,688) |
| Penalties | 700,000 | 700,000 | 783,612 | 83,612 |
| Interest | 400,000 | 400,000 | 500,419 | 100,419 |
| Total general property taxes | \$ 79,245,889 | \$ 79,245,889 | \$ 80,907,432 | \$ 1,661,543 |
| Other local taxes: | | | | |
| Local sales and use taxes | \$ 10,000,000 | \$ 10,000,000 | \$ 9,459,717 | \$ (540,283) |
| Food and beverage tax | 600,000 | 600,000 | 513,272 | (86,728) |
| Consumer utility taxes | 872,400 | 872,400 | 876,302 | 3,902 |
| Motor vehicle licenses tax | - | - | 4,363 | 4,363 |
| Taxes on recordation and wills | 1,020,000 | 1,020,000 | 1,319,565 | 299,565 |
| Total other local taxes | \$ 12,492,400 | \$ 12,492,400 | \$ 12,173,219 | \$ (319,181) |
| Permits, privilege fees and regulatory licenses: | | | | |
| Animal licenses | \$ 11,500 | \$ 11,500 | \$ 10,469 | \$ (1,031) |
| Building and related permits | 926,500 | 946,000 | 1,121,561 | 175,561 |
| Other permits and licenses | 357,900 | 357,900 | 2,294,160 | 1,936,260 |
| Total permits, privilege fees and regulatory licenses | \$ 1,295,900 | \$ 1,315,400 | \$ 3,426,190 | \$ 2,110,790 |
| Fines and Forfeitures: | | | | |
| Court fines and forfeitures | \$ 70,000 | \$ 70,000 | \$ 179,340 | \$ 109,340 |
| Revenue from use of money and property: | | | | |
| Revenue from use of money | \$ 1,000,000 | \$ 1,000,000 | \$ 4,419,232 | \$ 3,419,232 |
| Revenue from use of property | 699,276 | 699,276 | 500,574 | (198,702) |
| Total revenue from use of money and property | \$ 1,699,276 | \$ 1,699,276 | \$ 4,919,806 | \$ 3,220,530 |

Governmental Funds and Discretely Presented Component Unit - School Board
 Schedule of Revenues -- Budget and Actual
 Year Ended June 30, 2025 (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 | \$ 6,500 | \$ 6,500 | \$ 5,739 | \$ (761) |
| Charges for Commonwealth's attorney | 4,000 | 4,000 | 4,926 | 926 |
| Charges for parks and recreation | 322,666 | 355,685 | 255,368 | (100,317) |
| Charges for law enforcement and traffic control | 127,300 | 127,300 | 111,032 | (16,268) |
| Charges for courthouse maintenance fees | 36,000 | 36,000 | 45,672 | 9,672 |
| Charges for courthouse and courtroom security fees | 100,000 | 100,000 | 132,377 | 32,377 |
| Charges for other court costs | 12,150 | 12,150 | 27,948 | 15,798 |
| Charges for other protection | - | 24,182 | 39,039 | 14,857 |
| Charges for library | - | 79,457 | 166,853 | 87,396 |
| Charges for fire and rescue services | 890,000 | 891,500 | 837,361 | (54,139) |
| Charges for planning and community development | 2,400 | 3,895 | 3,941 | 46 |
| Full circle thrift fees | 300,865 | 300,865 | 268,538 | (32,327) |
| Charges for law library | 12,000 | 12,000 | 12,886 | 886 |
| Cosmetology fees | 557,877 | 557,877 | 723,329 | 165,452 |
| Charges for daycare | 3,030,973 | 3,030,973 | 2,518,195 | (512,778) |
| Total charges for services | \$ 5,402,731 | \$ 5,542,384 | \$ 5,153,204 | \$ (389,180) |
| Miscellaneous: | | | | |
| Miscellaneous | \$ 198,764 | \$ 623,169 | \$ 1,096,260 | \$ 473,091 |
| Total miscellaneous | \$ 198,764 | \$ 623,169 | \$ 1,096,260 | \$ 473,091 |
| Recovered costs: | | | | |
| Town of Culpeper E-911 | \$ 857,548 | \$ 857,548 | \$ 647,570 | \$ (209,978) |
| Total recovered costs | \$ 857,548 | \$ 857,548 | \$ 647,570 | \$ (209,978) |
| Total revenue from local sources | \$ 101,262,508 | \$ 101,846,066 | \$ 108,503,021 | \$ 6,656,955 |
| Intergovernmental: | | | | |
| Revenue from the Commonwealth: | | | | |
| Noncategorical aid: | | | | |
| Motor vehicle carriers' tax | \$ 45,000 | \$ 45,000 | \$ 49,148 | \$ 4,148 |
| Mobile home titling taxes | 27,500 | 27,500 | 26,949 | (551) |
| Communications tax | 1,365,500 | 1,365,500 | 1,340,162 | (25,338) |
| PPTRA | 3,367,808 | 3,367,808 | 3,367,808 | - |
| Auto rental tax | 122,500 | 122,500 | 131,244 | 8,744 |
| Other taxes | - | 1,474 | 2,149 | 675 |
| Total noncategorical aid | \$ 4,928,308 | \$ 4,929,782 | \$ 4,917,460 | \$ (12,322) |

Governmental Funds and Discretely Presented Component Unit - School Board
 Schedule of Revenues -- Budget and Actual
 Year Ended June 30, 2025 (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 | \$ 675,577 | \$ 91,725 |
| Sheriff | 3,679,471 | 3,679,471 | 4,114,123 | 434,652 |
| Commissioner of the Revenue | 196,527 | 196,527 | 206,898 | 10,371 |
| Treasurer | 168,231 | 168,231 | 205,273 | 37,042 |
| Registrar/electoral board | 82,500 | 82,500 | 92,649 | 10,149 |
| Clerk of the Circuit Court | 412,560 | 446,767 | 463,345 | 16,578 |
| Combined Court | 12,500 | 12,500 | 13,097 | 597 |
| | <u>\$ 5,135,641</u> | <u>\$ 5,169,848</u> | <u>\$ 5,770,962</u> | <u>\$ 601,114</u> |
| Total shared expenses | | | | |
| Other categorical aid: | | | | |
| Welfare administration and assistance | \$ 2,969,993 | \$ 2,969,993 | \$ 1,704,824 | \$ (1,265,169) |
| Local jail | 140,000 | 140,000 | 157,974 | 17,974 |
| Fire service program | 145,000 | 145,000 | 166,509 | 21,509 |
| Families first grant | 177,549 | 177,549 | 181,522 | 3,973 |
| Library aid | 236,060 | 236,060 | 253,745 | 17,685 |
| E-911 wireless | 210,000 | 210,000 | 215,668 | 5,668 |
| Four for life funds | 60,000 | 60,000 | 60,295 | 295 |
| Community youth services grant | 2,092,045 | 2,363,181 | 2,082,533 | (280,648) |
| Juvenile and domestic relations | 51,802 | 51,802 | 10,907 | (40,895) |
| Criminal justice services Probation | 520,534 | 520,534 | 539,756 | 19,222 |
| Crime victim assistance | 27,508 | 27,508 | 34,739 | 7,231 |
| Other categorical aid | 44,451 | 2,233,822 | 363,753 | (1,870,069) |
| | <u>\$ 6,674,942</u> | <u>\$ 9,135,449</u> | <u>\$ 5,772,225</u> | <u>\$ (3,363,224)</u> |
| Total other categorical aid | | | | |
| Total categorical aid | <u>\$ 11,810,583</u> | <u>\$ 14,305,297</u> | <u>\$ 11,543,187</u> | <u>\$ (2,762,110)</u> |
| Total revenue from the Commonwealth | <u>\$ 16,738,891</u> | <u>\$ 19,235,079</u> | <u>\$ 16,460,647</u> | <u>\$ (2,774,432)</u> |

Governmental Funds and Discretely Presented Component Unit - School Board
 Schedule of Revenues -- Budget and Actual
 Year Ended June 30, 2025 (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 | \$ 3,516,928 | \$ 3,516,928 | \$ 3,533,449 | \$ 16,521 |
| Department of justice grants | - | 83,936 | 29,734 | (54,202) |
| Emergency services | - | - | 10,751 | 10,751 |
| VSTOP grant | 36,638 | 36,638 | 36,638 | - |
| Victim witness grant | 64,184 | 64,184 | 56,150 | (8,034) |
| Drug court federal grant | 187,887 | 187,887 | 161,321 | (26,566) |
| USDA grant funds | 320,000 | 320,000 | 436,413 | 116,413 |
| Head Start | 2,299,804 | 2,299,804 | 1,633,168 | (666,636) |
| Early Head Start | 1,051,609 | 1,051,609 | 1,982,509 | 930,900 |
| Federal interest subsidy | - | - | 26,288 | 26,288 |
| DMV selective enforcement grant | - | 76,937 | 30,379 | (46,558) |
| Total revenue from the federal government | <u>\$ 7,477,050</u> | <u>\$ 7,637,923</u> | <u>\$ 7,936,800</u> | <u>\$ 298,877</u> |
| Total General Fund | <u>\$ 125,478,449</u> | <u>\$ 128,719,068</u> | <u>\$ 132,900,468</u> | <u>\$ 4,181,400</u> |
| American Rescue Plan ACT Fund: | | | | |
| Intergovernmental : | | | | |
| Revenue from the federal government: | | | | |
| Categorical aid: | | | | |
| American Rescue Plan Act funds | \$ - | \$ - | \$ 7,379,639 | \$ 7,379,639 |
| Total American Rescue Plan ACT Fund | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 7,379,639</u> | <u>\$ 7,379,639</u> |
| Capital Projects Fund: | | | | |
| Revenue from local sources: | | | | |
| Revenue from use of money and property: | | | | |
| Revenue from use of property | \$ - | \$ - | \$ 14,837 | \$ 14,837 |
| Total revenue from use of money and property | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 14,837</u> | <u>\$ 14,837</u> |
| Miscellaneous: | | | | |
| Miscellaneous | \$ 60,000 | \$ 144,520 | \$ 1,440,464 | \$ 1,295,944 |
| Total revenue from local sources | <u>\$ 60,000</u> | <u>\$ 144,520</u> | <u>\$ 1,455,301</u> | <u>\$ 1,310,781</u> |
| Revenue from the Commonwealth: | | | | |
| Categorical aid: | | | | |
| Other grants | \$ - | \$ 271,600 | \$ 94,406 | \$ (177,194) |
| Total revenue from the Commonwealth | <u>\$ -</u> | <u>\$ 271,600</u> | <u>\$ 94,406</u> | <u>\$ (177,194)</u> |
| Total Capital Projects Fund | <u>\$ 60,000</u> | <u>\$ 416,120</u> | <u>\$ 1,549,707</u> | <u>\$ 1,133,587</u> |
| Total Revenues -- Primary Government | <u>\$ 125,538,449</u> | <u>\$ 129,135,188</u> | <u>\$ 141,829,814</u> | <u>\$ 12,694,626</u> |

Governmental Funds and Discretely Presented Component Unit - School Board
 Schedule of Revenues -- Budget and Actual
 Year Ended June 30, 2025 (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 | \$ 129,227 | \$ 74,227 |
| Total revenue from use of money and property | \$ 55,000 | \$ 55,000 | \$ 129,227 | \$ 74,227 |
| Charges for services: | | | | |
| Textbook sales | \$ 6,000 | \$ 6,000 | \$ 1,223 | \$ (4,777) |
| Transportation and field trips | 45,000 | 45,000 | 136,301 | 91,301 |
| Tuition and fees | 178,500 | 178,500 | 52,011 | (126,489) |
| Total charges for services | \$ 229,500 | \$ 229,500 | \$ 189,535 | \$ (39,965) |
| Miscellaneous: | | | | |
| Miscellaneous | \$ 856,500 | \$ 856,500 | \$ 634,007 | \$ (222,493) |
| Total miscellaneous | \$ 856,500 | \$ 856,500 | \$ 634,007 | \$ (222,493) |
| Total revenue from local sources | \$ 1,141,000 | \$ 1,141,000 | \$ 952,769 | \$ (188,231) |
| Intergovernmental: | | | | |
| County contribution to School Board | \$ 36,934,161 | \$ 36,934,161 | \$ 32,070,182 | \$ (4,863,979) |
| Revenue from the Commonwealth: | | | | |
| Categorical aid: | | | | |
| Share of state sales tax | \$ 12,359,718 | \$ 12,359,718 | \$ 12,548,123 | \$ 188,405 |
| Basic school aid | 38,731,606 | 38,731,606 | 34,020,637 | (4,710,969) |
| Special education-SOQ | 3,359,079 | 3,359,079 | 3,288,301 | (70,778) |
| Primary class size | 1,471,887 | 1,471,887 | 1,401,735 | (70,152) |
| Infrastructure and operation PPA | 2,117,642 | 2,117,642 | 2,325,726 | 208,084 |
| Gifted and talented | 346,022 | 346,022 | 338,731 | (7,291) |
| Remedial education | 1,325,532 | 1,325,532 | - | (1,325,532) |
| Preschool initiative | 1,490,258 | 1,490,258 | 764,567 | (725,691) |
| Vocational education-SOQ | 1,357,473 | 1,357,473 | 1,328,870 | (28,603) |
| Educational technology | 310,000 | 310,000 | 676,034 | 366,034 |
| At - risk | 3,852,416 | 3,852,416 | 5,858,469 | 2,006,053 |
| Textbook | 852,493 | 852,493 | 834,530 | (17,963) |
| Fringe benefits | 6,558,456 | 6,558,456 | 6,076,322 | (482,134) |
| ESL | 1,637,567 | 1,637,567 | 3,052,616 | 1,415,049 |
| Special education-Tuition | 670,210 | 670,210 | 529,520 | (140,690) |
| Early reading intervention | 431,502 | 431,502 | 431,502 | - |
| Compensation supplements | 417,688 | 417,688 | 1,413,314 | 995,626 |
| Other categorical aid | 314,152 | 317,171 | 3,244,107 | 2,926,936 |
| Total categorical aid | \$ 77,603,701 | \$ 77,606,720 | \$ 78,133,104 | \$ 526,384 |
| Total revenue from the Commonwealth | \$ 77,603,701 | \$ 77,606,720 | \$ 78,133,104 | \$ 526,384 |

Governmental Funds and Discretely Presented Component Unit - School Board
 Schedule of Revenues -- Budget and Actual
 Year Ended June 30, 2025 (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 | \$ 1,855,393 | \$ 219,270 |
| Title II -- Part A | 174,722 | 174,722 | 246,989 | 72,267 |
| Title IV -- Part A | - | - | 247,012 | 247,012 |
| Title VI - B | 1,547,623 | 1,547,623 | 2,188,550 | 640,927 |
| Preschool incentive | 45,688 | 45,688 | 46,206 | 518 |
| Title III | 83,336 | 83,336 | 195,145 | 111,809 |
| Vocational education | 127,757 | 127,757 | 147,917 | 20,160 |
| ESSER | - | - | 13,991 | 13,991 |
| Miscellaneous federal grants | 64,974 | 64,974 | 116,130 | 51,156 |
| Total revenue from the federal government | <u>\$ 3,680,223</u> | <u>\$ 3,680,223</u> | <u>\$ 5,057,333</u> | <u>\$ 1,377,110</u> |
| Total School Operating Fund | <u>\$ 119,359,085</u> | <u>\$ 119,362,104</u> | <u>\$ 116,213,388</u> | <u>\$ (3,148,716)</u> |
| 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 | 762,682 | 762,682 | 340,243 | (422,439) |
| Miscellaneous: | | | | |
| Miscellaneous | 51,819 | 51,819 | 121,674 | 69,855 |
| Total revenue from local sources | <u>\$ 841,001</u> | <u>\$ 841,001</u> | <u>\$ 461,917</u> | <u>\$ (379,084)</u> |
| Intergovernmental: | | | | |
| Revenue from the Commonwealth: | | | | |
| Categorical aid: | | | | |
| School food program grant | \$ 101,789 | \$ 101,789 | \$ 71,341 | \$ (30,448) |
| Total revenue from the Commonwealth | <u>\$ 101,789</u> | <u>\$ 101,789</u> | <u>\$ 71,341</u> | <u>\$ (30,448)</u> |
| Revenue from the federal government: | | | | |
| Categorical aid: | | | | |
| School food program grant | \$ 3,729,703 | \$ 3,729,703 | \$ 4,036,076 | \$ 306,373 |
| Total revenue from the federal government | <u>\$ 3,729,703</u> | <u>\$ 3,729,703</u> | <u>\$ 4,036,076</u> | <u>\$ 306,373</u> |
| Total School Cafeteria Fund | <u>\$ 4,672,493</u> | <u>\$ 4,672,493</u> | <u>\$ 4,569,334</u> | <u>\$ (103,159)</u> |

Governmental Funds and Discretely Presented Component Unit - School Board
 Schedule of Revenues -- Budget and Actual
 Year Ended June 30, 2025 (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 | \$ - | \$ - | \$ 250,000 | \$ 250,000 |
| Total School Textbook Fund | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 250,000</u> | <u>\$ 250,000</u> |
| School Capital Projects Fund: | | | | |
| Revenue from local sources: | | | | |
| Revenue from use of money and property: | | | | |
| Revenue from use of money | \$ - | \$ - | \$ 705,562 | \$ 705,562 |
| Intergovernmental: | | | | |
| County contribution to School Board | \$ 71,748,432 | \$ 71,748,432 | \$ 89,748,432 | \$ 18,000,000 |
| Revenue from the Commonwealth: | | | | |
| Categorical aid: | | | | |
| School security grant | \$ 50,000 | \$ 330,254 | \$ 169,794 | \$ (160,460) |
| Total revenue from the Commonwealth | <u>\$ 50,000</u> | <u>\$ 330,254</u> | <u>\$ 169,794</u> | <u>\$ (160,460)</u> |
| Revenue from the federal government: | | | | |
| Categorical aid: | | | | |
| EPA | \$ - | \$ - | \$ 800,000 | \$ 800,000 |
| Total School Capital Projects Fund | <u>\$ 71,798,432</u> | <u>\$ 72,078,686</u> | <u>\$ 91,423,788</u> | <u>\$ 19,345,102</u> |

| 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 |
| Fund Balances of Governmental Funds | 4 |
| Changes in Fund Balances of Governmental Funds | 5 |
| 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 |
| Principal Taxpayers | 9 |
| Property Tax Levies and Collections | 10 |
| Debt Capacity | |
| These tables present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue debt in the future. | |
| Ratios of Outstanding Debt by Type | 11 |
| Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita | 12 |
| Computation of Direct and Overlapping Bonded Debt | 13 |
| Demographic and Economic Information | |
| 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. | |
| Demographic and Economic Statistics | 14 |
| Operating Information | |
| 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. | |
| Principal Employers | 15 |
| 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)

| | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| Governmental activities: | | | | | |
| Net investment in capital assets | \$ 21,001,499 | \$ 20,476,394 | \$ 22,417,921 | \$ 25,730,555 | \$ 26,119,321 |
| Restricted | - | - | - | - | - |
| Unrestricted | <u>29,135,567</u> | <u>31,150,231</u> | <u>31,272,022</u> | <u>31,945,875</u> | <u>30,927,744</u> |
| Total governmental activities net position | <u>\$ 50,137,066</u> | <u>\$ 51,626,625</u> | <u>\$ 53,689,943</u> | <u>\$ 57,676,430</u> | <u>\$ 57,047,065</u> |
| Business-type activities: | | | | | |
| Net investment in capital assets | \$ 38,066,796 | \$ 36,577,263 | \$ 35,819,052 | \$ 34,797,441 | \$ 36,598,124 |
| Unrestricted | <u>744,747</u> | <u>987,074</u> | <u>462,725</u> | <u>502,152</u> | <u>(362,843)</u> |
| Total primary government expenses | <u>\$ 38,811,543</u> | <u>\$ 37,564,337</u> | <u>\$ 36,281,777</u> | <u>\$ 35,299,593</u> | <u>\$ 36,235,281</u> |
| Primary government | | | | | |
| Net investment in capital assets | \$ 59,068,295 | \$ 57,053,657 | \$ 58,236,973 | \$ 60,527,996 | \$ 62,717,445 |
| Restricted | - | - | - | - | - |
| Unrestricted | <u>29,880,314</u> | <u>32,137,305</u> | <u>31,734,747</u> | <u>32,448,027</u> | <u>30,564,901</u> |
| Total primary government | <u>\$ 88,948,609</u> | <u>\$ 89,190,962</u> | <u>\$ 89,971,720</u> | <u>\$ 92,976,023</u> | <u>\$ 93,282,346</u> |

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

| | <u>2021</u> | <u>2022</u> | <u>2023</u> | <u>2024</u> | <u>2025</u> |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Governmental activities: | | | | | |
| Net investment in capital assets | \$ 27,908,531 | \$ 39,186,778 | \$ 44,297,912 | \$ 46,700,177 | \$ 54,427,047 |
| Restricted | - | - | 837,792 | 1,294,492 | 1,215,334 |
| Unrestricted | 50,335,048 | 52,610,847 | 54,746,849 | 66,614,871 | 77,939,924 |
| Total governmental activities net position | <u>\$ 78,243,579</u> | <u>\$ 91,797,625</u> | <u>\$ 99,882,553</u> | <u>\$ 114,609,540</u> | <u>\$ 133,582,305</u> |
| Business-type activities: | | | | | |
| Net investment in capital assets | \$ 35,294,632 | \$ 34,222,628 | \$ 33,099,471 | \$ 33,475,257 | \$ 34,052,426 |
| Unrestricted | (699,047) | (567,387) | 21,632 | (1,804,335) | (1,767,166) |
| Total primary government expenses | <u>\$ 34,595,585</u> | <u>\$ 33,655,241</u> | <u>\$ 33,121,103</u> | <u>\$ 31,670,922</u> | <u>\$ 32,285,260</u> |
| Primary government | | | | | |
| Net investment in capital assets | \$ 63,203,163 | \$ 73,409,406 | \$ 77,397,383 | \$ 80,175,434 | \$ 88,479,473 |
| Restricted | - | - | 837,792 | 1,294,492 | 1,215,334 |
| Unrestricted | 49,636,001 | 52,043,460 | 54,768,481 | 64,810,536 | 76,172,758 |
| Total primary government | <u>\$ 112,839,164</u> | <u>\$ 125,452,866</u> | <u>\$ 133,003,656</u> | <u>\$ 146,280,462</u> | <u>\$ 165,867,565</u> |

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

| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|--|---------------|---------------|---------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Expenses: | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| General government | | | | | | | | | | |
| administration | \$ 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 | \$ 6,102,373 |
| Judicial administration | 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 | 5,925,247 |
| Public safety | 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 | 37,230,371 |
| Public works | 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 | 2,347,095 |
| Health & welfare | 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 | 21,886,495 |
| Education | 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 | 39,451,661 |
| Parks, recreation, & cultural | 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 | 2,981,819 |
| Community development | 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 | 2,739,850 |
| Interest & other fiscal charges | 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 | 722,938 |
| Total governmental activities expenses | \$ 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 | \$ 119,387,849 |
| Business-type activities: | | | | | | | | | | |
| Landfill | \$ 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 | \$ 5,328,030 |
| Water & sewer | 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 | 1,967,059 |
| Airport | 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 | 2,101,505 |
| Water & sewer authority | 901,092 | 834,070 | 874,662 | 1,041,137 | 1,076,296 | 758,888 | 626,103 | 626,103 | 626,103 | 626,103 |
| Total business-type activities expenses | \$ 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 | \$ 10,022,697 |
| Total primary government expenses | \$ 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 | \$ 129,410,546 |
| Program revenues: | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| General government | | | | | | | | | | |
| Judicial administration | \$ 220,689 | \$ 245,394 | \$ 230,716 | \$ 255,027 | \$ 228,638 | \$ 188,137 | \$ 310,085 | \$ 347,786 | \$ 263,287 | \$ 408,888 |
| Public safety | 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 | 4,413,622 |
| Health & welfare | 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 | 3,510,062 |
| Parks, recreation, & cultural | 214,469 | 216,603 | 318,693 | 188,487 | 160,308 | 160,328 | 222,978 | 281,378 | 361,922 | 422,221 |
| Community development | 1,311 | 3,874 | 5,688 | 4,924 | 5,086 | 3,879 | 2,051 | 4,405 | 3,667 | 3,941 |
| Operating grants & contributions: | | | | | | | | | | |
| General government | | | | | | | | | | |
| administration | 369,826 | 338,893 | 343,888 | 349,205 | 392,281 | 965,969 | 505,732 | 444,867 | 497,873 | 531,108 |
| Judicial administration | 741,865 | 738,963 | 762,183 | 754,869 | 879,313 | 883,877 | 963,785 | 1,068,935 | 1,257,647 | 1,313,340 |
| Public safety | 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 | 13,207,015 |
| Public works | - | - | - | - | - | - | 281,931 | - | - | - |
| Health & welfare | 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 | 11,554,418 |
| Parks, recreation, & cultural | 148,946 | 153,288 | 152,500 | 154,277 | 161,944 | 177,356 | 176,688 | 200,498 | 236,184 | 253,745 |
| Community development | 420,000 | - | - | - | - | 4,680,581 | - | 79,833 | 1,685,949 | - |
| Interest on long-term debt | - | - | - | - | - | - | - | - | - | - |
| Capital grants & contributions | 1,075,856 | 208,004 | 542,927 | 146,498 | 553,285 | 8,208,270 | 844,477 | 702,200 | 3,046,213 | 94,406 |
| Total governmental activities program revenues | \$ 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 | \$ 35,712,766 |

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

| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Program revenues: (Continued) | | | | | | | | | | |
| Business-type activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| Landfill | \$ 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 | \$ 2,499,197 |
| Water & sewer | 788,210 | 773,496 | 745,269 | 948,438 | 967,807 | 668,641 | 518,151 | 630,245 | 781,272 | 936,412 |
| Airport | 829,613 | 978,422 | 1,009,731 | 962,574 | 991,404 | 1,116,457 | 1,156,964 | 1,222,527 | 1,341,117 | 1,299,880 |
| Operating grants & contributions: | | | | | | | | | | |
| Water & sewer | - | - | - | - | - | - | - | - | - | - |
| Airport | 26,400 | 36,887 | 20,918 | 23,516 | 48,743 | 13,030 | 18,252 | 60,287 | 31,731 | 36,229 |
| Capital grants & contributions | 1,617,157 | 473,031 | 255,496 | 350,716 | 2,880,428 | 308,251 | 263,695 | 357,562 | 1,415,914 | 1,883,444 |
| Total business-type activities program revenues | \$ 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 | \$ 6,655,162 |
| Total primary government program revenues | \$ 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 | \$ 42,367,928 |
| Net (expense) / revenue | | | | | | | | | | |
| Governmental activities | \$ (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) | \$ (83,675,083) |
| Business-type activities | (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) | (3,367,535) |
| Total primary government net expense | \$ (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) | \$ (87,042,618) |
| General Revenues & Other | | | | | | | | | | |
| Changes in Net Position | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| General property taxes | \$ 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 | \$ 81,839,390 |
| Local sales & use taxes | 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 | 9,459,717 |
| Consumer utility taxes | 784,328 | 799,701 | 842,434 | 853,940 | 835,781 | 845,215 | 856,092 | 844,578 | 894,184 | 876,302 |
| E-911 taxes | - | - | - | - | - | - | - | - | - | - |
| Taxes on recordation & wills | 762,765 | 885,276 | 795,709 | 849,730 | 962,595 | 1,445,465 | 1,321,394 | 1,060,896 | 963,248 | 1,319,565 |
| Motor vehicle license taxes | 842,419 | 804,588 | 789,141 | 813,619 | 798,671 | 864,857 | 833,491 | 50,917 | 14,725 | 4,363 |
| Other local taxes | 16,459 | 19,021 | 20,975 | 18,755 | 51,875 | 54,825 | 88,510 | 221,719 | 546,568 | 513,272 |
| Unrestricted revenues from use | | | | | | | | | | |
| of money & property | 511,220 | 548,640 | 644,546 | 1,132,434 | 1,143,782 | 636,770 | 650,949 | 3,742,271 | 5,315,937 | 4,934,643 |
| Miscellaneous | 828,463 | 381,966 | 675,503 | 512,657 | 365,104 | 856,753 | 1,024,584 | 1,922,928 | 1,943,592 | 2,536,724 |
| Grants & contributions not | | | | | | | | | | |
| restricted to specific programs | 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 | 4,917,460 |
| Transfers | (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) | (3,753,588) |
| Total governmental activities | \$ 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 | \$ 102,647,848 |
| Business-type activities: | | | | | | | | | | |
| Unrestricted revenues from use | | | | | | | | | | |
| of money & property | \$ 3,213 | \$ 7,852 | \$ 20,847 | \$ 61,323 | \$ 58,969 | \$ 1,746 | \$ 4,123 | \$ 188,816 | \$ 300,673 | \$ 228,285 |
| Transfers | 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 | 3,753,588 |
| Total business-type activities | \$ 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 | \$ 3,981,873 |
| Total primary government | \$ 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 | \$ 106,629,721 |
| Change in Net Position | | | | | | | | | | |
| Governmental activities | \$ 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 | \$ 18,972,765 |
| Business-type activities | (1,025,279) | (1,247,206) | (1,186,242) | (982,184) | 935,688 | (1,639,696) | (940,344) | (534,138) | (700,851) | 614,338 |
| Total primary government | \$ 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 | \$ 19,587,103 |

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

| <u>Fiscal Year</u> | <u>General Property Taxes</u> | <u>Local Sales and Use Taxes</u> | <u>Consumer Utility Taxes</u> | <u>Taxes on Recordation and Wills</u> | <u>Motor Vehicle License Taxes</u> | <u>Other Local Taxes (1)</u> | <u>Total</u> |
|--------------------|-------------------------------|----------------------------------|-------------------------------|---------------------------------------|------------------------------------|------------------------------|---------------|
| 2025 | \$ 81,839,390 | \$ 9,459,717 | \$ 876,302 | \$ 1,319,565 | \$ 4,363 | \$ 513,272 | \$ 94,012,609 |
| 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 |

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

| | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> |
|------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| General fund | | | | | |
| Nonspendable | \$ - | \$ - | \$ - | \$ 84,057 | \$ 118,239 |
| Restricted | 106,625 | 110,427 | 87,128 | 86,799 | 105,501 |
| Committed | 2,373,097 | 1,860,834 | 1,898,597 | 4,459,548 | 5,638,734 |
| Assigned | 11,675 | 11,675 | 2,061,373 | 2,188,011 | 2,520,226 |
| Unassigned | <u>30,097,176</u> | <u>30,747,712</u> | <u>31,253,990</u> | <u>31,606,771</u> | <u>38,148,765</u> |
| Total general fund | <u>\$ 32,588,573</u> | <u>\$ 32,730,648</u> | <u>\$ 35,301,088</u> | <u>\$ 38,425,186</u> | <u>\$ 46,531,465</u> |
| All other governmental funds | | | | | |
| Committed | <u>\$ 2,880,952</u> | <u>\$ 4,741,026</u> | <u>\$ 5,266,929</u> | <u>\$ 3,364,194</u> | <u>\$ 5,401,574</u> |
| Total all other governmental funds | <u>\$ 2,880,952</u> | <u>\$ 4,741,026</u> | <u>\$ 5,266,929</u> | <u>\$ 3,364,194</u> | <u>\$ 5,401,574</u> |

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

| | <u>2021</u> | <u>2022</u> | <u>2023</u> | <u>2024</u> | <u>2025</u> |
|------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| General fund | | | | | |
| Nonspendable | \$ 142,238 | \$ 168,246 | \$ 244,950 | \$ 625,805 | \$ 201,870 |
| Restricted | 230,636 | 1,076,515 | 872,461 | 984,575 | 709,759 |
| Committed | 8,749,397 | 10,653,900 | 12,304,149 | 12,470,035 | 14,421,789 |
| Assigned | 2,684,474 | 2,920,556 | 2,785,111 | 2,989,718 | 3,332,934 |
| Unassigned | <u>47,708,808</u> | <u>47,646,902</u> | <u>45,565,768</u> | <u>43,802,004</u> | <u>50,776,594</u> |
| Total general fund | <u>\$ 59,515,553</u> | <u>\$ 62,466,119</u> | <u>\$ 61,772,439</u> | <u>\$ 60,872,137</u> | <u>\$ 69,442,946</u> |
| All other governmental funds | | | | | |
| Committed | <u>\$ 7,156,386</u> | <u>\$ 6,338,588</u> | <u>\$ 8,455,030</u> | <u>\$ 17,418,075</u> | <u>\$ 17,314,067</u> |
| Total all other governmental funds | <u>\$ 7,156,386</u> | <u>\$ 6,338,588</u> | <u>\$ 8,455,030</u> | <u>\$ 17,418,075</u> | <u>\$ 17,314,067</u> |

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

| | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Revenues: | | | | | |
| General property taxes | \$ 56,741,652 | \$ 59,087,406 | \$ 63,368,224 | \$ 63,979,906 | \$ 65,382,461 |
| Other local taxes | 8,242,421 | 9,070,194 | 9,361,605 | 9,071,378 | 9,793,364 |
| Permits, privilege fees and regulatory licenses | 857,772 | 963,959 | 944,909 | 1,092,849 | 1,079,778 |
| Fines and forfeitures | 53,638 | 42,749 | 45,371 | 65,124 | 63,755 |
| Revenue from use of money and property | 511,220 | 548,640 | 644,546 | 1,132,434 | 1,143,782 |
| Charges for services | 3,425,438 | 3,592,364 | 3,860,587 | 4,073,670 | 3,725,906 |
| Miscellaneous | 828,463 | 381,966 | 675,503 | 512,657 | 365,104 |
| Recovered costs | 42,656 | 350,621 | 450,697 | 481,197 | 514,429 |
| Intergovernmental: | | | | | |
| School Board Contribution to Primary Government | 809,724 | - | - | - | - |
| Commonwealth | 15,995,003 | 14,863,756 | 15,192,936 | 14,277,581 | 14,747,440 |
| Federal | 7,660,923 | 7,031,681 | 5,764,147 | 5,728,463 | 8,453,743 |
| Total revenues | <u>\$ 95,168,910</u> | <u>\$ 95,933,336</u> | <u>\$ 100,308,525</u> | <u>\$ 100,415,259</u> | <u>\$ 105,269,762</u> |
| Expenditures: | | | | | |
| General government administration | \$ 4,953,548 | \$ 4,339,420 | \$ 4,878,705 | \$ 4,871,075 | \$ 5,272,344 |
| Judicial administration | 3,383,748 | 3,371,500 | 3,790,604 | 4,132,245 | 4,034,154 |
| Public safety | 17,779,124 | 18,488,205 | 21,228,815 | 22,306,240 | 22,977,849 |
| Public works | 5,838,019 | 2,945,253 | 1,577,177 | 2,984,749 | 1,499,103 |
| Health and welfare | 18,214,297 | 17,829,715 | 17,254,103 | 16,595,866 | 16,111,169 |
| Education | 29,758,919 | 32,757,601 | 33,976,985 | 32,226,214 | 47,438,530 |
| Parks, recreation, and cultural | 1,922,212 | 1,961,670 | 2,413,384 | 2,621,458 | 2,247,092 |
| Community development | 2,046,156 | 1,634,352 | 1,732,493 | 2,838,723 | 2,116,119 |
| Nondepartmental | - | - | - | - | - |
| Capital projects | - | - | - | - | - |
| Debt service: | | | | | |
| Principal retirement | 5,996,910 | 6,122,712 | 5,830,252 | 5,947,662 | 6,423,882 |
| Interest and other fiscal charges | 3,413,085 | 3,175,139 | 2,944,639 | 2,771,695 | 3,158,442 |
| Total expenditures | <u>\$ 93,306,018</u> | <u>\$ 92,625,567</u> | <u>\$ 95,627,157</u> | <u>\$ 97,295,927</u> | <u>\$ 111,278,684</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>\$ 1,862,892</u> | <u>\$ 3,307,769</u> | <u>\$ 4,681,368</u> | <u>\$ 3,119,332</u> | <u>\$ (6,008,922)</u> |
| Other financing sources (uses): | | | | | |
| Transfers in | \$ 5,762,903 | \$ 4,678,875 | \$ 2,771,740 | \$ 4,158,148 | \$ 2,708,000 |
| Transfers (out) | (8,414,178) | (5,984,495) | (4,373,901) | (6,056,117) | (4,208,492) |
| Issuance of debt | - | - | 731,464 | - | 16,450,000 |
| Premium on bonds issued | - | - | - | - | 1,203,073 |
| Payment to bond escrow agent | - | - | - | - | - |
| Retirement of temporary financing | - | - | - | - | - |
| Total other financing sources (uses) | <u>\$ (2,651,275)</u> | <u>\$ (1,305,620)</u> | <u>\$ (870,697)</u> | <u>\$ (1,897,969)</u> | <u>\$ 16,152,581</u> |
| Net changes in fund balances | <u>\$ (788,383)</u> | <u>\$ 2,002,149</u> | <u>\$ 3,810,671</u> | <u>\$ 1,221,363</u> | <u>\$ 10,143,659</u> |
| Debt service as a percentage of noncapital expenditures | <u>10.55%</u> | <u>10.34%</u> | <u>9.53%</u> | <u>9.37%</u> | <u>9.36%</u> |

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

| | <u>2021</u> | <u>2022</u> | <u>2023</u> | <u>2024</u> | <u>2025</u> |
|--|-----------------------|-----------------------|-----------------------|-----------------------|------------------------|
| Revenues: | | | | | |
| General property taxes | \$ 67,883,449 | \$ 69,457,255 | \$ 71,991,794 | \$ 76,800,660 | \$ 80,907,432 |
| Other local taxes | 11,325,397 | 12,021,955 | 11,152,671 | 11,969,535 | 12,173,219 |
| Permits, privilege fees and regulatory licenses | 1,076,354 | 1,128,823 | 2,475,652 | 2,366,091 | 3,426,190 |
| Fines and forfeitures | 45,916 | 76,465 | 117,237 | 70,850 | 179,340 |
| Revenue from use of money and property | 636,770 | 650,949 | 3,742,271 | 5,315,937 | 4,934,643 |
| Charges for services | 4,421,447 | 4,062,363 | 5,054,653 | 4,785,854 | 5,153,204 |
| Miscellaneous | 856,753 | 892,484 | 1,118,897 | 1,532,289 | 2,536,724 |
| Recovered costs | 403,311 | 344,522 | 386,190 | 598,185 | 647,570 |
| Intergovernmental: | | | | | |
| School Board Contribution to Primary Government | 8,177,396 | 844,477 | - | - | - |
| Commonwealth | 13,945,941 | 14,159,769 | 15,418,596 | 18,539,643 | 16,555,053 |
| Federal | 13,420,373 | 10,300,473 | 8,649,852 | 10,623,913 | 15,316,439 |
| Total revenues | \$ 122,193,107 | \$ 113,939,535 | \$ 120,107,813 | \$ 132,602,957 | \$ 141,829,814 |
| Expenditures: | | | | | |
| General government administration | \$ 6,027,486 | \$ 5,979,019 | \$ 6,303,514 | \$ 6,992,083 | \$ 6,734,767 |
| Judicial administration | 4,229,087 | 4,585,471 | 5,126,470 | 5,457,469 | 5,913,495 |
| Public safety | 23,564,314 | 26,647,895 | 27,605,422 | 29,248,266 | 37,775,585 |
| Public works | 1,345,508 | 2,839,388 | 5,033,219 | 4,293,665 | 1,698,084 |
| Health and welfare | 16,208,835 | 19,320,293 | 20,042,284 | 20,536,586 | 21,666,948 |
| Education | 36,333,744 | 32,100,417 | 37,367,579 | 37,064,568 | 122,057,017 |
| Parks, recreation, and cultural | 2,186,286 | 7,846,474 | 3,999,936 | 3,495,907 | 2,838,461 |
| Community development | 6,545,751 | 2,437,668 | 2,723,264 | 7,363,271 | 2,644,484 |
| Nondepartmental | - | - | 12,406 | 193,923 | 245,814 |
| Capital projects | - | - | - | - | 8,710,751 |
| Debt service: | | | | | |
| Principal retirement | 21,974,306 | 6,019,220 | 5,508,200 | 5,706,700 | 21,302,700 |
| Interest and other fiscal charges | 3,300,884 | 2,820,530 | 2,490,550 | 2,233,047 | 1,862,704 |
| Total expenditures | \$ 121,716,201 | \$ 110,596,375 | \$ 116,212,844 | \$ 122,585,485 | \$ 233,450,810 |
| Excess (deficiency) of revenues over (under) expenditures | \$ 476,906 | \$ 3,343,160 | \$ 3,894,969 | \$ 10,017,472 | \$ (91,620,996) |
| Other financing sources (uses): | | | | | |
| Transfers in | \$ 3,706,100 | \$ 7,178,400 | \$ 7,250,000 | \$ 12,003,152 | \$ 6,302,585 |
| Transfers (out) | (5,679,445) | (9,717,538) | (10,393,207) | (14,707,211) | (10,056,173) |
| Issuance of debt | 13,605,000 | 1,328,746 | 671,000 | - | 93,655,000 |
| Premium on bonds issued | 2,594,567 | - | - | - | 10,186,385 |
| Payment to bond escrow agent | - | - | - | - | - |
| Retirement of temporary financing | - | - | - | - | - |
| Total other financing sources (uses) | \$ 14,226,222 | \$ (1,210,392) | \$ (2,472,207) | \$ (2,704,059) | \$ 100,087,797 |
| Net changes in fund balances | \$ 14,703,128 | \$ 2,132,768 | \$ 1,422,762 | \$ 7,313,413 | \$ 8,466,801 |
| Debt service as a percentage of noncapital expenditures | 22.62% | 8.99% | 7.26% | 6.62% | 10.82% |

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 |
|--------------------|-------------------------------|----------------------------------|-----------------------------------|---------------------------------------|------------------------------|------------------------------|---------------|
| 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 |
| 2025 | 80,907,432 | 9,459,717 | 876,302 | 1,319,565 | 4,363 | 513,272 | 93,080,651 |

Assessed Value of Taxable Property
Last Ten Fiscal Years

| <u>Fiscal Year</u> | <u>Real Estate</u> | <u>Personal Property</u> | <u>Mobile Homes</u> | <u>Machinery and Tools</u> | <u>Public Service</u> | <u>Total</u> | <u>Direct Tax Rate</u> |
|--------------------|--------------------|--------------------------|---------------------|----------------------------|-----------------------|------------------|------------------------|
| 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 | 5.46 |
| 2024-25 | 9,286,213,435 | 1,328,636,712 | 4,041,784 | 97,706,126 | 335,967,615 | 11,052,565,672 | 5.47 |

(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 |
|-------------------------|------------------------|------------------------------|------------------------------------|--------------------------------------|
| 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 |
| 2024-25 (2) | 0.47 | 3.00 | 2.00 | 5.47 |

- (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 | 2025 | | | 2016 | | |
|---|------------------------------|--------------------|------|-------------------------------|--------------------|------|-------------------------------|
| | | Assessed Valuation | Rank | % of Total Assessed Valuation | Assessed Valuation | Rank | % of Total Assessed Valuation |
| Equinix, LLC (was Verizon Data Centers, LLC; NAP of the Capital Region, LLC) | Managed Data Services | \$ 133,935,300 | 1 | 1.53% | \$ 48,757,300 | 1 | 0.91% |
| TPC Culpeper LC | Data Services | 51,639,000 | 2 | 0.59% | n/a | n/a | n/a |
| SAAM | Data Services | 49,280,000 | 3 | 0.56% | n/a | n/a | n/a |
| EDI Culpeper 1 LLC | Data Services | 48,972,500 | 4 | 0.56% | n/a | n/a | n/a |
| Amazon Data Services Inc. | Data Services | 46,291,200 | 5 | 0.53% | n/a | n/a | n/a |
| SWIFT | Communications/Data Services | 34,957,400 | 6 | 0.40% | 20,984,500 | 2 | 0.39% |
| CR1/Culpeper LLC | Data Services | 29,076,100 | 7 | 0.33% | n/a | n/a | n/a |
| CR2/Culpeper LLC | Data Services | 29,074,100 | 8 | 0.33% | n/a | n/a | n/a |
| Culpeper III LLC et als | Data Services | 21,717,200 | 9 | 0.25% | n/a | n/a | n/a |
| DB Data Center Culpeper LLC | Data Services | 20,985,000 | 10 | 0.24% | n/a | n/a | n/a |
| Continental Teves | Manufacturing | n/a | n/a | n/a | 12,632,900 | 5 | 0.24% |
| Dominion Square-Culpeper LLC | Retail | n/a | n/a | n/a | 15,681,000 | 3 | 0.29% |
| Wal-Mart | Retail | n/a | n/a | n/a | 11,213,900 | 7 | 0.21% |
| 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 | 6 | 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 | 10 | 0.17% |
| Culpeper Shopping Center Joint Venture | Retail | n/a | n/a | n/a | 9,282,400 | 9 | 0.17% |
| Totals | | \$ 465,927,800 | | 5.32% | \$ 165,043,200 | | 3.09% |

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 |
| 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% | 1,981,881 | 60,848,745 | 99.62% |
| 2017-18 | 64,332,506 | 63,745,969 | 99.09% | 2,272,109 | 66,018,078 | 102.62% |
| 2018-19 | 65,809,789 | 64,979,148 | 98.74% | 1,524,534 | 66,503,682 | 101.05% |
| 2019-20 | 66,635,415 | 65,391,324 | 98.13% | 2,378,648 | 67,769,972 | 101.70% |
| 2020-21 | 67,933,064 | 66,939,365 | 98.54% | 1,558,056 | 68,497,421 | 100.83% |
| 2021-22 | 71,132,848 | 69,705,232 | 97.99% | 1,547,230 | 71,252,462 | 100.17% |
| 2022-23 | 74,953,682 | 72,082,177 | 96.17% | 2,217,968 | 74,300,145 | 99.13% |
| 2023-24 | 78,872,929 | 76,031,006 | 96.40% | 1,515,966 | 77,546,972 | 98.32% |
| 2024-25 | 83,662,572 | 80,969,387 | 96.78% | - | 80,969,387 | 96.78% |

(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 | | | | | | School Lease Revenue Bonds | School General Obligation Bonds |
|-------------|---------------------------------|---------------------|----------------|---------------|-------------------|---------------|----------------------------|---------------------------------|
| | County General Obligation Bonds | Lease Revenue Bonds | Literary Loans | Notes Payable | Lease Liabilities | | | |
| 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 | - | - | 499,302 | 54,953,360 | 11,363,239 | |
| 2022 | 515,600 | 8,315,285 | - | 890,241 | 349,433 | 51,607,323 | 9,760,381 | |
| 2023 | 285,400 | 6,937,794 | - | 1,089,464 | 200,509 | 48,121,286 | 8,824,843 | |
| 2024 | 49,700 | 5,527,303 | - | 550,810 | 79,738 | 44,485,249 | 7,879,305 | |
| 2025 | - | 4,384,812 | - | 351,351 | - | 127,572,911 | 6,923,767 | |

(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 | | | | | |
| 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 | - | 79,636,444 | 2,506,152 | 3.18% | 52,552 | 1,515 |
| 2022 | 2,354,801 | - | 73,795,086 | 2,705,704 | 2.73% | 54,310 | 1,359 |
| 2023 | 2,311,882 | - | 67,773,201 | 3,005,298 | 2.26% | 54,310 | 1,248 |
| 2024 | 2,267,433 | - | 60,841,562 | 3,068,452 | 1.98% | 54,831 | 1,110 |
| 2025 | 2,221,411 | - | 141,456,277 | 3,353,394 | 4.22% | 55,770 | 2,536 |

(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 |
|-------------|----------------|-----------------------|-------------------|---|---------------------|--|----------------------------|
| 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 |
| 2024-25 | 55,770 | 11,052,565,672 | 141,454,252 | 2,221,411 | 139,232,841 | 1.26% | 2,497 |

(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, 2025

Direct: (1)

| | | | | | |
|------------------------------|----|-------------|------|----|-------------|
| County of Culpeper, Virginia | \$ | 139,232,841 | 100% | \$ | 139,232,841 |
|------------------------------|----|-------------|------|----|-------------|

(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> |
|-------------|-----------------------|------------------------------|------------------------------|---|-----------------------------------|
| 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 |
| 2024-25 | 55,770 | 8,177 | 3.40% | 3,353,394 | 60,129 |

- (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 | 1,514 | 9.30% | 1 | 1,245 | 8.23% | 1 |
| UVA Culpeper Regional Hospital | 791 | 4.86% | 2 | 589 | 3.89% | 2 |
| County of Culpeper | 783 | 4.81% | 3 | 568 | 3.75% | 3 |
| Walmart | 532 | 3.27% | 4 | 512 | 3.38% | 4 |
| Va. Dept. of Transportation | n/a | n/a | n/a | 442 | 2.92% | 5 |
| Rappahannock Rapidan Community Services | 333 | 2.04% | 5 | n/a | n/a | n/a |
| Coffeewood Correctional Center | 278 | 1.71% | 6 | 300 | 1.98% | 7 |
| Continental Automotive | n/a | n/a | n/a | 230 | 1.52% | 10 |
| Masco Builder Cabinet Group(was Merillat Ind) | n/a | n/a | n/a | 340 | 2.25% | 6 |
| Cintas | 209 | 1.28% | 9 | n/a | n/a | n/a |
| SWIFT | 198 | 1.22% | 10 | n/a | n/a | n/a |
| Town of Culpeper | 220 | 1.35% | 7 | n/a | n/a | n/a |
| Rochester (Tyco) | n/a | n/a | n/a | 235.00 | | 9 |
| Builder's First Source | 217 | 1.33% | 8 | 257 | 1.70% | 8 |
| Total | <u>5,075</u> | | | <u>4,718</u> | | |
| Total County | <u>16,285</u> | | | <u>15,133</u> | | |

Source: Virginia Employment Commission

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

| <u>Function</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> | <u>2024</u> | <u>2024</u> |
|----------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| General government | 45 | 45 | 46 | 47 | 47 | 47 | 47 | 47 | 50 | 53 |
| Judicial administration | 40 | 47 | 45 | 45 | 49 | 45 | 43 | 43 | 48 | 53 |
| Public safety | | | | | | | | | | |
| Sheriffs department | 84 | 86 | 87 | 87 | 93 | 99 | 101 | 101 | 110 | 107 |
| E911 | 22 | 26 | 26 | 26 | 26 | 26 | 27 | 27 | 27 | 28 |
| Fire & rescue/emergency services | 24 | 24 | 25 | 25 | 33 | 33 | 33 | 33 | 33 | 37 |
| Building inspections | 7 | 7 | 7 | 7 | 8 | 8 | 8 | 8 | 9 | 9 |
| Animal control | 8 | 7 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 |
| Public works | | | | | | | | | | |
| General maintenance | 6 | 6 | 5 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| Landfill | 4 | 4 | 4 | 6 | 6 | 6 | 7 | 7 | 9 | 9 |
| Water & Sewer | 6 | 4 | 6 | 7 | 7 | 7 | 6 | 6 | 8 | 8 |
| Health and welfare (Options/CSA) | 4 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 6 | 6 |
| Department of social services | 89 | 115 | 120 | 120 | 125 | 126 | 126 | 126 | 149 | 150 |
| Culture and recreation | | | | | | | | | | |
| Parks and recreation | 5 | 5 | 7 | 8 | 8 | 9 | 10 | 10 | 11 | 12 |
| Library | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 |
| Community development | | | | | | | | | | |
| Planning | 5 | 5 | 5 | 6 | 6 | 6 | 6 | 6 | 7 | 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 | 360 | 397 | 407 | 414 | 438 | 442 | 444 | 444 | 492 | 504 |

Source: FY adopted budgets

Operating Indicators by Function
Last Ten Fiscal Years

| | | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> | <u>2024</u> | <u>2025</u> |
|-----------------------|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Sheriff | Physical arrests | 1,148 | 932 | 1,495 | 1,264 | 1,185 | 1,005 | 1,130 | 1,514 | 1,488 | 1,396 |
| | Traffic violations | 622 | 578 | 768 | 781 | 703 | 475 | 756 | 1,133 | 729 | 2,280 |
| 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 | 252 | 163 | 289 | 255 | 229 | 253 | 257 | 325 | 380 | 441 |
| Parks & Recreation | Number of parks & recreation facilities | 8 | 8 | 8 | 8 | 8 | 8 | 9 | 9 | 7 | 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 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|-----------------------------------|------|------|------|------|------|------|------|------|------|------|
| 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 | 99 | 95 | 109 | 105 | 105 | 105 | 115 | 139 | 142 | 164 |
| Animal control: | | | | | | | | | | |
| Buildings | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Public works | | | | | | | | | | |
| General maintenance: | | | | | | | | | | |
| Trucks/vehicles | 8 | 8 | 7 | 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 | 3 | 5 | 9 | 13 | 15 | 19 | 19 | 25 | 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 | 125 | 124 | 122 | 122 | 123 | 118 | 118 | 125 | 125 | 129 |

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, 2025, 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 January 29, 2026.

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

January 29, 2026



**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, 2025. 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, 2025.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of County of 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
January 29, 2026

COUNTY OF CULPEPER, VIRGINIA

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

| 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 | \$ - | \$ 914,948 |
| Child and Adult Care Food Program | 10.558 | Not Available | - | 436,413 |
| Total Department of Agriculture | | | \$ - | \$ 1,351,361 |
| Department of Health and Human Services: | | | | |
| Direct Payments: | | | | |
| Head Start Cluster: | | | | |
| Head Start | 93.600 | N/A | \$ - | \$ 3,615,677 |
| Pass Through Payments: | | | | |
| Department of Social Services: | | | | |
| MaryLee Allen Promoting Safe and Stable Families | 93.556 | 0950120/0950121 | - | 31,047 |
| Title IV-E Prevention Program | 93.472 | 1140122 | - | 16,337 |
| Guardianship Assistance | 93.090 | 1110121/1110122 | - | 23,377 |
| Temporary Assistance for Needy Families | 93.558 | 0400121/0400122 | - | 348,487 |
| Refugee and Entrant Assistance State/Replacement Designee Administered Programs | 93.566 | 0500122 | - | 398 |
| Low Income Home Energy Assistance | 93.568 | 0600421/0600422 | - | 60,904 |
| Child Care and Development Fund Cluster: | | | | |
| Child Care and Development Block Grant | 93.575 | 0770119/0770120 | - | (1,181) |
| Child Care Mandatory and Matching Funds of the Child Care and Development Fund | 93.596 | 0760121/0760122 | - | 65,811 |
| Total Child Care and Development Fund Cluster | | | \$ - | \$ 64,630 |
| Adoption and Legal Guardianship Incentive Payments Program | 93.603 | | - | 3,960 |
| Chafee Education and Training Vouchers Program | 93.599 | 9160120 | - | 43 |
| Stephanie Tubbs Jones Child Welfare Services Program | 93.645 | 0900121 | - | 1,443 |
| Foster Care - Title IV-E | 93.658 | 1100121/1100122 | - | 295,513 |
| Adoption Assistance | 93.659 | 1120121/1120122 | - | 558,323 |
| Social Services Block Grant | 93.667 | 1000121/1000122 | - | 353,431 |
| John H. Chafee Foster Care Program for Successful Transition to Adulthood | 93.674 | 915120/9150121 | - | 2,968 |
| COVID-19-Elder Abuse Prevention Interventions Program | 93.747 | 8000221/8000321 | - | 4,803 |
| Children's Health Insurance Program | 93.767 | 0540121/0540122 | - | 12,175 |
| Medicaid Cluster: | | | | |
| Medical Assistance Program | 93.778 | 1200121/1200122 | - | 840,662 |
| Total pass through payments | | | \$ - | \$ 2,618,501 |
| Total Department of Health and Human Services | | | \$ - | \$ 6,234,178 |
| Department of Justice: | | | | |
| Direct Payments: | | | | |
| Bulletproof Vest Partnership Program | 16.607 | N/A | \$ | 8,982 |
| Treatment Court Discretionary Grant Program | 16.585 | N/A | | 161,321 |
| Pass Through Payments: | | | | |
| Department of Criminal Justice Services: | | | | |
| Crime Victim Assistance | 16.575 | 21A8572VW19VICT | \$ - | \$ 56,150 |
| Edward Byrne Memorial Justice Assistance Grant Program | 16.738 | Not Available | - | 3,200 |
| Violence Against Women Formula Grants | 16.588 | 21Y9389VA20 | - | 36,638 |
| Total Department of Justice | | | \$ - | \$ 266,291 |
| Department of Transportation: | | | | |
| Direct Payments: | | | | |
| Airport Improvement Program | 20.106 | N/A | \$ - | \$ 1,343,234 |

COUNTY OF CULPEPER, VIRGINIA

Schedule of Expenditures of Federal Awards
 Year Ended June 30, 2025 (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 | \$ - | \$ 11,203 |
| Total Highway Safety Cluster | | | \$ - | \$ 11,203 |
| Alcohol Open Container Requirements | 20.607 | ENFAL202353278GRAN | - | 19,176 |
| Total Department of Transportation | | | \$ - | \$ 1,373,613 |
| Department of Treasury: | | | | |
| Direct payments: | | | | |
| Equitable Sharing Program | 21.016 | N/A | \$ - | \$ 17,552 |
| COVID-19-Coronavirus State and Local Fiscal Recovery Funds | 21.027 | N/A | - | 7,379,639 |
| Total Department of Treasury | | | \$ - | \$ 7,397,191 |
| 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 | | | \$ - | \$ 16,633,385 |
| Component Unit School Board: | | | | |
| Department of Agriculture: | | | | |
| Pass Through Payments: | | | | |
| Child Nutrition Cluster: | | | | |
| Department of Agriculture: | | | | |
| Food Distribution -- Schools | 10.555 | Not Available | \$ - | \$ 449,223 |
| Department of Education: | | | | |
| National School Lunch Program | 10.555 | 202121N11994/202221N11994 | - | 2,764,598 |
| Total CFDA 10.555 | | | \$ - | \$ 3,213,821 |
| School Breakfast Program | 10.553 | 202121N11994/202222N11994 | - | 822,255 |
| Total Child Nutrition Cluster | | | \$ - | \$ 4,036,076 |
| Total Department of Agriculture | | | \$ - | \$ 4,036,076 |
| Department of Education: | | | | |
| Pass Through Payments: | | | | |
| Department of Education: | | | | |
| Title 1 Grants to Local Educational Agencies | 84.010 | S010A200046/S010A210046 | \$ - | \$ 1,855,393 |
| Special Education Cluster: | | | | |
| Special Education - Grants to States | 84.027 | H027A200107/H027A210107 | - | 2,192,459 |
| Special Education - Preschool Grants | 84.173 | H173A200112/H173A210112 | - | 46,206 |
| Total Special Education Cluster | | | \$ - | \$ 2,238,665 |
| Career and Technical Education -- Basic Grants to States | 84.048 | V048A190046/VA048A200046 | - | 147,917 |
| English Language Acquisition State Grants | 84.365 | S365A200046/S365A210046 | - | 195,144 |
| Comprehensive Literacy Development | 84.371 | S371C240031 | - | 14,000 |
| Student Support and Academic Enrichment Program | 84.424 | S424A200048/S424A210048 | - | 247,012 |
| COVID-19 Education Stabilization Fund: | | | | |
| Elementary and Secondary School Emergency Relief Fund | 84.425U | S425D200008 | - | 13,991 |
| ARP Elementary and Secondary School Emergency Relief For Homeless Children and Youth | 84.425W | Not Available | - | 36,454 |
| Total COVID-19 Education Stabilization Fund | | | - | 50,445 |
| Supporting Effective Instruction State Grants | 84.367 | S367A200044/S367A210044 | - | 246,989 |
| Total Department of Education | | | \$ - | \$ 4,995,565 |
| Environmental Protection Agency: | | | | |
| Direct payments: | | | | |
| Clean School Bus Program | 66.045 | NU90TP922153 | \$ - | \$ 800,000 |
| Department of Treasury: | | | | |
| Pass through payments: | | | | |
| Virginia Department of Education: | | | | |
| COVID-19-Coronavirus State and Local Fiscal Recovery Funds | 21.027 | SLFRP1026 | \$ - | \$ 61,768 |
| Total Expenditures of Federal Awards-Component Unit School Board | | | \$ - | \$ 9,893,409 |
| Total Expenditures of Federal Awards-Reporting Entity | | | \$ - | \$ 26,526,794 |

COUNTY OF CULPEPER, VIRGINIA

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

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the County of Culpeper, Virginia under programs of the federal government for the year ended June 30, 2025. The information in this Schedule is presented in accordance with the requirements of 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 15-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 | \$ 7,936,800 |
| American Rescue Plan Act | 7,379,639 |
| Airport Fund | <u>1,343,234</u> |
| Total primary government | <u>\$ 16,659,673</u> |
| Component Unit School Board: | |
| School Operating Fund | \$ 5,057,333 |
| School Cafeteria Fund | 4,036,076 |
| School Capital Projects Fund | 800,000 |
| Total component unit school board | <u>\$ 9,893,409</u> |
| Total federal expenditures per basic financial statements | <u>\$ 26,553,082</u> |
| Less federal subsidy | <u>\$ 26,288</u> |
| Total federal expenditures per the Schedule of Expenditures of Federal Awards | <u><u>\$ 26,526,794</u></u> |

COUNTY OF CULPEPER, VIRGINIA

Schedule of Findings and Questioned Costs
 Year Ended June 30, 2025

Section I - Summary of Auditors' Results

Financial Statements

| | |
|---|---------------|
| Type of auditors' report issued: | Unmodified |
| Internal control over financial reporting: | |
| Material weakness(es) identified? | No |
| Significant deficiency(ies) identified? | 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:

| <u>Assistance Listing</u> | <u>Name of Federal Program or Cluster</u> |
|---------------------------|--|
| 10.561 | State Administration Matching Grants for Supplemental Nutrition Assistance Program |
| 93.778 | Medical Assistance Program |
| 66.045 | Clean Bus Program |
| 84.027/84.173 | Special Education Cluster |
| 21.027 | COVID-19-Coronavirus State and Local Fiscal Recovery Funds |

| | |
|---|-----------|
| Dollar threshold used to distinguish between Type A and Type B programs | \$795,804 |
| 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