

COUNTY OF MADISON, VIRGINIA
FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2025

COUNTY OF MADISON, VIRGINIA

Financial Report
Year Ended June 30, 2025

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COUNTY OF MADISON, VIRGINIA
DIRECTORY OF PRINCIPAL OFFICIALS
FISCAL YEAR ENDED JUNE 30, 2025

BOARD OF SUPERVISORS

Clay Jackson, Chair
Carlton Yowell, Vice-Chair

Jud Buchanan	James Jewett	Dustin Dawson
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DEPARTMENT OF SOCIAL SERVICES BOARD

Scott A. Bennett, Chair

Kerri Banks	Karen Copping, Vice-Chair	Jud Buchanan
	Sarah Owens	

MADISON COUNTY SCHOOL BOARD

Christopher Wingate, Chair
Nita Collier, Vice-Chair

Greg Martz	Charles Sheads	Susanna Wood
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OTHER OFFICIALS

David B. Franzén	Judge of the Circuit Court
Leeta D. Louk	Clerk of the Circuit Court
Theresa Carter	Judge of the General District Court
Ronald Morris	Judge of the Juvenile & Domestic Relations Court
Clarissa Berry	Commonwealth's Attorney
Brian Daniel	Commissioner of the Revenue
Stephanie Murray	Treasurer
Erik Weaver	Sheriff
Anna R. Graham	Superintendent of Schools
Elizabeth Patterson	Clerk of the School Board
Valerie Ward	Director of Social Services
Jonathon Weakley	County Administrator



Independent Auditors' Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of County of Madison, Virginia, as of and for the year ended June 30, 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 discretely presented component units, each major fund, and the aggregate remaining fund information of County of Madison, Virginia, as of and for the year ended June 30, 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 County of Madison, Virginia, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principles

As described in Note 23 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 23 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 Madison, Virginia's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 10, 2026, on our consideration of County of Madison, Virginia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of County of Madison, Virginia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County of Madison, Virginia's internal control over financial reporting and compliance.

Robinson, Farnell, Cox Associates

Charlottesville, Virginia
February 10, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the County of Madison, Virginia, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2025.

Financial Highlights

Government-wide Financial Statements

Total net position for Madison County's governmental activities was \$37.886 million as of June 30, 2025, which represents a decrease of \$104 thousand from the previous fiscal year.

Unrestricted cash and cash equivalents were \$22.417 million as of June 30, 2025, which represents a decrease of \$2.105 million from the previous fiscal year.

Fund Financial Statements

For the fiscal year ended June 30, 2025, the governmental funds had a balance of \$25.551 million, which reflects a decrease of \$2.166 million from the balance at the end of the previous fiscal year.

The decrease in governmental fund balance as of June 30, 2025, is due to expenditures exceeding revenues during the year as outlined above.

The County's General Fund was \$1.443 million favorable to the final amended budget for fiscal year 2025. This favorable variance from the amended budget is due to the County receiving \$662 thousand more in revenue due to budget amendments, spending \$752 thousand less in expenditures and transfers out, and issuing \$29 thousand in long term debt and capital leases.

Overview of the Financial Statements

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

Government-wide Financial Statements

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

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

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

Overview of the Financial Statements (Continued)

Government-wide Financial Statements: (Continued)

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

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

Governmental activities: The functions of the County are reported here, and include general government; judicial administration; public safety; public works; health and welfare; education; parks, recreation, and cultural; and community development. These activities are financed primarily by property taxes, other local taxes, and Federal and State grants.

Component units: The County has three component units: the Madison County School Board and the Madison County Parks and Recreation Authority, and the Madison County Industrial Development Authority. Only the Madison County School Board has been included in this analysis, due to the material nature of its relationship to the County as a whole. Although legally separate, the discretely presented component units are important because the County is financially accountable for them. A primary government is accountable for an organization if the primary government can impose its will on the organization or the organization is capable of imposing specific financial burdens on the primary government. The County approves debt issuances to finance School Board assets and provides significant funds for its operations. Additional information on the component units can be found in Note 1 of the Notes to Financial Statements section of this report.

Fund Financial Statements

These statements focus on individual parts of the County's government, reporting the County's operations in more detail than the government-wide statements. Funds are used to ensure compliance with finance-related legal requirements and keep track of specific sources of revenue and expenditures for particular purposes. The County has two kinds of funds: governmental funds and fiduciary funds.

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

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

- Nonspendable fund balance includes amounts that are not in spendable form, or amounts that are required to be maintained intact.
- Restricted fund balance includes amounts that can be spent only for the specific purposes stipulated by external providers, such as grantors or bondholders, as well as amounts that restricted through enabling legislation.
- Committed fund balance includes amounts that can be used only for the specific purposes that are determined by a formal action of the government's highest level of decision-making authority.

Overview of the Financial Statements (Continued)

- Assigned fund balance applies to amounts that are intended for specific purposes as expressed by the governing body or authorized official and applies to remaining resources in any governmental funds other than the general fund.
- Unassigned fund balance includes all amounts not contained in other classifications for the general fund, and deficit fund balances in any other governmental funds.

At the end of fiscal year 2025, the County's total governmental funds reported an ending fund balance of \$25.551 million.

As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures and to compare total fund balance to the sum of total fund expenditures and transfers to capital projects funds. Unassigned fund balance represents 34.98% of total general fund expenditures, while total general fund balance represents 65.62% of that same amount.

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

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

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

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

Notes to the Financial Statements

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

Other Information

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

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

Government-wide Financial Analysis

Statement of Net Position

The following table reflects condensed information on the County's Net Position as of June 30, 2025 and 2024.

	Summary of Net Position (\$ in thousands)			
	Primary Government		Component Units	
	Governmental Activities		School Board	
	2025	2024	2025	2024
Current assets and other assets	\$ 35,825	\$ 39,710	\$ 5,801	\$ 4,307
Capital assets (net)	34,817	33,006	9,404	9,508
Total Assets	<u>\$ 70,642</u>	<u>\$ 72,716</u>	<u>\$ 15,205</u>	<u>\$ 13,815</u>
Total Deferred Outflows	<u>\$ 1,443</u>	<u>\$ 1,142</u>	<u>\$ 4,519</u>	<u>\$ 4,385</u>
Long term liabilities	\$ 21,585	\$ 22,662	\$ 15,356	\$ 15,970
Other liabilities	3,989	4,834	2,600	2,126
Total Liabilities	<u>\$ 25,574</u>	<u>\$ 27,496</u>	<u>\$ 17,956</u>	<u>\$ 18,096</u>
Total Deferred Inflows of Resources	<u>\$ 8,625</u>	<u>\$ 8,372</u>	<u>\$ 3,243</u>	<u>\$ 2,220</u>
Net Position:				
Net investment in capital assets	\$ 13,779	\$ 11,941	\$ 9,333	\$ 9,366
Restricted	1,690	1,527	1,029	1,212
Unrestricted	22,417	24,522	(11,836)	(12,694)
Total Net Position	<u><u>\$ 37,886</u></u>	<u><u>\$ 37,990</u></u>	<u><u>\$ (1,474)</u></u>	<u><u>\$ (2,116)</u></u>

Total net position for Madison County's governmental activities as of June 30, 2025 was \$37.886 million, which represents a decrease of \$104 thousand from the previous fiscal year.

Total net position for the Madison County School Board was \$(1.474) million as of June 30, 2025; this amount represents an increase of \$642 thousand from the previous fiscal year.

The increases in net position for Madison County's governmental activities and School Board reflect the amounts by which revenues exceeded expenses in fiscal year 2025 for each reporting unit.

Government-wide Financial Analysis (Continued)

Statement of Activities

The following table presents summary information for the Change in Net Position for the years ended June 30, 2025 and 2024.

Summary of Changes in Net Position (\$ in thousands)				
	Primary Government		Component Units	
	Governmental Activities		School Board	
	2025	2024	2025	2024
<u>REVENUES</u>				
Program Revenues:				
Charges for services	\$ 1,358	\$ 1,323	\$ 110	\$ 126
Operating grants & contributions	8,414	6,172	15,789	15,412
General revenues:				
General property taxes	20,766	19,892	-	-
Other local taxes	4,421	4,332	-	-
Use of money & property	841	993	1	3
Miscellaneous	434	569	823	972
Grants & contributions not restricted to specific programs	1,549	1,539	-	-
Contribution from County	-	-	11,687	9,501
Total revenues	\$ 37,783	\$ 34,820	\$ 28,410	\$ 26,014
<u>EXPENSES</u>				
General government	3,248	2,611	-	-
Judicial administration	1,553	1,384	-	-
Public safety	9,650	9,433	-	-
Public works	1,519	1,482	-	-
Health and welfare	6,321	5,099	-	-
Education	12,177	10,007	26,150	25,673
Parks & Rec	594	586	-	-
Community Development	2,005	1,016	-	-
Interest on long-term debt	622	628	-	-
Total expenses	\$ 37,689	\$ 32,246	\$ 26,150	\$ 25,673
Change in net position	\$ 94	\$ 2,574	\$ 2,260	\$ 341
Net position - beginning, as restated	37,793	35,414	(3,734)	(2,455)
Net position - ending	\$ 37,887	\$ 37,988	\$ (1,474)	\$ (2,114)

The change in net position for Madison County's governmental activities for fiscal year 2025 was \$94 thousand. This reflects a decrease of \$2.480 million from the previous fiscal year.

The change in net position for Madison County's School Board for fiscal year 2025 was \$2.260 million. This reflects an increase of \$1.919 million from the previous fiscal year.

The increase in fiscal year 2025 revenues for governmental activities was primarily due to the following: \$2.242 million increase in operating grants & contributions, \$873 thousand increase in general property taxes, and \$89 thousand increase in other local taxes between fiscal year 2025 and fiscal year 2024.

Government-wide Financial Analysis: (Continued)

The increase in fiscal year 2025 expenses for governmental activities was primarily due to the following: \$637 thousand increase in general administration, \$217 thousand increase in public safety, \$169 thousand increase in judicial administration, \$1.223 million increase in health and welfare, \$2.170 million increase in education, and a \$989 thousand increase in community development expenses between fiscal year 2025 and fiscal year 2024.

The increase in fiscal year 2025 revenues for Madison County School Board was primarily due to a \$377 thousand increase in operating grants & contributions, and a \$2.186 million increase in contribution from the County between fiscal year 2025 and fiscal year 2024.

Financial Analysis of the County's General Fund

For the fiscal year ended June 30, 2025, the governmental funds had a combined fund balance of \$25.551 million, which reflects a decrease of \$2.166 million from the balance at the end of the previous fiscal year.

The County's unassigned fund balance in the general fund was \$13.619 million at the end of fiscal year 2025, a decrease of \$941 thousand compared to the prior fiscal year.

The County's restricted fund balance in the general fund was \$109 thousand at the end of fiscal year 2025, a decrease of \$1.209 million compared to the prior fiscal year. This decrease was attributable to the spending down of bond proceeds that were received in prior fiscal years.

Total revenues in the general fund for fiscal year 2025 were \$36.742 million, reflecting an increase of \$2.289 million from the previous fiscal year. This increase was due to the following: \$1.272 million increase in all tax revenues, \$1.151 million increase in intergovernmental revenues, and a \$134 thousand decrease in other revenues.

Total governmental fund expenditures including capital projects in fiscal year 2025 was \$41.436 million, reflecting an increase of \$7.885 million from the previous fiscal year.

General Fund Budgetary Highlights

The following table presents budgeted and actual revenues and expenditures for the General Fund for fiscal year 2025:

	General Fund Summary Budgetary Information Year Ended June 30, 2025 (\$ in thousands)		
	Original Budget	Amended Budget	Actual
Revenues			
Taxes	\$ 25,068,088	\$ 25,068,088	\$ 25,534,986
Intergovernmental	7,699,566	8,856,877	8,552,596
Other	2,010,163	2,154,175	2,654,025
Total	<u>34,777,817</u>	<u>36,079,140</u>	<u>36,741,607</u>
Expenditures and transfers	37,433,618	39,687,929	38,936,226
Issuance of long term debt and capital lease	-	-	28,911
Change in fund balance	<u>\$ (2,655,801)</u>	<u>\$ (3,608,789)</u>	<u>\$ (2,165,708)</u>
Fund balances at beginning of year	\$ 2,655,801	\$ 3,608,789	\$ 27,716,925
Fund balances at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,551,217</u>

General Fund Budgetary Highlights (Continued)

The County's General Fund was \$1.443 million favorable to the final amended budget for fiscal year 2025. This favorable variance is due to the following: revenues were higher than the amended budget by \$662 thousand, expenditures (including transfers out) were less than the amended budget by \$752 thousand, and the issuance of long term debt and capital leases was higher than the amended budget by \$29 thousand.

Capital Asset and Debt Administration

Capital Assets

The following table reflects condensed information on the County's capital assets as of June 30, 2025 and 2024.

Capital Asset Summary Information (\$ in thousands)

	Primary Government		Component Units	
	Governmental Activities		School Board	
	2025	2024	2025	2024
Land	\$ 1,462	\$ 1,462	\$ 110	\$ 110
Construction in progress	7,060	5,427	135	295
Buildings/Lease land and improvements	21,787	20,411	35,743	35,219
Equipment & Subscription assets	8,645	7,744	8,981	9,358
Jointly owned assets	12,470	13,275	(12,469)	(13,275)
Accumulated depreciation	(16,607)	(15,314)	(23,096)	(22,198)
	<u>\$ 34,817</u>	<u>\$ 33,005</u>	<u>\$ 9,404</u>	<u>\$ 9,509</u>

Total capital assets for governmental activities increased by \$1.812 million in fiscal year 2025 from the previous fiscal year. This overall increase was comprised of a \$1.293 million increase in accumulated depreciation expense, \$805 thousand decrease in jointly owned assets, \$901 thousand increase in equipment and subscription assets, \$1.376 million increase in buildings and improvements, and a \$1.633 million increase in construction in progress.

Previously in fiscal year 2024, the County had \$5.427 million in construction in progress. As of June 30, 2025, the County has \$7.060 million in construction in progress. County projects over the last two fiscal years have comprised of the following: Public Safety Radio System Project, Broadband Project, ERP System Upgrades, EMS Station Renovation, and Hoover Ridge Park Project.

Capital Asset and Debt Administration (Continued)

Long-term debt

The following table includes information on the County's outstanding loans and bonded indebtedness as of June 30, 2025 and 2024.

Summary of Outstanding Debt (\$ in thousands)

	Primary Government	
	Governmental Activities	
	2025	2024
Public Facility Lease Revenue Bond, Series 2020A	\$ 14,708	\$ 15,201
Public Facility Lease Revenue Refunding Bond, Series 2020B	1,048	1,166
Public Facility Lease Revenue Refunding Bond, Series 2020C	4,393	4,886
Notes Payable	212	240
Lease Liabilities	625	669
Subscription Liabilities	51	104
Landfill Closure Liabilities	173	206
Net OPEB Liabilities	929	998
Compensated Absences Liabilities	794	714
Total Long-Term Obligations	\$ 22,933	\$ 24,184

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

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

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

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

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

Requests for Information

This financial report is designed to provide a general overview of the County of Madison, Virginia's finances for all those with an interest in the County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Jennifer Warren, Finance Director of Madison County, PO Box 705, Madison, Virginia, 22727.

- Basic Financial Statements -
Government-wide Financial Statements

Statement of Net Position
At June 30, 2025

	<u>Primary Government</u>	<u>Component Unit</u>	<u>Component Unit</u>
	<u>Governmental Activities</u>	<u>School Board</u>	<u>Madison County Parks and Recreation Authority</u>
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 23,778,438	\$ 3,765,263	\$ 532,030
Receivables (net of allowance for uncollectibles):			
Property taxes	7,834,136	-	-
Accounts receivable	669,862	21,507	-
Inventory	-	19,540	-
Prepaid expenses	151,939	66,870	-
Due from other governments	1,305,220	972,652	-
Due from Component Unit	734,238	-	-
Total Current Assets	<u>\$ 34,473,833</u>	<u>\$ 4,845,832</u>	<u>\$ 532,030</u>
Noncurrent Assets:			
Net pension asset	\$ 1,325,927	\$ 955,577	\$ -
Net OPEB asset	25,219	-	-
Capital assets:			
Land and construction in progress	\$ 8,522,596	\$ 244,977	\$ 30,898
Buildings and equipment, net of depreciation	25,680,443	9,089,722	254,310
Lease buildings and land improvements, net of amortization	550,339	-	-
Lease equipment, net of amortization	31,603	68,995	-
Subscription assets, net of amortization	32,239	-	-
Total Capital Assets	<u>\$ 34,817,220</u>	<u>\$ 9,403,694</u>	<u>\$ 285,208</u>
Total Noncurrent Assets	<u>\$ 36,168,366</u>	<u>\$ 10,359,271</u>	<u>\$ 285,208</u>
Total Assets	<u>\$ 70,642,199</u>	<u>\$ 15,205,103</u>	<u>\$ 817,238</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension deferrals	\$ 1,240,135	\$ 4,006,784	\$ -
OPEB deferrals	202,471	511,959	-
Total Deferred Outflows of Resources	<u>\$ 1,442,606</u>	<u>\$ 4,518,743</u>	<u>\$ -</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 72,084,805</u>	<u>\$ 19,723,846</u>	<u>\$ 817,238</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	\$ 1,370,804	\$ 294,169	\$ -
Amounts held for others	211,986	-	-
Unearned grant revenue	818,069	63,763	-
Accrued liabilities	-	1,228,267	4,239
Due to Primary Government	-	734,238	-
Accrued interest payable	239,450	-	-
Current portion of long-term obligations	1,348,387	279,861	4,875
Total Current Liabilities	<u>\$ 3,988,696</u>	<u>\$ 2,600,298</u>	<u>\$ 9,114</u>
Noncurrent Liabilities:			
Noncurrent portion of long-term obligations	21,585,112	15,355,786	9,750
Total Liabilities	<u>\$ 25,573,808</u>	<u>\$ 17,956,084</u>	<u>\$ 18,864</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred revenues - taxes	\$ 7,292,699	\$ -	\$ -
OPEB deferrals	321,626	723,888	-
Pension deferrals	1,010,361	2,518,629	-
Total deferred inflows of resources	<u>\$ 8,624,686</u>	<u>\$ 3,242,517</u>	<u>\$ -</u>
NET POSITION			
Net investment in capital assets	\$ 13,779,632	\$ 9,332,559	\$ 270,583
Restricted:			
Net pension and OPEB assets	1,351,146	955,577	-
Opioid settlement	250,759	-	-
Other	87,739	73,177	-
Unrestricted	22,417,035	(11,836,068)	527,791
Total Net Position	<u>\$ 37,886,311</u>	<u>\$ (1,474,755)</u>	<u>\$ 798,374</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 72,084,805</u>	<u>\$ 19,723,846</u>	<u>\$ 817,238</u>

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			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	Component Unit	
					Governmental Activities	School Board	Madison County Parks and Recreation Authority
PRIMARY GOVERNMENT:							
Governmental activities:							
General government							
administration	\$ 3,248,002	\$ -	\$ 340,237	\$ -	\$ (2,907,765)	\$ -	\$ -
Judicial administration	1,552,945	151,659	629,605	-	(771,681)	-	-
Public safety	9,649,624	912,457	1,856,676	-	(6,880,491)	-	-
Public works	1,518,894	294,088	-	-	(1,224,806)	-	-
Health and welfare	6,321,460	-	4,176,777	-	(2,144,683)	-	-
Education	12,176,967	-	-	-	(12,176,967)	-	-
Parks, recreation, and cultural	594,446	-	-	-	(594,446)	-	-
Community development	2,004,951	-	1,410,810	-	(594,141)	-	-
Interest on long-term debt	622,026	-	-	-	(622,026)	-	-
Total governmental activities	\$ 37,689,315	\$ 1,358,204	\$ 8,414,105	\$ -	\$ (27,917,006)	\$ -	\$ -
COMPONENT UNITS:							
School Board	\$ 26,149,593	\$ 110,887	\$ 15,788,525	\$ -	\$ -	\$ (10,250,181)	\$ -
Madison County Parks and Recreation Authority	783,620	300,002	-	-	-	-	(483,618)
Total component units	\$ 26,933,213	\$ 410,889	\$ 15,788,525	\$ -	\$ -	\$ (10,250,181)	\$ (483,618)
General revenues:							
General property taxes				\$ 20,765,688	\$ -	\$ -	\$ -
Local sales and use tax				1,758,872	-	-	-
Consumers' utility taxes				381,261	-	-	-
Motor vehicle licenses				464,786	-	-	-
Restaurant food taxes				812,298	-	-	-
Other local taxes				1,003,306	-	-	-
Unrestricted revenues from use of money				840,969	884	-	-
Miscellaneous				433,527	821,053	260,619	-
Grants and contributions not restricted to specific programs				1,549,301	-	-	-
Contribution from County				-	11,686,826	414,186	-
Total general revenues				\$ 28,010,008	\$ 12,508,763	\$ 674,805	\$ -
Change in net position				\$ 93,002	\$ 2,258,582	\$ 191,187	\$ -
Net position - beginning, as previously reported				37,989,869	(2,116,466)	607,187	-
Restatements				(196,560)	(1,616,871)	-	-
Net position - beginning, as restated				37,793,309	(3,733,337)	607,187	-
Net position - ending				\$ 37,886,311	\$ (1,474,755)	\$ 798,374	\$ -

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

- **Basic Financial Statements** -
Fund Financial Statements

Balance Sheet - Governmental Funds
At June 30, 2025

ASSETS	General Fund	Capital Improvement Fund	Total
Cash and cash equivalents	\$ 23,933,430	\$ -	\$ 23,933,430
Receivables (Net of allowance for uncollectibles):			
Taxes, including penalties	7,834,136	-	7,834,136
Accounts receivable	669,862	-	669,862
Due from component unit	734,238	-	734,238
Due from other governmental units	1,305,220	-	1,305,220
Prepaid expenditures	151,939	-	151,939
Total assets	<u>\$ 34,628,825</u>	<u>\$ -</u>	<u>\$ 34,628,825</u>
LIABILITIES			
Accounts payable	\$ 821,982	\$ 548,822	\$ 1,370,804
Reconciled overdraft	-	154,992	154,992
Amounts held for others	211,986	-	211,986
Unearned grant revenue	-	818,069	818,069
Total liabilities	<u>\$ 1,033,968</u>	<u>\$ 1,521,883</u>	<u>\$ 2,555,851</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - taxes	\$ 7,814,206	\$ -	\$ 7,814,206
Unavailable revenue - opioid settlement	229,434	-	229,434
Total deferred inflows of resources	<u>\$ 8,043,640</u>	<u>\$ -</u>	<u>\$ 8,043,640</u>
FUND BALANCES			
Nonspendable	\$ 151,939	\$ -	\$ 151,939
Restricted	109,064	-	109,064
Assigned	10,429,290	-	10,429,290
Unassigned	14,860,924	(432,554)	14,428,370
Total fund balances	<u>\$ 25,551,217</u>	<u>\$ (1,521,883)</u>	<u>\$ 24,029,334</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 34,628,825</u>	<u>\$ -</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.	34,817,220
Interest on long-term obligations is not accrued in governmental funds, but rather is recognized as an expenditure when due.	(239,450)
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 unavailable revenues in the governmental funds and thus are not included in the fund balance.	
Unavailable revenue - property taxes	521,507
Unavailable revenue - opioid settlement	229,434
Deferred inflows related to measurement of net pension liability	(1,010,361)
Deferred inflows related to measurement of net OPEB liability	(321,626)
Net pension asset	1,325,927
Net OPEB asset	25,219
Pension and OPEB contributions subsequent to the measurement date and other deferred 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 pensions	1,240,135
Deferred outflows related to OPEB	202,471
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.	<u>(22,933,499)</u>
Net position of general government activities	<u>\$ 37,886,311</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

	General	Capital Improvement	Total
Revenues:			
General property taxes	\$ 21,114,463	\$ -	\$ 21,114,463
Other local taxes	4,420,523	-	4,420,523
Permits, privilege fees and regulatory licenses	328,950	-	328,950
Fines and forfeitures	90,130	-	90,130
Revenue from use of money and property	840,969	-	840,969
Charges for services	939,124	-	939,124
Miscellaneous	454,852	-	454,852
Intergovernmental:			
Commonwealth	6,386,198	-	6,386,198
Federal	2,166,398	1,410,810	3,577,208
Total revenues	\$ 36,741,607	\$ 1,410,810	\$ 38,152,417
Expenditures:			
Current:			
General government administration	\$ 2,713,130	\$ -	\$ 2,713,130
Judicial administration	1,271,555	-	1,271,555
Public safety	9,768,534	-	9,768,534
Public works	1,535,766	-	1,535,766
Health and welfare	6,422,027	-	6,422,027
Education	11,285,029	-	11,285,029
Parks, recreation, and cultural	608,287	-	608,287
Community development	659,778	-	659,778
Nondepartmental	-	-	-
Capital projects	-	5,328,483	5,328,483
Debt service:			
Principal retirement	1,209,042	-	1,209,042
Interest and other fiscal charges	634,734	-	634,734
Total expenditures	\$ 36,107,882	\$ 5,328,483	\$ 41,436,365
Excess (deficiency) of revenues over (under) expenditures	\$ 633,725	\$ (3,917,673)	\$ (3,283,948)
Other Financing Sources (uses):			
Issuance of SBITA	\$ 28,911	\$ -	\$ 28,911
Transfers in	-	2,828,344	2,828,344
Transfers (out)	(2,828,344)	-	(2,828,344)
Total other financing sources (uses)	\$ (2,799,433)	\$ 2,828,344	\$ 28,911
Net change in fund balances	\$ (2,165,708)	\$ (1,089,329)	\$ (3,255,037)
Fund balances at beginning of year	27,716,925	(432,554)	27,284,371
Fund balances at end of year	\$ 25,551,217	\$ (1,521,883)	\$ 24,029,334

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

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

	<u>Primary Governmental Funds</u>
Amounts reported for governmental activities in the statement of activities are different because:	
Net change in fund balances - total governmental funds	\$ (3,255,037)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation/amortization in the current period. The following details support this adjustment:	
Capital outlay	\$ 4,091,537
Depreciation/amortization expense	<u>(1,872,458)</u>
	2,219,079
The net effect of various transactions involving capital assets (i.e. sales, trade-ins, and donations) is to decrease net position.	(1,742)
Transfer of joint tenancy assets from Primary Government to the Component Unit	(405,797)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. Details of this item consist of unavailable taxes.	
Unavailable revenue - property taxes	\$ (348,775)
Unavailable revenue - opioid settlement	(21,325)
Increase (decrease) in deferred inflows related to the measurement of the net OPEB liability	(36,596)
Increase (decrease) in deferred inflows related to the measurement of the net pension liability	<u>188,409</u>
	(218,287)
The issuance of long-term obligations (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term obligations consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. A summary of items supporting this adjustment is as follows:	
Issuance of long-term debt	\$ (28,911)
Principal retired on SBITA	493,000
Principal retired on refunding bonds	611,000
Principal retired on lease liabilities	43,794
Principal retired on subscription liabilities	82,809
Principal retired on notes payable	<u>27,786</u>
	1,229,478
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	\$ (79,624)
Change in net OPEB asset	9,127
Change in net OPEB liability	69,007
Change in landfill closure liability	32,520
Change in net pension asset	181,245
Change in deferred outflows related to pensions	368,074
Change in deferred outflows related to OPEB	(67,749)
Change in accrued interest payable	<u>12,708</u>
	525,308
Change in net position of governmental activities	<u>\$ 93,002</u>

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

Statement of Fiduciary Net Position --
 Fiduciary Fund
 At June 30, 2025

	Custodial Fund
	Special Welfare Fund
ASSETS	
Cash and cash equivalents	\$ 33,929
Accounts receivable	<u>240</u>
 Total assets	 \$ <u><u>34,169</u></u>
 NET POSITION	
Restricted:	
Social services clients	\$ <u>34,169</u>
 Total net position	 \$ <u><u>34,169</u></u>

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

Statement of Changes in Fiduciary Net Position - Fiduciary Fund
 Year Ended June 30, 2025

	<u>Custodial Fund</u>	<u>Special Welfare Fund</u>
Additions:		
Interest income	\$ 2	
Private contributions		17,836
Total additions	\$ 17,838	
Deductions:		
Recipient payments	\$ 21,931	
Total deductions	\$ 21,931	
Change in fiduciary net position	\$ (4,093)	
Net position - beginning of year		<u>38,262</u>
Net position - end of year	\$	<u><u>34,169</u></u>

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

COUNTY OF MADISON, VIRGINIA

Notes to Financial Statements
At June 30, 2025

Note 1 - Summary of Significant Accounting Policies:

The County of Madison, Virginia was formed in 1792 and is governed by an elected five member Board of Supervisors. The Board of Supervisors is responsible for appointing the County Administrator. The County provides a full range of services for its citizens. These services include police and volunteer fire protection, sanitation services, recreational activities, cultural events, education, and social services.

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

Government-wide and Fund Financial Statements:

Government-wide Financial Statements:

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

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

Statement of Net Position:

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

Statement of Activities:

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

COUNTY OF MADISON, VIRGINIA

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

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

Statement of Activities: (Continued)

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

Fund Financial Statements:

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

Budgetary Comparison Schedules:

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

A. Financial Reporting Entity

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

COUNTY OF MADISON, VIRGINIA

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

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

B. Individual Component Unit Disclosures

Blended Component Units: The County has no blended component units to be included for the fiscal year ended June 30, 2025.

Discretely Presented Component Unit: The School Board operates the County Public School System. Members are currently elected by popular vote. The School Board is fiscally dependent on the County. The County has the ability to approve its budget and any amendments. The primary funding is from the General Fund of the County. The School Fund does not issue a separate financial report. The financial statements of the School Board are presented as a discrete presentation in the County financial statements for the fiscal year ended June 30, 2025.

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

The Madison County School Board has the following funds:

Governmental Funds:

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

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

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

School Textbook Fund - This fund accounts for and reports the school textbook funds.

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

Fiduciary Fund

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

COUNTY OF MADISON, VIRGINIA

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

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

C. Other Related Organizations

Excluded from the County's Financial Statements:

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

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

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

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

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

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

COUNTY OF MADISON, VIRGINIA

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

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

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

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

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

1. Governmental Funds:

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

a. General Fund

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

b. Capital Improvement Fund

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

2. Fiduciary Funds (Trust and Custodial Funds):

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

COUNTY OF MADISON, VIRGINIA

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

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

E. Budgets and Budgetary Accounting

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

1. The County Administrator submits to the Board of Supervisors a proposed budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain citizen comments.
3. Prior to June 30, the budget is legally enacted through passage of an Appropriations Resolution.
4. The Appropriations Resolution places legal restrictions on expenditures at the department level or category level. The appropriation for each department or category can be revised only by the Board of Supervisors. The School Board is authorized to transfer budgeted amounts within the school system's categories.
5. Formal budgetary integration is employed as a management control device during the year and budgets are legally adopted for the General Fund, Capital Improvement Fund, School Operating Fund and School Cafeteria Fund of the School Board.
6. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
7. Appropriations lapse on June 30, for all County units.
8. All budgetary data presented in the accompanying financial statements is the original to the current comparison of the final budget and actual results.

F. Cash and Cash Equivalents

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

G. Investments

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

COUNTY OF MADISON, VIRGINIA

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

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

H. Receivables and Payables

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

All trade and property tax receivables are shown net of an allowance for uncollectibles. The County calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance amounted to approximately \$256,701 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. Real Estate taxes are payable and collectible on June 5th and December 5th. Personal property taxes are payable and collectible on December 5th. The County bills and collects its own property taxes.

I. Capital Assets

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

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

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

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

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

COUNTY OF MADISON, VIRGINIA

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

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

J. 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.

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 DSS and School Board Component Unit full-time employees also earn eight hours of sick leave per month. Maximum accumulation is unlimited. Employees of the Department of Social Services are entitled to the lesser of 25% of accrued sick leave or \$2,500 upon termination providing the employee has 5 years of service. Employees of the School Board are entitled to 100% of accrued sick leave upon termination. 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.

K. Long-term Obligations

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

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

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 amounts and disclosures. Accordingly, actual results could differ from those estimates.

COUNTY OF MADISON, VIRGINIA

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

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

M. Fund Balances

Financial Policies

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

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

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.

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. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

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. 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.

COUNTY OF MADISON, VIRGINIA

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

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

M. Fund Balances (Continued)

Financial Policies (Continued)

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

Category	General Fund	Capital Projects Fund	Component Unit School Board
Nonspendable:			
Prepaid expenditures	\$ 151,939	\$ -	\$ 66,870
Inventory	-	-	19,540
Total Nonspendable	\$ 151,939	\$ -	\$ 86,410
Restricted:			
Asset Forfeitures	\$ 29,659	\$ -	-
Toppings Funds	10,710	-	-
Animal donations	47,370	-	-
Opioid settlement	21,325	-	-
School Construction	-	-	-
School Activities - Restricted Cash	-	-	20,171
School Textbook Funds	-	-	53,006
Total Restricted	\$ 109,064	\$ -	\$ 73,177
Committed:			
Capital Projects	\$ -	\$ -	-
School Activities	-	-	280,894
Cafeteria	-	-	2,151,784
Total Committed	\$ -	\$ -	\$ 2,432,678
Assigned:			
Tourism	\$ 486,331	\$ -	-
Capital Projects	3,117,208	-	-
Debt Stabilization Reserve	1,377,340	-	-
Budget Stabilization Reserve	1,377,340	-	-
Joint Services Stabilization Reserve	348,691	-	-
Opening Balance Appropriation	3,593,789	-	-
County Reassessment	100,000	-	-
Sheriff	28,591	-	-
Total Assigned	\$ 10,429,290	\$ -	\$ -
Unassigned	\$ 14,860,924	\$ (432,554)	\$ (66,870)
Total Fund Balance	\$ 25,551,217	\$ (432,554)	\$ 2,525,395

COUNTY OF MADISON, VIRGINIA

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

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

N. Net Position

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

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

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

O. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position includes a report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has one type of item that qualifies for reporting in this category. It is comprised of certain items related to pension and OPEB. For more detailed information on these items, reference the related notes.

COUNTY OF MADISON, VIRGINIA

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

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

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

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

P. Pensions

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

Q. Other Postemployment Benefits (OPEB)

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

R. Leases and Subscription-Based IT Arrangements

The County has leases various lease assets and subscription-based IT arrangements (SBITAs) requiring recognition. A lease is a contract that conveys control of the right to use another entity's nonfinancial asset. Lease recognition does not apply to short-term leases, contracts that transfer ownership, leases of assets that are investments, or certain regulated leases. A SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction.

COUNTY OF MADISON, VIRGINIA

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

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

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

Lessee

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

Subscriptions

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

Key Estimates and Judgments

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

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

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

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

Credit Risk of Debt Securities

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

The County's rated debt investments as of June 30, 2025 were rated by Standard & Poor's and the ratings are presented below using Standard & Poor's rating scale.

Rated Debt Investments	County's Rated Debt Investments' Values	
	Fair Quality Ratings	
	AAAm	AA+
U.S. Government Securities	\$ -	\$ 62,311
SNAP	460,089	-
VACo/VML VIP Stable NAV Liquidity Pool	1,050,995	-
Local Government Investment Pool	12,464,926	-
Total	\$ 13,976,010	\$ 62,311

External Investment Pools

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

COUNTY OF MADISON, VIRGINIA

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

Note 2 - Deposits and Investments: (Continued)

Interest Rate Risk

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

Investment Maturities (in years)			
Investment Type	Fair Value	Less than 1 year	Greater than 10 years
U.S. Government Securities	\$ 62,311	\$ -	\$ 62,311
SNAP	460,089	460,089	-
VACo/VML VIP Stable NAV Liquidity Pool	1,050,995	1,050,995	-
Local Government Investment Pool	12,464,926	12,464,926	-
Total	\$ 14,038,321	\$ 13,976,010	\$ 62,311

Note 3 - Due From Other Governmental Units:

	Primary Government	Component Unit School Board
Commonwealth of Virginia:		
Local sales tax	\$ 315,158	\$ -
Public assistance and welfare administration	91,341	-
State sales tax	-	505,893
Comprehensive services	496,340	-
Communications tax	60,144	-
Shared expenses	146,968	-
Department of Justice	41,505	-
Other state funds	7,526	-
Federal Government:		
School funds	-	166,818
School food	-	299,941
Public assistance and welfare administration	136,516	-
ARPA	-	-
Justice Assistance Grant	9,722	-
Totals	\$ 1,305,220	\$ 972,652

COUNTY OF MADISON, VIRGINIA

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

Note 4 - Capital Assets:

The following is a summary of capital assets 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>
Primary Government:				
Capital assets not being depreciated:				
Land	\$ 1,462,028	\$ -	-	\$ 1,462,028
Construction in progress	5,427,261	3,132,227	1,498,920	7,060,568
Total capital assets not being depreciated	<u>\$ 6,889,289</u>	<u>\$ 3,132,227</u>	<u>\$ 1,498,920</u>	<u>\$ 8,522,596</u>
Capital assets being depreciated/amortized:				
Buildings and improvements	\$ 19,520,830	\$ 1,533,371	4,000	\$ 21,050,201
Lease land	343,853	-	-	343,853
Lease land improvements	332,883	-	-	332,883
Equipment (including vehicles)	7,633,909	895,948	23,223	8,506,634
Lease equipment	213,136	-	153,624	59,512
Subscription assets	110,259	28,911	-	139,170
Jointly owned assets	13,275,455	-	805,777	12,469,678
Total capital assets being depreciated/amortized	<u>\$ 41,430,325</u>	<u>\$ 2,458,230</u>	<u>\$ 986,624</u>	<u>\$ 42,901,931</u>
Less accumulated depreciation/amortization:				
Buildings and improvements	\$ (8,814,068)	\$ (454,968)	(2,258)	\$ (9,266,778)
Lease land	(7,550)	(13,727)	-	(21,277)
Lease land improvements	(78,840)	(26,280)	-	(105,120)
Equipment (including vehicles)	(5,343,314)	(836,538)	(23,223)	(6,156,629)
Lease equipment	(164,022)	(17,511)	(153,624)	(27,909)
Subscription assets	(69,638)	(37,293)	-	(106,931)
Jointly owned assets	(836,502)	(486,141)	(399,980)	(922,663)
Total accumulated depreciation/amortization	<u>\$ (15,313,934)</u>	<u>\$ (1,872,458)</u>	<u>\$ (579,085)</u>	<u>\$ (16,607,307)</u>
Net capital assets being depreciated/amortized	<u>\$ 26,116,391</u>	<u>\$ 585,772</u>	<u>\$ 407,539</u>	<u>\$ 26,294,624</u>
Net capital assets	<u>\$ 33,005,680</u>	<u>\$ 3,717,999</u>	<u>\$ 1,906,459</u>	<u>\$ 34,817,220</u>

COUNTY OF MADISON, VIRGINIA

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

Note 4 - Capital Assets: (Continued)

The following is a summary of capital assets for the fiscal year ended June 30, 2025 (Continued):

	<u>Balance</u> <u>July 1, 2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2025</u>
Component Unit - School Board:				
Capital assets not being depreciated:				
Land	\$ 109,803	\$ -	\$ -	\$ 109,803
Construction in progress	294,741	308,275	467,842	135,174
Total capital assets not being depreciated	<u>\$ 404,544</u>	<u>\$ 308,275</u>	<u>\$ 467,842</u>	<u>\$ 244,977</u>
Capital assets being depreciated/amortized:				
Buildings and improvements	\$ 35,218,929	\$ 524,181	\$ -	\$ 35,743,110
Equipment (including vehicles)	9,011,311	734,683	1,111,758	8,634,236
Lease equipment	346,783	-	-	346,783
Jointly owned assets	(13,275,455)	-	(805,777)	(12,469,678)
Total capital assets being depreciated/amortized	<u>\$ 31,301,568</u>	<u>\$ 1,258,864</u>	<u>\$ 305,981</u>	<u>\$ 32,254,451</u>
Less accumulated depreciation/amortization:				
Buildings and improvements	\$ (16,452,830)	\$ (1,289,702)	\$ -	\$ (17,742,532)
Jointly owned assets	836,502	486,141	399,980	922,663
Equipment (including vehicles)	(6,373,723)	(736,112)	(1,111,758)	(5,998,077)
Lease equipment	(208,341)	(69,447)	-	(277,788)
Total accumulated depreciation/amortization	<u>\$ (22,198,392)</u>	<u>\$ (1,609,120)</u>	<u>\$ (711,778)</u>	<u>\$ (23,095,734)</u>
Net capital assets being depreciated/amortized	<u>\$ 9,103,176</u>	<u>\$ (350,256)</u>	<u>\$ (405,797)</u>	<u>\$ 9,158,717</u>
Net capital assets	<u>\$ 9,507,720</u>	<u>\$ (41,981)</u>	<u>\$ 62,045</u>	<u>\$ 9,403,694</u>

COUNTY OF MADISON, VIRGINIA

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

Note 4 - Capital Assets: (Continued)

The following is a summary of capital assets for the fiscal year ended June 30, 2025 (Continued):

	Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025
Component Unit - Parks and Recreation Authority:				
Capital assets not being depreciated:				
Construction in progress	\$ 30,898	\$ -	\$ -	\$ 30,898
Total capital assets not being depreciated	\$ 30,898	\$ -	\$ -	\$ 30,898
Capital assets being depreciated:				
Buildings and improvements	\$ 312,337	\$ -	\$ -	\$ 312,337
Equipment	173,154	8,530	-	181,684
Total capital assets being depreciated	\$ 485,491	\$ 8,530	\$ -	\$ 494,021
Less accumulated depreciation:				
Buildings and improvements	\$ (83,241)	\$ (17,252)	\$ -	\$ (100,493)
Equipment	(122,625)	(16,593)	-	(139,218)
Total accumulated depreciation	\$ (205,866)	\$ (33,845)	\$ -	\$ (239,711)
Net capital assets being depreciated	\$ 279,625	\$ (25,315)	\$ -	\$ 254,310
Net capital assets	\$ 310,523	\$ (25,315)	\$ -	\$ 285,208

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

Primary Government:	
Governmental activities:	
General government administration	\$ 406,523
Judicial administration	301,804
Public safety	591,208
Public works	57,948
Health and welfare	25,447
Education	486,141
Parks, recreation and cultural	1,878
Community development	1,509
Total	\$ 1,872,458
Component Unit School Board	\$ 1,609,120
Component Unit Parks and Recreation Authority	\$ 33,845

COUNTY OF MADISON, VIRGINIA

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

Note 5 - Compensated Absences:

The County has accrued the liability arising from compensated absences.

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

Primary Government	\$ 793,880
	<u> </u>
Component Unit School Board	\$ 2,087,259
	<u> </u>

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

<u>Fund</u>	<u>Due from</u>	<u>Due to</u>
General	\$ 734,238	\$ -
School Board	-	734,238
Total	<u>\$ 734,238</u>	<u>\$ 734,238</u>
<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General	\$ -	\$ 2,828,344
Capital Improvement	2,828,344	-
Total	<u>\$ 2,828,344</u>	<u>\$ 2,828,344</u>

Note 7 - Pension Plan:

Plan Description

All full-time, salaried permanent employees of the County and (nonprofessional) employees of public school divisions are automatically covered by a VRS Retirement Plan upon employment. This is an agent multiple-employer plan administered by the Virginia Retirement System (the System) along with plans for other employer groups in the Commonwealth of Virginia. Members earn one month of service credit for each month they are employed and for which they and their employer pay contributions to VRS. Members are eligible to purchase prior service, based on specific criteria as defined in the 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.

COUNTY OF MADISON, VIRGINIA

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

Note 7 - Pension Plan: (Continued)

Benefit Structures

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

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

Average Final Compensation and Service Retirement Multiplier

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

COUNTY OF MADISON, VIRGINIA

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

Note 7 - Pension Plan: (Continued)

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

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

Employees Covered by Benefit Terms

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

	<u>Primary Government</u>	<u>Component Unit School Board Nonprofessional</u>
Inactive members or their beneficiaries currently receiving benefits	77	44
Inactive members:		
Vested inactive members	23	16
Non-vested inactive members	41	21
Inactive members active elsewhere in VRS	<u>63</u>	<u>14</u>
Total inactive members	127	51
Active members	<u>122</u>	<u>45</u>
Total covered employees	<u><u>326</u></u>	<u><u>140</u></u>

Contributions

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

The County's contractually required contribution rate for the year ended June 30, 2025 was 9.57% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023.

COUNTY OF MADISON, VIRGINIA

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

Note 7 - Pension Plan: (Continued)

Contributions: (Continued)

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 \$715,162 and \$736,838 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 0.23% 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 \$2,533 and \$0 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 \$26,356 and \$89 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 \$51,626 and \$103 for the County and School Board, respectively, for the year ended June 30, 2025. The total Hybrid plan participant covered payroll totaled \$2,635,630 and \$8,854 for the County and School Board, respectively, for the year ended June 30, 2025.

Net Pension Liability/Asset

The net pension liability/asset (NPL) is calculated separately for each employer and represents that particular employer's total pension liability determined in accordance with GASB Statement No. 68, less that employer's fiduciary net position. The County's and Component Unit School Board's (nonprofessional) net pension liability/asset were measured as of June 30, 2024. The total pension liabilities used to calculate the net pension liability/asset were determined by an actuarial valuation performed as of June 30, 2023, and rolled forward to the measurement date of June 30, 2024.

COUNTY OF MADISON, VIRGINIA

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

Note 7 - Pension Plan (Continued)

Actuarial Assumptions - General Employees

The total pension liability for General Employees in the County's and Component Unit School Board's (nonprofessional) Retirement Plan was based on an actuarial valuation as of June 30, 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	2.50%
Salary increases, including inflation	3.50% - 5.35%
Investment rate of return	6.75%, net of pension plan investment expenses, including inflation

Mortality rates:

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement:

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

COUNTY OF MADISON, VIRGINIA

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

Note 7 - 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) - 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	2.50%
Salary increases, including inflation	3.50% - 4.75%
Investment rate of return	6.75%, net of pension plan investment expenses, including inflation

COUNTY OF MADISON, VIRGINIA

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

Note 7 - 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% rates for females set forward 2 years

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally with a Modified MP-2020 Improvement Scale; 110% of rates for males and females set forward 2 years

Mortality Improvement:

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

The actuarial assumptions used in the June 30, 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 MADISON, VIRGINIA

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

Note 7 - Pension Plan: (Continued)

Long-Term Expected Rate of Return

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

Asset Class (Strategy)	Long-Term Target Asset Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return*
Public Equity	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 that time, providing a median return of 7.14%, including expected inflation of 2.50%.

COUNTY OF MADISON, VIRGINIA

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

Note 7 - Pension Plan: (Continued)

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 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 (Asset)

	Primary Government		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at June 30, 2023	\$ 23,087,644	\$ 24,232,326	\$ (1,144,682)
Changes for the year:			
Service cost	\$ 910,272	\$ -	\$ 910,272
Interest	1,581,356	-	1,581,356
Differences between expected and actual experience	737,512	-	737,512
Contributions - employer	-	736,833	(736,833)
Contributions - employee	-	326,407	(326,407)
Net investment income	-	2,361,631	(2,361,631)
Benefit payments, including refunds of employee contributions	(1,140,825)	(1,140,825)	-
Administrative expenses	-	(14,906)	14,906
Other changes	-	420	(420)
Net changes	\$ 2,088,315	\$ 2,269,560	\$ (181,245)
Balances at June 30, 2024	\$ 25,175,959	\$ 26,501,886	\$ (1,325,927)

COUNTY OF MADISON, VIRGINIA

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

Note 7 - Pension Plan: (Continued)

Changes in Net Pension Liability (Asset) (Continued)

	Component School Board (nonprofessional)		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at June 30, 2023	\$ 4,276,841	\$ 5,167,304	\$ (890,463)
Changes for the year:			
Service cost	\$ 92,831	\$ -	\$ 92,831
Interest	286,989	-	286,989
Changes of assumptions	-	-	-
Differences between expected and actual experience	96,341	-	96,341
Contributions - employer	-	-	-
Contributions - employee	-	49,123	(49,123)
Net investment income	-	495,484	(495,484)
Benefit payments, including refunds of employee contributions	(235,964)	(235,964)	-
Administrative expenses	-	(3,429)	3,429
Other changes	-	97	(97)
Net changes	\$ 240,197	\$ 305,311	\$ (65,114)
Balances at June 30, 2024	\$ 4,517,038	\$ 5,472,615	\$ (955,577)

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)	\$ 1,968,891	\$ (1,325,927)	\$ (3,979,697)
Component Unit School Board (nonprofessional)			
Net Pension Liability (Asset)	\$ (435,880)	\$ (955,577)	\$ (1,385,431)

COUNTY OF MADISON, VIRGINIA

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

Note 7 - Pension Plan: (Continued)

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

For the year ended June 30, 2025, the County and Component Unit School Board (nonprofessional) recognized pension expense of (\$22,571) and \$12,782, 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	\$ 524,973	\$ 338,449	\$ 65,395	\$ -
Change in assumptions	-	-	-	-
Net difference between projected and actual earnings on pension plan investments	-	671,912	-	146,655
Employer contributions subsequent to the measurement date	715,162	-	2,533	-
Total	<u>\$ 1,240,135</u>	<u>\$ 1,010,361</u>	<u>\$ 67,928</u>	<u>\$ 146,655</u>

\$715,162 and \$2,533 reported as deferred outflows of resources related to pensions resulting from the County's and Component Unit School Board's (nonprofessional) contributions, respectively, subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ended June 30, 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)
2027	\$ (649,602)	\$ (72,565)
2028	344,289	49,878
2029	(34,263)	(27,952)
2030	(145,812)	(30,621)

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.

COUNTY OF MADISON, VIRGINIA

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

Note 7 - Pension Plan: (Continued)

Component Unit School Board (professional)

Plan Description

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

Contributions

The contribution requirement for active employees is governed by §51.1-145 of the 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 Board were \$1,743,969 and \$1,846,603 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 \$60,963 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 \$70,701 for the year ended June 30, 2025. The total Hybrid plan participant covered payroll totaled \$6,096,258 for the year ended June 30, 2025.

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 \$10,277,755 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 0.10949% as compared to 0.11796% at June 30, 2023.

For the year ended June 30, 2025, the school division recognized pension expense of \$730,323. Since there was a change in proportionate share between measurement dates, a portion of the pension expense was related to deferred amounts from changes in proportion and from differences between employer contributions and the proportionate share of employer contributions. Beginning with the June 30, 2022 measurement date, the difference between expected and actual contributions is included with the pension expense calculation.

COUNTY OF MADISON, VIRGINIA

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

Note 7 - Pension Plan: (Continued)

Component Unit School Board (professional)

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

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,783,046	\$ 211,626
Change in assumptions	186,555	-
Net difference between projected and actual earnings on pension plan investments	-	1,414,739
Changes in proportion and differences between employer contributions and proportionate share of contributions	225,286	745,609
Employer contributions subsequent to the measurement date	<u>1,743,969</u>	<u>-</u>
Total	<u>\$ 3,938,856</u>	<u>\$ 2,371,974</u>

\$1,743,969 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>	
2027	\$ (793,009)
2028	794,645
2029	58,241
2030	(236,964)

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.

COUNTY OF MADISON, VIRGINIA

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

Note 7 - Pension Plan: (Continued)

Component Unit School Board (professional)

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	2.50%
Salary increases, including inflation	3.50% - 5.95%
Investment rate of return	6.75%, net of pension plan investment expenses, including inflation

Mortality rates:

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

Mortality Improvement:

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

COUNTY OF MADISON, VIRGINIA

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

Note 7 - 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.

COUNTY OF MADISON, VIRGINIA

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

Note 7 - Pension Plan: (Continued)

Long-Term Expected Rate of Return

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

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

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

	Rate		
	(5.75%)	(6.75%)	(7.75%)
School division's proportionate share of the VRS Teacher Employee Retirement Plan Net Pension Retirement Plan Liability (Asset)	\$ 19,094,054	\$ 10,277,755	\$ 3,057,486

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 <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.

Aggregate Pension Information

	VRS Pension Plans:			
	Deferred Outflows	Deferred Inflows	Net Pension Liability (Asset)	Pension Expense
Primary Government	\$ 1,240,135	\$ 1,010,361	\$ (1,325,927)	\$ (22,571)
Totals	<u>\$ 1,240,135</u>	<u>\$ 1,010,361</u>	<u>\$ (1,325,927)</u>	<u>\$ (22,571)</u>
Component Unit School Board				
School Board Nonprofessional	\$ 67,928	\$ 146,655	\$ (955,577)	\$ 12,782
School Board Professional	3,938,856	2,371,974	10,277,755	730,323
Totals	<u>\$ 4,006,784</u>	<u>\$ 2,518,629</u>	<u>\$ 9,322,178</u>	<u>\$ 743,105</u>

COUNTY OF MADISON, VIRGINIA

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

Note 8 - Long-Term Obligations:

Primary Government-Long-term Obligations:

Changes in Long-Term Obligations:

The following is a summary of long-term obligation transactions for the year ended June 30, 2025:

	Balance at July 1, 2024*	Issuances/ Increases	Retirements/ Decreases	Balance at June 30, 2025	Amounts Due Within One Year
Governmental Activities:					
Direct Borrowings and Direct Placements:					
Public Facility Lease Revenue Bond	\$ 15,201,000	\$ -	\$ 493,000	\$ 14,708,000	\$ 507,000
Public Facility Lease Revenue Refunding Bonds	6,052,000	-	611,000	5,441,000	626,000
Landfill closure liability	205,629	2,102	34,622	173,109	34,622
Notes payable	240,515		27,786	212,729	28,867
Lease liabilities	668,962	-	43,794	625,168	39,063
Subscription liabilities	104,589	28,911	82,809	50,691	33,447
Net OPEB liabilities:					
Net Health Insurance OPEB liability	\$ 662,121	\$ 62,653	\$ 100,276	\$ 624,498	-
Net Group Life Insurance OPEB liability	335,808	127,114	158,498	304,424	-
Total net OPEB liability	\$ 997,929	\$ 189,767	\$ 258,774	\$ 928,922	-
Compensated absences**	714,256	79,624	-	793,880	79,388
Total governmental activities	<u>\$ 24,184,880</u>	<u>\$ 300,404</u>	<u>\$ 1,551,785</u>	<u>\$ 22,933,499</u>	<u>\$ 1,348,387</u>

* 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 June 30,	Direct Borrowings and Direct Placements									
	Public Facility Lease Revenue Bond		Public Facility Lease Revenue Refunding Bond		Notes Payable		Lease Liabilities		Subscription Liabilities	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ 507,000	\$ 441,240	\$ 626,000	\$ 129,831	28,867	8,707	39,063	21,939	33,447	1,472
2027	523,000	426,030	640,000	114,893	29,991	7,583	38,798	20,667	5,585	498
2028	538,000	410,340	655,000	99,622	31,161	6,413	41,449	19,323	5,747	336
2029	553,000	394,200	671,000	83,993	15,917	5,196	42,489	17,885	5,912	171
2030	569,000	377,610	687,000	67,981	16,649	4,465	38,985	16,482	-	-
2031-2035	4,427,000	1,602,690	2,162,000	103,964	90,144	10,145	184,090	60,143	-	-
2035-2040	6,275,000	758,730	-	-	-	-	70,287	39,618	-	-
2041-2045	1,316,000	39,480	-	-	-	-	91,224	24,287	-	-
2045-2050	-	-	-	-	-	-	78,783	5,545	-	-
Total	<u>\$ 14,708,000</u>	<u>\$ 4,450,320</u>	<u>\$ 5,441,000</u>	<u>\$ 600,284</u>	<u>\$ 212,729</u>	<u>\$ 42,509</u>	<u>\$ 625,168</u>	<u>\$ 225,889</u>	<u>\$ 50,691</u>	<u>\$ 2,477</u>

COUNTY OF MADISON, VIRGINIA

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

Note 8 - Long-Term Obligations: (Continued)

Details of Long-Term Obligations:

	<u>Amount Outstanding</u>	<u>Amounts Due Within One Year</u>
<i>Public Facility Lease Revenue Bond:</i>		
\$16,600,000 Public Facilities Lease Revenue Bond, Series 2020A issued June 24, 2020 due in varying installments through February 2041. Interest is payable annually at 3.00%.	\$ 14,708,000	\$ 507,000
<i>Public Facility Lease Revenue Refunding Bonds:</i>		
\$1,625,000 Public Facilities Lease Revenue Refunding Bond, Series 2020B issued June 24, 2020 due in varying installments through February 2033. Interest is payable annually at 2.37%.	\$ 1,048,000	\$ 121,000
\$6,416,000 Public Facilities Lease Revenue Refunding Bond, Series 2020C issued June 24, 2020 due in varying installments through February 2033. Interest is payable annually at 2.39%.	4,393,000	505,000
Total Public Facility Lease Revenue Refunding Bonds	\$ 5,441,000	\$ 626,000
<i>Notes Payable:</i>		
\$230,000 note payable issued March 24, 2020, due in monthly installments of principal and interest of \$1,759 through March 2035. Interest is payable at 4.50%. A building was acquired through the financing.	\$ 166,390	\$ 13,911
\$77,285 note payable issued August 1, 2023 due in annual installments of principal and interest of \$16,460 through July 2027. Interest is payable at 3.246%. Medical equipment was purchased through the financing.	46,339	14,956
Total Notes Payable	\$ 212,729	\$ 28,867
<i>Lease Liabilities:</i>		
Lease for a cell phone tower issued on November 2, 2020, due in \$2,200 monthly payments through 2034. The monthly payments will increase 3.50% annually starting March 1, 2022. Discount rate at 3.445%.	\$ 260,579	\$ 22,013
Land lease issued on November 2023, due in \$1,600 monthly payments starting December 13, 2023 through December 31, 2048. Discount rate at 3.8220%.	332,902	6,901
Various leases for equipment, payable in monthly payments ranging from \$115 to \$3,965 through May 2026. The discount rates range from 0.751% to 1.335%.	31,687	10,149
Total Lease Liabilities	\$ 625,168	\$ 39,063
<i>Subscription Liabilities:</i>		
Various IT subscriptions payable monthly through 2027 in various installments at discount rates ranging from 2.884% to 2.907%.	\$ 50,691	\$ 33,447
Landfill closure liability	\$ 173,109	\$ 34,622
Net OPEB liabilities	\$ 928,922	\$ -
Compensated absences	\$ 793,880	\$ 79,388
Total long-term obligations	\$ 22,933,499	\$ 1,348,387

COUNTY OF MADISON, VIRGINIA

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

Note 8 - Long-Term Obligations: (Continued)

Discretely Presented Component Unit–School Board Obligations:

The following is a summary of long-term obligation transactions for the fiscal year ended June 30, 2025:

	Balance at July 1, 2024*	Issuances/ Increases	Retirements/ Decreases	Balance at June 30, 2025	Amounts Due Within One Year
Compensated absences **	\$ 2,114,690	\$	\$ 27,431	\$ 2,087,259	\$ 208,726
Lease liabilities	141,327	-	70,192	71,135	71,135
Net pension liability	11,922,459	4,461,878	6,106,582	10,277,755	-
Net OPEB liabilities:					
Net Health Insurance OPEB liability	\$ 1,385,559	\$ 117,162	\$ 178,993	\$ 1,323,728	-
Net Group Life Insurance OPEB liability	649,188	213,093	306,775	555,506	-
Net Health Insurance Credit OPEB liability	1,488,599	257,788	426,123	1,320,264	-
Total net OPEB liability	<u>\$ 3,523,346</u>	<u>\$ 588,043</u>	<u>\$ 911,891</u>	<u>\$ 3,199,498</u>	<u>-</u>
Total Component Unit	<u>\$ 17,701,822</u>	<u>\$ 5,049,921</u>	<u>\$ 7,116,096</u>	<u>\$ 15,635,647</u>	<u>\$ 279,861</u>

* 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 June 30,	Lease Liabilities	
	Principal	Interest
2026	\$ 71,135	\$ 517
Total	<u>\$ 71,135</u>	<u>\$ 517</u>

	Amount Outstanding	Amounts Due Within One Year
<i>Lease Liabilities:</i>		
Five-year lease for office equipment, due in \$673 quarterly payments through April 29, 2026. Discount rate at 1.335%.	\$ 2,670	\$ 2,670
Five-year lease for equipment, due in \$5,747 monthly payments, through June 9, 2026. Discount rate at 1.335%.	68,465	68,465
Total Lease Liabilities	<u>\$ 71,135</u>	<u>\$ 71,135</u>
Compensated absences	<u>\$ 2,087,259</u>	<u>\$ 208,726</u>
Net pension liability	<u>\$ 10,277,755</u>	<u>\$ -</u>
Net OPEB obligation liabilities	<u>\$ 3,199,498</u>	<u>\$ -</u>
Total long-term obligations	<u>\$ 15,635,647</u>	<u>\$ 279,861</u>

COUNTY OF MADISON, VIRGINIA

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

Note 8 - Long-Term Obligations: (Continued)

Discretely Presented Component Unit—Parks and Recreation Authority:

The following is a summary of long-term obligation transactions for the fiscal year ended June 30, 2025:

	Balance at July 1, 2024	Issuances/ Increases	Retirements/ Decreases	Balance at June 30, 2025	Amounts Due Within One Year
Note Payable	\$ 19,500	\$ -	\$ 4,875	\$ 14,625	\$ 4,875

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

Year Ending June 30,	Note Payable	
	Principal	Interest
2026	4,875	-
2027	4,875	-
2028	4,875	-
Total	\$ 14,625	\$ -

<i>Note payable:</i>	Amount Outstanding	Amounts Due Within One Year
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Note payable for equipment, due in \$4,875 annual payments through September 20, 2027. Interest rate at 0.00%.

\$	14,625	\$	4,875
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COUNTY OF MADISON, VIRGINIA

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

Note 9 - Deferred/Unavailable/Unearned Revenue:

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

	<u>Government-wide Statements</u>	<u>Balance Sheet</u>
	<u>Governmental Activities</u>	<u>Governmental Funds</u>
Primary Government:		
Deferred/Unavailable property tax revenue:		
Deferred/Unavailable revenue representing uncollected property tax billings for which asset recognition criteria has not been met. The uncollected tax billings are not available for the funding of current expenditures.	\$ -	\$ 521,507
2nd half assessments due after June 30th	7,002,503	7,002,503
Prepaid property tax revenues representing collections received for property taxes that are applicable to the subsequent budget year.	<u>290,196</u>	<u>290,196</u>
Total deferred/unavailable property tax revenue:	<u>\$ 7,292,699</u>	<u>\$ 7,814,206</u>
Unavailable opioid settlement revenue:	<u>\$ -</u>	<u>\$ 229,434</u>
Total governmental activities	<u><u>\$ 7,292,699</u></u>	<u><u>\$ 8,043,640</u></u>

Note 10 - Contingent Liabilities:

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

COUNTY OF MADISON, VIRGINIA

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

Note 11 - Surety Bonds:

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

Note 12 - Risk Management:

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

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

Note 13 - Landfill Closure and Postclosure Care Cost:

State and federal laws and regulations require the County to place a final cover on its landfill site when it stops accepting waste, which occurred in fiscal year 2005, and to perform certain maintenance and monitoring functions at the site for thirty years after closure. The \$173,109 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. These amounts are based on what it would cost to perform all 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 any funds accumulated for this purpose in the General Fund.

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

The County plans to meet all federal laws, regulations and tests of financial assurance related to the financing of closure and postclosure care when they become effective.

COUNTY OF MADISON, VIRGINIA

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

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

County:

Plan Description

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

Benefits Provided

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

Plan Membership

At June 30, 2025 (measurement date), the following employees were covered by the benefit terms:

Total active employees with coverage	122
Total retirees with coverage	<u>1</u>
Total	<u><u>123</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, 2025. The total OPEB liability was determined by an actuarial valuation as of July 1, 2023.

COUNTY OF MADISON, VIRGINIA

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

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

County: (Continued)

Actuarial Assumptions

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

Inflation	2.50%
Salary Increases	Ranging from 3.50% to 5.35% depending on years of service per year for general salary inflations
Discount Rate	5.20%

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

The date of the most recent actuarial experience study for which significant assumptions were based is July 1, 2023.

Discount Rate

The final equivalent single discount rate used for this year’s valuation is 5.20% as of the end of the fiscal year with the expectation that the County will continue contributing the Actuarially Determined Contribution and paying the pay-go cost.

Changes in Total OPEB Liability

		Primary Government Total OPEB Liability
Balances at June 30, 2023	\$	662,121
Changes for the year:		
Service cost		35,394
Interest		27,259
Economic/demographic gains or losses		-
Changes in assumptions		(92,422)
Benefit payments		(7,854)
Net changes		<u>(37,623)</u>
Balances at June 30, 2024	\$	<u><u>624,498</u></u>

COUNTY OF MADISON, VIRGINIA

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

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

County: (Continued)

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

The following amounts present the total OPEB liability of the County, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (4.20%) or one percentage point higher (6.20%) than the current discount rate:

Rate		
1% Decrease (4.20%)	Current Discount Rate (5.20%)	1% Increase (6.20%)
\$ 695,981	\$ 624,498	\$ 561,738

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

The following presents the total OPEB liability of the County calculated using healthcare cost trend rates that are one percentage point lower (4.60% decreasing to 2.90% after 2072) or one percentage point higher (6.60% decreasing to 4.90% after 2072) than the current healthcare cost trend rates:

Rates		
1% Decrease (4.60% decreasing to 2.90% after 2072)	Healthcare Cost Trend (5.60% decreasing to 3.90% after 2072)	1% Increase (6.60% decreasing to 4.90% after 2072)
\$ 541,048	\$ 624,498	\$ 723,414

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 \$54,530. At June 30, 2025, the County 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	\$ 43,766	\$ 89,165
Changes in assumptions	40,147	159,162
Total	<u>\$ 83,913</u>	<u>\$ 248,327</u>

COUNTY OF MADISON, VIRGINIA

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

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

County: (Continued)

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

<u>Year Ended June 30</u>	
2026	\$ (8,874)
2027	(40,291)
2028	(61,233)
2029	(43,616)
2030	(10,400)
Thereafter	-

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

School Board:

Plan Description

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

Benefits Provided

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

Plan Membership

At June 30, 2025 (measurement date), the following employees were covered by the benefit terms:

Total active employees with coverage	249
Total retirees with coverage	2
Total retirees without coverage	-
Total	<u><u>251</u></u>

COUNTY OF MADISON, VIRGINIA

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

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

School Board: (Continued)

Contributions

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

Total OPEB Liability

The School Board's total OPEB liability was measured as of June 30, 2025. The total OPEB liability was determined by an actuarial valuation as of July 1, 2023.

Actuarial Assumptions

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

Inflation	2.50%
Salary Increases	Ranging from 3.50% to 5.95% depending on years of service per year for general salary inflations
Discount Rate	5.20%

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

The date of the most recent actuarial experience study for which significant assumptions were based is July 1, 2023.

Discount Rate

The final equivalent single discount rate used for this year's valuation is 5.20% 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.

COUNTY OF MADISON, VIRGINIA

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

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

School Board: (Continued)

Changes in Total OPEB Liability

	<u>School Board</u> <u>Total OPEB Liability</u>
Balances at June 30, 2024	\$ 1,385,559
Changes for the year:	
Service cost	61,175
Interest	55,987
Economic/demographic gains or losses	-
Changes in assumptions	(134,282)
Benefit payments	(44,711)
Net changes	<u>(61,831)</u>
Balances at June 30, 2025	<u>\$ 1,323,728</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 (4.20%) or one percentage point higher (6.20%) than the current discount rate:

<u>Rate</u>		
<u>1% Decrease</u> <u>(4.20%)</u>	<u>Current Discount</u> <u>Rate (5.20%)</u>	<u>1% Increase</u> <u>(6.20%)</u>
\$ 1,428,565	\$ 1,323,728	\$ 1,225,888

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

The following presents the total OPEB liability of the School Board was calculated using healthcare cost trend rates that are one percentage point lower (4.60% decreasing to 2.90% after 2072) or one percentage point higher (6.60% decreasing to 4.90% after 2072) than the current healthcare cost trend rates:

<u>Rates</u>		
<u>Healthcare Cost</u>		
<u>1% Decrease</u> <u>(4.60% decreasing to</u> <u>2.90% after 2072)</u>	<u>Trend</u> <u>(5.60% decreasing to</u> <u>3.90% after 2072)</u>	<u>1% Increase</u> <u>(6.60% decreasing to</u> <u>4.90% after 2072)</u>
\$ 1,172,653	\$ 1,323,728	\$ 1,498,610

COUNTY OF MADISON, VIRGINIA

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

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

School Board: (Continued)

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

For the year ended June 30, 2025, the School Board recognized OPEB expense in the amount of \$68,971. At June 30, 2025, the School Board 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	\$ 51,811	\$ 109,063
Changes in assumptions	83,561	251,023
Total	<u>\$ 135,372</u>	<u>\$ 360,086</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	\$ (48,793)
2027	(49,706)
2028	(46,716)
2029	(45,178)
2030	(34,321)
Thereafter	-

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

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

Plan Description

The Political Subdivision Health Insurance Credit (HIC) Plan was established pursuant to §51.1-1400 et seq. of the 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.

COUNTY OF MADISON, VIRGINIA

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

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

Plan Description: (Continued)

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

Eligible Employees

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

Benefit Amounts

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

HIC Plan Notes

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

Employees Covered by Benefit Terms

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

	<u>Primary Government</u>	<u>Component Unit School Board Nonprofessional</u>
Inactive members or their beneficiaries currently receiving benefits	24	12
Inactive members:		
Vested inactive members	-	-
Inactive members active elsewhere in VRS	22	12
Total inactive members	<u>46</u>	<u>24</u>
Active members	54	45
Total covered employees	<u><u>100</u></u>	<u><u>69</u></u>

COUNTY OF MADISON, VIRGINIA

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

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

Contributions

The contribution requirements for active employees is governed by §51.1-1402(E) of the Code of Virginia, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. The County's contractually required employer contribution rate for the year ended June 30, 2025 was 0.03% of covered employee compensation. This rate 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 County to the HIC Plan were \$1,006 and \$3,032 for the years ended June 30, 2025 and June 30, 2024, respectively. The School Board's contractually required employer contribution rate for the year ended June 30, 2023 was 1.20% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 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 Board to the HIC Plan were \$13,216 and \$13,253 for the years ended June 30, 2025 and June 30, 2024, respectively.

Net HIC OPEB Liability

The County and School Board's net HIC OPEB liability was measured as of June 30, 2024. The total HIC 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	2.50%
Salary increases, including inflation:	
Locality - General employees	3.50%-5.35%
Locality - Hazardous Duty employees	3.50%-4.75%
Investment rate of return	6.75%, net of investment expenses, including inflation

COUNTY OF MADISON, VIRGINIA

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

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

Actuarial Assumptions: (Continued)

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement Scale:

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

The actuarial assumptions used in the June 30, 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 MADISON, VIRGINIA

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

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

Actuarial Assumptions: (Continued)

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement Scale:

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

The actuarial assumptions used in the June 30, 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

COUNTY OF MADISON, VIRGINIA

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

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

Long-Term Expected Rate of Return

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

Asset Class (Strategy)	Long-term Target Asset Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-term Expected Rate of Return*
Public Equity	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 that time, providing a median return of 7.14%, including expected inflation of 2.50%.

COUNTY OF MADISON, VIRGINIA

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

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

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

Changes in Net HIC OPEB Liability (Asset)

	Increase (Decrease)		
	Total HIC OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net HIC OPEB Liability (Asset) (a) - (b)
Primary Government			
Balances at June 30, 2023	\$ 74,072	\$ 90,164	\$ (16,092)
Changes for the year:			
Service cost	\$ 2,296	\$ -	\$ 2,296
Interest	4,990	-	4,990
Differences between expected and actual experience	(5,052)	-	(5,052)
Contributions - employer	-	3,032	(3,032)
Net investment income	-	8,444	(8,444)
Benefit payments	(4,874)	(4,874)	-
Administrative expenses	-	(115)	115
Net changes	\$ (2,640)	\$ 6,487	\$ (9,127)
Balances at June 30, 2024	\$ 71,432	\$ 96,651	\$ (25,219)

COUNTY OF MADISON, VIRGINIA

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

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

Changes in Net HIC OPEB Liability (Asset)

	Increase (Decrease)		
	Total HIC OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net HIC OPEB Liability (Asset) (a) - (b)
Component School Board (nonprofessional)			
Balances at June 30, 2023	\$ 90,684	\$ 22,835	\$ 67,849
Changes for the year:			
Service cost	\$ 1,083	\$ -	\$ 1,083
Interest	6,016	-	6,016
Differences between expected and actual experience	1,453	-	1,453
Contributions - employer		13,253	(13,253)
Net investment income		2,697	(2,697)
Benefit payments	(5,296)	(5,296)	-
Administrative expenses		(41)	41
Net changes	\$ 3,256	\$ 10,613	\$ (7,357)
Balances at June 30, 2024	\$ 93,940	\$ 33,448	\$ 60,492

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

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

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
County's			
Net HIC OPEB Liability (Asset)	\$ (17,370)	\$ (25,219)	\$ (31,809)
Component Unit School Board (nonprofessional)			
Net HIC OPEB Liability (Asset)	\$ 70,798	\$ 60,492	\$ 51,783

COUNTY OF MADISON, VIRGINIA

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

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

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

For the year ended June 30, 2025, the County and School Board recognized HIC Plan OPEB expense of \$1,131 and \$(1,829), respectively. At June 30, 2025, the County and School Board reported deferred outflows of resources and deferred inflows of resources related to the County's HIC Plan from the following sources:

	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	\$ 16,299	\$ 11,016	\$ 1,225	\$ 17,032
Net difference between projected and actual earnings on HIC OPEB plan investments	-	1,845	-	567
Change in assumptions	588	4,730	1,767	-
Employer contributions subsequent to the measurement date	1,006	-	13,216	-
Total	<u>\$ 17,893</u>	<u>\$ 17,591</u>	<u>\$ 16,208</u>	<u>\$ 17,599</u>

\$1,006 and \$13,216 reported as deferred outflows of resources related to the HIC OPEB resulting from the County and School Board's contributions subsequent to the measurement date will be recognized as a reduction of the Net HIC OPEB Liability in the fiscal year ending June 30, 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	Primary Government	Component Unit School Board (nonprofessional)
2026	\$ (641)	\$ (7,165)
2027	2,964	(7,513)
2028	1,172	155
2029	(3,187)	(84)
2030	(1,012)	-
Thereafter	-	-

COUNTY OF MADISON, VIRGINIA

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

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

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 <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.

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

Plan Description

The Virginia Retirement System (VRS) Teacher Employee Health Insurance Credit (HIC) Plan was established pursuant to §51.1-1400 et seq. of the 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, the monthly benefit is \$4.00 per year of service per month with no cap on the benefit amount. For Teacher and other professional school employees who retire on disability or go on long-term disability under the Virginia Local Disability Program (VLDP), the monthly benefit is either: \$4.00 per month, multiplied by twice the amount of service credit, or \$4.00 per month, multiplied by the amount of service earned had the employee been active until age 60, whichever is lower.

Note 16 - 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 HIC Plan. This rate was the final approved General Assembly rate, which was based on an actuarially determined rate from an actuarial valuation as of June 30, 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 HIC Plan were \$148,501 and \$141,314 for the years ended June 30, 2025 and June 30, 2024, respectively.

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

At June 30, 2025, the school division reported a liability of \$1,258,772 for its proportionate share of the VRS Teacher Employee HIC Net OPEB Liability. The Net VRS Teacher Employee HIC OPEB Liability was measured as of June 30, 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, 2024, 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 HIC Plan was 0.10901% as compared to 0.1173% at June 30, 2023.

For the year ended June 30, 2025, the school division recognized VRS Teacher Employee HIC Plan OPEB expense of \$66,009. Since there was a change in proportionate share between measurement dates, a portion of the VRS Teacher Employee HIC Plan Net OPEB expense was related to deferred amounts from changes in proportionate share and differences between actual and expected contributions.

COUNTY OF MADISON, VIRGINIA

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

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

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

At June 30, 2025, the school division reported deferred outflows of resources and deferred inflows of resources related to the VRS Teacher Employee HIC Plan OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 59,685
Net difference between projected and actual earnings on Teacher HIC OPEB plan investments	-	4,481
Change in assumptions	21,702	-
Changes in proportionate share and differences between actual and expected contributions	26,465	136,250
Employer contributions subsequent to the measurement date	<u>148,501</u>	<u>-</u>
Total	<u>\$ 196,668</u>	<u>\$ 200,416</u>

\$148,501 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:

<u>Year Ended June 30,</u>	
2026	\$ (41,201)
2027	(32,004)
2028	(26,872)
2029	(20,342)
2030	(17,225)
Thereafter	(14,605)

COUNTY OF MADISON, VIRGINIA

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

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

Actuarial Assumptions

The total Teacher Employee HIC OPEB liability for the VRS Teacher Employee HIC Plan was based on an actuarial valuation as of June 30, 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	2.50%
Teacher employees	3.50%-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 MADISON, VIRGINIA

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

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

Retirement Rates	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Withdrawal 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
	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 HIC Plan represents the plan's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of June 30, 2024, NOL amounts for the VRS Teacher Employee HIC Plan are as follows (amounts expressed in thousands):

	Teacher Employee HIC OPEB Plan
	<hr/>
Total Teacher Employee HIC OPEB Liability	\$ 1,478,105
Plan Fiduciary Net Position	322,457
Teacher Employee net HIC OPEB Liability (Asset)	\$ <u><u>1,155,648</u></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 MADISON, VIRGINIA

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

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

Long-Term Expected Rate of Return

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

Asset Class (Strategy)	Long-Term Target Asset Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-term Expected Rate of Return*
Public Equity	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%	3.00%	-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%.

COUNTY OF MADISON, VIRGINIA

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

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

Discount Rate

The discount rate used to measure the total Teacher Employee HIC OPEB was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ended June 30, 2024, the rate contributed by each school division for the VRS Teacher Employee HIC Plan will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 100% of the actuarially determined contribution rate. From July 1, 2024 on, all agencies are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the Teacher Employee HIC OPEB plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total Teacher Employee HIC OPEB liability.

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

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

	Rate		
	1% Decrease (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	\$ 1,432,675	\$ 1,259,772	\$ 1,113,211

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 <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.

COUNTY OF MADISON, VIRGINIA

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

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

Plan Description

The Group Life Insurance (GLI) Plan was established pursuant to §51.1-500 et seq. of the 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 GLI coverage, the insurer bills employers directly for the premiums. Employers deduct these premiums from members' paychecks and pay the premiums to the insurer. Since this is a separate and fully insured program, it is not included as part of the GLI Plan OPEB.

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

Eligible Employees

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

Benefit Amounts

The GLI Plan is a defined benefit plan with several components. The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled. The accidental death benefit is double the natural death benefit. In addition to basic natural and accidental death benefits, the plan provides additional benefits provided under specific circumstances that include the following: accidental dismemberment benefit, seatbelt benefit, repatriation benefit, felonious assault benefit, and accelerated death benefit option. The benefit amounts are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value. For covered members with at least 30 years of service credit, the minimum benefit payable was set at \$8,000 by statute in 2015. This will be increased annually based on the VRS Plan 2 cost-of-living adjustment calculation. The minimum benefit adjusted for the COLA was \$9,532 as of June 30, 2025.

COUNTY OF MADISON, VIRGINIA

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

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

Contributions

The contribution requirements for the GLI Plan are governed by §51.1-506 and §51.1-508 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the GLI Plan was 1.18% 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 \$35,695 and \$37,821 for the years ended June 30, 2025 and June 30, 2024, respectively, for the County; \$ 5,176 and \$5,964 for the years ended June 30, 2025 and June 30, 2024, respectively, for the School Board (nonprofessional); and \$57,731 and \$63,066 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 GLI Plan OPEB

At June 30, 2025, the entity reported a liability of \$304,424, \$47,985, and \$507,521 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 performed 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 GLI 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 0.02728%, 0.00430%, and 0.04548% as compared to 0.02800%, 0.00448%, and 0.04965% 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 \$15,105, \$1,051, and (\$6,955) 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 MADISON, VIRGINIA

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

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

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

At June 30, 2025, the employer reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Primary Government		
Differences between expected and actual experience	\$ 48,015	\$ 7,436
Net difference between projected and actual earnings on GLI OPEB plan investments	-	25,660
Change in assumptions	1,735	15,087
Changes in proportionate share	15,220	7,525
Employer contributions subsequent to the measurement date	35,695	-
Total Primary Government	\$ 100,665	\$ 55,708
Component Unit School Board (nonprofessional)		
Differences between expected and actual experience	\$ 7,568	\$ 1,172
Net difference between projected and actual earnings on GLI OPEB plan investments	-	4,045
Change in assumptions	274	2,378
Changes in proportionate share	4,326	3,083
Employer contributions subsequent to the measurement date	5,176	-
Total Component Unit School Board (nonprofessional)	\$ 17,344	\$ 10,678
Component Unit School Board (professional)		
Differences between expected and actual experience	\$ 80,048	\$ 12,397
Net difference between projected and actual earnings on GLI OPEB plan investments	-	42,779
Change in assumptions	2,893	25,152
Changes in proportionate share	5,695	54,781
Employer contributions subsequent to the measurement date	57,731	-
Total Component Unit School Board (professional)	\$ 146,367	\$ 135,109

COUNTY OF MADISON, VIRGINIA

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

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

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

\$35,695, \$5,176 and \$57,731 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	\$ (7,542)	\$ (2,156)	\$ (37,916)
2027	9,860	1,305	(538)
2028	1,065	910	(5,467)
2029	2,459	1,008	(2,885)
2030	3,422	423	332
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	2.50%
Salary increases, including inflation:	
Teachers	3.50% - 5.95%
Locality - General employees	3.50% - 5.35%
Locality - Hazardous Duty employees	3.50%-4.75%
Investment rate of return	6.75%, net of investment expenses, including inflation

Mortality Rates - Teachers

Pre-Retirement:

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

COUNTY OF MADISON, VIRGINIA

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

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

Actuarial Assumptions: (Continued)

Mortality Rates - Teachers

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:

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

The actuarial assumptions used in the June 30, 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

COUNTY OF MADISON, VIRGINIA

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

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

Actuarial Assumptions: (Continued)

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

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:

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

The actuarial assumptions used in the June 30, 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 MADISON, VIRGINIA

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

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

Actuarial Assumptions: (Continued)

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

Beneficiaries and Survivors:

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

Mortality Improvement Scale:

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

The actuarial assumptions used in the June 30, 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):

	<u>GLI OPEB Plan</u>
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%

COUNTY OF MADISON, VIRGINIA

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

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

NET GLI OPEB Liability: (Continued)

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

Long-Term Expected Rate of Return

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

Asset Class (Strategy)	Long-Term Target Asset Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-term Expected Rate of Return*
Public Equity	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 that time, providing a median return of 7.14%, including expected inflation of 2.50%.

COUNTY OF MADISON, VIRGINIA

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

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

Discount Rate

The discount rate used to measure the total GLI OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made per the VRS guidance and the employer contributions will be made in accordance with the VRS funding policy and at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ended June 30, 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 following presents the employer’s proportionate share of the net GLI OPEB liability using the discount rate of 6.75%, as well as what the employer’s proportionate share of the net GLI OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
County's proportionate share of the Group Life Insurance Program Net OPEB Liability	\$ 473,418	\$ 304,424	\$ 167,898
School Board (nonprofessional's) proportionate share of the Group Life Insurance Program Net OPEB Liability	\$ 74,622	\$ 47,985	\$ 26,465
School Board (professional's) proportionate share of the Group Life Insurance Program Net OPEB Liability	\$ 789,262	\$ 507,521	\$ 279,912

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.

COUNTY OF MADISON, VIRGINIA

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

Note 18 - Aggregate OPEB Information:

	VRS OPEB Plans		Net OPEB	
	Deferred Outflows	Deferred Inflows	Liability (Asset)	OPEB Expense
Primary Government				
Group Life Insurance Program (Note 17):				
County	\$ 100,665	\$ 55,708	\$ 304,424	\$ 15,105
County Health Insurance Credit Plan (Note 15)	17,893	17,591	(25,219)	1,131
County Stand-Alone Plan (Note 14)	83,913	248,327	624,498	54,530
Totals	<u>\$ 202,471</u>	<u>\$ 321,626</u>	<u>\$ 903,703</u>	<u>\$ 70,766</u>
Component Unit School Board				
Group Life Insurance Plan (Note 17):				
School Board Nonprofessional	\$ 17,344	\$ 10,678	\$ 47,985	\$ 1,051
School Board Professional	146,367	135,109	507,521	(6,955)
School Board Health Insurance Credit Plan (Note 15)	16,208	17,599	60,492	(1,829)
Teacher Health Insurance Credit Plan (Note 15)	196,668	200,416	1,259,772	66,009
School Stand-Alone Plan (Note 14)	135,372	360,086	1,323,728	68,971
Totals	<u>\$ 511,959</u>	<u>\$ 723,888</u>	<u>\$ 3,199,498</u>	<u>\$ 127,247</u>

Note 19 - Litigation:

At June 30, 2025, there were no matters of litigation involving the County or its component units that would have an adverse material effect on the financial position of the reporting entity.

Note 20 - Fair Value Measurements:

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

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

COUNTY OF MADISON, VIRGINIA

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

Note 20 - Fair Value Measurements: (Continued)

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

The County has the following recurring fair value measurements as of June 30, 2025:

Investment	6/30/2025	Fair Value Measurements Using		
		Quoted Prices in Active Markets or Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
U.S. Government Securities	\$ 62,311	\$ 62,311	\$ -	\$ -
	\$ 62,311	\$ 62,311	\$ -	\$ -

Note 21 - 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.

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

Note 22 - COVID-19 Funding:

ARPA Funding

On March 11, 2023, the American Rescue Plan (ARPA) Act of 2023 was passed by the federal government. A primary component of the ARPA was the establishment of the Coronavirus State and Local Fiscal Recovery Fund (CSLFRF). Local governments were to receive funds in two tranches, with 50% provided beginning in May 2021 and the balance delivered approximately 12 months later.

As a condition of receiving CSLFRF funds, any funds unobligated by December 31, 2024, and unexpended by December 31, 2026, will be returned to the federal government. Unspent funds in the amount of \$818,069 from both allocations are reported as unearned revenue as of June 30.

- Required Supplementary Information -

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

	Original Budget	Budget As Amended	Actual	Variance With Amended Budget Positive (Negative)
Revenues:				
General property taxes	\$ 20,927,000	\$ 20,927,000	\$ 21,114,463	\$ 187,463
Other local taxes	4,141,088	4,141,088	4,420,523	279,435
Permits, privilege fees and regulatory licenses	308,250	308,250	328,950	20,700
Fines and forfeitures	140,500	140,500	90,130	(50,370)
Revenue from use of money and property	470,713	470,713	840,969	370,256
Charges for services	770,544	770,544	939,124	168,580
Miscellaneous	320,156	464,168	454,852	(9,316)
Intergovernmental:				
Commonwealth	5,572,140	6,222,963	6,386,198	163,235
Federal	2,127,426	2,633,914	2,166,398	(467,516)
Total revenues	\$ 34,777,817	\$ 36,079,140	\$ 36,741,607	\$ 662,467
Expenditures:				
Current:				
General government administration	\$ 2,740,191	\$ 2,804,499	\$ 2,713,130	\$ 91,369
Judicial administration	1,335,077	1,339,575	1,271,555	68,020
Public safety	9,490,592	10,206,229	9,768,534	437,695
Public works	1,424,031	1,548,229	1,535,766	12,463
Health and welfare	5,921,482	6,610,191	6,422,027	188,164
Education	10,931,794	11,099,764	11,285,029	(185,265)
Parks, recreation, and cultural	595,088	608,288	608,287	1
Community development	737,380	729,085	659,778	69,307
Nondepartmental	441,300	220,811	-	220,811
Debt service:				
Principal retirement	1,125,113	1,125,113	1,209,042	(83,929)
Interest and other fiscal charges	600,439	600,439	634,734	(34,295)
Total expenditures	\$ 35,342,487	\$ 36,892,223	\$ 36,107,882	\$ 784,341
Excess (deficiency) of revenues over (under) expenditures	\$ (564,670)	\$ (813,083)	\$ 633,725	\$ 1,446,808
Other Financing Sources (uses):				
Issuance of long-term debt	\$ -	\$ -	\$ 28,911	\$ 28,911
Transfers (out)	(2,091,131)	(2,795,706)	(2,828,344)	(32,638)
Total other financing sources (uses)	\$ (2,091,131)	\$ (2,795,706)	\$ (2,799,433)	\$ (3,727)
Net change in fund balances	\$ (2,655,801)	\$ (3,608,789)	\$ (2,165,708)	\$ 1,443,081
Fund balances at beginning of year	2,655,801	3,608,789	27,716,925	24,108,136
Fund balances at end of year	\$ -	\$ -	\$ 25,551,217	\$ 25,551,217

Schedule of Changes in Net Pension Liability (Asset) 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	\$ 541,394	\$ 516,914	\$ 561,082	\$ 570,023	\$ 606,878
Interest	1,037,311	1,078,393	1,111,394	1,174,284	1,189,868
Differences between expected and actual experience	(156,191)	(282,251)	140,511	(508,725)	182,252
Changes in assumptions	-	-	(44,022)	-	564,680
Benefit payments, including refunds of employee contributions	(739,879)	(931,371)	(751,849)	(989,214)	(1,036,713)
Net change in total pension liability	<u>\$ 682,635</u>	<u>\$ 381,685</u>	<u>\$ 1,017,116</u>	<u>\$ 246,368</u>	<u>\$ 1,506,965</u>
Total pension liability - beginning	<u>15,188,661</u>	<u>15,871,296</u>	<u>16,252,981</u>	<u>17,270,097</u>	<u>17,516,465</u>
Total pension liability - ending (a)	<u>\$ 15,871,296</u>	<u>\$ 16,252,981</u>	<u>\$ 17,270,097</u>	<u>\$ 17,516,465</u>	<u>\$ 19,023,430</u>
Plan fiduciary net position					
Contributions - employer	\$ 471,484	\$ 489,952	\$ 390,309	\$ 394,766	\$ 407,989
Contributions - employee	201,091	208,419	219,531	222,548	239,126
Net investment income	663,732	261,173	1,825,862	1,217,607	1,157,589
Benefit payments, including refunds of employee contributions	(739,879)	(931,371)	(751,849)	(989,214)	(1,036,713)
Administrative expense	(9,028)	(9,269)	(10,482)	(10,613)	(11,514)
Other	(137)	(110)	(1,626)	(1,085)	(728)
Net change in plan fiduciary net position	<u>\$ 587,263</u>	<u>\$ 18,794</u>	<u>\$ 1,671,745</u>	<u>\$ 834,009</u>	<u>\$ 755,749</u>
Plan fiduciary net position - beginning	<u>14,365,484</u>	<u>14,952,747</u>	<u>14,971,541</u>	<u>16,643,286</u>	<u>17,477,295</u>
Plan fiduciary net position - ending (b)	<u>\$ 14,952,747</u>	<u>\$ 14,971,541</u>	<u>\$ 16,643,286</u>	<u>\$ 17,477,295</u>	<u>\$ 18,233,044</u>
County's net pension liability (asset) - ending (a) - (b)	\$ 918,549	\$ 1,281,440	\$ 626,811	\$ 39,170	\$ 790,386
Plan fiduciary net position as a percentage of the total pension liability	94.21%	92.12%	96.37%	99.78%	95.85%
Covered payroll	\$ 4,048,172	\$ 4,233,595	\$ 4,466,281	\$ 4,584,440	\$ 4,940,970
County's net pension liability (asset) as a percentage of covered payroll	22.69%	30.27%	14.03%	0.85%	4.10%

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

	2020	2021	2022	2023	2024
Total pension liability					
Service cost	\$ 677,748	\$ 719,477	\$ 821,988	\$ 887,362	\$ 910,272
Interest	1,251,916	1,355,401	1,519,169	1,519,139	1,581,356
Differences between expected and actual experience	592,229	(175,389)	(1,321,968)	(367,067)	737,512
Changes in assumptions	-	731,791	-	-	-
Benefit payments, including refunds of employee contributions	(953,051)	(1,024,525)	(1,029,628)	(1,140,378)	(1,140,825)
Net change in total pension liability	\$ 1,568,842	\$ 1,606,755	\$ (10,439)	\$ 899,056	\$ 2,088,315
Total pension liability - beginning	19,023,430	20,592,272	22,199,027	22,188,588	23,087,644
Total pension liability - ending (a)	\$ 20,592,272	\$ 22,199,027	\$ 22,188,588	\$ 23,087,644	\$ 25,175,959
Plan fiduciary net position					
Contributions - employer	\$ 427,549	\$ 561,114	\$ 598,233	\$ 693,917	\$ 736,833
Contributions - employee	251,406	265,127	282,290	306,519	326,407
Net investment income	347,959	5,011,306	(29,206)	1,482,533	2,361,631
Benefit payments, including refunds of employee contributions	(953,051)	(1,024,525)	(1,029,628)	(1,140,378)	(1,140,825)
Administrative expense	(11,849)	(12,328)	(14,316)	(14,590)	(14,906)
Other	(412)	474	538	600	420
Net change in plan fiduciary net position	\$ 61,602	\$ 4,801,168	\$ (192,089)	\$ 1,328,601	\$ 2,269,560
Plan fiduciary net position - beginning	18,233,044	18,294,646	23,095,814	22,903,725	24,232,326
Plan fiduciary net position - ending (b)	\$ 18,294,646	\$ 23,095,814	\$ 22,903,725	\$ 24,232,326	\$ 26,501,886
County's net pension liability (asset) - ending (a) - (b)	\$ 2,297,626	\$ (896,787)	\$ (715,137)	\$ (1,144,682)	\$ (1,325,927)
Plan fiduciary net position as a percentage of the total pension liability	88.84%	104.04%	103.22%	104.96%	105.27%
Covered payroll	\$ 5,244,199	\$ 5,573,211	\$ 5,954,892	\$ 6,531,655	\$ 6,986,470
County's net pension liability (asset) as a percentage of covered payroll	46.93%	-13.16%	-12.01%	-17.53%	-18.98%

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	\$ 74,089	\$ 66,822	\$ 68,751	\$ 63,158	\$ 70,774
Interest	226,502	227,787	220,674	221,119	228,352
Differences between expected and actual experience	(103,073)	(210,778)	(61,562)	8,879	(19,974)
Changes in assumptions	-	-	(21,588)	-	94,551
Benefit payments, including refunds of employee contributions	(204,473)	(153,861)	(217,007)	(182,847)	(196,793)
Net change in total pension liability	<u>\$ (6,955)</u>	<u>\$ (70,030)</u>	<u>\$ (10,732)</u>	<u>\$ 110,309</u>	<u>\$ 176,910</u>
Total pension liability - beginning	<u>3,337,981</u>	<u>3,331,026</u>	<u>3,260,996</u>	<u>3,250,264</u>	<u>3,360,573</u>
Total pension liability - ending (a)	<u><u>\$ 3,331,026</u></u>	<u><u>\$ 3,260,996</u></u>	<u><u>\$ 3,250,264</u></u>	<u><u>\$ 3,360,573</u></u>	<u><u>\$ 3,537,483</u></u>
Plan fiduciary net position					
Contributions - employer	\$ 33,962	\$ 34,045	\$ 1,243	\$ 1,208	\$ 3,454
Contributions - employee	35,046	35,144	37,596	39,120	38,555
Net investment income	167,887	64,136	444,970	293,037	272,231
Benefit payments, including refunds of employee contributions	(204,473)	(153,861)	(217,007)	(182,847)	(196,793)
Administrative expense	(2,399)	(2,362)	(2,689)	(2,597)	(2,800)
Other	(38)	(27)	(391)	(258)	(170)
Net change in plan fiduciary net position	<u>\$ 29,985</u>	<u>\$ (22,925)</u>	<u>\$ 263,722</u>	<u>\$ 147,663</u>	<u>\$ 114,477</u>
Plan fiduciary net position - beginning	<u>3,733,058</u>	<u>3,763,043</u>	<u>3,740,118</u>	<u>4,003,840</u>	<u>4,151,503</u>
Plan fiduciary net position - ending (b)	<u><u>\$ 3,763,043</u></u>	<u><u>\$ 3,740,118</u></u>	<u><u>\$ 4,003,840</u></u>	<u><u>\$ 4,151,503</u></u>	<u><u>\$ 4,265,980</u></u>
School Division's net pension liability (asset) - ending (a) - (b)	<u>\$ (432,017)</u>	<u>\$ (479,122)</u>	<u>\$ (753,576)</u>	<u>\$ (790,930)</u>	<u>\$ (728,497)</u>
Plan fiduciary net position as a percentage of the total pension liability	112.97%	114.69%	123.19%	123.54%	120.59%
Covered payroll	\$ 707,545	\$ 731,331	\$ 763,392	\$ 841,045	\$ 831,157
School Division's net pension liability (asset) as a percentage of covered payroll	-61.06%	-65.51%	-98.71%	-94.04%	-87.65%

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	\$ 72,976	\$ 71,699	\$ 70,855	\$ 84,909	\$ 92,831
Interest	232,552	243,627	261,360	267,065	286,989
Differences between expected and actual experience	49,027	(51,672)	(59,788)	157,987	96,341
Changes in assumptions	-	123,659	-	-	-
Benefit payments, including refunds of employee contributions	(184,535)	(196,439)	(194,476)	(209,448)	(235,964)
Net change in total pension liability	\$ 170,020	\$ 190,874	\$ 77,951	\$ 300,513	\$ 240,197
Total pension liability - beginning	<u>3,537,483</u>	<u>3,707,503</u>	<u>3,898,377</u>	<u>3,976,328</u>	<u>4,276,841</u>
Total pension liability - ending (a)	<u>\$ 3,707,503</u>	<u>\$ 3,898,377</u>	<u>\$ 3,976,328</u>	<u>\$ 4,276,841</u>	<u>\$ 4,517,038</u>
Plan fiduciary net position					
Contributions - employer	\$ 3,252	\$ -	\$ 2	\$ -	\$ -
Contributions - employee	38,491	37,796	40,429	47,631	49,123
Net investment income	80,870	1,133,738	(3,462)	319,451	495,484
Benefit payments, including refunds of employee contributions	(184,535)	(196,439)	(194,476)	(209,448)	(235,964)
Administrative expense	(2,825)	(2,899)	(3,251)	(3,251)	(3,429)
Other	(95)	106	118	121	97
Net change in plan fiduciary net position	\$ (64,842)	\$ 972,302	\$ (160,640)	\$ 154,504	\$ 305,311
Plan fiduciary net position - beginning	<u>4,265,980</u>	<u>4,201,138</u>	<u>5,173,440</u>	<u>5,012,800</u>	<u>5,167,304</u>
Plan fiduciary net position - ending (b)	<u>\$ 4,201,138</u>	<u>\$ 5,173,440</u>	<u>\$ 5,012,800</u>	<u>\$ 5,167,304</u>	<u>\$ 5,472,615</u>
School Division's net pension liability (asset) - ending (a) - (b)	\$ (493,635)	\$ (1,275,063)	\$ (1,036,472)	\$ (890,463)	\$ (955,577)
Plan fiduciary net position as a percentage of the total pension liability	111.10%	129.76%	123.45%	118.59%	121.15%
Covered payroll	\$ 837,116	\$ 817,250	\$ 884,559	\$ 1,054,629	\$ 1,104,441
School Division's net pension liability (asset) as a percentage of covered payroll	-58.97%	-156.02%	-117.17%	-84.43%	-86.52%

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)	0.12919%	0.12492%	0.12619%	0.12517%	0.12028%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 16,260,000	\$ 17,507,000	\$ 15,518,000	\$ 14,720,000	\$ 15,829,532
Employer's Covered Payroll	9,660,903	9,359,189	10,295,095	10,210,771	10,176,839
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	168.31%	187.06%	150.73%	144.16%	155.54%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.68%	68.28%	72.92%	74.81%	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)	0.11584%	0.11377%	0.11591%	0.11796%	0.10949%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 16,857,762	\$ 8,832,076	\$ 11,035,326	\$ 11,678,876	\$ 12,272,831
Employer's Covered Payroll	10,214,762	10,088,200	10,782,790	11,694,412	11,678,876
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	165.03%	87.55%	102.34%	99.87%	105.09%
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
 Years Ended June 30, 2015 through June 30, 2025

Date	Contractually Required Contribution (1)*	Contributions in Relation to Contractually Required Contribution (2)*	Contribution Deficiency (Excess) (3)	Employer's Covered Employee Payroll (4)	Contributions as a % of Covered Employee Payroll (5)
Primary Government					
2025	\$ 715,162	\$ 715,162	\$ -	7,472,959	9.57%
2024	736,838	736,838	-	6,986,470	10.55%
2023	693,929	693,929	-	6,531,655	10.62%
2022	598,232	598,232	-	5,954,892	10.05%
2021	561,113	561,113	-	5,573,211	10.07%
2020	429,701	429,701	-	5,244,199	8.19%
2019	407,487	407,487	-	4,940,970	8.25%
2018	394,774	394,774	-	4,584,440	8.61%
2017	393,926	393,926	-	4,466,281	8.82%
2016	493,214	493,214	-	4,233,595	11.65%
Component Unit School Board (nonprofessional)					
2025	\$ 2,533	\$ 2,533	\$ -	1,101,295	0.23%
2024	-	-	-	1,104,441	0.00%
2023	-	-	-	1,054,629	0.00%
2022	-	-	-	884,559	0.00%
2021	46	46	-	817,250	0.01%
2020	199	199	-	837,116	0.02%
2019	1,333	1,333	-	831,157	0.16%
2018	1,201	1,201	-	841,045	0.14%
2017	4,002	4,002	-	763,392	0.52%
2016	35,470	35,470	-	731,331	4.85%
Component Unit School Board (professional)					
2025	\$ 1,743,969	\$ 1,743,969	\$ -	12,272,831	14.21%
2024	1,846,603	1,846,603	-	11,678,876	15.81%
2023	1,862,061	1,862,061	-	11,694,412	15.92%
2022	1,721,935	1,721,935	-	10,782,790	15.97%
2021	1,609,602	1,609,602	-	10,088,200	15.96%
2020	1,539,369	1,539,369	-	10,214,762	15.07%
2019	1,541,453	1,541,453	-	10,176,839	15.15%
2018	1,590,403	1,590,403	-	10,210,771	15.58%
2017	1,509,261	1,509,261	-	10,295,095	14.66%
2016	1,315,902	1,315,902	-	9,359,189	14.06%

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

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

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

Changes of assumptions - The actuarial assumptions used in the June 30, 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
Primary Government
For the Measurement Dates of June 30, 2018 through June 30, 2025

	2018	2019	2020	2021
Total OPEB liability				
Service cost	\$ 18,953	\$ 18,578	\$ 28,207	\$ 40,138
Interest	15,356	16,760	16,541	19,391
Economic/demographic gains or losses	-	-	-	-
Changes in assumptions	(13,048)	17,115	150,855	4,546
Differences between expected and actual experience	-	-	231,344	-
Benefit payments	(18,464)	(15,016)	(30,191)	(37,902)
Net change in total OPEB liability	\$ 2,797	\$ 37,437	\$ 396,756	\$ 26,173
Total OPEB liability - beginning	419,145	421,942	459,379	856,135
Total OPEB liability - ending	\$ 421,942	\$ 459,379	\$ 856,135	\$ 882,308
Covered employee payroll	\$ 4,288,858	\$ 4,288,858	\$ 5,220,405	\$ 5,220,405
County's total OPEB liability (asset) as a percentage of covered employee payroll	9.84%	10.71%	16.40%	16.90%

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
Primary Government
For the Measurement Dates of June 30, 2018 through June 30, 2025

	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Total OPEB liability				
Service cost	\$ 40,682	\$ 30,811	\$ 43,387	\$ 35,394
Interest	19,629	22,648	25,564	27,259
Economic/demographic gains or losses	-	-	(16,934)	-
Changes in assumptions	(120,900)	19,708	(39,905)	(92,422)
Differences between expected and actual experience	(166,119)	-	-	-
Benefit payments	(28,669)	(36,226)	(13,863)	(7,854)
Net change in total OPEB liability	<u>\$ (255,377)</u>	<u>\$ 36,941</u>	<u>\$ (1,751)</u>	<u>\$ (37,623)</u>
Total OPEB liability - beginning	882,308	626,931	663,872	662,121
Total OPEB liability - ending	<u><u>\$ 626,931</u></u>	<u><u>\$ 663,872</u></u>	<u><u>\$ 662,121</u></u>	<u><u>\$ 624,498</u></u>
Covered employee payroll	\$ 4,977,693	\$ 4,977,693	\$ 6,913,732	\$ 6,913,732
County's total OPEB liability (asset) as a percentage of covered employee payroll	12.59%	13.34%	9.58%	9.03%

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
Component Unit School Board
For the Measurement Dates of June 30, 2018 through June 30, 2025

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Total OPEB liability				
Service cost	\$ 57,167	\$ 56,266	\$ 56,693	\$ 76,387
Interest	39,196	43,605	43,237	28,603
Changes in assumptions	(26,737)	35,146	188,216	4,870
Economic/demographic gains or losses	-	-	(229,238)	-
Benefit payments	(34,934)	(38,827)	(14,635)	(24,779)
Net change in total OPEB liability	<u>\$ 34,692</u>	<u>\$ 96,190</u>	<u>\$ 44,273</u>	<u>\$ 85,081</u>
Total OPEB liability - beginning	<u>1,055,020</u>	<u>1,089,712</u>	<u>1,185,902</u>	<u>1,230,175</u>
Total OPEB liability - ending	<u><u>\$ 1,089,712</u></u>	<u><u>\$ 1,185,902</u></u>	<u><u>\$ 1,230,175</u></u>	<u><u>\$ 1,315,256</u></u>
Covered employee payroll	\$ 9,729,827	\$ 9,729,827	\$ 9,522,007	\$ 9,522,007
School Board's total OPEB liability (asset) as a percentage of covered employee payroll	11.20%	12.19%	12.92%	13.81%

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
Component Unit School Board
For the Measurement Dates of June 30, 2018 through June 30, 2025

	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Total OPEB liability				
Service cost	\$ 83,662	\$ 65,699	\$ 71,227	\$ 61,175
Interest	29,722	47,774	53,989	55,987
Changes in assumptions	(179,844)	47,935	(69,762)	(134,282)
Economic/demographic gains or losses	104,951	-	(64,513)	-
Benefit payments	(46,040)	(48,164)	(26,333)	(44,711)
Net change in total OPEB liability	\$ (7,549)	\$ 113,244	\$ (35,392)	\$ (61,831)
Total OPEB liability - beginning	1,315,256	1,307,707	1,420,951	1,385,559
Total OPEB liability - ending	\$ <u>1,307,707</u>	\$ <u>1,420,951</u>	\$ <u>1,385,559</u>	\$ <u>1,323,728</u>
Covered employee payroll	\$ 10,082,562	\$ 10,082,562	\$ 12,067,059	\$ 12,067,059
School Board's total OPEB liability (asset) as a percentage of covered employee payroll	12.97%	14.09%	11.48%	10.97%

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

Notes to Required Supplementary Information - County and Component Unit School Board OPEB
 Year Ended June 30, 2025

Valuation Date: 7/1/2023
 Measurement Date: 6/30/2025

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	5.20%
Inflation	2.50%
Healthcare Trend Rate	The healthcare trend rate assumption starts at 5.60% in 2024 and gradually declines to 3.90% by the year 2072
Salary Increase Rates	The salary increase rate starts at 5.35% salary increase for 1 year of service and gradually declines to 3.50% salary increase for 20 or more years of service
Retirement Age	The average age of retirement is 64
Mortality Rates	The mortality rates for active and healthy retirees was calculated using the RP-2014 Total Dataset Mortality Table fully generational using scale BB. The mortality rates for disabled retirees and calculated using the RP-2014 Disabled Mortality Table fully generational using scale BB.

Schedule of Changes in the County's Net OPEB Liability (Asset) and Related Ratios
 Health Insurance Credit (HIC) Plan
 Primary Government
 For the Measurement Dates of June 30, 2017 through June 30, 2024

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Total HIC OPEB Liability				
Service cost	\$ 2,985	\$ 3,059	\$ 3,438	\$ 3,021
Interest	3,183	3,350	2,686	3,090
Differences between expected and actual experience	-	(13,071)	3,974	20,211
Changes in assumptions	(2,242)	-	1,353	-
Benefit payments	(234)	(2,817)	(2,846)	(5,238)
Net change in total HIC OPEB liability	\$ 3,692	\$ (9,479)	\$ 8,605	\$ 21,084
Total HIC OPEB Liability - beginning	45,580	49,272	39,793	48,398
Total HIC OPEB Liability - ending (a)	\$ <u>49,272</u>	\$ <u>39,793</u>	\$ <u>48,398</u>	\$ <u>69,482</u>
Plan fiduciary net position				
Contributions - employer	\$ 1,632	\$ 1,683	\$ 1,645	\$ 1,747
Net investment income	6,718	4,655	4,385	1,417
Benefit payments	(234)	(2,817)	(2,846)	(5,238)
Administrative expense	(111)	(109)	(95)	(132)
Other	335	(335)	(5)	(1)
Net change in plan fiduciary net position	\$ 8,340	\$ 3,077	\$ 3,084	\$ (2,207)
Plan fiduciary net position - beginning	57,190	65,530	68,607	71,691
Plan fiduciary net position - ending (b)	\$ <u>65,530</u>	\$ <u>68,607</u>	\$ <u>71,691</u>	\$ <u>69,484</u>
County's net HIC OPEB liability (asset) - ending (a) - (b)	\$ (16,258)	\$ (28,814)	\$ (23,293)	\$ (2)
Plan fiduciary net position as a percentage of the total HIC OPEB liability	133.00%	172.41%	148.13%	100.00%
Covered payroll	\$ 1,812,803	\$ 1,870,043	\$ 2,056,575	\$ 2,182,925
County's net HIC OPEB liability as a percentage of covered payroll	-0.90%	-1.54%	-1.13%	0.00%

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 Changes in the County's Net OPEB Liability (Asset) and Related Ratios
 Health Insurance Credit (HIC) Plan
 Primary Government
 For the Measurement Dates of June 30, 2017 through June 30, 2024

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Total HIC OPEB Liability				
Service cost	\$ 3,147	\$ 3,597	\$ 2,254	\$ 2,296
Interest	4,511	5,021	4,066	4,990
Differences between expected and actual experience	1,513	(8,089)	12,218	(5,052)
Changes in assumptions	435	(7,895)	-	-
Benefit payments	(5,296)	(6,005)	(4,887)	(4,874)
Net change in total HIC OPEB liability	\$ 4,310	\$ (13,371)	\$ 13,651	\$ (2,640)
Total HIC OPEB Liability - beginning	69,482	73,792	60,421	74,072
Total HIC OPEB Liability - ending (a)	<u>\$ 73,792</u>	<u>\$ 60,421</u>	<u>\$ 74,072</u>	<u>\$ 71,432</u>
Plan fiduciary net position				
Contributions - employer	\$ 3,082	\$ 3,306	\$ 2,805	\$ 3,032
Net investment income	17,982	162	4,965	8,444
Benefit payments	(5,296)	(6,005)	(4,887)	(4,874)
Administrative expense	(208)	(151)	(114)	(115)
Other	-	4,783	256	-
Net change in plan fiduciary net position	\$ 15,560	\$ 2,095	\$ 3,025	\$ 6,487
Plan fiduciary net position - beginning	69,484	85,044	87,139	90,164
Plan fiduciary net position - ending (b)	<u>\$ 85,044</u>	<u>\$ 87,139</u>	<u>\$ 90,164</u>	<u>\$ 96,651</u>
County's net HIC OPEB liability (asset) - ending (a) - (b)	\$ (11,252)	\$ (26,718)	\$ (16,092)	\$ (25,219)
Plan fiduciary net position as a percentage of the total HIC OPEB liability	115.25%	144.22%	121.72%	135.30%
Covered payroll	\$ 2,369,969	\$ 2,543,671	\$ 2,805,480	\$ 3,031,708
County's net HIC OPEB liability as a percentage of covered payroll	-0.47%	-1.05%	-0.57%	-0.83%

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 Changes in the County's Net OPEB Liability (Asset) and Related Ratios
 Health Insurance Credit (HIC) Plan
 Component Unit School Board (nonprofessional)
 For the Measurement Dates of June 30, 2020 through June 30, 2024

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Total HIC OPEB Liability					
Service cost	\$ -	\$ 1,363	\$ 2,396	\$ 1,068	\$ 1,083
Interest	-	6,770	7,514	8,034	6,016
Changes of benefit terms	100,300	-	-	-	-
Differences between expected and actual experience	-	2	281	(34,064)	1,453
Changes in assumptions	-	2,536	3,189	-	-
Benefit payments	-	-	(4,085)	(4,620)	(5,296)
Net change in total HIC OPEB liability	<u>\$ 100,300</u>	<u>\$ 10,671</u>	<u>\$ 9,295</u>	<u>\$ (29,582)</u>	<u>\$ 3,256</u>
Total HIC OPEB Liability - beginning	-	100,300	110,971	120,266	90,684
Total HIC OPEB Liability - ending (a)	<u>\$ 100,300</u>	<u>\$ 110,971</u>	<u>\$ 120,266</u>	<u>\$ 90,684</u>	<u>\$ 93,940</u>
Plan fiduciary net position					
Contributions - employer	\$ -	\$ 8,009	\$ 8,669	\$ 12,656	\$ 13,253
Net investment income	-	1,176	(88)	1,216	2,697
Benefit payments	-	-	(4,085)	(4,620)	(5,296)
Administrative expense	-	(36)	(28)	(35)	(41)
Other	-	-	-	1	-
Net change in plan fiduciary net position	<u>\$ -</u>	<u>\$ 9,149</u>	<u>\$ 4,468</u>	<u>\$ 9,218</u>	<u>\$ 10,613</u>
Plan fiduciary net position - beginning	-	-	9,149	13,617	22,835
Plan fiduciary net position - ending (b)	<u>\$ -</u>	<u>\$ 9,149</u>	<u>\$ 13,617</u>	<u>\$ 22,835</u>	<u>\$ 33,448</u>
School Division's net HIC OPEB liability (asset) - ending (a) - (b)	\$ 100,300	\$ 101,822	\$ 106,649	\$ 67,849	\$ 60,492
Plan fiduciary net position as a percentage of the total HIC OPEB liability	0.00%	8.24%	11.32%	25.18%	35.61%
Covered payroll	\$ 837,116	\$ 817,250	\$ 884,559	\$ 1,054,629	\$ 1,104,441
School Division's net HIC OPEB liability as a percentage of covered payroll	11.98%	12.46%	12.06%	6.43%	5.48%

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

Schedule of Employer Contributions
 Health Insurance Credit (HIC) Plan
 Primary Government and Component Unit School Board (nonprofessional)
 Years Ended June 30, 2016 through June 30, 2025

<u>Date</u>	<u>Contractually Required Contribution (1)</u>	<u>Contributions in Relation to Contractually Required Contribution (2)</u>	<u>Contribution Deficiency (Excess) (3)</u>	<u>Employer's Covered Payroll (4)</u>	<u>Contributions as a % of Covered Payroll (5)</u>
Primary Government					
2025	\$ 1,006	\$ 1,006	\$ -	\$ 3,353,869	0.03%
2024	3,032	3,032	-	3,031,708	0.10%
2023	2,805	2,805	-	2,805,480	0.10%
2022	3,307	3,307	-	2,543,671	0.13%
2021	3,081	3,081	-	2,369,969	0.13%
2020	1,746	1,746	-	2,182,925	0.08%
2019	1,645	1,645	-	2,056,575	0.08%
2018	1,683	1,683	-	1,870,043	0.09%
2017	1,632	1,632	-	1,812,803	0.09%
2016	2,052	2,052	-	1,710,367	0.12%
Component Unit School Board (nonprofessional)					
2025	\$ 13,216	\$ 13,216	\$ -	\$ 1,101,295	1.20%
2024	13,253	13,253	-	1,104,441	1.20%
2023	12,656	12,656	-	1,054,629	1.20%
2022	8,669	8,669	-	884,559	0.98%
2021	8,009	8,009	-	817,250	0.98%

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

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

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

Schedule of Madison County School Board's Share of Net OPEB Liability
 Teacher Employee Health Insurance Credit (HIC) Plan
 For the Measurement Dates of June 30, 2017 through June 30, 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	0.1090%	\$ 1,259,727	\$ 11,678,876	10.79%	21.82%
2023	0.1173%	1,420,750	11,694,412	12.15%	17.90%
2022	0.1157%	1,445,022	10,782,790	13.40%	15.08%
2021	0.1141%	1,464,167	10,088,200	14.51%	13.15%
2020	0.1165%	1,520,023	10,214,762	14.88%	9.95%
2019	0.1213%	1,588,328	10,176,839	15.61%	8.97%
2018	0.1264%	1,604,000	10,218,425	15.70%	8.08%
2017	0.1272%	1,614,000	10,038,856	16.08%	7.04%

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

Schedule of Employer Contributions
 Teacher Employee Health Insurance Credit (HIC) Plan
 Years Ended June 30, 2016 through June 30, 2025

<u>Date</u>	<u>Contractually Required Contribution (1)</u>	<u>Contributions in Relation to Contractually Required Contribution (2)</u>	<u>Contribution Deficiency (Excess) (3)</u>	<u>Employer's Covered Payroll (4)</u>	<u>Contributions as a % of Covered Payroll (5)</u>
2025	\$ 148,501	\$ 148,501	\$ -	\$ 12,272,831	1.21%
2024	141,314	141,314	-	11,678,876	1.21%
2023	141,502	141,502	-	11,694,412	1.21%
2022	130,472	130,472	-	10,782,790	1.21%
2021	122,067	122,067	-	10,088,200	1.21%
2020	122,577	122,577	-	10,214,762	1.20%
2019	122,122	122,122	-	10,176,839	1.20%
2018	125,687	125,687	-	10,218,425	1.23%
2017	111,431	111,431	-	10,038,856	1.11%
2016	100,960	100,960	-	9,524,521	1.06%

Notes to Required Supplementary Information
 Teacher Employee Health Insurance Credit (HIC) Plan
 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 (GLI) Plan
 For the Measurement Dates of June 30, 2017 through June 30, 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	0.02728%	\$ 304,424	\$ 7,003,884	4.35%	73.41%
2023	0.02800%	335,808	6,596,231	5.09%	69.30%
2022	0.02772%	333,776	6,030,040	5.54%	67.21%
2021	0.02720%	317,148	5,624,685	5.64%	67.45%
2020	0.02570%	428,891	5,289,525	8.11%	52.64%
2019	0.02538%	413,001	4,974,756	8.30%	52.00%
2018	0.02430%	369,000	4,621,166	7.98%	51.22%
2017	0.02441%	367,000	4,502,245	8.15%	48.86%
Component Unit School Board (nonprofessional)					
2024	0.00430%	\$ 47,985	\$ 1,104,441	4.34%	73.41%
2023	0.00448%	53,729	1,054,629	5.09%	69.30%
2022	0.00407%	49,007	884,559	5.54%	67.21%
2021	0.00400%	46,105	817,250	5.64%	67.45%
2020	0.00407%	67,921	837,116	8.11%	52.64%
2019	0.00425%	69,159	834,058	8.29%	52.00%
2018	0.00442%	68,000	841,045	8.09%	51.22%
2017	0.00413%	63,000	762,592	8.26%	48.86%
Component Unit School Board (professional)					
2024	0.04548%	\$ 507,521	\$ 11,678,876	4.35%	73.41%
2023	0.04965%	595,459	11,694,412	5.09%	69.30%
2022	0.04957%	596,871	10,782,790	5.54%	67.21%
2021	0.04890%	568,863	10,088,200	5.64%	67.45%
2020	0.04963%	828,244	10,214,762	8.11%	52.64%
2019	0.05191%	844,714	10,176,839	8.30%	52.00%
2018	0.05374%	816,000	10,218,425	7.99%	51.22%
2017	0.05445%	819,000	10,042,981	8.15%	48.86%

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

Schedule of Employer Contributions
 Group Life Insurance (GLI) Plan
 Years Ended June 30, 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	\$ 35,695	\$ 35,695	\$ -	\$ 7,594,696	0.47%
2024	37,821	37,821	-	7,003,884	0.54%
2023	35,620	35,620	-	6,596,231	0.54%
2022	32,562	32,562	-	6,030,040	0.54%
2021	30,373	30,373	-	5,624,685	0.54%
2020	27,506	27,506	-	5,289,525	0.52%
2019	25,869	25,869	-	4,974,756	0.52%
2018	24,030	24,030	-	4,621,166	0.52%
2017	23,412	23,412	-	4,502,245	0.52%
2016	20,338	20,338	-	4,237,107	0.48%
Component Unit School Board (nonprofessional)					
2025	\$ 5,176	\$ 5,176	\$ -	\$ 1,101,295	0.47%
2024	5,964	5,964	-	1,104,441	0.54%
2023	5,695	5,695	-	1,054,629	0.54%
2022	4,777	4,777	-	884,559	0.54%
2021	4,413	4,413	-	817,250	0.54%
2020	4,353	4,353	-	837,116	0.52%
2019	4,337	4,337	-	834,058	0.52%
2018	4,373	4,373	-	841,045	0.52%
2017	3,965	3,965	-	762,592	0.52%
2016	3,510	3,510	-	731,331	0.48%
Component Unit School Board (professional)					
2025	\$ 57,731	\$ 57,731	\$ -	\$ 12,283,281	0.47%
2024	63,066	63,066	-	11,678,876	0.54%
2023	63,150	63,150	-	11,694,412	0.54%
2022	58,227	58,227	-	10,782,790	0.54%
2021	54,476	54,476	-	10,088,200	0.54%
2020	53,117	53,117	-	10,214,762	0.52%
2019	52,920	52,920	-	10,176,839	0.52%
2018	53,136	53,136	-	10,218,425	0.52%
2017	52,224	52,224	-	10,042,981	0.52%
2016	45,745	45,745	-	9,530,192	0.48%

Notes to Required Supplementary Information
 Group Life Insurance (GLI) Plan
 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 Statements and Schedules

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

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental:				
Federal	\$ -	\$ -	\$ 1,410,810	\$ 1,410,810
Total revenues	\$ -	\$ -	\$ 1,410,810	\$ 1,410,810
EXPENDITURES				
Capital projects	\$ 7,733,883	\$ 8,438,458	\$ 5,328,483	\$ 3,109,975
Total expenditures	\$ 7,733,883	\$ 8,438,458	\$ 5,328,483	\$ 3,109,975
Excess (deficiency) of revenues over (under) expenditures	\$ (7,733,883)	\$ (8,438,458)	\$ (3,917,673)	\$ 4,520,785
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 2,091,131	\$ 2,795,706	\$ 2,828,344	\$ 32,638
Total other financing sources (uses)	\$ 2,091,131	\$ 2,795,706	\$ 2,828,344	\$ 32,638
Net change in fund balances	\$ (5,642,752)	\$ (5,642,752)	\$ (1,089,329)	\$ 4,553,423
Fund balances at beginning of year	5,642,752	5,642,752	(432,554)	(6,075,306)
Fund balances at end of year	\$ -	\$ -	\$ (1,521,883)	\$ (1,521,883)

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

	School Operating Fund	School Cafeteria Fund	School Capital Fund	Nonmajor Funds	School Activities Fund	Total
ASSETS						
Cash and cash equivalents	\$ 1,368,865	\$ 1,980,571	\$ 61,756	\$ 53,006	\$ 301,065	\$ 3,765,263
Accounts receivable	21,507	-	-	-	-	21,507
Due from other governmental units	672,711	299,941	-	-	-	972,652
Due from Primary Government	-	-	-	-	-	-
Prepaid expenditures	66,870	-	-	-	-	66,870
Inventory	-	19,540	-	-	-	19,540
Total assets	\$ 2,129,953	\$ 2,300,052	\$ 61,756	\$ 53,006	\$ 301,065	\$ 4,845,832
LIABILITIES						
Accounts payable	\$ 130,061	\$ 102,352	\$ 61,756	\$ -	\$ -	\$ 294,169
Accrued liabilities	1,201,891	26,376	-	-	-	1,228,267
Unearned grant revenue	63,763	-	-	-	-	63,763
Due to Primary Government	734,238	-	-	-	-	734,238
Total liabilities	\$ 2,129,953	\$ 128,728	\$ 61,756	\$ -	\$ -	\$ 2,320,437
FUND BALANCES						
Nonspendable	\$ 66,870	\$ 19,540	\$ -	\$ -	\$ -	\$ 86,410
Restricted	-	-	-	53,006	20,171	73,177
Committed	-	2,151,784	-	-	280,894	2,432,678
Unassigned	(66,870)	-	-	-	-	(66,870)
Total fund balances	\$ -	\$ 2,171,324	\$ -	\$ 53,006	\$ 301,065	\$ 2,525,395
Total liabilities and fund balances	\$ 2,129,953	\$ 2,300,052	\$ 61,756	\$ 53,006	\$ 301,065	

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.

9,403,694

The net pension asset is not an available resource and, therefore, is not reported in the funds.

955,577

Deferred inflows related to measurement of net pension and OPEB liability/asset not available to pay for current-period expenditures

Deferred inflows related to pensions

(2,518,629)

Deferred inflows related to OPEB

(723,888)

Pension and OPEB contributions subsequent to the measurement date and other deferred 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 pensions

4,006,784

Deferred outflows related to OPEB

511,959

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.

(15,635,647)

Net position of General Government Activities

\$ (1,474,755)

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

	School Operating Fund	School Cafeteria Fund	School Capital Fund	Nonmajor Funds	School Activities Fund	Total
Revenues:						
Revenue from use of money and property	\$ 880	\$ -	\$ -	\$ 4	\$ -	\$ 884
Charges for services	9,675	101,212	-	-	-	110,887
Miscellaneous	311,674	-	-	-	509,379	821,053
Intergovernmental:						
County contribution to School Board	9,706,973	1,194,054	380,002	-	-	11,281,029
Commonwealth	12,898,796	37,363	-	-	-	12,936,159
Federal	1,333,949	1,518,417	-	-	-	2,852,366
Total revenues	\$ 24,261,947	\$ 2,851,046	\$ 380,002	\$ 4	\$ 509,379	\$ 28,002,378
Expenditures:						
Current:						
Education	\$ 24,208,111	\$ 1,560,904	\$ -	\$ -	\$ 484,626	\$ 26,253,641
Capital projects	-	-	629,238	-	-	629,238
Total expenditures	\$ 24,208,111	\$ 1,560,904	\$ 629,238	\$ -	\$ 484,626	\$ 26,882,879
Excess (deficiency) of revenues over (under) expenditures	\$ 53,836	\$ 1,290,142	\$ (249,236)	\$ 4	\$ 24,753	\$ 1,119,499
Other financing sources (uses):						
Transfers in	\$ -	\$ 53,836	\$ 249,236	\$ -	\$ -	\$ 303,072
Transfers out	(303,072)	-	-	-	-	(303,072)
Total other financing sources (uses)	\$ (303,072)	\$ 53,836	\$ 249,236	\$ -	\$ -	\$ -
Changes in fund balances	\$ (249,236)	\$ 1,343,978	\$ -	\$ 4	\$ 24,753	\$ 1,119,499
Fund balances at beginning of year	249,236	827,346	-	53,002	276,312	1,405,896
Fund balances at end of year	\$ -	\$ 2,171,324	\$ -	\$ 53,006	\$ 301,065	\$ 2,525,395

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

	<u>Component Unit School Board</u>
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>	
Net change in fund balances - total governmental funds	\$ 1,119,499
<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/amortization expense. This is the amount by which the depreciation/amortization exceeded capital outlays in the current period computed as follows:</p>	
Capital additions	\$ 1,099,297
Depreciation/amortization expense	<u>(1,609,120)</u> (509,823)
Change in deferred inflows related to the measurement of the net pension liability/asset	(893,081)
Change in deferred inflows related to the measurement of the net OPEB liability/asset	(122,933)
<p>The issuance of long-term obligations (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term obligations consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. A summary of items supporting this adjustment is as follows:</p>	
Principal retired on lease liabilities	\$ 70,192
<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. The following is a summary of items supporting this adjustment:</p>	
Change in compensated absences	27,431
Change in net pension asset	65,114
Change in net pension liability	1,644,704
Change in deferred outflows related to pensions	186,661
Change in deferred outflows related to OPEB	(58,827)
Change in net OPEB liability	<u>323,848</u> 2,188,931
Transfer of joint tenancy assets from Primary Government to the Component Unit	<u>405,797</u>
Change in net position of governmental activities	<u>\$ 2,258,582</u>

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

	School Operating Fund			Variance From Amended Budget Positive (Negative)
	Original Budget	Budget As Amended	Actual	
Revenues:				
Revenue from use of money and property	\$ 1,500	\$ 1,500	\$ 880	\$ (620)
Charges for services	-	-	9,675	9,675
Miscellaneous	264,880	387,263	311,674	(75,589)
Intergovernmental:				
County contribution to School Board	10,321,075	10,440,546	9,706,973	(733,573)
Commonwealth	13,262,962	14,002,165	12,898,796	(1,103,369)
Federal	1,261,166	1,332,897	1,333,949	1,052
Total revenues	\$ 25,111,583	\$ 26,164,371	\$ 24,261,947	\$ (1,902,424)
Expenditures:				
Current:				
Education	\$ 25,111,583	\$ 26,136,411	\$ 24,208,111	\$ 1,928,300
Capital projects	-	-	-	-
Total expenditures	\$ 25,111,583	\$ 26,136,411	\$ 24,208,111	\$ 1,928,300
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ 27,960	\$ 53,836	\$ 25,876
Other financing sources (uses)				
Transfers in	\$ -	\$ -	\$ -	\$ -
Transfers out	-	(27,960)	(303,072)	(303,072)
Total other financing sources (uses)	\$ -	\$ (27,960)	\$ (303,072)	\$ (303,072)
Changes in fund balances	\$ -	\$ -	\$ (249,236)	\$ (277,196)
Fund balances at beginning of year	-	-	249,236	249,236
Fund balances at end of year	\$ -	\$ -	\$ -	\$ (27,960)

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

	School Cafeteria Fund				School Capital Fund			
	Original Budget	Budget As Amended	Actual	Variance From Amended Budget Positive (Negative)	Original Budget	Budget As Amended	Actual	Variance From Amended Budget Positive (Negative)
Revenues:								
Revenue from use of money and property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	100,000	100,000	101,212	1,212	-	-	-	-
Miscellaneous	60,000	60,000	-	(60,000)	-	-	-	-
Intergovernmental:								
County contribution to School Board	-	-	1,194,054	1,194,054	606,719	606,719	380,002	(226,717)
Commonwealth	60,000	60,000	37,363	(22,637)	-	-	-	-
Federal	1,185,250	1,485,250	1,518,417	33,167	-	-	-	-
Total revenues	\$ 1,405,250	\$ 1,705,250	\$ 2,851,046	\$ 1,145,796	\$ 606,719	\$ 606,719	\$ 380,002	\$ (226,717)
Expenditures:								
Current:								
Education	\$ 1,405,250	\$ 1,705,250	\$ 1,560,904	\$ 144,346	\$ -	\$ -	\$ -	\$ -
Capital projects	-	-	-	-	1,702,000	1,729,960	629,238	1,100,722
Total expenditures	\$ 1,405,250	\$ 1,705,250	\$ 1,560,904	\$ 144,346	\$ 1,702,000	\$ 1,729,960	\$ 629,238	\$ 1,100,722
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ 1,290,142	\$ 1,290,142	\$ (1,095,281)	\$ (1,123,241)	\$ (249,236)	\$ 874,005
Other financing sources (uses)								
Transfers in	\$ -	\$ -	\$ 53,836	\$ -	\$ -	\$ 27,960	\$ 249,236	\$ 249,236
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	\$ -	\$ -	\$ 53,836	\$ 1,290,142	\$ -	\$ 27,960	\$ 249,236	\$ 249,236
Changes in fund balances	\$ -	\$ -	\$ 1,343,978	\$ 2,580,284	\$ (1,095,281)	\$ (1,095,281)	\$ -	\$ 1,123,241
Fund balances at beginning of year	-	-	827,346	827,346	1,095,281	1,095,281	-	(1,095,281)
Fund balances at end of year	\$ -	\$ -	\$ 2,171,324	\$ 3,407,630	\$ -	\$ -	\$ -	\$ 27,960

Combining Balance Sheet
Nonmajor Special Revenue Funds - Discretely Presented Component Unit - School Board
As of June 30, 2025

	<u>School Textbook Fund</u>	<u>Total</u>
ASSETS		
Cash and cash equivalents	\$ 53,006	\$ 53,006
Total assets	<u>\$ 53,006</u>	<u>\$ 53,006</u>
FUND BALANCES		
Restricted	\$ 53,006	\$ 53,006
Total fund balances	<u>\$ 53,006</u>	<u>\$ 53,006</u>
Total liabilities and fund balances	<u>\$ 53,006</u>	<u>\$ 53,006</u>

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

	<u>School Textbook Fund</u>	<u>Total</u>
REVENUES		
Revenue from the use of money and property	\$ 4	\$ 4
Total revenues	<u>\$ 4</u>	<u>\$ 4</u>
 Excess (deficiency) of revenues over (under) expenditures	 \$ 4	 \$ 4
 Net change in fund balances	 \$ 4	 \$ 4
Fund balances - beginning	<u>53,002</u>	<u>53,002</u>
Fund balances - ending	<u><u>\$ 53,006</u></u>	<u><u>\$ 53,006</u></u>

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

	<u>School Textbook Fund</u>			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>		<u>Actual</u>	
	<u>Original</u>	<u>Final</u>		
REVENUES				
Revenue from the use of money and property	\$ -	\$ -	\$ 4	\$ 4
Intergovernmental revenues:				
Local government	-	48,499	-	(48,499)
Total revenues	<u>\$ -</u>	<u>\$ 48,499</u>	<u>\$ 4</u>	<u>\$ 4</u>
EXPENDITURES				
Current:				
Education	\$ -	\$ 48,499	\$ -	\$ 48,499
Total expenditures	<u>\$ -</u>	<u>\$ 48,499</u>	<u>\$ -</u>	<u>\$ 48,499</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4</u>	<u>\$ 4</u>
Net change in fund balances	\$ -	\$ -	\$ 4	\$ 4
Fund balances - beginning	-	-	53,002	53,002
Fund balances - ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 53,006</u></u>	<u><u>\$ 53,006</u></u>

Statement of Fiduciary Net Position - Fiduciary Fund
 Discretely Presented Component Unit - School Board
 At June 30, 2025

	Scholarship Private- Purpose Trust Fund
	<u> </u>
ASSETS	
Cash and cash equivalents	\$ <u>75,600</u>
Total assets	\$ <u><u>75,600</u></u>
NET POSITION	
Held in trust for scholarships	\$ <u>75,600</u>
Total net position	\$ <u>75,600</u>
Total liabilities and net position	\$ <u><u>75,600</u></u>

Statement of Changes in Fiduciary Net Position - Fiduciary Fund
Discretely Presented Component Unit - School Board
Year Ended June 30, 2025

	<u>Scholarship Private- Purpose Trust Fund</u>
Additions:	
Interest income	\$ <u>5,248</u>
Total additions	\$ <u>5,248</u>
Deductions:	
Scholarships awarded	\$ <u>5,313</u>
Total deductions	\$ <u>5,313</u>
Change in net position	\$ (65)
Net position - beginning of year	<u>75,665</u>
Net position - end of year	<u><u>\$ 75,600</u></u>

Discretely Presented Component Unit - Madison County Parks and Recreation Authority
Statement of Net Position
At June 30, 2025

Assets

Current assets:

Cash and cash equivalents	\$ 532,030
Total current assets	<u>\$ 532,030</u>

Noncurrent assets:

Capital assets (net of depreciation):

Construction in progress	\$ 30,898
Building improvements	211,844
Equipment	<u>42,466</u>
Total capital assets	<u>\$ 285,208</u>
Total assets	<u><u>\$ 817,238</u></u>

Liabilities

Current liabilities:

Accrued expenses	\$ 4,239
Note payable - current portion	<u>4,875</u>
Total current liabilities	<u>\$ 9,114</u>

Noncurrent liabilities:

Note payable - net of current portion	<u>\$ 9,750</u>
Total liabilities	<u>\$ 18,864</u>

Net Position

Net investment in capital assets	\$ 270,583
Unrestricted	<u>527,791</u>
Total net position	<u><u>\$ 798,374</u></u>

Discretely Presented Component Unit - Madison County Parks and Recreation Authority
 Statement of Revenues, Expenses, and Changes in Net Position
 Year Ended June 30, 2025

Operating revenues	
Charges for services	\$ 300,002
Miscellaneous	260,619
Total operating revenues	<u>\$ 560,621</u>
Operating Expenses	
Personal services	\$ 56,615
Fringe benefits	2,989
Contractual services	330,785
Other charges	359,386
Depreciation	<u>33,845</u>
Total operating expenses	<u>\$ 783,620</u>
Operating income (loss)	<u>\$ (222,999)</u>
Nonoperating revenues	
Contribution from Madison County and Madison County School Board	<u>\$ 414,186</u>
Total nonoperating revenues	<u>\$ 414,186</u>
Change in net position	\$ 191,187
Net position, beginning of year	<u>607,187</u>
Net position, end of year	<u><u>\$ 798,374</u></u>

Discretely Presented Component Unit - Madison County Parks and Recreation Authority
Statement of Cash Flows
Year Ended June 30, 2025

Cash flows from operating activities	
Receipts from customers	\$ 560,621
Payments to employees	(61,907)
Payments to suppliers	<u>(685,610)</u>
Net cash provided by (used for) operating activities	<u>\$ (186,896)</u>
Cash flows from capital and related financing activities	
Purchases of capital assets	\$ (8,530)
Payment of note payable	<u>(4,875)</u>
Net cash provided by (used for) capital and related financing activities	<u>\$ (13,405)</u>
Cash flows from noncapital financing activities	
Contribution from Madison County and Madison County School Board	<u>\$ 414,186</u>
Net cash provided by (used for) financing activities	<u>\$ 414,186</u>
Net increase (decrease) in cash and cash equivalents	\$ 213,885
Cash and cash equivalents, beginning of year	<u>318,145</u>
Cash and cash equivalents, end of year	<u><u>\$ 532,030</u></u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:	
Operating income (loss)	\$ (222,999)
Depreciation	33,845
Change in assets and liabilities:	
Prepaid expenses	4,561
Accrued expenses	<u>(2,303)</u>
Net cash provided by (used for) operating activities	<u><u>\$ (186,896)</u></u>

- Other Supplementary Information -
Supporting Schedules

Governmental Funds -
Schedule of Revenues -- Budget and Actual
Year Ended June 30, 2025

Fund, Major and Minor Revenue Source	Original Budget	Budget As Amended	Actual	Variance From Amended Budget Positive (Negative)
Primary Government:				
General Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 14,000,000	\$ 14,000,000	\$ 14,227,517	\$ 227,517
Real and personal public service corporation property taxes	300,000	300,000	349,910	49,910
Personal property taxes	5,940,000	5,940,000	5,856,966	(83,034)
Mobile home taxes	11,000	11,000	646	(10,354)
Machinery and tools taxes	125,000	125,000	113,960	(11,040)
Merchants capital taxes	246,000	246,000	202,923	(43,077)
Penalties	145,000	145,000	196,632	51,632
Interest	110,000	110,000	92,985	(17,015)
Tax collection fee	50,000	50,000	72,924	22,924
Total general property taxes	\$ 20,927,000	\$ 20,927,000	\$ 21,114,463	\$ 187,463
Other local taxes:				
Local sales and use taxes	\$ 1,702,088	\$ 1,702,088	\$ 1,758,872	\$ 56,784
Cigarette tax	180,000	180,000	152,328	(27,672)
Consumers' utility taxes	376,000	376,000	381,261	5,261
Local consumption tax	42,000	42,000	44,700	2,700
Restaurant food taxes	700,000	700,000	812,298	112,298
Transient occupancy taxes	325,000	325,000	432,568	107,568
Gross receipts taxes	11,000	11,000	12,599	1,599
Bank stock taxes	150,000	150,000	144,653	(5,347)
Motor vehicle licenses	485,000	485,000	464,786	(20,214)
Taxes on recordation and wills	170,000	170,000	216,458	46,458
Total other local taxes	\$ 4,141,088	\$ 4,141,088	\$ 4,420,523	\$ 279,435
Permits, privilege fees and regulatory licenses:				
Animal licenses	\$ 5,500	\$ 5,500	\$ 4,083	\$ (1,417)
Building and related permits	277,250	277,250	297,716	20,466
Land transfer fees	500	500	551	51
Land use application fees	25,000	25,000	26,600	1,600
Total permits, privilege fees and regulatory licenses	\$ 308,250	\$ 308,250	\$ 328,950	\$ 20,700
Fines and Forfeitures:				
Court fines and forfeitures	\$ 140,500	\$ 140,500	\$ 90,130	\$ (50,370)
Total fines and forfeitures	\$ 140,500	\$ 140,500	\$ 90,130	\$ (50,370)
Revenue from use of money and property:				
Revenue from use of money	\$ 450,000	\$ 450,000	\$ 827,958	\$ 377,958
Revenue from use of property	20,713	20,713	13,011	(7,702)
Total revenue from use of money and property	\$ 470,713	\$ 470,713	\$ 840,969	\$ 370,256

Governmental Funds -
Schedule of Revenues -- Budget and Actual
Year Ended June 30, 2025 (continued)

Fund, Major and Minor Revenue Source	Original Budget	Budget As Amended	Actual	Variance From Amended Budget Positive (Negative)
Primary Government: (Continued)				
General Fund: (Continued)				
Revenue from local sources: (continued)				
Charges for services:				
Sheriff's fees	\$ 344	\$ 344	\$ 344	\$ -
Commonwealth attorney fees	1,000	1,000	751	(249)
Courthouse maintenance fees	5,500	5,500	5,781	281
Courtroom security fees	51,000	51,000	54,653	3,653
Other charges for services	12,700	12,700	26,380	13,680
Ambulance transportation fees	425,000	425,000	557,127	132,127
Waste collection and disposal charges	275,000	275,000	294,088	19,088
Total charges for services	<u>\$ 770,544</u>	<u>\$ 770,544</u>	<u>\$ 939,124</u>	<u>\$ 168,580</u>
Miscellaneous:				
Expenditure refunds	\$ 291,700	\$ 291,700	\$ 206,901	\$ (84,799)
CSA	-	-	19,478	19,478
Opioid settlement funds	11,916	28,665	36,113	7,448
Miscellaneous	16,540	143,803	192,360	48,557
Total miscellaneous	<u>\$ 320,156</u>	<u>\$ 464,168</u>	<u>\$ 454,852</u>	<u>\$ (9,316)</u>
Total revenue from local sources	<u>\$ 27,078,251</u>	<u>\$ 27,222,263</u>	<u>\$ 28,189,011</u>	<u>\$ 966,748</u>
Revenue from the Commonwealth:				
Noncategorical aid:				
Motor vehicle carrier's tax	\$ 300	\$ 300	\$ 671	\$ 371
Peer-to-peer vehicle sharing tax	-	-	126	126
Moped ATV sales tax	250	250	566	316
Mobile home titling taxes	15,000	15,000	27,438	12,438
PPTRA	1,029,053	1,029,053	1,029,053	-
Communication taxes	405,000	405,000	376,887	(28,113)
Total noncategorical aid	<u>\$ 1,449,603</u>	<u>\$ 1,449,603</u>	<u>\$ 1,434,741</u>	<u>\$ (14,862)</u>
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	\$ 214,539	\$ 214,539	\$ 297,705	\$ 83,166
Sheriff	1,020,291	1,020,291	1,013,460	(6,831)
Commissioner of the Revenue	134,975	134,975	132,829	(2,146)
Treasurer	134,731	134,731	134,629	(102)
Registrar/electoral board	45,000	45,000	72,779	27,779
Clerk of the Circuit Court	293,096	293,096	277,882	(15,214)
Total shared expenses	<u>\$ 1,842,632</u>	<u>\$ 1,842,632</u>	<u>\$ 1,929,284</u>	<u>\$ 86,652</u>

Governmental Funds -
Schedule of Revenues -- Budget and Actual
Year Ended June 30, 2025 (continued)

Fund, Major and Minor Revenue Source	Original Budget	Budget As Amended	Actual	Variance From Amended Budget Positive (Negative)
Primary Government: (Continued)				
General Fund: (Continued)				
Intergovernmental: (continued)				
Revenue from the Commonwealth: (continued)				
Other categorical aid:				
Fire programs	\$ 61,377	\$ 61,377	\$ 69,863	\$ 8,486
Litter Control	9,570	9,570	-	(9,570)
Four for life	16,224	16,224	16,105	(119)
Domestic Violence	45,000	45,000	-	(45,000)
Victim witness	18,769	20,492	15,129	(5,363)
E-911	48,000	48,000	58,499	10,499
PSAP State 911 grant	45,000	50,000	4,575	(45,425)
Comprehensive Services Act	1,175,000	1,615,768	1,641,232	25,464
Sheriff - asset forfeiture	-	-	13,206	13,206
Public assistance and welfare	776,594	776,594	999,834	223,240
Other state grants	84,371	287,703	203,730	(83,973)
Total other categorical aid	<u>\$ 2,279,905</u>	<u>\$ 2,930,728</u>	<u>\$ 3,022,173</u>	<u>\$ 91,445</u>
Total categorical aid	<u>\$ 4,122,537</u>	<u>\$ 4,773,360</u>	<u>\$ 4,951,457</u>	<u>\$ 178,097</u>
Total revenue from the Commonwealth	<u>\$ 5,572,140</u>	<u>\$ 6,222,963</u>	<u>\$ 6,386,198</u>	<u>\$ 163,235</u>
Revenue from the Federal Government:				
Payments in lieu of taxes	<u>\$ 95,000</u>	<u>\$ 95,000</u>	<u>\$ 114,560</u>	<u>\$ 19,560</u>
Categorical aid:				
Public assistance and welfare	\$ 1,993,012	\$ 1,993,012	\$ 1,535,711	\$ (457,301)
Justice assistance grant	-	53,767	52,605	(1,162)
Victim Witness	39,414	42,135	38,889	(3,246)
FEMA	-	-	7,318	7,318
ARPA funds - sheriff	-	450,000	417,315	(32,685)
Total categorical aid	<u>\$ 2,032,426</u>	<u>\$ 2,538,914</u>	<u>\$ 2,051,838</u>	<u>\$ (487,076)</u>
Total revenue from the Federal Government	<u>\$ 2,127,426</u>	<u>\$ 2,633,914</u>	<u>\$ 2,166,398</u>	<u>\$ (467,516)</u>
Total General Fund	<u>\$ 34,777,817</u>	<u>\$ 36,079,140</u>	<u>\$ 36,741,607</u>	<u>\$ 662,467</u>
Capital Improvement Fund:				
Intergovernmental:				
Revenue from Federal Government				
ARPA	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,410,810</u>	<u>\$ 1,410,810</u>
Total Capital Improvement Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,410,810</u>	<u>\$ 1,410,810</u>
Total Primary Government	<u>\$ 34,777,817</u>	<u>\$ 36,079,140</u>	<u>\$ 38,152,417</u>	<u>\$ 2,073,277</u>

Governmental Funds -
 Schedule of Revenues -- Budget and Actual
 Year Ended June 30, 2025 (continued)

Fund, Major and Minor Revenue Source	Original Budget	Budget As Amended	Actual	Variance From Amended Budget Positive (Negative)
Discretely Presented Component Unit - School Board:				
School Operating Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from use of property	\$ 1,500	\$ 1,500	\$ 880	\$ (620)
Charges for services:				
Charges for education	\$ -	\$ -	\$ 9,675	\$ 9,675
Total charges for services	\$ -	\$ -	\$ 9,675	\$ 9,675
Miscellaneous:				
Rebates and refunds	\$ 209,880	\$ 304,303	\$ 238,279	\$ (66,024)
Miscellaneous	55,000	82,960	73,395	(9,565)
Total miscellaneous	\$ 264,880	\$ 387,263	\$ 311,674	\$ (75,589)
Total revenue from local sources	\$ 266,380	\$ 388,763	\$ 322,229	\$ (66,534)
Intergovernmental:				
County contribution to School Board	\$ 10,321,075	\$ 10,440,546	\$ 9,706,973	\$ (733,573)
Total County contribution	\$ 10,321,075	\$ 10,440,546	\$ 9,706,973	\$ (733,573)
Revenue from the Commonwealth:				
Categorical aid:				
Share of state sales tax	\$ 2,807,173	\$ 2,807,173	\$ 2,724,435	\$ (82,738)
Basic school aid	5,403,405	5,403,405	5,078,966	(324,439)
Compensation supplement	219,419	219,419	208,460	(10,959)
Special ed SOQ	418,765	418,765	392,470	(26,295)
Vocational SOQ	284,283	284,283	269,527	(14,756)
At risk funds	1,013,139	1,013,139	962,621	(50,518)
Remedial education	51,119	51,119	47,241	(3,878)
Technology	154,000	154,000	218,788	64,788
Early reading intervention	60,389	60,389	51,442	(8,947)
Textbook payments	136,303	136,303	129,228	(7,075)
Primary class size	188,606	188,606	178,202	(10,404)
Fringe benefits	981,373	981,373	930,433	(50,940)
Lottery	342,683	342,683	360,140	17,457
Other state funds	1,202,305	1,941,508	1,346,843	(594,665)
Total categorical aid	\$ 13,262,962	\$ 14,002,165	\$ 12,898,796	\$ (1,103,369)
Total revenue from the Commonwealth	\$ 13,262,962	\$ 14,002,165	\$ 12,898,796	\$ (1,103,369)
Revenue from the federal government:				
Categorical aid:				
Title I	\$ 341,511	\$ 341,511	\$ 433,775	\$ 92,264
Title III	986	986	5,119	4,133
Title VI - B Special Education	460,577	460,577	532,237	71,660
Vocational education	27,493	27,493	30,831	3,338
Preschool	-	-	12,188	12,188
ESSER	338,670	338,670	206,680	(131,990)
Other funds	26,000	97,731	19,351	(78,380)
Title II	65,929	65,929	93,768	27,839
Total categorical aid	\$ 1,261,166	\$ 1,332,897	\$ 1,333,949	\$ 1,052
Total revenue from the federal government	\$ 1,261,166	\$ 1,332,897	\$ 1,333,949	\$ 1,052
Total School Operating Fund	\$ 25,111,583	\$ 26,164,371	\$ 24,261,947	\$ (1,902,424)

Governmental Funds -
Schedule of Revenues -- Budget and Actual
Year Ended June 30, 2025 (continued)

Fund, Major and Minor Revenue Source	Original Budget	Budget As Amended	Actual	Variance From Amended Budget Positive (Negative)
Discretely Presented Component Unit -- School Board: (Continued)				
Special Revenue Funds:				
School Cafeteria Fund:				
Revenue from local sources:				
Charges for services:				
Cafeteria sales	\$ 100,000	\$ 100,000	\$ 101,212	\$ 1,212
Total charges for services	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ 101,212</u>	<u>\$ 1,212</u>
Miscellaneous:				
Miscellaneous	\$ 60,000	\$ 60,000	-	\$ (60,000)
Total revenue from local sources	<u>\$ 160,000</u>	<u>\$ 160,000</u>	<u>\$ 101,212</u>	<u>\$ (58,788)</u>
Intergovernmental:				
Intergovernmental revenue:				
County contribution to School Board	\$ -	\$ -	\$ 1,194,054	\$ 1,194,054
Revenue from the Commonwealth:				
Categorical aid:				
School food grant	\$ 60,000	\$ 60,000	\$ 37,363	\$ (22,637)
Revenue from the federal government:				
Categorical aid:				
School food grant	\$ 1,185,250	\$ 1,485,250	\$ 1,518,417	\$ 33,167
Total School Cafeteria Fund	<u>\$ 1,405,250</u>	<u>\$ 1,705,250</u>	<u>\$ 2,851,046</u>	<u>\$ 1,145,796</u>
School Capital Fund:				
Revenue from local sources:				
Intergovernmental:				
County contribution to School Board	\$ 606,719	\$ 606,719	\$ 380,002	\$ (226,717)
Total School Capital Fund	<u>\$ 606,719</u>	<u>\$ 606,719</u>	<u>\$ 380,002</u>	<u>\$ (226,717)</u>
School Textbook Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from use of money	\$ -	\$ -	\$ 4	\$ 4
Total revenue from use of money and property	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4</u>	<u>\$ 4</u>
Total revenue from local sources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4</u>	<u>\$ 4</u>
Intergovernmental revenue:				
County contribution to School Board	\$ -	\$ 48,499	\$ -	\$ (48,499)
Total School Textbook Fund	<u>\$ -</u>	<u>\$ 48,499</u>	<u>\$ 4</u>	<u>\$ (48,495)</u>

Governmental Funds -
Schedule of Expenditures - Budget and Actual
Year Ended June 30, 2025

Fund, Function, Activities and Elements	Original Budget	Budget As Amended	Actual	Variance From Amended Budget Favorable (Unfavor.)
Primary Government:				
General Fund:				
General government administration:				
Legislative:				
Board of supervisors	\$ 65,019	\$ 61,019	\$ 57,284	\$ 3,735
General and financial administration:				
County administrator	\$ 476,194	\$ 537,313	\$ 536,105	\$ 1,208
Legal services	124,054	100,544	100,033	511
Independent auditor	93,300	93,300	105,664	(12,364)
Commissioner of the revenue	319,431	319,431	314,404	5,027
Personal property	8,850	8,850	7,383	1,467
Information technology	557,518	606,034	589,952	16,082
Land use	1,940	1,940	883	1,057
Assessor	20,000	20,000	8,422	11,578
Board of Equalization	10,742	4,290	3,295	995
Finance department	398,194	389,624	375,171	14,453
Treasurer	406,297	406,297	383,715	22,582
Total general and financial administration	\$ 2,416,520	\$ 2,487,623	\$ 2,425,027	\$ 62,596
Board of Elections:				
Electoral board and officials	\$ 81,774	\$ 78,979	\$ 55,003	\$ 23,976
Registrar	176,878	176,878	175,816	1,062
Total board of elections	\$ 258,652	\$ 255,857	\$ 230,819	\$ 25,038
Total general government administration	\$ 2,740,191	\$ 2,804,499	\$ 2,713,130	\$ 91,369
Judicial administration:				
Courts:				
Circuit court	\$ 51,611	\$ 51,611	\$ 52,384	\$ (773)
Combined court	8,921	8,921	5,355	3,566
Clerk of the circuit court	519,306	519,360	490,425	28,935
Sheriff - court security	185,294	185,294	160,557	24,737
Magistrates	200	200	-	200
Victim witness program	75,444	79,888	68,918	10,970
Commissioner of accounts	720	720	720	-
Total courts	\$ 841,496	\$ 845,994	\$ 778,359	\$ 67,635
Commonwealth's attorney:				
Commonwealth's attorney	\$ 493,581	\$ 493,581	\$ 493,196	\$ 385
Total judicial administration	\$ 1,335,077	\$ 1,339,575	\$ 1,271,555	\$ 68,020

Governmental Funds -
Schedule of Expenditures - Budget and Actual
Year Ended June 30, 2025 (continued)

Fund, Function, Activities and Elements	Original Budget	Budget As Amended	Actual	Variance From Amended Budget Favorable (Unfavor.)
Primary Government: (Continued)				
General Fund: (Continued)				
Public safety:				
Law enforcement and traffic control:				
Sheriff	\$ 3,031,170	\$ 3,645,732	\$ 3,463,061	\$ 182,671
Public safety	29,941	19,959	15,463	4,496
Radio System	83,924	71,124	22,505	48,619
E-911 system	1,242,776	1,215,306	1,227,619	(12,313)
Total law enforcement and traffic control	\$ 4,387,811	\$ 4,952,121	\$ 4,728,648	\$ 223,473
Fire and rescue services:				
Volunteer fire department	\$ 211,377	\$ 211,377	\$ 219,863	\$ (8,486)
Emergency medical services	3,193,122	3,259,357	3,257,810	1,547
TJEMS Council	2,000	2,000	2,000	-
Total fire and rescue services	\$ 3,406,499	\$ 3,472,734	\$ 3,479,673	\$ (6,939)
Correction and detention:				
Confinement of prisoners	\$ 400	\$ 400	\$ 48	\$ 352
Regional jail	590,314	591,314	475,709	115,605
Jefferson area community corrections	13,822	13,822	13,822	-
Juvenile detention	267,550	267,550	149,978	117,572
Probation office	21,939	21,939	11,306	10,633
Total correction and detention	\$ 894,025	\$ 895,025	\$ 650,863	\$ 244,162
Inspections:				
Building	\$ 383,653	\$ 396,653	\$ 393,394	\$ 3,259
Total inspections	\$ 383,653	\$ 396,653	\$ 393,394	\$ 3,259
Other protection:				
Animal control and shelter facility	\$ 368,636	\$ 437,728	\$ 461,777	\$ (24,049)
Line of Duty Act	46,168	46,168	48,661	(2,493)
Services to abused families	1,000	1,000	1,000	-
Foothills Child Advocacy Center	2,000	2,000	2,000	-
Medical examiner (coroner)	800	2,800	2,518	282
Total other protection	\$ 418,604	\$ 489,696	\$ 515,956	\$ (26,260)
Total public safety	\$ 9,490,592	\$ 10,206,229	\$ 9,768,534	\$ 437,695
Public works:				
Sanitation and waste removal:				
County landfill	\$ 743,943	\$ 841,443	\$ 837,057	\$ 4,386
Total sanitation and waste removal	\$ 743,943	\$ 841,443	\$ 837,057	\$ 4,386
Maintenance of general buildings and grounds:				
General properties	\$ 680,088	\$ 706,786	\$ 698,709	\$ 8,077
Total maintenance of general buildings and grounds	\$ 680,088	\$ 706,786	\$ 698,709	\$ 8,077
Total public works	\$ 1,424,031	\$ 1,548,229	\$ 1,535,766	\$ 12,463

Governmental Funds -
Schedule of Expenditures - Budget and Actual
Year Ended June 30, 2025 (continued)

Fund, Function, Activities and Elements	Original Budget	Budget As Amended	Actual	Variance From Amended Budget Favorable (Unfavor.)
Primary Government: (Continued)				
General Fund: (Continued)				
Health and welfare:				
Health:				
Supplement of local health department	\$ 229,500	\$ 229,500	\$ 209,656	\$ 19,844
Total health	\$ 229,500	\$ 229,500	\$ 209,656	\$ 19,844
Mental health and mental retardation:				
Chapter X board	\$ 242,971	\$ 242,971	\$ 242,971	\$ -
Total mental health and mental retardation	\$ 242,971	\$ 242,971	\$ 242,971	\$ -
Welfare:				
Administration	\$ 3,496,511	3,496,511	3,182,983	\$ 313,528
Hospice of the Piedmont	500	500	500	-
Tax relief for the elderly	-	-	176,154	(176,154)
Piedmont Regional Dental Clinic	2,000	2,000	2,000	-
CSA - at risk youth	1,950,000	2,638,709	2,607,763	30,946
Total welfare	\$ 5,449,011	\$ 6,137,720	\$ 5,969,400	\$ 168,320
Total health and welfare	\$ 5,921,482	\$ 6,610,191	\$ 6,422,027	\$ 188,164
Education:				
Contributions to community colleges	\$ 4,000	\$ 4,000	\$ 4,000	\$ -
Contributions to component unit school board	10,927,794	11,095,764	11,281,029	(185,265)
Total education	\$ 10,931,794	\$ 11,099,764	\$ 11,285,029	\$ (185,265)
Parks, recreation and cultural:				
Parks and recreation:				
Parks and recreation	\$ 242,524	\$ 255,724	\$ 255,723	\$ 1
Recreation authority	173,964	173,964	173,964	-
Total parks and recreation	\$ 416,488	\$ 429,688	\$ 429,687	\$ 1
Cultural enrichment:				
Boys and girls club	\$ 500	\$ 500	\$ 500	\$ -
Madison county fair	500	500	500	-
Total cultural enrichment	\$ 1,000	\$ 1,000	\$ 1,000	\$ -
Library:				
County library	\$ 177,600	\$ 177,600	\$ 177,600	\$ -
Total parks, recreation and cultural	\$ 595,088	\$ 608,288	\$ 608,287	\$ 1

Governmental Funds -
Schedule of Expenditures - Budget and Actual
Year Ended June 30, 2025 (continued)

Fund, Function, Activities and Elements	Original Budget	Budget As Amended	Actual	Variance From Amended Budget Favorable (Unfavor.)
Primary Government: (Continued)				
General Fund: (Continued)				
Community development:				
Planning and community development:				
Planning commission	\$ 12,150	\$ 12,150	\$ 7,590	\$ 4,560
Zoning and planning	193,438	185,247	177,055	8,192
Economic development	165,908	164,804	157,602	7,202
Foothills housing	7,000	7,000	7,000	-
Aging together	2,000	2,000	2,000	-
Board of zoning appeals	2,500	3,500	2,958	542
Board of building code appeals	415	415	-	415
Tourism	70,000	70,000	66,166	3,834
Planning district commission	16,996	16,996	16,996	-
Madison learning center	10,000	10,000	10,000	-
Virginia regional transit	7,000	7,000	5,655	1,345
Geographic information system	12,600	12,600	9,850	2,750
Piedmont workforce network	500	500	500	-
Central Virginia Economic development	10,000	10,000	10,000	-
Skyline CAP	51,900	51,900	51,900	-
Total planning and community development	<u>\$ 562,407</u>	<u>\$ 554,112</u>	<u>\$ 525,272</u>	<u>\$ 28,840</u>
Environmental management:				
Soil and water conservation district	\$ 30,111	\$ 30,111	\$ 30,111	\$ -
Forestry service	-	-	5,944	(5,944)
Water quality management	1,000	1,000	1,000	-
Total environmental management	<u>\$ 31,111</u>	<u>\$ 31,111</u>	<u>\$ 37,055</u>	<u>\$ (5,944)</u>
Cooperative extension program:				
VPI extension	\$ 143,362	\$ 143,362	\$ 96,951	\$ 46,411
Northern VA 4-H center	500	500	500	-
Total cooperative extension program	<u>\$ 143,862</u>	<u>\$ 143,862</u>	<u>\$ 97,451</u>	<u>\$ 46,411</u>
Total community development	<u>\$ 737,380</u>	<u>\$ 729,085</u>	<u>\$ 659,778</u>	<u>\$ 69,307</u>
Nondepartmental:				
Contingency	441,300	220,811	-	220,811
Total nondepartmental	<u>\$ 441,300</u>	<u>\$ 220,811</u>	<u>\$ -</u>	<u>\$ 220,811</u>
Debt service:				
Principal retirement	\$ 1,125,113	\$ 1,125,113	\$ 1,209,042	\$ (83,929)
Interest and fiscal charges	600,439	600,439	634,734	(34,295)
Total debt service	<u>\$ 1,725,552</u>	<u>\$ 1,725,552</u>	<u>\$ 1,843,776</u>	<u>\$ (118,224)</u>
Total General Fund	<u>\$ 35,342,487</u>	<u>\$ 36,892,223</u>	<u>\$ 36,107,882</u>	<u>\$ 784,341</u>

Governmental Funds -
Schedule of Expenditures - Budget and Actual
Year Ended June 30, 2025 (continued)

Fund, Function, Activities and Elements	Original Budget	Budget As Amended	Actual	Variance From Amended Budget Favorable (Unfavor.)
Primary Government: (Continued)				
Capital Improvement Fund:				
Capital Projects:				
EMS station	\$ 1,000,000	1,034,160	1,288,752	\$ (254,592)
Facilities & Maintenance	99,655	280,212	245,794	34,418
Parks & Recreations	700,000	909,750	264,410	645,340
Public safety radio system	2,220,828	1,791,648	1,314,952	476,696
ERP system upgrades	50,000	36,716	24,920	11,796
IT network upgrades	31,509	43,579	19,042	24,537
Motor vehicles	1,062,218	1,077,827	451,053	626,774
Miscellaneous	50,000	600,000	308,750	291,250
ARPA - Broadband	2,519,673	2,664,566	1,410,810	1,253,756
School capital projects - debt funded				-
Total capital projects	<u>\$ 7,733,883</u>	<u>\$ 8,438,458</u>	<u>\$ 5,328,483</u>	<u>\$ 3,109,975</u>
Total Capital Improvement Fund	<u>\$ 7,733,883</u>	<u>\$ 8,438,458</u>	<u>\$ 5,328,483</u>	<u>\$ 3,109,975</u>
Total Expenditures--Primary Government	<u>\$ 43,076,370</u>	<u>\$ 45,330,681</u>	<u>\$ 41,436,365</u>	<u>\$ 3,894,316</u>
Discretely Presented Component Unit -- School Board:				
School Operating Fund:				
Education:				
Instruction	\$ 18,467,244	\$ 19,166,185	\$ 17,854,163	\$ 1,312,022
Administration, attendance and health	1,460,236	1,467,018	1,304,110	162,908
Pupil transportation services	1,801,212	1,821,622	1,535,670	285,952
Operation and maintenance services	2,490,055	2,768,371	2,554,759	213,612
School food	55,555	55,555	112,565	(57,010)
Facilities	-	-	20,692	(20,692)
Technology	837,281	857,660	826,152	31,508
Total education	<u>\$ 25,111,583</u>	<u>\$ 26,136,411</u>	<u>\$ 24,208,111</u>	<u>\$ 1,928,300</u>
Total School Operating Fund	<u>\$ 25,111,583</u>	<u>\$ 26,136,411</u>	<u>\$ 24,208,111</u>	<u>\$ 1,928,300</u>
Special Revenue Funds:				
School Cafeteria Fund:				
Education:				
School food program	<u>\$ 1,405,250</u>	<u>\$ 1,705,250</u>	<u>\$ 1,560,904</u>	<u>\$ 144,346</u>
School Textbook Fund:				
Education:				
Instruction	<u>\$ -</u>	<u>\$ 48,499</u>	<u>\$ -</u>	<u>\$ 48,499</u>
School Capital Fund:				
Capital Projects:				
School projects	<u>\$ 1,702,000</u>	<u>\$ 1,729,960</u>	<u>\$ 629,238</u>	<u>\$ 1,100,722</u>
Total capital projects	<u>\$ 1,702,000</u>	<u>\$ 1,729,960</u>	<u>\$ 629,238</u>	<u>\$ 1,100,722</u>
Total School Capital Fund	<u>\$ 1,702,000</u>	<u>\$ 1,729,960</u>	<u>\$ 629,238</u>	<u>\$ 1,100,722</u>

- Statistical Information -

COUNTY OF MADISON, VIRGINIA

Table 1

Government-Wide Expenses by Function
Last Ten Fiscal Years

Fiscal Year	General Government										Interest on Debt	Total
	Adminis- tration	Judicial Adminis- tration	Public Safety	Public Works	Health and Welfare	Education	Parks Recreation and Cultural	Community Development	Interest on Debt	Total		
2015-16	\$ 1,361,313	\$ 1,153,156	\$ 5,300,042	\$ 956,205	\$ 5,537,755	\$ 10,374,212	\$ 477,023	\$ 524,074	\$ 282,647	\$ 25,966,427		
2016-17	1,266,735	1,257,440	5,551,564	925,800	5,865,685	9,248,253	571,513	541,843	268,648	25,497,481		
2017-18	1,380,936	1,249,955	5,857,718	936,466	4,684,211	10,024,701	434,972	633,599	275,811	25,478,369		
2018-19	1,556,893	1,193,398	6,474,917	1,108,676	4,838,295	10,078,642	527,645	550,440	229,642	26,558,548		
2019-20	1,647,235	1,292,747	7,131,266	1,113,930	5,051,572	9,555,127	600,917	572,111	459,142	27,424,047		
2020-21	1,999,663	1,418,930	8,241,198	1,149,357	4,794,982	9,976,023	745,580	773,315	704,675	29,803,723		
2021-22	2,228,404	1,367,865	8,452,990	1,238,100	4,163,500	10,249,899	500,030	653,808	682,318	29,536,914		
2022-23	2,645,659	1,451,671	8,604,997	1,331,217	4,417,398	10,413,303	568,670	664,450	654,156	30,751,521		
2023-24	2,610,550	1,383,592	9,432,914	1,481,513	5,098,921	10,006,889	586,335	1,015,795	627,508	32,244,017		
2024-25	3,248,002	1,552,945	9,649,624	1,518,894	6,321,460	12,176,967	594,446	2,004,951	622,026	37,689,315		

COUNTY OF MADISON, VIRGINIA

Table 2

Government-Wide Revenues
Last Ten Fiscal Years

Fiscal Year	Program Revenues				General Revenues										Total
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	General Property Taxes	Local Sales and Use Tax	Consumers' Utility Tax	Motor Vehicle Licenses	Restaurant Food Taxes	Other Local Taxes	Contributions Not Restricted to Specific Programs	Revenues from the Use of Money & Property	Miscellaneous			
2015-16	\$ 1,030,798	\$ 5,301,202	\$ -	\$ 14,881,805	\$ 982,248	\$ 334,021	\$ 447,600	\$ 401,303	\$ 432,878	\$ 1,736,350	\$ 115,497	\$ 386,279	\$ 26,049,981		
2016-17	883,213	5,510,808	-	15,244,661	1,021,382	339,369	446,360	445,670	472,885	1,716,160	131,991	308,067	26,520,566		
2017-18	908,233	4,843,204	-	15,727,481	1,040,502	345,329	456,558	463,480	448,124	1,709,968	163,658	350,384	26,456,921		
2018-19	988,321	4,995,475	-	16,437,813	1,074,001	354,993	468,604	502,163	508,854	1,667,646	239,955	724,702	27,962,527		
2019-20	929,018	5,311,740	254,935	17,245,381	1,223,259	356,731	472,768	479,074	453,308	1,646,300	176,786	271,285	28,820,585		
2020-21	866,797	7,210,089	200,689	18,026,546	1,486,571	361,341	465,000	558,670	742,448	1,594,100	70,109	261,175	31,843,535		
2021-22	1,162,678	4,735,878	-	19,133,165	1,562,757	365,160	433,793	671,726	871,852	1,567,927	42,005	1,095,995	31,642,936		
2022-23	1,231,870	5,147,563	399,642	19,785,300	1,711,465	372,270	484,730	653,495	983,518	1,563,715	878,979	399,114	33,611,661		
2023-24	1,323,418	6,171,628	-	19,892,255	1,725,109	377,113	467,901	757,118	1,004,330	1,538,637	993,291	568,673	34,819,473		
2023-25	1,358,204	8,414,105	-	20,765,688	1,758,872	381,261	464,786	812,298	1,003,306	1,549,301	840,969	433,527	37,782,317		

COUNTY OF MADISON, VIRGINIA

Table 3

General Government Revenues by Source (1)

Last Ten Fiscal Years

Fiscal Year	General Property Taxes		Other Local Taxes		Permits, Privilege Fees & Regulatory Licenses		Fines & Forfeitures		Revenues from the Use of Money & Property		Charges for Services		Miscellaneous		Inter-governmental (2)		Total
2015-16	\$ 14,939,437	\$ 2,598,050	\$ 212,473	\$ 170,894	\$ 123,980	\$ 968,408	\$ 1,063,394	\$ 17,568,139	\$ 37,644,775								
2016-17	15,282,378	2,725,666	222,790	170,298	132,017	827,494	1,106,690	18,154,186	38,621,519								
2017-18	15,552,344	2,753,993	188,292	182,666	165,346	1,552,193	407,068	17,888,757	38,690,659								
2018-19	16,816,639	2,908,615	262,981	159,000	241,999	828,719	1,646,439	17,755,080	40,619,472								
2019-20	17,137,442	2,985,140	214,208	135,608	178,819	840,731	999,950	18,758,379	41,250,277								
2020-21	18,284,154	3,614,030	242,448	49,818	70,114	614,713	655,547	21,573,132	45,103,956								
2021-22	18,523,987	3,905,288	274,127	181,714	42,010	792,324	1,514,611	21,241,802	46,475,863								
2022-23	19,975,618	4,205,478	305,842	124,873	879,337	1,032,182	1,229,245	24,327,564	52,080,139								
2023-24	19,931,407	4,331,571	314,315	153,865	995,839	982,234	1,441,637	22,947,999	51,098,867								
2024-25	21,114,463	4,420,523	328,950	90,130	841,853	1,050,011	1,275,905	25,751,931	54,873,766								

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

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

COUNTY OF MADISON, VIRGINIA

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

Fiscal Year	General Administration	Judicial Administration	Public Safety	Public Works	Health and Welfare	Education(2)	Recreation and Cultural	Community Development	Non-departmental	Capital Projects	Debt Service	Total
2015-16	\$ 1,328,466	\$ 848,738	\$ 5,506,166	\$ 950,854	\$ 5,582,522	\$ 19,804,268	\$ 476,491	\$ 535,745	\$ 1,116	\$ 400,226	\$ 1,447,093	\$ 36,881,685
2016-17	1,352,710	918,656	5,609,963	946,045	5,900,655	20,194,751	356,465	544,945	64,096	38,000	1,453,435	37,379,721
2017-18	1,489,090	918,471	6,167,216	921,347	4,692,827	21,052,695	361,640	631,453	702	180,048	3,517,411	39,932,900
2018-19	1,574,914	899,824	6,443,324	1,132,134	4,881,655	20,821,906	454,131	569,985	5,911	416,203	1,488,661	38,688,648
2019-20	1,694,717	944,204	7,321,576	1,168,473	5,001,895	21,379,062	521,812	826,062	4,795	2,673,011	9,571,001	51,106,608
2020-21	1,777,515	1,039,955	8,706,521	1,143,992	4,738,790	21,666,022	661,889	759,866	5,002	10,642,501	1,073,942	52,215,995
2021-22	2,062,552	1,127,067	8,154,915	1,234,989	4,188,927	25,062,494	428,605	662,267	925	1,130,382	1,727,498	45,780,621
2022-23	2,285,361	1,212,787	8,186,958	1,322,559	4,454,652	27,271,715	495,974	674,878	8,123	2,549,827	1,726,953	50,189,787
2023-24	2,456,196	1,164,962	9,011,743	1,377,735	5,202,909	26,297,803	516,916	724,172	2,987	2,264,367	1,742,635	50,762,425
2024-25	2,713,130	1,271,555	9,768,534	1,535,766	6,422,027	26,257,641	608,287	659,778	-	5,957,721	1,843,776	57,038,215

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

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

COUNTY OF MADISON, VIRGINIA

Table 5

Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Total (1) Tax Levy	Current Tax (1) (3) Collections	Percent of Levy Collected	Delinquent		Total Tax Collections	Percent of Total Tax Collections to Tax Levy	Outstanding		Percent of Delinquent Taxes to Tax Levy
				(1) Tax (2) Collections	(1) Delinquent Taxes			(1) Delinquent Taxes		
2015-16	\$ 14,705,489	13,404,674	91.15%	1,175,209	14,579,883	99.15%	1,457,348	9.91%		
2016-17	14,974,584	13,894,171	92.79%	1,013,226	14,907,397	99.55%	1,454,428	9.71%		
2017-18	15,436,200	14,218,972	92.11%	962,988	15,181,960	98.35%	1,455,940	9.43%		
2018-19	16,035,565	15,090,736	94.11%	1,260,211	16,350,947	101.97%	1,295,330	8.08%		
2019-20	16,916,735	15,555,982	91.96%	1,274,956	16,830,938	99.49%	1,282,875	7.58%		
2020-21	17,510,314	16,700,999	95.38%	1,241,098	17,942,097	102.47%	1,143,439	6.53%		
2021-22	18,945,636	17,307,710	91.35%	946,061	18,253,771	96.35%	1,528,705	8.07%		
2022-23	19,515,072	18,971,416	97.21%	615,136	19,586,552	100.37%	1,386,025	7.10%		
2023-24	19,220,128	18,989,973	98.80%	576,720	19,566,693	101.80%	1,351,248	7.03%		
2024-25	20,390,494	20,325,750	99.68%	426,172	20,751,922	101.77%	1,088,334	5.34%		

(1) Exclusive of penalties and interest.

(2) Does not include land redemptions.

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

COUNTY OF MADISON, VIRGINIA

Table 6

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

Fiscal Year	Real Estate	Personal Property	Mobile Homes	Machinery and Tools		Merchants' Capital	Public Service	Total
2015-16	\$ 1,620,377,400	\$ 114,334,699	\$ 1,160,600	\$ 4,071,363	\$ 24,036,071	\$ 47,366,304	\$ 1,811,346,437	
2016-17	1,635,149,750	118,763,510	1,192,500	4,469,521	26,384,953	45,692,315	1,831,652,549	
2017-18	1,677,006,075	125,966,256	1,224,400	4,997,202	28,532,503	47,090,233	1,884,816,669	
2018-19	1,703,493,550	131,516,620	1,287,500	4,738,091	25,940,260	47,201,812	1,914,177,833	
2019-20	1,759,341,250	138,003,080	1,077,500	7,984,750	27,559,017	50,521,011	1,984,486,608	
2020-21	1,775,753,150	142,521,415	1,001,000	8,153,340	27,539,360	52,655,352	2,007,623,617	
2021-22	1,796,013,900	160,914,954	1,114,300	8,756,231	21,002,128	49,868,588	2,037,670,101	
2022-23	1,821,805,500	198,881,670	1,442,330	8,191,014	33,712,618	46,294,427	2,110,327,559	
2023-24	1,847,601,000	185,962,607	1,531,730	7,313,619	28,641,827	40,669,741	2,111,720,524	
2024-25	2,370,790,745	186,338,189	1,434,430	6,762,512	31,105,276	47,285,105	2,643,716,257	

(1) 100% fair market value.

COUNTY OF MADISON, VIRGINIA

Table 7

Property Tax Rates (1)
Last Ten Fiscal Years

Fiscal Years	Real Estate	Personal Property (2)	Mobile Homes	Machinery and Tools (2)		Merchants' Capital (2)
2015-16	\$ 0.68	\$ 3.60	\$ 0.68	\$ 1.67	\$ 1.67	0.86
2016-17	0.68	3.60	0.68	1.67	1.67	0.86
2017-18	0.68	3.60	0.68	1.67	1.67	0.86
2018-19	0.70/0.68	3.60	0.70/0.68	1.67	1.67	0.86
2019-20	0.70/0.71	3.60	0.70/0.71	1.67	1.67	0.86
2020-21	0.71/0.74	3.60	0.71/0.74	1.67	1.67	0.86
2021-22	0.74	3.60/3.00	0.74	1.67	1.67	0.86
2022-23	0.74	3.00	0.74	1.67	1.67	0.86
2023-24	0.74	3.00/3.40	0.74	1.67	1.67	0.86
2024-25	0.51	3.10/3.45	0.51	1.67	1.67	0.86

(1) Per \$100 of assessed value.

(2) Levied at 100% of fair market value

COUNTY OF MADISON, VIRGINIA

Table 8

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)	Gross Bonded Debt (3)	Net Bonded Debt	Ratio of Net General Obligation Debt to Assessed Value		Net Bonded Debt per Capita
					Bonded Debt (3)	Value	
2015-16	13,200	1,811,346,437	12,483,000	12,483,000	0.0069	0.0069	946
2016-17	13,200	1,831,652,549	11,513,000	11,513,000	0.0063	0.0063	872
2017-18	13,200	1,884,816,669	10,466,510	10,466,510	0.0056	0.0056	793
2018-19	13,295	1,914,177,833	9,282,490	9,282,490	0.0048	0.0048	698
2019-20	13,295	1,984,486,608	24,951,000	24,951,000	0.0126	0.0126	1,877
2020-21	13,837	2,007,623,617	24,347,000	24,347,000	0.0121	0.0121	1,760
2021-22	13,837	2,037,670,101	23,351,000	23,351,000	0.0115	0.0115	1,688
2022-23	13,837	2,110,327,559	22,329,000	22,329,000	0.0106	0.0106	1,614
2023-24	13,837	2,111,720,524	21,253,000	21,253,000	0.0101	0.0101	1,536
2024-25	13,837	2,643,716,257	20,149,000	20,149,000	0.0076	0.0076	1,456

(1) Bureau of the Census.

(2) From Table 6.

(3) Includes all long-term general obligation bonded debt and Literary Fund Loans.
Excludes compensated absences, landfill closure liability, lease liabilities and subscription liabilities.

COUNTY OF MADISON, VIRGINIA

Table 9

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

Fiscal Year	Principal	Interest	Total Debt Service	Total General Governmental Expenditures (1)	Ratio of Debt Service to General Governmental Expenditures
2015-16	\$ 1,147,420	\$ 299,673	\$ 1,447,093	\$ 36,881,685	3.92%
2016-17	1,165,198	288,237	1,453,435	37,379,721	3.89%
2017-18	3,245,829	271,582	3,517,411	39,932,900	8.81%
2018-19	1,241,178	247,483	1,488,661	38,688,648	3.85%
2019-20	8,996,962 (2)	428,425 (2)	9,425,387	51,106,608	18.44%
2020-21	640,316	433,626	1,073,942	52,215,995	2.06%
2021-22	1,033,580	693,918	1,727,498	45,780,621	3.77%
2022-23	1,060,890	666,063	1,726,953	50,189,787	3.44%
2023-24	1,105,176	637,459	1,742,635	50,762,425	3.43%
2024-25	1,209,042	634,734	1,843,776	57,038,215	3.23%

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

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

- Compliance -



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of County of Madison, Virginia, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the County of Madison, Virginia's basic financial statements, and have issued our report thereon dated February 10, 2026.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Robinson, Farned, Cox Associates

Charlottesville, Virginia

February 10, 2026



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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited County of Madison, Virginia's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Madison, Virginia's major federal programs for the year ended June 30, 2025. County of Madison, Virginia's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, County of Madison, Virginia complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 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 Madison, Virginia and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of County of Madison, Virginia's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

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

Report on Internal Control over Compliance: (Continued)

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
February 10, 2026

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

Federal Grantor/Pass - Through Grantor/Program or Cluster Title	Federal Assistance Listing	Pass-through Entity Identifying Number	Passed through to Subrecipients	Federal Expenditures
Primary Government:				
Department of Justice				
Pass Through Payments:				
Virginia Department of Criminal Justice Services:				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	Not Available	\$ -	\$ 52,605
Public Safety Partnership and Community Policing Grants	16.710		-	417,315
Crime Victim Assistance	16.575	CJS5601701	-	38,889
Total Department of Justice			\$ -	\$ 508,809
Department of Health and Human Services:				
Pass Through Payments:				
Virginia Department of Social Services:				
Guardianship Assistance	93.090	1110121/1110122	\$ -	\$ 245
Title IV-E Prevention Program	93.472	1140122	-	5,254
MaryLee Allen Promoting Safe and Stable Families Program	93.556	0950109/0950110	-	18,216
Temporary Assistance for Needy Families	93.558	0400109/0400110	-	117,544
Refugee and Entrant Assistance - State/Replacement Designee Administered Programs	93.566	0500109/0500110	-	243
Low-Income Home Energy Assistance	93.568	0600409/0600410	-	23,856
Child Care Mandatory and Matching Funds of the Child Care and Development Fund(CCDF Cluster)	93.596	0760109/0760110	-	23,969
Chafee Education and Training Vouchers Program	93.599	9160110	-	7,365
Adoption and Legal Guardianship Incentive Payments	93.603	1130116/1130117	-	1,734
Stephanie Tubbs Jones Child Welfare Services Program	93.645	0900109/0900110	-	455
Foster Care - Title IV-E	93.658	1100109/1100110	-	149,891
Adoption Assistance	93.659	1120109/1120110	-	454,827
Social Services Block Grant	93.667	1000109/1000110	-	152,547
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	915120/9150121	-	1,532
Children's Health Insurance Program	93.767	0540109/0540110	-	3,333
Medical Assistance Program (Medicaid Cluster)	93.778	1200109/1200110	-	265,346
Total Department of Health and Human Services			\$ -	\$ 1,226,357
Department of Homeland Security:				
Pass Through Payments:				
Virginia Department of Emergency Management:				
Emergency Management Performance Grants	97.042	Not available	\$ -	\$ 7,318
Total Department of Homeland Security			\$ -	\$ 7,318
Department of Agriculture:				
Pass Through Payments:				
Virginia Department of Social Services:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP Cluster)	10.561	0010111/0010112/0040111/0040112	\$ -	\$ 309,354
Total Department of Agriculture			\$ -	\$ 309,354

Schedule of Expenditures of Federal Awards
 Year Ended June 30, 2025 (continued)

Federal Grantor/Pass - Through Grantor/Program or Cluster Title	Federal Assistance Listing	Pass-through Entity Identifying Number	Passed through to Subrecipients	Federal Expenditures
Primary Government: (continued)				
Department of Treasury:				
Direct Payments:				
COVID-19-Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	\$ -	\$ 1,410,810
Total 21.027			\$ -	\$ 1,410,810
Total Expenditures of Federal Awards-Primary Government			\$ -	\$ 3,462,648
Component Unit School Board:				
Department of Agriculture:				
Pass Through Payments:				
Virginia Department of Agriculture:				
Food Distribution (Child Nutrition Cluster)	10.555	2013IN109941/2014IN109941	\$ -	\$ 114,998
Virginia Department of Education:				
National School Lunch Program (Child Nutrition Cluster)	10.555	2013IN109941/2014IN109941	-	621,471
Total 10.555			\$ -	\$ 736,469
School Breakfast Program (Child Nutrition Cluster)	10.553	2013IN109941/2014IN109941	-	213,330
Virginia Department of Agriculture:				
Food Distribution (Child Nutrition Cluster)	10.559	2013IN109941/2014IN109941	-	791
Summer Food Service Program for Children (Child Nutrition Cluster)	10.559	2013IN109941/2014IN109941	-	495,562
Total 10.559			\$ -	\$ 496,353
Total Child Nutrition Cluster			\$ -	\$ 1,446,152
Child and Adult Care Food Program	10.558	202222N11994	-	72,265
Total Department of Agriculture			\$ -	\$ 1,518,417
Department of Education:				
Pass Through Payments:				
Virginia Department of Education:				
Title I Grants to Local Educational Agencies	84.010	S010A120046/S010130046	\$ -	\$ 423,011
Supporting Effective Instruction State Grants	84.367	S367A120044/S367A13044	-	63,174
English Language Acquisition State Grants	84.365	Not Available	-	5,119
Special Education - Grants to States (Special Education Cluster)	84.027	H027A120107/H027A130107	-	532,237
Special Education - Preschool Grants (Special Education Cluster)	84.173	H173A120112/H173A130112	-	12,188
Total Special Education Cluster			\$ -	\$ 544,425
Student Support and Academic Enrichment Program	84.424	S424A170048	-	60,709
COVID-19 Education Stabilization Fund:				
American Rescue Plan-Elementary and Secondary School Emergency Relief	84.425U	S425U210008	-	206,680
Total COVID-19 Education Stabilization Fund			\$ -	\$ 206,680
Career and Technical Education - Basic Grants to States	84.048	V048A120046/V048A130046	-	30,831
Total Department of Education			\$ -	\$ 1,333,949
Total Expenditures of Federal Awards-Component Unit School Board			\$ -	\$ 2,852,366
Total Expenditures of Federal Awards-Reporting Entity			\$ -	\$ 6,315,014

See accompanying notes to the schedule of expenditures of federal awards.

COUNTY OF MADISON, VIRGINIA

Notes to Schedule of Expenditures of Federal Awards
For the 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 Madison, 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 the Uniform Guidance. Because the Schedule presents only a selected portion of the operations of the County of Madison, Virginia, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County of Madison, Virginia.

Note 2 - Summary of Significant Accounting Policies

(1) Expenditures on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

(2) Pass-through entity identifying numbers are presented where available.

Note 3 - Food Donation

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed.

Note 4 - De Minimis Cost Rate

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

Note 5 - Loan Balances

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

Note 6 - Relationship to Financial Statements

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

Intergovernmental federal revenues per the basic financial statements:

Primary government:

General Fund	\$ 2,166,398
Capital Projects Fund	<u>1,410,810</u>
Total primary government	\$ <u>3,577,208</u>

Component Unit School Board:

School Operating Fund	\$ 1,333,949
School Cafeteria Fund	<u>1,518,417</u>
Total component unit school board	\$ <u>2,852,366</u>

Total federal expenditures per basic financial statements	\$ <u>6,429,574</u>
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Payments in lieu of taxes	\$ <u>(114,560)</u>
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Total federal expenditures per the Schedule of Expenditures of Federal Awards	\$ <u><u>6,315,014</u></u>
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COUNTY OF MADISON, 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>
10.553/10.555/10.559	Child Nutrition Cluster

Dollar threshold used to distinguish between Type A and Type B programs	\$750,000
Auditee qualified as low-risk auditee?	Yes

Section II - Financial Statement Findings

There are no financial statement findings to report.

Section III - Federal Award Findings and Questioned Costs

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

Section IV - Prior Year Findings and Questioned Costs

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