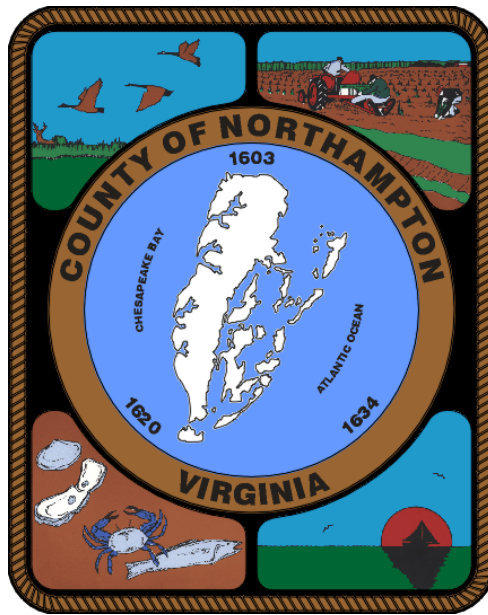


COUNTY OF NORTHAMPTON, VIRGINIA



Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2024

About the Cover

The official seal/logo of Northampton County was developed to reflect the County's history, its traditional way of life, and its ties with the marine environment. It was adopted by the Board of Supervisors on July 13, 1987.

The gold rope which borders the logo represents the County's bond to the sea and, of course, its geographic location. The four panels represent its economy, its way of life, its unique life style and its relationship with the environment. The three dates represent: (1) the first recorded English landing in 1603 by Bartholomew Gilbert; (2) the first permanent settling of Northampton in 1620; and (3) in 1634, Northampton County, then known as Accomack County, became one of the original shires of the colony governed by England. The black stems separating the gold band holding the map of Northampton represent points of the compass normally associated with ties to the sea. The blue field, which surrounds the map, represents the pure hue of clear sky and sea. The gold band depicts the County as a "unique area" – very precious and rare. Northampton County, shown in white, represents sunlight – desiring to do good.

INTRODUCTORY SECTION

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COUNTY OF NORTHAMPTON, VIRGINIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2024

Prepared By:

Northampton Department of Finance

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COUNTY OF NORTHAMPTON, VIRGINIA

FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2024

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COUNTY OF NORTHAMPTON, VIRGINIA

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COUNTY OF NORTHAMPTON, VIRGINIA

Board of Supervisors

M. E. Mapp, Chairperson
Oliver H. Bennett, Vice-Chairperson

John R. Coker
Ernest Smith, Jr.

L. Dixon Leatherbury

County School Board

Liz Jones, Chairperson
Helene B. Doughty, Vice-Chairperson

Joseph E. Andrews
Betty Borden
Jo Ann P. Molera

Jill Bieri
Ian Brenson

Board of Social Services

Edith E. Johnson, Chairperson

H. Spencer Murray

Janice Langley

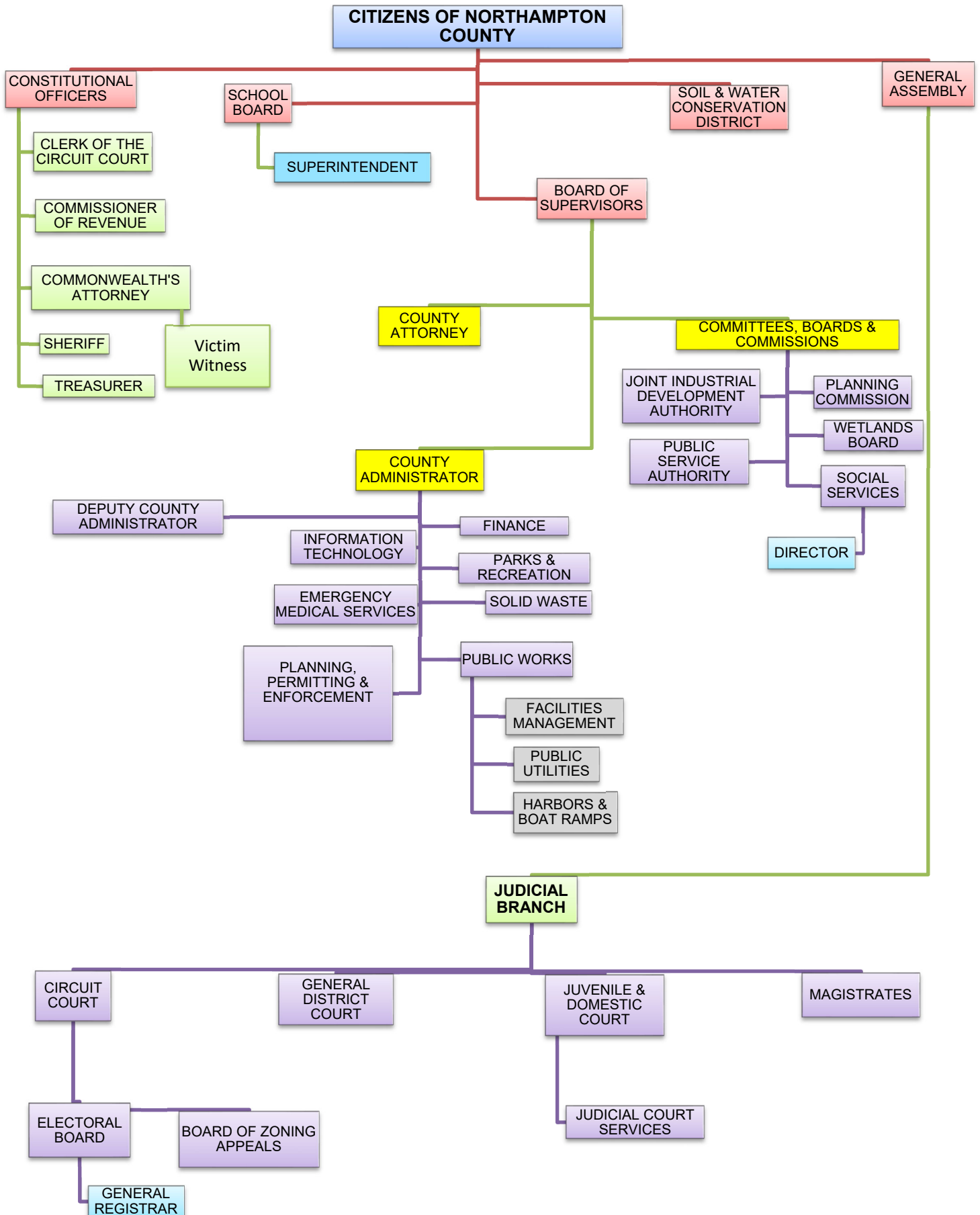
Other Officials

County Administrator
Clerk of the Circuit Court
County/Commonwealth's Attorney
Commissioner of the Revenue
Treasurer
Sheriff
Superintendent of Schools
Director of Department of Social Services
Director of Finance
Registrar

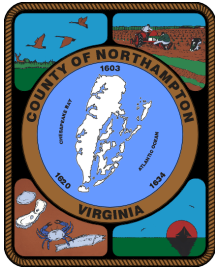
Charles Kolakowski
Traci L. Johnson
Jack A. Thornton, III
Consuelo Gonzalez
Cynthia S. Bradford
David L. Doughty, Jr.
Dr. Lisa Martin
Mozella Francis
John D. Chandler
Terrence P. Flynn

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ORGANIZATIONAL CHART



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County of Northampton

P.O. Box 66
16404 Courthouse Rd.
Eastville, VA 23347
Phone: 757-678-0440 Fax: 757-678-0483

December 1, 2024

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

The Code of Virginia (§ 15.2-2511) requires that all localities publish within six months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2024.

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

Robinson, Farmer, Cox Associates, a firm of licensed certified public accountants, has audited and issued an unmodified "clean" opinion on the financial statements of Northampton County for the fiscal year ended June 30, 2024. The Independent Auditors' report is presented as the first component of the financial section of this report.

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



Northampton County Administration Building

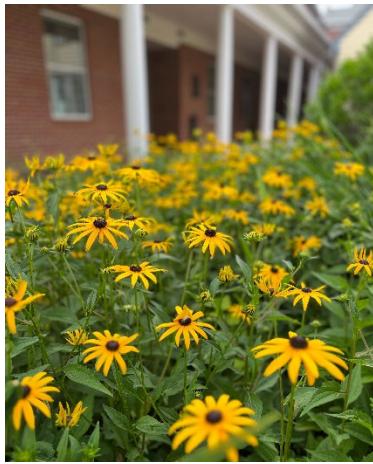
Profile of the Government



Historic 1899 Courthouse

Northampton County comprises the southernmost portion of the Eastern Shore of Virginia, bordered on the north by Accomack County, Virginia, on the west by the Chesapeake Bay, and on the east by the Atlantic Ocean. At the southern end of the County is the Chesapeake Bay Bridge-Tunnel, connecting the County to the Hampton Roads area of Virginia. The County encompasses a land area of approximately 355 square miles. The County's population was 12,282 according to the 2020 census vs. 12,389 in the 2010 census. The County is a full-service County and provides a variety of services to its citizens as authorized by the laws of the Commonwealth of Virginia. The County is authorized to issue general obligation bonds, generally subject to voter referendum.

Northampton County was formed as an independent county in 1634 and is organized under the traditional county form of government. The Board of Supervisors, which establishes policies for the administration of the County, is the governing body of the County. The Board is composed of five members, one member elected from each of five election districts. A member must be a resident of the district in which he or she serves. Members are elected for four-year staggered terms, with either two



or three-members' terms expiring every two years. Each year the Board elects a Chairman and Vice Chairman from among its members. In addition to the County Board, other elected County officials include the Commonwealth's Attorney, Commissioner of the Revenue, Treasurer, Sheriff, and Clerk of the Circuit Court.

The Board appoints a County Administrator to serve as the chief executive officer of the County. The County Administrator serves at the pleasure of the Board, implements its policies, directs business and administrative procedures, and recommends officials to be appointed by the Board. The County Administrator is currently assisted by eight staff departments and offices including Finance; Information Technology; Office of Planning, Permitting and Enforcement, comprised of Planning & Zoning, Code Compliance, and Building Inspections; Facilities Management; Solid Waste Services; Public Utilities; Emergency Medical Services; and Parks and Recreation. Additionally, the Board appoints a County Attorney. Currently the position is vacant.

Northampton County is also financially accountable for a legally separate school system which is reported as a discretely presented component unit in the audited financial statements. The Northampton County public schools are governed by the Northampton County School Board, which is composed of seven members who are elected by the citizens of Northampton County. A Superintendent is appointed by the School Board to administer the operations of the County's public schools. The School Board functions independently of the County Board but is required to prepare and submit an annual budget to the County Board of Supervisors for its consideration. Because the School Board can neither levy taxes nor incur indebtedness under Virginia law, the local costs of the school system are in large part provided by appropriation from the County's General Fund. The costs of constructing school facilities are generally provided by capital appropriations from the County's General Fund, through State Literary Fund loans, Qualified Zone Academy Bonds (QZAB), and through the Virginia Public School Authority.



In Virginia, cities and counties are not overlapping units of government. However, there are no incorporated cities within the boundaries of the County. There are six incorporated towns all or partly located in Northampton County, the



largest of which are the Town of Exmore with a 2020 Census population of 1,500 and the Town of Cape Charles with a population of 1,245, and the others of which are the Towns of Cheriton (497), Eastville (541), Nassawadox (558) and part of Belle Haven. These towns are underlying units of government within the County, and the ordinances and regulations of the County are, with certain limitations prescribed by State law, generally effective in them. Property in these towns is subject to County taxation and the County provides certain services to their residents. These towns may also incur general obligation indebtedness without the prior approval of the County.

The County operates under an annual operating budget adopted in accordance with the provisions of the Code of Virginia. The budget is the legal basis of the budgetary accounting system and the standard by which proposed expenditures are measured. The balanced budget must be adopted prior to the beginning of the fiscal year. The budget is subject to public inspection and a public hearing prior to its adoption. The budget is considered balanced when net revenue equals appropriations.



The operating budget is adopted on a departmental basis and is prepared using the modified accrual basis of accounting for all funds. Departmental appropriations that have not been expended by the end of the fiscal year are returned to the County's fund balance. Funds that are subject to carryover include unspent grant revenue or awards which must be presented to the Board for "re-appropriation."

Department Heads and Constitutional Officers may approve transfers within their own operating budgets with the exception of transfers affecting salaries and related accounts. The County Administrator is authorized to transfer budgeted amounts between departments, but any revisions that alter total expenditures must be approved by the Board of Supervisors through legislative action. All supplemental appropriations must be reported in a public meeting of the Board of Supervisors and made a matter of record in the minutes.

Appropriations designated for capital projects do not lapse at the end of the fiscal year but remain appropriations until the completion of the project or until the Board of Supervisors, by appropriate resolution, amends or eliminates the appropriation. Upon completion of a capital project, staff is authorized to close out the project and transfer to the funding source any remaining balances.

Demographic Factors and Local Economy



From Colonial times to the present, agriculture has been the mainstay of the Eastern Shore economy. Early farmers grew tobacco and later turned to livestock, some of which freely grazed on the seaside barrier islands. Eventually these farms raised grain crops and produce. Agriculture and Aquaculture are still estimated to represent approximately 15.00% of the local workforce. During the 1880's, the arrival

of the railroad stimulated the local economy and literally changed the face of the Eastern Shore. Built down the spine of the peninsula, towns and villages sprang up along the line. The railroad ceased operation in 2018.



Watermen have been active on the Shore for generations.

Once abundant, oysters were a mainstay of the seafood industry along with the famed blue crab, clams and scallops. Waterfront villages and towns enjoyed a healthy economy as watermen

brought in their catch and seafood packing, oyster shucking and crab picking houses stayed

busy. In recent years clams and oysters have seen a resurgence due to advances in aquaculture and improvements in the health of the Chesapeake Bay. Blue crabs from the Eastern Shore are still a sought-after commodity. Clam/Oyster aquaculture or water farming is a multi-



million-dollar industry with operations in many waterfront communities including Willis Wharf, Oyster, Bayford, Cape Charles and Cherrystone Creek.



Grapes ripe for harvest - Chatham Vineyards

Unemployment

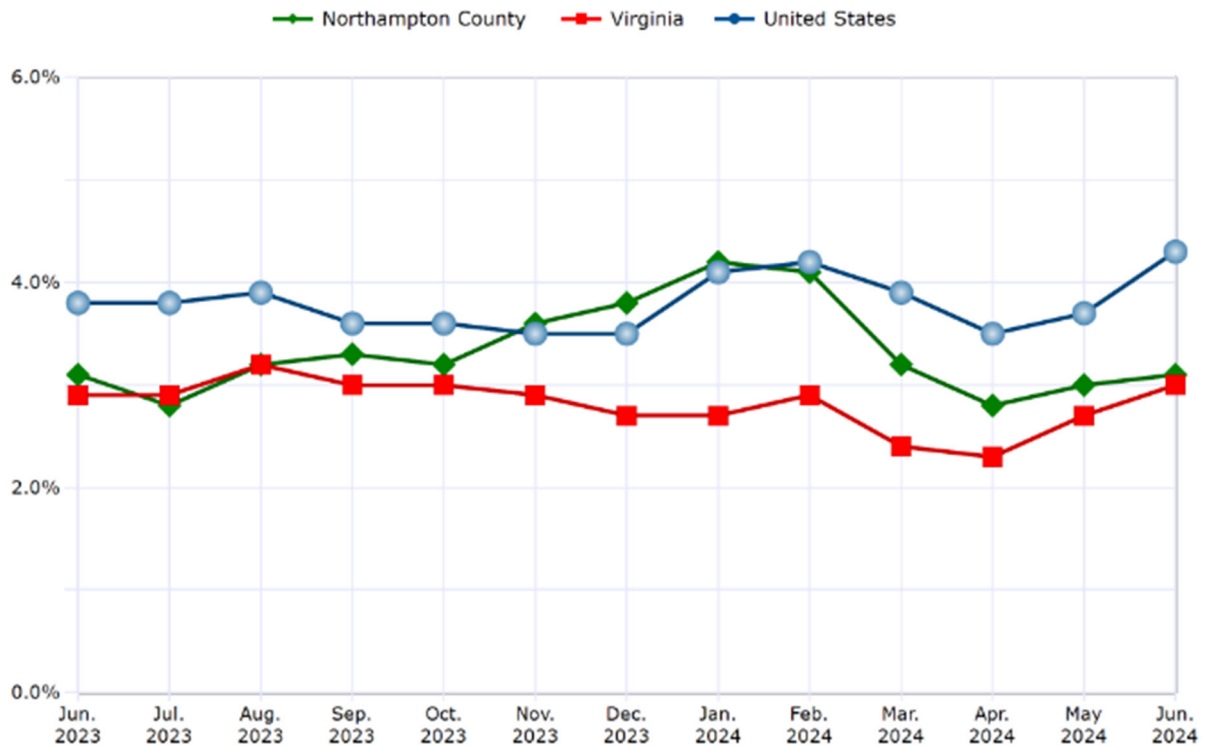
The following table presents the County's and other jurisdictions' unemployment rates over the last eleven years.

Average Annual Unemployment Rates

	Northampton County	Virginia	United States
2013	8.9%	5.6%	7.4%
2014	7.4%	5.1%	6.2%
2015	6.0%	4.4%	5.3%
2016	5.7%	4.0%	4.9%
2017	5.6%	3.7%	4.4%
2018	5.4%	3.0%	3.9%
2019	4.4%	2.8%	3.7%
2020	8.1%	6.4%	8.1%
2021	5.2%	3.9%	5.3%
2022	3.4%	2.8%	3.6%
2023	3.5%	2.9%	3.6%

Source: Virginia Employment Commission

Average Annual (past 12 months) Unemployment Rates

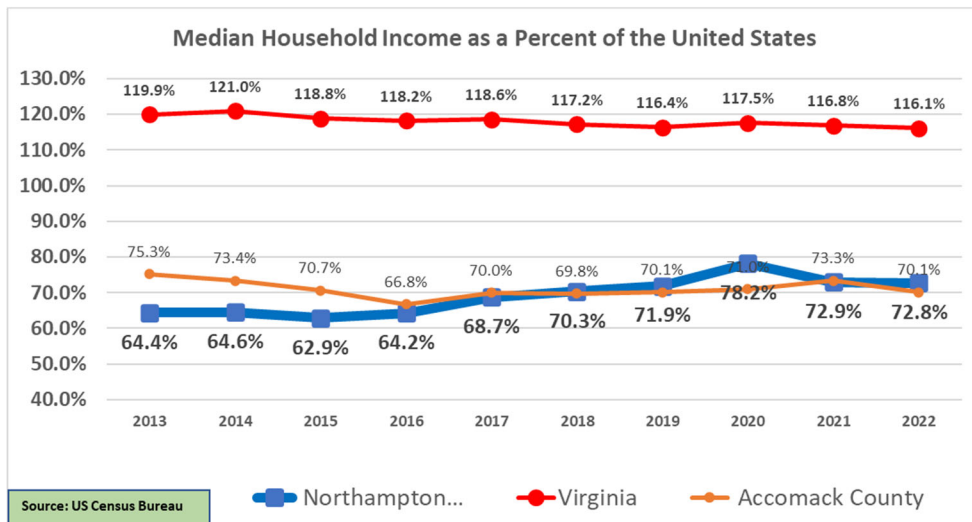
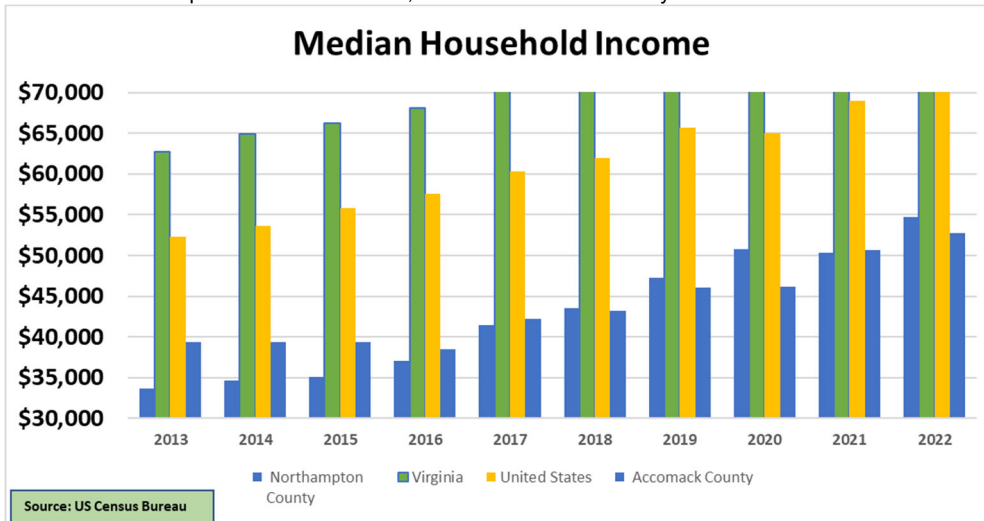


INCOME

Median household income for Northampton County in 2022 was \$54,693, the latest census information available, vs. \$33,635 in 2013 or (62.6%) growth, outpacing the % change in Virginia (39.2%) & United States (43.8%) from 2013 to 2022. Median household income data for Northampton County, Virginia and the United States is as follows:

Median Household Income								
2013 - 2022								
Year	Northampton County	% Change	Accomack County	% Change	Virginia	% Change	United States	% Change
2013	\$33,635	-2.0%	\$39,328	-3.6%	\$62,666	1.5%	\$52,250	1.7%
2014	\$34,656	3.0%	\$39,389	0.2%	\$64,902	3.6%	\$53,657	2.7%
2015	\$35,055	1.2%	\$39,412	0.1%	\$66,262	2.1%	\$55,775	3.9%
2016	\$37,011	5.6%	\$38,503	-2.3%	\$68,114	2.8%	\$57,617	3.3%
2017	\$41,468	18.3%	\$42,260	7.2%	\$71,535	8.0%	\$60,336	8.2%
2018	\$43,553	25.7%	\$43,210	9.7%	\$72,577	11.8%	\$61,937	15.4%
2019	\$47,227	34.7%	\$46,073	16.9%	\$76,456	15.4%	\$65,712	17.8%
2020	\$50,819	45.0%	\$46,178	17.2%	\$76,398	15.3%	\$64,994	16.5%
2021	\$50,347	43.6%	\$50,601	28.4%	\$80,615	21.7%	\$69,021	23.7%
2022	\$54,693	47.8%	\$52,694	36.9%	\$87,249	28.1%	\$75,149	30.4%
% Change 2022 vs. 2013		62.6%		34.0%		39.2%		43.8%

Source: U.S. Department of Commerce, Bureau of Economic Analysis



Source: apps.bea.gov/regional/bearfacts/action.cfm

Employment

The following table reflects the breakdown of the 50 largest employers in Northampton County.

50 Largest Employers (FY24 rank)

1. Northampton County Schools (1)	26. Coastal Precast Systems (21)
2. County of Northampton (2)	27. Postal Service (25)
3. Chesapeake Bay Bridge Tunnel (3)	28. Ajs Bar & Grill (39)
4. Ballard Fish & Oyster Company, Inc. (4)	29. Bay Creek Realty LLC (26)
5. Food Lion (5)	30. Riverside Regional Medical Center (36)
6. Nassawadox Rehab. & Nursing (10)	31. Burger King (31)
7. David's Nursery (6)	32. Exmore Diner, Inc. (29)
8. Eastern Shore Rural Health System (7)	33. Aging Community Action (30)
9. New Ravenna Acquisition, LLC (8)	34. Exxon Gas Station (27)
10. Tankard Nurseries (11)	35. Gingernut, LLC (33)
11. Barrett Business Services, Inc. (14)	36. Town of Exmore (34)
12. Totalsource III (9)	37. The Hungry Crab, LLC (42)
13. Broadwater Academy (12)	38. Shore Stop Store (37)
14. Tg Administration LLC (13)	39. Bredimus Landscape Services, LLC (48)
15. H M Terry Company, Inc. (15)	40. Virginia Dept. of Conservation (New)
16. A Friend In Need Home Care LP (22)	41. Bio Medical Applications (40)
17. McDonald's (23)	42. Rommels Ace Home Center (46)
18. Rayfield's Pharmacy (24)	43. Wescoat Nurseries Inc. (38)
19. Town of Cape Charles (19)	44. Cobb Heritage LLC (28)
20. J C Walker Brothers, Inc. (18)	45. Hermitage Farms Nursery (45)
21. Hardee's (16)	46. Lfc Agricultural Services Inc (New)
22. Royal Farms 79 (17)	47. Bayford Seafarm LLC (47)
23. 16 Virginia Locations (20)	48. Cape Charles Candy Company (49)
24. It Melts The Cheese LLC (35)	49. Cape Charles Brewing Company (41)
25. Cherrystone Creek, LLC (32)	50. Great Machipongo Clam Shack (New)

**Source: Virginia Employment Commission,
Quarterly Census of Employment and Wages
(CQEW), 1st Quarter 2024.**

Not listed in 2024 list (FY23 rank)

Bagwell Enterprises, Inc. (43)

Smalls Smokehouse (50)

Dominion Concrete Contract, Inc. (44)

The following table reflects the breakdown of employment by industry in Northampton County for the quarters ending July 2018, October 2020, March 2021, 2022, 2023 & 2024. The County employment levels have shrunk from July 2018 mostly due to affects in Agriculture, Forestry, Fishing & Hunting and Other Services. Additionally, jobs are still short of the pre-COVID recent high employment level of 4,393 by 276 overall jobs. Coastal Precast has had a positive impact on manufacturing jobs posting 42 new positions since October 2020 partially filling the jobs that were negatively impacted with the departure of Bayshore Concrete in 2018. Additionally, there has not been a replacement for the void left by the relocation of Riverside Hospital to Accomack County causing a net loss of 420 jobs since 2016. Finally, Agriculture, Forestry, Fishing and Hunting is down 408 jobs since July 2018. Construction and Real Estate have been the largest growth industries since 2018, growing 58 & 53 jobs each.

	July 2018		October 2020		March 2021		March 2022		March 2023		March 2024		Change 24 vs. 23	Change vs. 2018 >
Industry	# Emp.	%	# Emp.	%	# Emp.	%	# Emp.	%	# Emp.	%	# Emp.	%		
Health Care and Social Assistance	506	11.52%	483	12.25%	505	13.04%	479	11.98%	485	12.27%	530	12.87%	45	24
Local Government	848	19.30%	779	19.76%	784	20.24%	822	20.56%	815	20.62%	828	20.11%	13	(20)
State Government	75	1.71%	78	1.98%	68	1.76%	73	1.83%	74	1.87%	82	1.99%	8	7
Federal Government	34	0.77%	36	0.91%	33	0.85%	32	0.80%	35	0.89%	35	0.85%	0	1
Agriculture, Forestry, Fishing and Hunting	1024	23.31%	689	17.47%	596	15.39%	627	15.68%	607	15.36%	616	14.96%	9	(408)
Accommodation and Food Service	560	12.75%	458	11.62%	469	12.11%	517	12.93%	554	14.02%	567	13.77%	13	7
Manufacturing	327	7.44%	212	5.38%	281	7.26%	273	6.83%	271	6.86%	254	6.17%	(17)	(73)
Wholesale Trade	48	1.09%	41	1.04%	42	1.08%	40	1.00%	34	0.86%	33	0.80%	(1)	(15)
Retail Trade	446	10.15%	397	10.07%	409	10.56%	403	10.08%	471	11.92%	467	11.34%	(4)	21
Other Services (except Public Administration)	147	3.35%	104	2.64%	108	2.79%	121	3.03%	103	2.61%	94	2.28%	(9)	(53)
Construction	92	2.09%	109	2.76%	111	2.87%	134	3.35%	120	3.04%	150	3.64%	30	58
Educational Services	88	2.00%	82	2.08%	99	2.56%	100	2.50%	88	2.23%	91	2.21%	3	3
Transportation and Warehousing	21	0.48%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	(21)
Finance and Insurance	63	1.43%	80	2.03%	85	2.19%	56	1.40%	63	1.59%	64	1.55%	1	1
Administrative Support and Waste Management	47	1.07%	60	1.52%	54	1.39%	43	1.08%	48	1.21%	53	1.29%	5	6
Professional, Scientific and Technical Service	37	0.84%	40	1.01%	58	1.50%	78	1.95%	65	1.64%	52	1.26%	(13)	15
Real Estate and Rental & Leasing	24	0.55%	37	0.94%	44	1.14%	44	1.10%	77	1.95%	77	1.87%	0	53
Unclassified	6	0.14%	258	6.54%	127	3.28%	157	3.93%	42	1.06%	124	3.01%	82	118
TOTAL	4,393	100.00%	3,943	100.00%	3,873	100.00%	3,999	100.00%	3,952	100.00%	4,117	100.00%	165	(276)
Government (Total)	957	21.78%	893	22.65%	885	22.85%	927	23.18%	924	23.38%	945	22.95%	21	(12)
											Top 5		Bottom 5	

Employment by Size of Establishment

	Northampton County	Virginia
0 to 4 employees	580	261,536
5 to 9 employees	369	269,886
10 to 19 employees	674	410,082
20 to 49 employees	992	669,001
50 to 99 employees	512	513,170
100 to 249 employees	652	578,899
250 to 499 employees	338	364,060
500 to 999 employees	0	257,107
1000 and over employees	0	726,652
	4,117	4,050,393

Employers by Size of Establishment

	Northampton County	Virginia
0 to 4 employees	449	207,308
5 to 9 employees	57	40,586
10 to 19 employees	50	30,102
20 to 49 employees	31	22,145
50 to 99 employees	8	7,462
100 to 249 employees	5	3,930
250 to 499 employees	1	1,066
500 to 999 employees	0	375
1000 and over employees	0	266
	601	313,240

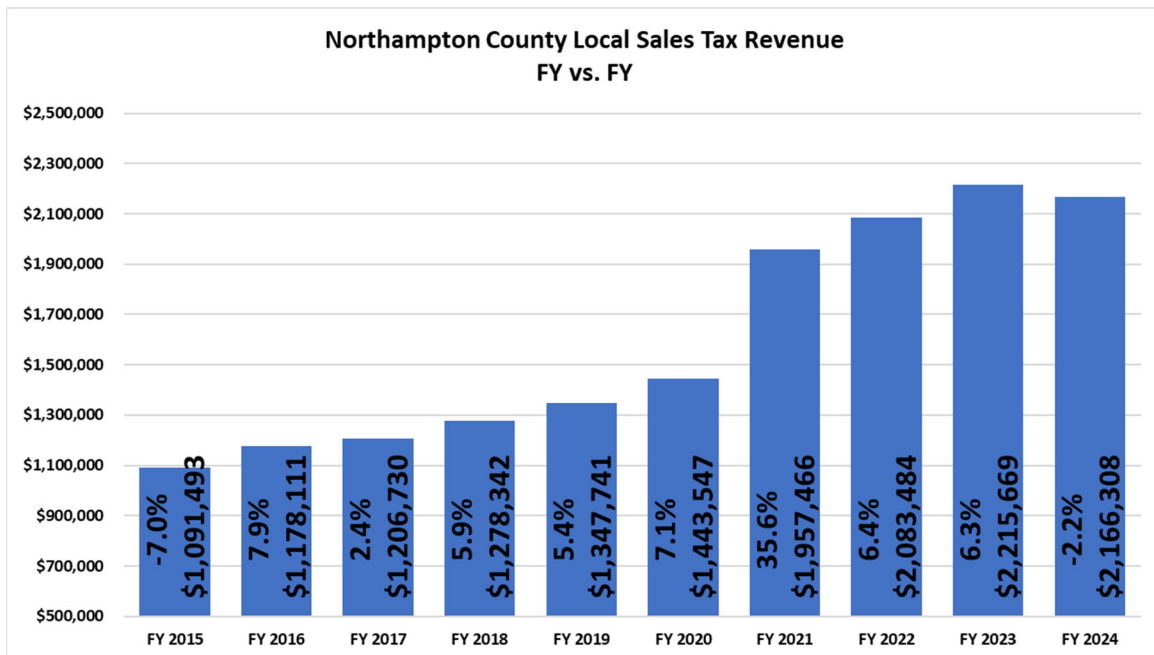
Source: Virginia Employment Commission, Economic Information & Analytics, Quarterly Census of Employment and Wages (QCEW), 1st Quarter 2024.

Taxable Sales Revenue

Northampton County has experienced a fluctuation in taxable sales over the last ten years. In 2017 the County surpassed the pre-recession (2007) local sales tax revenue. Since 2013, sales tax revenues have been on an upward trend. Between FY2015 and FY2024, sales tax revenue increased 98.5%. A portion (approximately 14.41%) of the County's state sales tax is allocated to the local towns. The percentage of this allocation that each town receives is based on the school age population that resides in that township.



Courthouse Road - Downtown Eastville – Buttercups Biscuits & Bagels



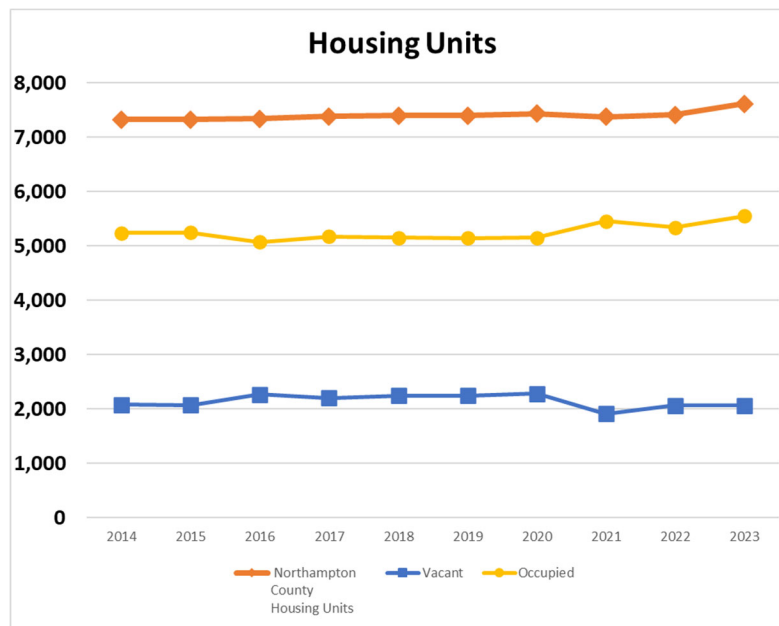
Local Sales Tax Revenue

Housing

According to information from the U.S. Census Bureau in 2023 (most recent info available) there were 7,618 total housing units (a 206 unit increase which also includes rental apartments) located in the County of Northampton, of which 5,550 were occupied. Of those occupied units, the following tables present data regarding their respective types of occupancy.

Of particular note, renter occupied units have increased by 25.8% since 2014 while owner occupied have declined by 2.5%. Additionally, vacant housing has decreased by 0.8% since 2014.

Year	Northampton County Housing Units	% Change	Vacant	% Change	Occupied	% Change	Owner Occupied	% Change	Renter Occupied	% Change
2014	7,322	0.4%	2,085	-2.8%	5,237	1.7%	3,662	3.7%	1,575	-2.5%
2015	7,323	0.0%	2,075	-0.5%	5,248	0.2%	3,614	-1.3%	1,634	3.7%
2016	7,342	0.3%	2,267	9.3%	5,075	-3.3%	3,412	-5.6%	1,663	1.8%
2017	7,384	0.6%	2,207	-2.6%	5,177	2.0%	3,344	-2.0%	1,833	10.2%
2018	7,397	0.2%	2,246	1.8%	5,151	-0.5%	3,371	0.8%	1,780	-2.9%
2019	7,396	0.0%	2,248	0.1%	5,148	-0.1%	3,356	-0.4%	1,792	0.7%
2020	7,434	0.5%	2,283	1.6%	5,151	0.1%	3,229	-3.8%	1,922	7.2%
2021	7,373	-0.8%	1,916	-16.1%	5,457	5.9%	3,509	8.7%	1,948	1.4%
2022	7,412	0.5%	2,068	7.9%	5,344	-2.1%	3,437	-2.0%	1,907	-2.1%
2023	7,618	2.8%	2,068	0.0%	5,550	3.9%	3,569	3.8%	1,981	3.9%
% Change 2023 vs. 2014		4.0%		-0.8%		6.0%		-2.5%		25.8%



Source: www.census.gov 2023



Northampton Hotel, Cape Charles

The County's dependence on Real Estate property tax revenue has stabilized in recent years. For FY24 property tax revenue generated 46.24% of General Fund revenues, compared to FY23 42.66%, FY22 46.32%, FY21 50.19%, FY20 54.01%, FY19 54.96, FY18 55.27%, FY17 55.27% and FY16 56.27%.

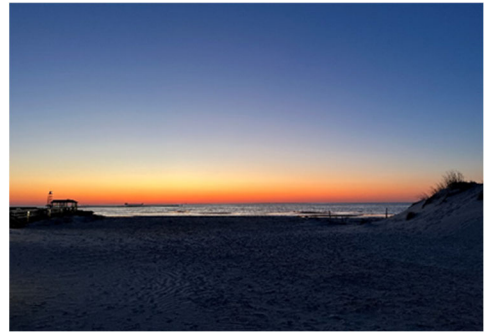
Travel and Tourism

Tourism remains one of the County's primary industries due to its location between the Atlantic Ocean and the Chesapeake Bay. According to the Virginia Tourism Corporation, 2023 figures indicate that direct travel expenditures on the Eastern Shore exceeded \$317.5 million (\$84.5M Northampton), an average of \$870k per day for the Eastern Shore, with a 36.19% increase in Northampton visitor spending from 2020. Northampton tourism jobs increased 38.73% from 2020 with a corresponding 39.72% in tourism payroll. The growth in Tourism spending helped make Northampton County the fastest recovering tourism locality in Virginia from 2019 to 2021 at 40.9%. Major tourism spots on the Eastern Shore of Virginia include Cape Charles Beach and Historic District,

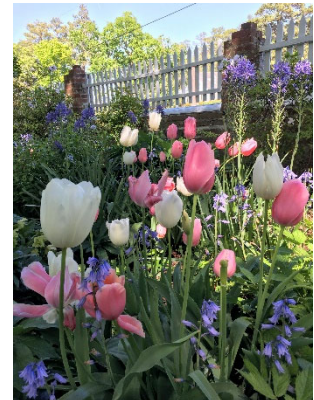


Assateague Island National Seashore, Chincoteague National Wildlife Refuge, Kiptopeke State Park, the Eastern Shore National Wildlife Refuge and the NASA/Wallops Island Visitor Center.

Northampton County's tourism program is directed by the Eastern Shore of Virginia Tourism Commission, a joint commission created by the Boards of Supervisors of Accomack and Northampton Counties in 1984. The Commission's mission is to advertise, promote, and market the two counties as a vacation destination and is funded jointly by each County. Additional funding is provided by local businesses in the form of tax-deductible patronships. Beginning in FY08, Northampton County raised the transient occupancy tax on lodging from 2% to 5% and dedicated the additional 3% to fund tourism programs within the County. A portion of the funding is ear-marked for capital projects related to tourism within the County. Since FY09, a portion of these funds have been released as part of a local competitive grant program. The Eastern Shore Tourism Commission adopted a strategy for tourism on the Eastern Shore of Virginia. The stated vision includes transforming Virginia's Eastern Shore into a well-known brand used to market everything from the tourism experience to farm produce and shellfish. The vision would also promote the Eastern



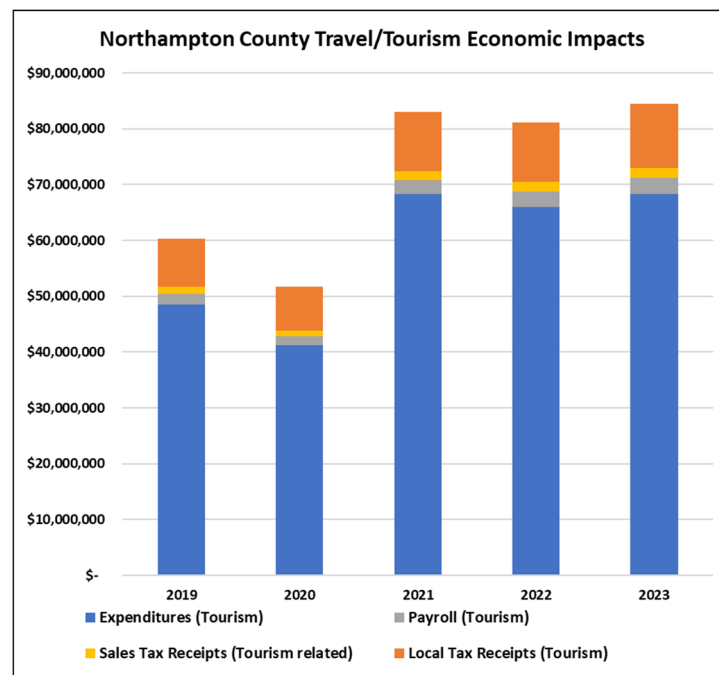
Shore of Virginia as an environmental beacon, where family farms and historic villages



co-exist with a teeming fishery, rich oyster and clam beds, and a vast wilderness of marsh and barrier islands of global ecological significance. The Tourism Commission promotes the development of a high dollar-low impact tourism industry which plays to the natural strengths of the Shore, including its uniqueness. Additionally, The Tourism Commission encourages a vibrant tourist industry including eco-tourism, agri-tourism, and historical tourism to generate economic opportunities that capitalize on the special qualities of the Shore.

Accomack & Northampton Direct Travel/Tourism Economic Impacts							
Accomack	2019	2020	2021	2022	2023	% Change	% change (2020 vs. 2023)
Employment (Tourism)	1,247	1,133	1,291	1,331	1,420	6.69%	20.21%
Expenditures (Tourism)	\$ 134,724,240	\$ 118,198,249	\$ 168,525,308	\$ 166,361,350	\$ 179,629,749	7.98%	34.20%
Local Tax Receipts (Tourism)	\$ 29,765,200	\$ 28,350,038	\$ 36,190,615	\$ 38,725,479	\$ 42,223,913	9.03%	32.86%
Payroll (Tourism)	\$ 5,783,784	\$ 5,056,006	\$ 6,365,680	\$ 6,471,101	\$ 6,970,468	7.72%	27.47%
Sales Tax Receipts (Tourism related)	\$ 3,313,844	\$ 2,732,660	\$ 3,695,277	\$ 3,903,926	\$ 4,196,763	7.50%	34.89%
Total Tourism \$	\$ 173,587,068	\$ 154,336,953	\$ 214,776,880	\$ 215,461,856	\$ 233,020,893	8.15%	33.77%
	\$ 475,581	\$ 422,841	\$ 588,430	\$ 590,306	\$ 638,413	/ Day	
Northampton	2019	2020	2021	2022	2023	% Change	% change (2020 vs. 2023)
Employment (Tourism)	352	310	376	387	397	2.58%	21.91%
Expenditures (Tourism)	\$ 48,462,726	\$ 41,156,800	\$ 68,272,530	\$ 65,996,977	\$ 68,278,590	3.46%	39.72%
Local Tax Receipts (Tourism)	\$ 8,579,356	\$ 7,921,501	\$ 10,523,696	\$ 10,674,160	\$ 11,534,251	8.06%	31.32%
Payroll (Tourism)	\$ 2,004,177	\$ 1,714,875	\$ 2,573,880	\$ 2,835,828	\$ 2,970,723	4.76%	42.27%
Sales Tax Receipts (Tourism related)	\$ 1,209,677	\$ 972,176	\$ 1,599,377	\$ 1,615,389	\$ 1,700,707	5.28%	42.84%
Total Tourism \$	\$ 60,255,936	\$ 51,765,352	\$ 82,969,483	\$ 81,122,354	\$ 84,484,271	4.14%	38.73%
	\$ 165,085	\$ 141,823	\$ 227,314	\$ 222,253	\$ 231,464	/ Day	
Combined (Accomack/Northampton)	2019	2020	2021	2022	2023	% Change	% change (2020 vs. 2023)
Employment (Tourism)	1,599	1,443	1,667	1,718	1,817	9.00%	20.58%
Expenditures (Tourism)	\$ 183,186,966	\$ 159,355,049	\$ 236,797,838	\$ 232,358,327	\$ 247,908,339	4.69%	35.72%
Local Tax Receipts (Tourism)	\$ 38,344,556	\$ 36,271,539	\$ 46,714,311	\$ 49,399,639	\$ 53,758,164	15.08%	32.53%
Payroll (Tourism)	\$ 7,787,961	\$ 6,770,881	\$ 8,939,560	\$ 9,306,929	\$ 9,941,191	11.20%	31.89%
Sales Tax Receipts (Tourism related)	\$ 4,523,521	\$ 3,704,836	\$ 5,294,654	\$ 5,519,315	\$ 5,897,470	11.39%	37.18%
Total Tourism \$	\$ 233,843,004	\$ 206,102,305	\$ 297,746,363	\$ 296,584,210	\$ 317,505,164	6.64%	35.09%
	\$ 640,666	\$ 564,664	\$ 815,743	\$ 812,559	\$ 869,877	/ Day	

Source: Virginia Tourism Corporation



Long-Term Financial Planning and Major Initiatives

In January 2018, a new Board of Supervisors took office. The Board is in the process of adopting new strategic goals for the County through a Strategic Plan process. For the calendar year 2019, the Board adopted a list of priorities to govern the work plan for the County staff and the development of the Fiscal Year 2024 budget; the list is provided below.

- Fund required resources to complete all elements of the Comprehensive Plan (consultant, advertising, public meetings, Future Land Use Map (FLUM)) – in progress
- Secure internal and external resources needed to update zoning ordinances (legal compliance, use definitions, districts and performance) – In process
- Contract has been signed and construction has begun on the \$82m Northampton County High/Middle School Enhancement. Construction is expected to be substantially complete by December 2026.
- Analyze, prioritize, and fund capital projects for County-owned assets (forecast 3-year plan)
- Supplement as possible the General Assembly budget funding for education and Compensation Board staff - Ongoing
- Evaluate funding alternatives for infrastructure expansion within the County and Towns - Ongoing
- Implement the plan for expansion of the Bayview Waste Collection Site – In process
- Fill and maintain authorized staff levels - Ongoing
- Use grant funding to complete Brownfield studies and make recommendations based on results - Ongoing
- Support new business initiatives with timely responses to planning and permitting
- Equitable pay for all employees
- Required Capital enhancements to meet County needs
- Maintain existing equipment/assets in proper working order
- Increase collection % rates on Current Year Taxes due
- Maximize return on investment on County Cash balances
- Continue the program to demolish dangerous structures

Vision and Mission Statement

The mission of the Northampton County Government is to provide the necessary services to protect the health, safety, welfare, environment and quality of life of our citizens consistent with the communities' values and priorities. This mission is accomplished by encouraging citizen involvement, by preserving the County's fiscal stability, traditional values and unity of our people through the implementation of effective and efficient government programs; consensus building; managing the County's natural, cultural, and historic resources; planning for the future; and representing citizen needs and desires to other levels of government.

Relevant Financial Policies

The adopted fund balance policy states that unassigned fund balance should not fall below 10% of the combined operating expenditures of the General, Social Services, Eastern Shore Regional Jail and School Operating Funds (less interfund transfers). In addition, as a condition of its bond with the Virginia Resource Authority (VRA), the County pledges to maintain its General Fund unassigned fund balance equal to a minimum of \$4,200,000 for FY2013 and annually thereafter through the term of the Lease with VRA through 2033.

At June 30, 2024, the unassigned general fund balance was \$9,827,840 (\$5,568,100 decrease from FY23) or 18.49% of combined operating expenditures as outlined above. Additionally, there is \$8,000,000 of Committed Fund Balance for the Middle/High School Project. The net increase (\$8m increase vs. \$5.568m decrease) was due in part to \$50,000 of America Rescue Plan Act dollars transferred to the General Fund, increased interest earnings of \$708,539 vs. FY23 or \$561,859 above budget and an additional \$1,442,804 in Property Tax & Other Local Tax revenues vs. budget. Additionally, Charges for Services exceeded budget for Ambulance Fees of \$215k & \$110k in Waste/Debris charges. This compares to FY23 increase of \$3,234,133 or 29.70%, FY22 decrease of \$2,005,522 or 22.90%, FY21 increase of \$2,484,342 or 31.61%, FY20 increase of \$187,832 or 27.05% and FY19 \$1,160,075 increase from FY18 or 27.68%. If at any time the unassigned fund balance falls below the minimum acceptable amount of 10% of combined budget expenditures, appropriate action will be taken by the Board to either increase revenues or reduce expenditures in the current fiscal year in order to bring the next year's fund balance amount to an acceptable level. The adopted Debt Service Policy established a limit of 4% of total outstanding debt (FY24 ended at 2.43%, well below the 4% limit) as a percentage of assessed value of real estate. The ratio of debt service expenditures as a percent of governmental fund expenditures is similarly limited to 12% (FY24 ended at 10.15%, below the 12% threshold).

On November 12, 2019 & November 9, 2021, Northampton County participated in the issuance of \$24,040,000 & \$37,790,000 par bonds that provided \$6,267,898 & \$42,003,451 in project proceeds for the Northampton Middle/High School Enhancement. The remainder of the proceeds were used for unanticipated HVAC improvements at Kiptopeke & Occohannock Elementary Schools. The Elementary School projects were completed in the fall of 2022. The Middle/High School project re-bid in the summer of 2023. Bids were only received from one bidder in the amount of \$98,853,500. Subsequently, the School Enhancement Committee worked with the lone bidder to try and find an educationally sound, affordable solution in order to move the project forward. On November 15, 2023, the Board of Supervisors approved a Resolution to award a construction contract to M. B. Kahn for \$81,300,000. With the above additional debt load, Financial Advisor Davenport projects that Northampton County will maintain compliance with all current debt requirements. Additionally, the current financing plan does not have a projected Real Estate Tax increase or additional Debt requirement. The above-mentioned bonds were issued during the Virginia Public School Authority (VPSA) 2019 & 2021 fall pools.

This report reflects the results of the Board of Supervisors' strong financial policies. The Board's support and cooperation in planning and conducting the financial operations of the County is acknowledged and appreciated.

We also acknowledge and extend special recognition to the staffs of the Finance, Treasurer's and County Administration departments for their efficient and dedicated service to the County. Their efforts to maintain the accounting and financial reporting system of the County have led to the high quality of information being reported to the Board of Supervisors and citizens of the County, as well as present and potential investors.

Respectfully submitted,

Charles Kolakowski
County Administrator

John D. Chandler
Director of Finance

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FINANCIAL SECTION

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ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

Independent Auditors' Report

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

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of County of Northampton, Virginia, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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


Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements does 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 November 1, 2024, on our consideration of County of Northampton, 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 Northampton, 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 Northampton, Virginia's internal control over financial reporting and compliance.



Richmond, Virginia
November 1, 2024

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Management's Discussion and Analysis

As management of the County of Northampton (the County), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2024. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages ix through xxi of this report.

In early spring of 2020, our community began to feel the impacts of COVID-19 on our citizens and employees. The crisis hit our area before many other parts of the Commonwealth began to feel the impacts. Fortunately, the County continued to provide all government services. During FY20/21, all County services remained open and available to the public. Post COVID and throughout FY24 the County continues to see sustained rebound and stabilization in many revenue areas including, Sales Tax, 1% School Sales Tax, Transient Occupancy Tax (TOT), Food Tax and Recordation Taxes. This was most likely fueled by the large increase in the number of people who have visited or relocated to Northampton County during and post the pandemic. Additionally, the County received \$261,000 in USDA ARPA Grant funding during FY24 for an EMS Quick Response Vehicle that had been on order for approximately two years. Finally, due to the impact on local county government, the County received two Federal ARPA Grants. One was from Virginia Tourism in the amount of \$100,000 and the other was a Law Enforcement Equipment grant totaling \$294,000 of which \$274,200 was spent during FY24. The County during FY22 & FY23 spent all of the ARPA funding of \$2,274,530 that the County received.

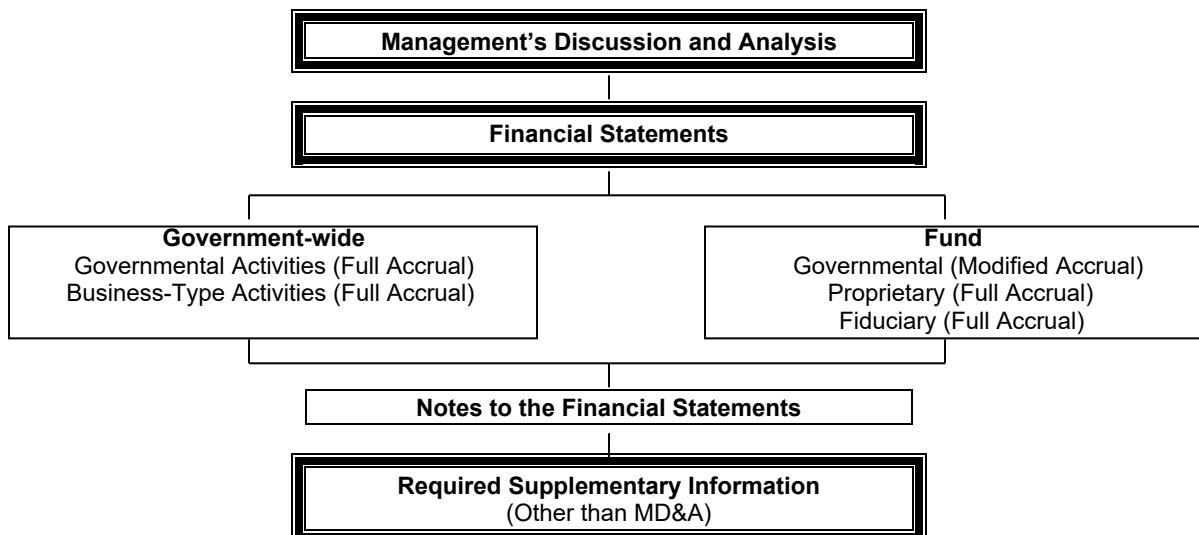
Financial Highlights

- The assets of the County of Northampton (primary government) exceeded its liabilities at the close of the most recent fiscal year by \$59,769,317 (*net assets*) an \$8,074,390 increase from FY23. The County's net investment in capital assets increased from \$23,244,428 to \$25,908,355. Unrestricted net assets decreased by \$1,613,169 to \$22,556,787 from \$24,169,956 in FY23.
- As of June 30, 2024, the Unassigned General Fund balance was \$9,827,840 or 18.49% of actual operating expenditures as defined by the County's fund balance policy. Total General fund Undesignated balance decreased by \$5,586,840 from FY 23. The change is due to an \$8m movement from Unassigned to Committed for part of the Middle/High School Funding. The net difference of \$2,413,224 was partly due to tax proceeds above budget of \$1,442,804 in property taxes, increased interest earning of \$562k above budget and above budget combined revenues of \$325k in Ambulance and Waste/Debris charges.
- On a government-wide basis for governmental activities, the County had expenses net of program revenues of \$35,411,529 which was \$10,116,217 more than the FY23 net of \$25,295,312.
- On a government-wide basis for business-type activities the County had revenues net of program expenses of \$113,699 vs. FY23 \$89,716.

Using the Annual Comprehensive Financial Report

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

Components of the Financial Section



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

Government-wide Financial Statements

The government-wide statements report information about the County as a whole using accounting methods similar to those used by private-sector companies. These statements include all assets and liabilities using the accrual method of accounting allowing for the year's revenue and expenses to be taken into account regardless of when the cash is received or paid.

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

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

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

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

- Governmental Activities: These activities are supported primarily by property taxes and report the County's basic services such as general and judicial administration, public safety, parks and recreation, and community development.
- Business-Type Activities: These activities charge fees to customers to help cover the costs of the service. The County's Public Utilities Fund is its only business-type activity at the current time.
- Component Units: The Northampton County Public School Board is a component unit of the County. Component units are legally separate entities but are reported in the County's financial statements because the County is financially accountable and provides operating and capital funding.

Fund Financial Statements

Fund financial statements are the traditional governmental financial statements. They focus on the most significant funds instead of the County as a whole. Northampton County operates three types of funds.

- Governmental Funds: The governmental funds report most of the County's basic services. The governmental funds serve essentially the same function as the governmental activities in the government-wide financial statements. The governmental fund financial statements focus on near-term cash flows and the amount of spendable resources available at the end of the fiscal year. It provides the reader a short-term view of the financial position. Since the information provides a narrow focus, the government-wide statements will provide additional information. Reconciliation from the fund statements is provided to facilitate this comparison.
- Proprietary Funds: There are two types of proprietary funds: Enterprise Funds and Internal Service Funds. Enterprise funds report the same functions as the business-type activities in the government-wide financial statements. Internal service funds account for the goods and services provided by one department or agency to other departments or agencies of the County. The County of Northampton currently has one Enterprise Fund and no Internal Service Funds.
- Fiduciary Funds: Fiduciary funds are used to report assets held in trustee capacity for others and cannot be used to support the government's own programs. The County is responsible for ensuring that the assets reported in these funds are used for their intended purpose. The County's fiduciary activities are reported in a separate statement of fiduciary net assets and a statement of changes in fiduciary net assets. Assets for several scholarships, the Eastern Shore of Virginia 911 Commission, NC Tourism Grant, ESVA Broadband Authority, EDA, Inmate Custodial and Special Welfare are held in fiduciary funds. These fiduciary activities are excluded 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. The notes to the financial statements can be found on pages 29-106 of this report.

Other Information

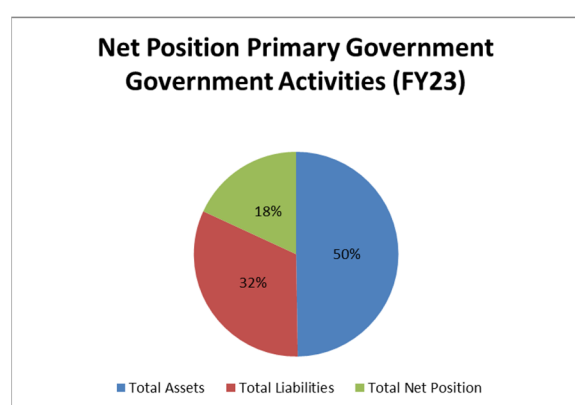
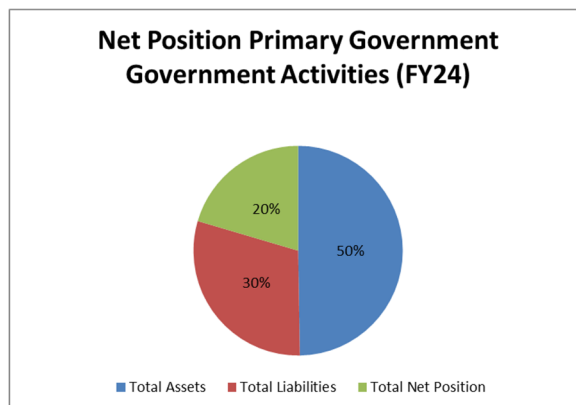
In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning Northampton County's progress in funding its obligation to provide pension and OPEB benefits to its employees. Required supplementary information can be found on pages 107-129 of this report.

The combining statements in connection with non-major governmental funds are presented immediately following the required supplementary information on pension and other post-employment benefit plans. Combining and individual fund statements and schedules can be found on pages 130-143 of this report.

Government-wide Financial Analysis

The following table presents the condensed Statement of Net Position:

Northampton County, VA Summary Statement of Net Position						
	Primary Government				Component Unit	
	Governmental Activities		Business-type Activities		School Board	
	2024	2023	2024	2023	2024	2023
Current and Other Assets	\$ 90,325,845	\$ 85,654,845	\$ 363,772	\$ 281,714	\$ 11,635,936	\$ 8,036,560
Capital Assets (net)	55,141,959	56,303,075	131,339	98,283	13,521,217	11,289,684
Total Assets	\$ 145,467,804	\$ 141,957,920	\$ 495,111	\$ 379,997	\$ 25,157,153	\$ 19,326,244
Deferred outflow s of resources	\$ 1,859,627	\$ 1,845,244	\$ 4,342	\$ 4,167	\$ 3,724,964	\$ 3,150,564
Long-term Liabilities	\$ 83,213,537	\$ 87,573,043	\$ 3,965	\$ 6,856	\$ 13,436,903	\$ 12,021,094
Other Liabilities	4,015,073	4,120,349	10,082	5,835	2,559,206	2,272,851
Total Liabilities	\$ 87,228,610	\$ 91,693,392	\$ 14,047	\$ 12,691	\$ 15,996,109	\$ 14,293,945
Deferred inflow s of resources	\$ 3,661,266	\$ 4,774,351	\$ 2,714	\$ 5,083	\$ 2,953,898	\$ 3,919,130
Net Assets:						
Net investment in capital assets	\$ 25,908,355	\$ 23,244,428	\$ 131,339	\$ 98,283	\$ 13,521,217	\$ 11,289,684
Restricted	11,304,175	4,280,543	976	2,780	-	-
Unrestricted	22,556,787	24,169,956	350,665	268,218	(6,508,407)	(8,441,760)
Total Net Assets	\$ 59,769,317	\$ 51,694,927	\$ 482,980	\$ 369,281	\$ 7,012,810	\$ 2,847,924



The Primary Government's governmental combined net assets increased by \$8,074,390, from \$51,694,927 to \$59,769,317. The Primary Government's governmental unrestricted net assets decreased from \$24,169,956 to \$22,556,787 while the restricted net assets increased by \$7,023,632. This was largely due to a \$1,613,169 reduction in Unrestricted Assets plus a \$8,361,957 increase of Restricted Cash & Cash Equivalents. The proprietary fund ended the year with assets and deferred outflows in excess of its liabilities by \$482,980 a \$113,699 increase from FY23.

The following table presents the condensed statement of changes in net position:

Northampton County, VA Summary Statement of Changes in Net Assets						
	Primary Government				Component Unit	
	Governmental Activities	Business-type Activities			School Board	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program Revenues						
Charges for Service	\$ 2,765,496	\$ 2,597,244	\$ 206,215	\$ 228,050	\$ 148,617	\$ 192,791
Operating Grants & Contributions	9,790,964	10,293,704	-	-	17,178,633	17,007,039
Capital Grants & Contributions	-	-	-	-	-	-
General Revenues						
Real Estate & Personal Property Taxes	23,841,968	23,118,826	-	-	-	-
Other Taxes	7,139,675	7,280,040	-	-	-	-
Unrestricted Revenue from use of money and property	4,498,861	3,280,005	-	-	45,506	61,554
Grants and Contributions not restricted to specific programs	4,538,118	1,885,671	-	-	-	-
Miscellaneous	83,900	955,117	-	-	688,440	534,622
Transfers	3,383,397	1,620,987	-	-	10,653,589	10,026,561
Total Revenues	\$56,042,379	\$ 51,031,594	\$ 206,215	\$ 228,050	\$ 28,714,785	\$ 27,822,567
Expenses:						
General Administration	\$ 3,976,444	\$ 3,702,772	\$ -	\$ -	\$ -	\$ -
Judicial Administration	1,121,702	1,083,789	-	-	-	-
Public Safety	15,672,651	12,393,961	-	-	-	-
Public Works	4,558,587	4,856,616	-	-	-	-
Public Utilities	-	-	92,516	138,334	-	-
Health & Welfare	3,509,365	3,238,555	-	-	-	-
Education	13,224,762	9,252,169	-	-	24,549,899	22,341,642
Parks, Recreation, and Cultural	2,010,237	623,441	-	-	-	-
Community Development	2,280,888	1,299,852	-	-	-	-
Interest on long-term debt	1,613,353	1,735,105	-	-	-	-
Total Expenses	\$47,967,989	\$ 38,186,260	\$ 92,516	\$ 138,334	\$ 24,549,899	\$ 22,341,642
Change in Net Assets	\$ 8,074,390	\$ 12,845,334	\$ 113,699	\$ 89,716	\$ 4,164,886	\$ 5,480,925
Net Assets, Beginning, As Restated	51,694,927	38,849,593	369,281	279,565	2,847,924	(2,633,001)
Net Assets, Ending	\$59,769,317	\$ 51,694,927	\$ 482,980	\$ 369,281	\$ 7,012,810	\$ 2,847,924

Revenues

For the fiscal year ended June 30, 2024, revenues generated by the Primary Government's governmental activities totaled \$56,042,379. General property taxes, the County's largest revenue source, were \$23,841,968, a 3.13% increase vs. FY23. Included in this total are real and personal property levies, which are due on December 5th each year. The real estate tax rate for FY's 23/24 were \$0.76 per \$100 of assessed value. The FY22 tax rate was \$0.835.

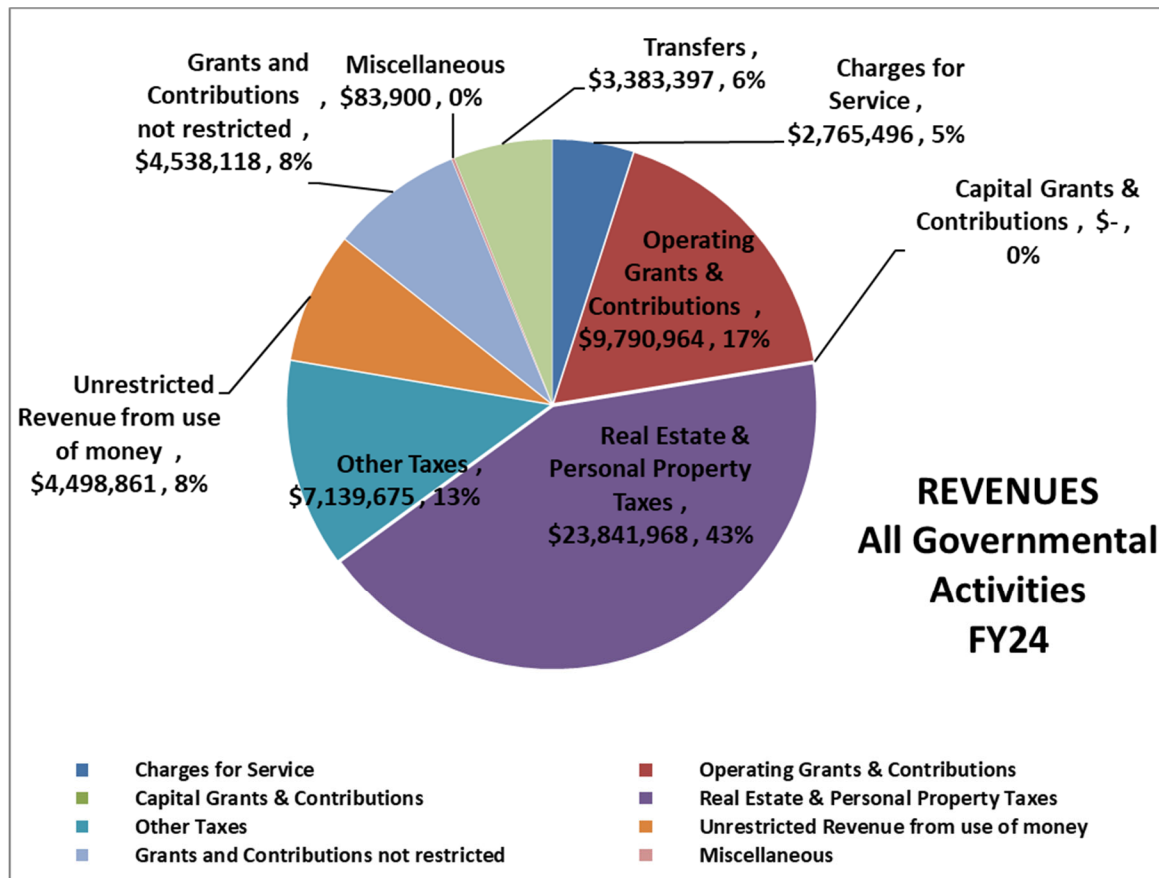
FY24 continues to reflect the changes in the Personal Property Tax Relief Act (PPTRA) that were approved by the General Assembly in 2005. This legislation capped the amount localities receive from the state. The new legislation established a fixed amount to be provided to localities for funding tax relief for vehicles valued at less than \$20,000. The new PPTRA became effective with the 2006 tax year and is based on the amount collected for 2004 taxes through December 2005. The total amount Northampton County receives under the new program is \$1,421,967. This amount enabled the County to provide car tax relief of 41.0% up to the first \$20,000 in value for FY24.

The other local tax category includes sales tax, consumer utilities tax, motor vehicle licenses, occupancy tax, recordation tax, and food and beverage tax. This category of income reflects an overall decrease of \$140,365 from the previous year, totaling \$7,139,675 in FY24. This decrease was mostly due to a decrease of the new

Cigarette Tax totaling \$263,861 in FY24 vs. \$363,051 in FY23. Other changes included a \$77,507 decrease in Transient Occupancy Taxes.

Program revenues are derived from the program itself and reduce the cost of the function to the County. Total program revenues for governmental activities were \$12,556,460. Program revenues in the governmental funds include a "charges for services" category that totaled \$2,765,496, charges for waste disposal, recreation programs, and building permits. Also included in Program Revenues are Operating and Capital Grants and Contributions.

The remaining \$12,504,276 vs. FY23 of \$7,741,780 is mostly made up of interest income of \$1,971,859 or \$731,046 more than FY23, transfers, Grants and Contributions that were not restricted.



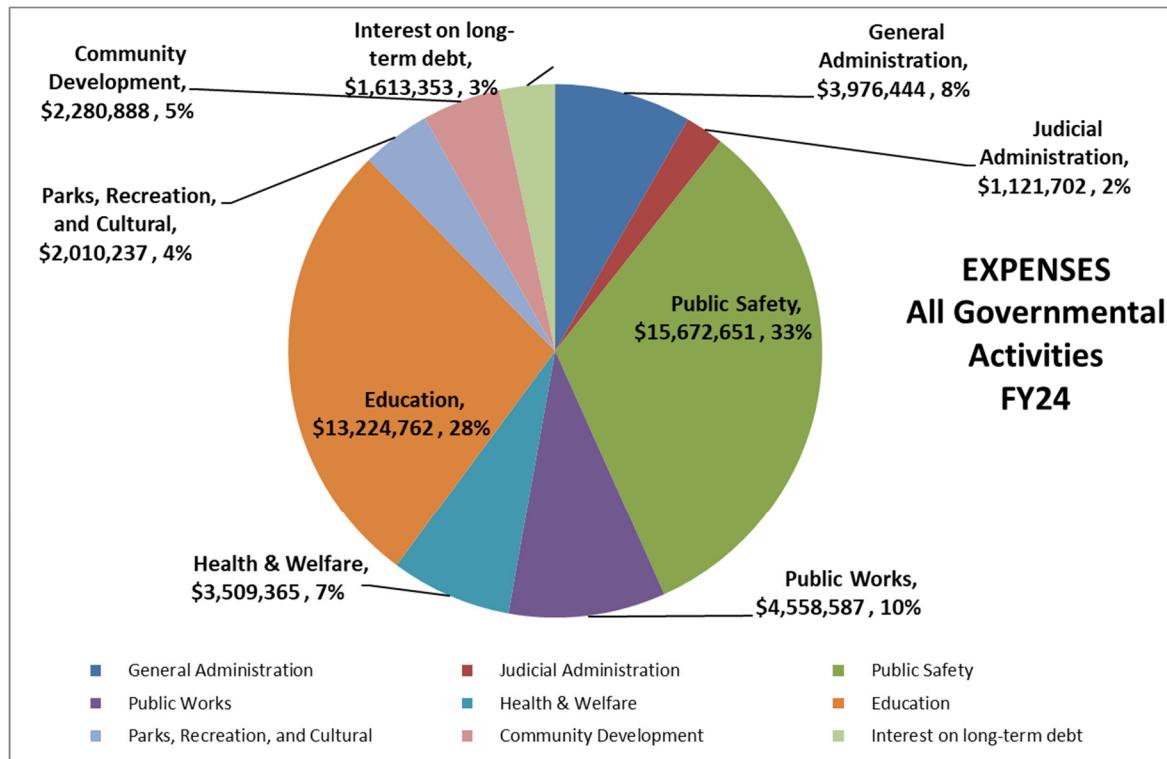
Expenses

For the fiscal year ended June 30, 2024, expenses for governmental activities totaled \$47,967,989, an increase of \$9,781,729 from FY23. For FY24, interest expense on long-term debt was \$1,613,353, a decrease of \$121,752 from FY23 due to reduction in debt. Increases in Public Safety, Education & Parks, Recreation & Cultural accounted for most of the increase.

The County's health insurance plan increased 10% for FY24 all absorbed by the employer with no increase in employee premiums. The County's FY24 contribution increased from \$6,492 per participating employee to \$7,296. Wellness participants receive an additional \$1,500 contribution. The employer contribution into the Virginia Retirement System increased from 8.89% in FY22 to 9.19% during FY23. Additionally, for FY24, the County approved a 1.85% Enhanced multiplier for Hazardous Duty Positions with other VRS I or II employees continuing to receive a 1.7%. Hybrid employees will continue to receive a 1.0% multiplier. The new County wide contribution rate for FY24 was 10.34% of the employee's salary. The contribution rate for FY25-26 is 10.87%.

Community Development expenses increased vs. FY23 by \$981,036, mostly due to investments in the Community Center during FY24.

The County's Proprietary Fund expenses reflected a total of \$92,516, a \$45,818 decrease compared to FY23. Even with level rates for Bayview customers who do not exceed the minimum 4,000-gallon usage, the County received revenue of \$206,215, a \$21,835 decrease vs. FY23, creating a \$113,699 surplus which will be used to continue to minimize the effect of large capital needs on the rates charged to customers in Bayview.



Financial Analysis of the Government's Funds

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

For the fiscal year ended June 30, 2024, the County's governmental funds reflect a combined fund balance of \$83,996,525, most of which is restricted, committed or assigned for specific purposes such as capital outlay and debt service. This is an increase of \$4,820,242, mostly due to progress on the High/Middle School Enhancement Project and Community Center enhancements. Fund balance in the General Fund increased by \$2,515,397. The increase was due to increases in General and Other Local Taxes, receipts exceeding budget by \$1,441,653 and interest income exceeding budget by \$731,046.

When fund balance is used, it can be identified under two categories: one-time, capital items and operational budget funding. Historically, fund balance has not been utilized to support the operational departmental Budget; however, the Board of Supervisors determined that the use of fund balance to assist in the budget development was in keeping with their financial policies and goals to maintain a reasonable tax structure while staying in guidelines of its adopted policy.

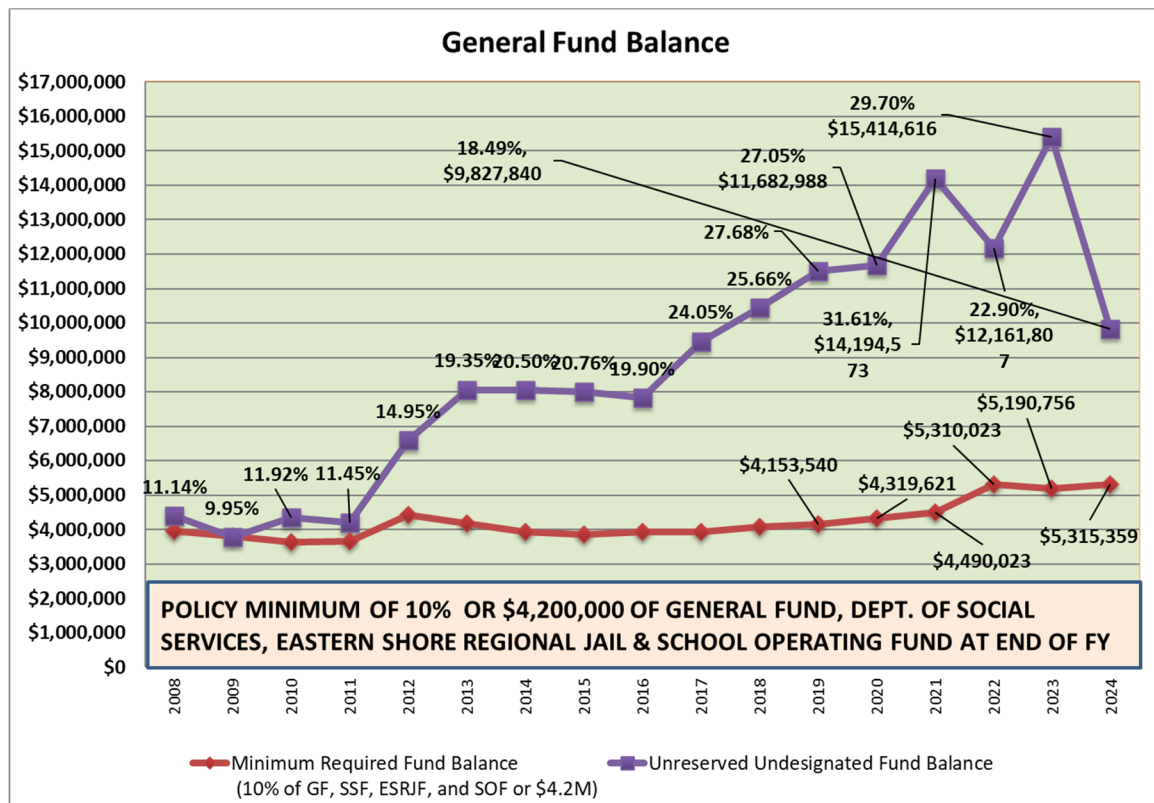
The Social Service and School Funds have not historically accumulated a separate fund balance (except for sick leave liability, a small amount designated for scholarships, etc.); therefore, general fund balance must be sufficient to cover unexpected cash flow needs and lagging revenue collections in those funds when necessary. For Fiscal Year 2024, the Board took the following actions:

Any remaining unspent appropriations in the School Operating Fund for FY24 shall be transferred to the School Capital Fund (Fund 395) and shall be utilized for funding projects in the adopted School's Capital Improvement Plan.

In the event that there are Local revenues in excess of expenditures at the end of future years, the governing body shall consider the future use of said funds after consultation with the Northampton County School Board and prior to any appropriation of same.

Fund Balances in the capital project funds fluctuated with the issuance of new debt and the on-going project expenses of each fund.

In the General Fund, unassigned fund balance is \$9,827,840 with a total fund balance of \$17,930,013 compared to the \$15,395,940 unassigned for FY23, a \$5,568,100 decrease. Additionally, the Board Committed \$8,000,000 of Unassigned Fund balance during FY24 to provide future additional funding for the Middle/High School project. In August 2013, the Board of Supervisors revised the fund balance policy which increased the minimum level of acceptable unassigned General Fund balance from 8% to 10% of the combined actual operating expenditures of the General Fund, Department of Social Service Fund, Eastern Shore Regional Jail Fund and School Operating Funds (net of interfund transfers). As of June 30, 2024, the unassigned General Fund balance decreased from 29.70% of actual operating expenditures as defined in the policy in FY23 to FY24's total of 18.49%. If at any time the unassigned fund balance falls below the minimum acceptable amount, appropriate action will be taken by the Board to either increase revenues or reduce expenses in the current fiscal year in order to bring the next year's fund balance amount to an acceptable level.



General Fund Budgetary Highlights

Differences between the original operating budget and the final operating budget resulted in a net increase of \$2,152,936 in additional appropriations. Highlights of General Fund budget amendments (those in excess of \$50,000) are as follows:

- True up 1% School Sales Tax to equal actual collections \$203,282
- Transfers due to vacancy savings in the ESRJ to Sheriff Department \$107,724
- Virginia Resources Authority – Oyster Resiliency Grant roll forward from FY22 \$202,232
- Virginia Community Flood Preparedness Fund Grant award \$150,155
- Virginia Housing Grant – Roll forward from FY22 \$50,000
- EMS Workforce Project Grant \$288,994 roll forward of FY23 award
- USDA Grant – Occohannock medical/food distribution areas HVAC enhancement, EMS Ambulance & Quick Response Vehicle (QRV) – FY22 roll forward \$261,000
- Community Development Block Grant (CDBG) to Northampton County for the Holland Lane Housing Rehabilitation Planning project \$50,000
- ARPA (LATCF) General Fund Amendments \$50,000
- Transfer from Fund 310 Capital Fund to provide sources for FY23 Roll-forward projects \$379,841
- Sheriff – FY23 Roll-forward unspent vacancy savings \$208,755

Capital Assets

The County of Northampton's investment in capital assets for its governmental activities as of June 30, 2024, amounts to \$55,141,959 (net of accumulated depreciation) while business -type activities were \$131,339. This investment in capital assets includes land, construction in progress, buildings and systems, improvements, machinery and equipment, harbor, and park facilities.

Northampton County, VA

Primary Government

Change in Capital Assets

	Balance 30-Jun-23	Net Increase/ (Decrease)	Balance 30-Jun-24
Governmental Activities:			
Non-Depreciable Assets:			
Land and Land Improvements	\$ 2,940,807	\$ -	\$ 2,940,807
Construction in Progress	5,405,525	(93,442)	5,312,083
Jointly Construction in Progress	\$ 20,830,683	\$ 51,481	\$ 20,882,164
Other Capital Assets			
Buildings	\$ 49,306,944	\$ 482,890	\$ 49,789,834
Furniture & Other Equipment	7,109,575	987,624	8,097,199
Improvements other than Buildings	4,404,003	286,161	4,690,164
Jointly Owned Improvements	1,513,306	-	1,513,306
Right-to-use lease asset	298,364	(109,944)	188,420
Less: Accumulated Depreciation	<u>(35,506,132)</u>	<u>(2,765,886)</u>	<u>(38,272,018)</u>
Net Capital Assets	<u>\$ 56,303,075</u>	<u>\$ (1,161,116)</u>	<u>\$ 55,141,959</u>

School Board capital assets are jointly owned by the County (Primary Government) and the Component Unit (School Board) for as long as the County owes general obligation debt on such assets. The County reports depreciation on these assets as an element of its share of the costs of the public school system. Readers desiring more detailed information on capital asset activity should refer to Note 5 on pages 46-49 in the notes to the financial statements.

Long-Term Debt

The County operates debt service funds for debt associated with the school system and other general debt including the County Complex, Regional Jail, Landfill Closure and Transfer Station. Funding for the repayment of school debt comes directly from the County's General Fund including a 1% School Sales Tax. For the remaining debt, debt service is funded in accordance with a plan developed by the County's financial advisors. The County is currently contributing to a debt service fund which is designed to cover all current and future debt service anticipated as part of the County's Capital Improvement Plan. For FY24, in accordance with the plan, \$0.206 cents of the real estate property tax levy billed would go toward debt. Based on actual FY24 collections \$0.218 of the real estate levy was transferred to this fund to adequately cover the required debt service. Revenues in the General Debt Service Fund are generated through a combination of the special tax levy, growth in the existing tax base; savings achieved through the bond program and rent payments from the department of Social Services for their new building.

The County and School occasionally use short-term lease-purchase financing (capital leases) to acquire large equipment items as approved in the annual operating budget process. During fiscal year 2024, the County/School Board did not enter into any new leases. Buses and Equipment were paid through the School Capital fund and will be reimbursed with equal payments over the next five years.

The Constitution of Virginia, Article VII, Section 10, and the Public Finance Act provide the authority for a County to issue General Obligation (GO) Debt with no limit on the amount of GO Debt that a County may issue. The Northampton County Board of Supervisors adopted a local policy during FY05 which states that the ratio of debt service expenditures as a percentage of governmental fund expenditures should not exceed 12%. For FY24, this ratio was 10.158% vs. 10.479% in FY23. The policy also set a limit for total outstanding debt at no more than 4% of the assessed value of real estate. For FY24, this ratio was approximately 2.43% vs. 2.61% in FY23. The change is mostly due to the addition of \$85,241,800 in Taxable Assessed values.

All debt secured by the general obligation of the County must be approved by the Board of Supervisors and a public referendum, with the exception of Virginia Public School Authority (VPSA) Bonds and State Literary Fund Loans which do not need approval by referendum.

The Primary Government's outstanding debt at July 1, 2024 is as follows:

General		
USDA Loans	\$	404,822
Leases		4,712
Subscription Liability		47,132
2012 Bond VRA Refinancing B		<u>6,180,000</u>
Subtotal	\$	6,636,666
Schools		
Lease-Purchase Obligations (School Operating Fund)	\$	0
2006 QZAB		0
Literary Loans		0
2012 VPSA Gen. Obligation School Bond		490,000
2019 VPSA Gen. Obligation School Bond		24,040,000
2021 VPSA Gen. Obligation School Bond		<u>37,120,000</u>
Subtotal	\$	61,650,000
Grand Total	\$	<u>68,286,666</u>

Additional information on the County's long-term debt can be found in Note 7 on pages 51-56 of this report.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. Questions concerning this report or requests for additional information should be directed to John Chandler, Finance Director jchandler@co.northampton.va.us, P O Box 66, Eastville, VA 23347, telephone 757-678-0440 ext. 550 or visit the County's web site at www.co.northampton.va.us.

BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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Statement of Net Position
June 30, 2024

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	School Board
ASSETS				
Cash and investments	\$ 20,424,687	\$ 357,666	\$ 20,782,353	\$ 6,734,008
Receivables (net of allowance for uncollectibles):				
Taxes receivable	2,072,753	-	2,072,753	-
Accounts receivable	959,459	5,130	964,589	42,946
Lease receivable	327,436	-	327,436	69,161
Due from other governmental units	1,933,034	-	1,933,034	1,511,711
Prepaid items	53,700	-	53,700	-
Restricted assets:				
Cash and cash equivalents (in custody of others)	10,109,735	-	10,109,735	-
Investments (in custody of others)	53,485,028	-	53,485,028	-
Net pension asset	960,013	976	960,989	278,110
Capital assets (net of accumulated depreciation):				
Land	2,940,807	-	2,940,807	821,301
Buildings and improvements	20,384,021	-	20,384,021	3,569,757
Improvements other than buildings	2,676,004	33,023	2,709,027	708,461
Machinery and equipment	2,895,815	2,431	2,898,246	1,936,074
Construction in progress	26,194,247	95,885	26,290,132	6,485,624
Subscription asset	47,267	-	47,267	-
Lease buildings and improvements	2,662	-	2,662	-
Lease machinery and equipment	1,136	-	1,136	-
Total assets	\$ 145,467,804	\$ 495,111	\$ 145,962,915	\$ 22,157,153
DEFERRED OUTFLOWS OF RESOURCES				
Pension related items	\$ 1,583,591	\$ 2,043	\$ 1,585,634	\$ 3,141,525
OPEB related items	276,036	2,299	278,335	583,439
Total deferred outflows of resources	\$ 1,859,627	\$ 4,342	\$ 1,863,969	\$ 3,724,964
LIABILITIES				
Accounts payable	\$ 1,551,906	\$ 7,327	\$ 1,559,233	\$ 536,749
Accrued liabilities	1,321,347	2,755	1,324,102	2,009,991
Accrued interest payable	1,081,820	-	1,081,820	-
Unearned revenue	60,000	-	60,000	12,466
Long-term liabilities:				
Due within one year	3,167,795	141	3,167,936	39,503
Due in more than one year	76,713,980	3,536	76,717,516	13,316,700
Total liabilities	\$ 83,896,848	\$ 13,759	\$ 83,910,607	\$ 15,915,409
DEFERRED INFLOWS OF RESOURCES				
Pension related items	\$ 989,334	\$ 1,684	\$ 991,018	\$ 1,982,531
OPEB related items	512,884	1,030	513,914	903,495
Deferred revenue - leases related	300,360	-	300,360	67,872
Deferred revenue - property taxes	60,396	-	60,396	-
Deferred revenue - jail phone	219,540	-	219,540	-
Deferred revenue - gain on refunding	1,578,752	-	1,578,752	-
Total deferred inflows of resources	\$ 3,661,266	\$ 2,714	\$ 3,663,980	\$ 2,953,898
NET POSITION				
Invested in capital assets, net of				
Net investment in capital assets	\$ 25,908,355	\$ 131,339	\$ 26,039,694	\$ 13,521,217
Restricted:				
Forfeited assets	60,973	-	60,973	-
CDBG projects	86,911	-	86,911	-
Purchase of development rights	11,446	-	11,446	-
Opioid abatement	75,097	-	75,097	-
Net pension asset	960,013	976	960,989	278,110
Debt service and bond covenants	10,109,735	-	10,109,735	-
Unrestricted (deficit)	22,556,787	350,665	22,907,452	(6,786,517)
Total net position	\$ 59,769,317	\$ 482,980	\$ 60,252,297	\$ 7,012,810

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

COUNTY OF NORTHAMPTON, VIRGINIA

Statement of Activities

For the Year Ended June 30, 2024

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT:				
Governmental activities:				
General government administration	\$ 3,976,444	\$ 16,816	\$ 333,066	\$ -
Judicial administration	1,121,702	344,891	599,584	-
Public safety	15,672,651	1,407,396	6,416,020	-
Public works	4,558,587	855,431	-	-
Health and welfare	3,509,365	38,731	2,430,455	-
Education	13,224,762	37,842	-	-
Parks, recreation, and cultural	2,010,237	64,389	1,981,224	-
Community development	2,280,888	-	770,853	-
Interest on long-term debt	1,613,353	-	-	-
Total governmental activities	\$ 47,967,989	\$ 2,765,496	\$ 12,531,202	\$ -
Business-type activities:				
Public utilities	\$ 92,516	\$ 206,215	\$ -	\$ -
Total business-type activities	\$ 92,516	\$ 206,215	\$ -	\$ -
Total primary government	\$ 48,060,505	\$ 2,971,711	\$ 12,531,202	\$ -
COMPONENT UNIT:				
School Board	\$ 24,549,899	\$ 148,617	\$ 17,178,633	\$ -
Total component unit	\$ 24,549,899	\$ 148,617	\$ 17,178,633	\$ -
General revenues and transfers:				
General property taxes				
Local sales and use tax				
Communication sales tax				
Consumer utility tax				
Motor vehicle licenses				
Restaurant food taxes				
Hotel and motel room taxes				
Other local taxes				
Unrestricted revenues from use of money				
Miscellaneous				
Grants and contributions not restricted to specific programs				
Payment from Northampton County				
Payment from Northampton County School Board				
Total general revenues				
Change in net position				
Net position - beginning				
Net position (deficit) - ending				

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

Exhibit 2

Net (Expense) Revenue and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	School Board
\$ (3,626,562)	\$ -	\$ (3,626,562)	\$ -
(177,227)	-	(177,227)	-
(7,849,235)	-	(7,849,235)	-
(3,703,156)	-	(3,703,156)	-
(1,040,179)	-	(1,040,179)	-
(13,186,920)	-	(13,186,920)	-
35,376	-	35,376	-
(1,510,035)	-	(1,510,035)	-
(1,613,353)	-	(1,613,353)	-
<u>\$ (32,671,291)</u>	<u>\$ -</u>	<u>\$ (32,671,291)</u>	<u>\$ -</u>
\$ -	\$ 113,699	\$ 113,699	\$ -
\$ -	\$ 113,699	\$ 113,699	\$ -
<u>\$ (32,671,291)</u>	<u>\$ 113,699</u>	<u>\$ (32,557,592)</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ (7,222,649)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (7,222,649)</u>
\$ 23,841,968	\$ -	\$ 23,841,968	\$ -
4,269,590	-	4,269,590	-
263,861	-	263,861	-
334,386	-	334,386	-
394,178	-	394,178	-
483,051	-	483,051	-
933,853	-	933,853	-
460,756	-	460,756	-
4,498,861	-	4,498,861	45,506
83,900	-	83,900	688,440
1,797,880	-	1,797,880	-
-	-	-	10,653,589
3,383,397	-	3,383,397	-
<u>\$ 40,745,681</u>	<u>\$ -</u>	<u>\$ 40,745,681</u>	<u>\$ 11,387,535</u>
\$ 8,074,390	\$ 113,699	\$ 8,188,089	\$ 4,164,886
51,694,927	369,281	52,064,208	2,847,924
<u>\$ 59,769,317</u>	<u>\$ 482,980</u>	<u>\$ 60,252,297</u>	<u>\$ 7,012,810</u>

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FUND FINANCIAL STATEMENTS

COUNTY OF NORTHAMPTON, VIRGINIA

Balance Sheet
Governmental Funds
June 30, 2024

	General	Eastern Shore Regional Jail	Debt Service
ASSETS			
Cash and investments	\$ 17,044,195	\$ 240,613	\$ -
Receivables (net of allowance for uncollectibles):			
Taxes receivable	2,072,753	-	-
Accounts receivable	899,812	6,422	-
Lease receivable	327,436	-	-
Due from other governmental units	1,071,265	235,690	-
Prepaid items	-	-	-
Restricted assets:			
Cash and cash equivalents	-	-	515,334
Investments	-	-	-
Total assets	\$ <u>21,415,461</u>	\$ <u>482,725</u>	\$ <u>515,334</u>
LIABILITIES			
Accounts payable	\$ 733,086	\$ 105,351	\$ 53,700
Accrued liabilities	417,779	157,834	-
Reconciled overdraft payable	-	-	-
Retainage payable	108,069	-	-
Unearned revenue	10,000	-	-
Total liabilities	\$ <u>1,268,934</u>	\$ <u>263,185</u>	\$ <u>53,700</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	\$ 1,677,514	\$ -	\$ -
Unavailable revenue - opioid settlement	238,640	-	-
Unavailable revenue - jail phone	-	219,540	-
Unavailable revenue - leases	300,360	-	-
Total deferred inflows of resources	\$ <u>2,216,514</u>	\$ <u>219,540</u>	\$ <u>-</u>
FUND BALANCES			
Nonspendable	\$ 27,076	\$ -	\$ -
Restricted	75,097	-	461,634
Committed	8,000,000	-	-
Assigned	-	-	-
Unassigned	9,827,840	-	-
Total fund balances	\$ <u>17,930,013</u>	\$ <u>-</u>	\$ <u>461,634</u>
Total liabilities, deferred inflows of resources and fund balances	\$ <u>21,415,461</u>	\$ <u>482,725</u>	\$ <u>515,334</u>

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

Exhibit 3

Capital Projects	American Rescue Plan Act	Other Governmental Funds	Total
\$ 3,211,994	\$ -	\$ 256,583	\$ 20,753,385
-	-	-	2,072,753
52,478	-	747	959,459
-	-	-	327,436
245,266	271,303	109,510	1,933,034
-	-	53,700	53,700
9,594,401	-	-	10,109,735
53,485,028	-	-	53,485,028
\$ <u>66,589,167</u>	\$ <u>271,303</u>	\$ <u>420,540</u>	\$ <u>89,694,530</u>
\$ 610,253	\$ 20,103	\$ 29,413	\$ 1,551,906
-	-	89,306	664,919
-	251,200	77,498	328,698
548,359	-	-	656,428
-	-	50,000	60,000
\$ <u>1,158,612</u>	\$ <u>271,303</u>	\$ <u>246,217</u>	\$ <u>3,261,951</u>
\$ -	\$ -	\$ -	\$ 1,677,514
-	-	-	238,640
-	-	-	219,540
-	-	-	300,360
\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>2,436,054</u>
\$ -	\$ -	\$ 53,700	\$ 80,776
62,218,561	-	43,899	62,799,191
3,211,994	-	-	11,211,994
-	-	76,724	76,724
-	-	-	9,827,840
\$ <u>65,430,555</u>	\$ <u>-</u>	\$ <u>174,323</u>	\$ <u>83,996,525</u>
\$ <u>66,589,167</u>	\$ <u>271,303</u>	\$ <u>420,540</u>	\$ <u>89,694,530</u>

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Reconciliation of the Balance Sheet of Governmental Funds
To the Statement of Net Position
June 30, 2024

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds	\$	83,996,525
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Capital assets, cost	\$	93,413,977	
Accumulated depreciation		<u>(38,272,018)</u>	55,141,959

Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue or not reported in the funds.

Unavailable revenue - property taxes	\$	1,617,118	
Unavailable revenue - opioid settlement		238,640	
Net pension asset		<u>960,013</u>	2,815,771

Deferred outflows of resources are not available to pay for current period expenditures and, therefore, are not reported in the funds.

Pension related items	\$	1,583,591	
OPEB related items		<u>276,036</u>	1,859,627

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

Bonds and loans payable	\$	(75,151,716)	
Accrued interest payable		(1,081,820)	
Net OPEB liability		(1,230,892)	
Lease liability		(4,712)	
Subscription liability		(47,132)	
Landfill post-closure liability		(2,403,574)	
Compensated absences		<u>(1,043,749)</u>	(80,963,595)

Deferred inflows or resources are not due and payable in the current period and, therefore, are not reported in the funds.

Pension related items	\$	(989,334)	
OPEB related items		(512,884)	
Gain on refunding		<u>(1,578,752)</u>	<u>(3,080,970)</u>

Net position of governmental activities	\$	<u><u>59,769,317</u></u>
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The notes to the financial statements are an integral part of this statement.

COUNTY OF NORTHAMPTON, VIRGINIA

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

	General	Eastern Shore Regional Jail	Debt Service
REVENUES			
General property taxes	\$ 23,856,933	\$ -	\$ -
Other local taxes	7,139,675	-	-
Permits, privilege fees, and regulatory licenses	253,679	-	-
Fines and forfeitures	288,385	-	-
Revenue from the use of money and property	1,999,280	-	4,028
Charges for services	2,145,129	9,744	-
Miscellaneous	89,048	778	-
Recovered costs	177,715	8,840	161,100
Intergovernmental:			
Local government	-	-	-
Commonwealth	4,172,019	2,627,143	-
Federal	335,550	-	-
Total revenues	\$ 40,457,413	\$ 2,646,505	\$ 165,128
EXPENDITURES			
Current:			
General government administration	\$ 3,121,083	\$ -	\$ -
Judicial administration	1,016,095	-	-
Public safety	8,340,524	5,267,821	-
Public works	4,272,206	-	-
Health and welfare	800,936	-	-
Education	10,523,147	-	-
Parks, recreation, and cultural	484,587	-	-
Community development	1,896,345	-	-
Capital projects	-	-	-
Debt service:			
Principal retirement	111,712	-	2,915,087
Interest and other fiscal charges	3,435	-	2,435,040
Total expenditures	\$ 30,570,070	\$ 5,267,821	\$ 5,350,127
Excess (deficiency) of revenues over (under) expenditures	\$ 9,887,343	\$ (2,621,316)	\$ (5,184,999)
OTHER FINANCING SOURCES (USES)			
Transfers in	\$ 241,044	\$ 2,621,316	\$ 5,184,999
Transfers out	(7,612,990)	-	-
Total other financing sources (uses)	\$ (7,371,946)	\$ 2,621,316	\$ 5,184,999
Net change in fund balances	\$ 2,515,397	\$ -	\$ -
Fund balances - beginning	15,414,616	-	461,634
Fund balances - ending	\$ 17,930,013	\$ -	\$ 461,634

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

Exhibit 5

Capital Projects	American Rescue Plan Act	Other Governmental Funds	Total
\$ -	\$ -	\$ -	\$ 23,856,933
-	-	-	7,139,675
-	-	-	253,679
-	-	-	288,385
2,512,369	-	-	4,515,677
-	-	13,012	2,167,885
-	-	32,805	122,631
-	-	-	347,655
3,383,397	-	-	3,383,397
286,243	-	2,330,353	9,415,758
1,610,461	437,313	2,451,092	4,834,416
<u>\$ 7,792,470</u>	<u>\$ 437,313</u>	<u>\$ 4,827,262</u>	<u>\$ 56,326,091</u>
\$ -	\$ 70,000	\$ -	\$ 3,191,083
-	-	2,684	1,018,779
-	224,200	-	13,832,545
-	-	-	4,272,206
-	-	2,788,076	3,589,012
158,035	-	-	10,681,182
-	-	-	484,587
-	93,113	883,077	2,872,535
4,431,586	-	1,667,060	6,098,646
-	-	-	3,026,799
-	-	-	2,438,475
<u>\$ 4,589,621</u>	<u>\$ 387,313</u>	<u>\$ 5,340,897</u>	<u>\$ 51,505,849</u>
<u>\$ 3,202,849</u>	<u>\$ 50,000</u>	<u>\$ (513,635)</u>	<u>\$ 4,820,242</u>
\$ 2,124,394	\$ -	\$ 620,463	\$ 10,792,216
(2,938,182)	(50,000)	(191,044)	(10,792,216)
<u>\$ (813,788)</u>	<u>\$ (50,000)</u>	<u>\$ 429,419</u>	<u>\$ -</u>
\$ 2,389,061	\$ -	\$ (84,216)	\$ 4,820,242
63,041,494	-	258,539	79,176,283
<u>\$ 65,430,555</u>	<u>\$ -</u>	<u>\$ 174,323</u>	<u>\$ 83,996,525</u>

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

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

Net change in fund balances - total governmental funds	\$	4,820,242
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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 in the current period.

Capital asset additions	\$	1,714,714	
Depreciation expense		<u>(2,832,352)</u>	(1,117,638)

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net assets.	(43,478)
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The following is a summary of items supporting this adjustment:

(Increase) decrease in unavailable opioid settlement	\$	74,161	
(Increase) decrease in unavailable property taxes		<u>(14,965)</u>	59,196

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. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Principal payments	\$	3,026,799	
(Increase) decrease in landfill post-closure liability		<u>(76,140)</u>	2,950,659

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.

Change in compensated absences	\$	(17,116)	
OPEB expense		71,096	
Pension expense		687,407	
Amortization of gain on refunding		197,344	
Amortization of bond issuance premiums		434,698	
(Increase) decrease in accrued interest payable		<u>31,980</u>	<u>1,405,409</u>

Change in net position of governmental activities	\$	<u><u>8,074,390</u></u>
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The notes to the financial statements are an integral part of this statement.

Statement of Net Position
Proprietary Fund
June 30, 2024

	Enterprise Fund Public Utilities Fund
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 357,666
Accounts receivable	5,130
Total current assets	<u>\$ 362,796</u>
Noncurrent assets:	
Net pension asset	<u>\$ 976</u>
Capital assets:	
Machinery and equipment	\$ 42,497
Improvements other than buildings	38,851
Construction in progress	95,885
Less accumulated depreciation	(45,894)
Total capital assets	<u>\$ 131,339</u>
Total noncurrent assets	<u>\$ 132,315</u>
Total assets	<u><u>\$ 495,111</u></u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension related items	\$ 2,043
OPEB related items	2,299
Total deferred outflows of resources	<u><u>\$ 4,342</u></u>
LIABILITIES	
Current liabilities:	
Accounts payable	\$ 7,327
Accrued liabilities	2,755
Compensated absences - current portion	141
Total current liabilities	<u>\$ 10,223</u>
Noncurrent liabilities:	
Net OPEB liabilities	\$ 2,267
Compensated absences - net of current portion	1,269
Total noncurrent liabilities	<u>\$ 3,536</u>
Total liabilities	<u><u>\$ 13,759</u></u>
DEFERRED INFLOWS OF RESOURCES	
Pension related items	\$ 1,684
OPEB related items	1,030
Total deferred inflows of resources	<u><u>\$ 2,714</u></u>
NET POSITION	
Investment in capital assets	\$ 131,339
Restricted related to net pension asset	976
Unrestricted	350,665
Total net position	<u><u>\$ 482,980</u></u>

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

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

	Enterprise Fund Public Utilities Fund
OPERATING REVENUES	
Charges for services:	
Water revenues	\$ 76,371
Wastewater revenues	129,028
Miscellaneous	816
Total operating revenues	\$ <u>206,215</u>
OPERATING EXPENSES	
Personnel	\$ 13,815
Fringe benefits	1,043
Contractual services	39,734
Depreciation	3,965
Other charges	33,959
Total operating expenses	\$ <u>92,516</u>
Operating income (loss)	\$ <u>113,699</u>
Change in net position	\$ 113,699
Net position - beginning	369,281
Net position - ending	\$ <u><u>482,980</u></u>

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

Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2024

	Enterprise Fund <u>Public Utilities Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and users	\$ 201,617
Payments to suppliers	(69,447)
Payments to and for employees	(15,886)
Net cash provided by (used for) operating activities	<u>\$ 116,284</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase of capital assets	\$ (37,021)
Net cash provided by (used for) capital and related financing activities	<u>\$ (37,021)</u>
Net increase (decrease) in cash and cash equivalents	\$ 79,263
Cash and cash equivalents - beginning	278,403
Cash and cash equivalents - ending	<u><u>\$ 357,666</u></u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:	
Operating income (loss)	\$ 113,699
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:	
Depreciation expense	\$ 3,965
(Increase) decrease in accounts receivable	(4,598)
(Increase) decrease in deferred outflows of resources	(175)
(Increase) decrease in net pension asset	1,804
Increase (decrease) in accounts payable	1,994
Increase (decrease) in accrued liabilities	2,252
Increase (decrease) in net OPEB liabilities	(1,698)
Increase (decrease) in deferred inflows of resources	(2,369)
Increase (decrease) in compensated absences	1,410
Total adjustments	<u>\$ 2,585</u>
Net cash provided by (used for) operating activities	<u><u>\$ 116,284</u></u>

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

Statement of Fiduciary Net Position
 Fiduciary Funds
 June 30, 2024

	Custodial Funds
ASSETS	
Cash and cash equivalents	\$ 1,896,723
Accounts receivable	376,472
Total assets	\$ <u>2,273,195</u>
LIABILITIES	
Accounts payable	\$ 36,797
Accrued liabilities	115,319
Reconciled overdraft payable	276,039
Total liabilities	\$ <u>428,155</u>
NET POSITION	
Restricted for:	
Individuals	\$ 208,413
Other organizations	504,206
Other governments	1,132,421
Total net position	\$ <u><u>1,845,040</u></u>

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

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

	<u>Custodial Funds</u>
ADDITIONS	
Contributions:	
Other governmental entities	\$ 3,432,637
Participant fees	547,152
Miscellaneous	118,716
Federal grants	27,660
State grants	64,997
Investment earnings:	
Interest and dividends	5,007
Total additions	\$ <u>4,196,169</u>
DEDUCTIONS	
Recipient payments	\$ 321,469
Payments for professional services	177,901
Grants to other organizations	265,029
Payments for other charges	383,673
Payments for capital outlay	98,422
Payments for personnel	2,959,028
Purchases of supplies	132,441
Total deductions	\$ <u>4,337,963</u>
Net increase (decrease) in fiduciary net position	\$ (141,794)
Net position - beginning	<u>1,986,834</u>
Net position - ending	<u><u>\$ 1,845,040</u></u>

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

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COUNTY OF NORTHAMPTON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The County of Northampton, Virginia (the "County") is governed by an elected five-member Board of Supervisors. The County provides a full range of services for its citizens. These services include police and volunteer fire protection and rescue services, sanitation services, recreational activities, cultural events, education, and social services.

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

Financial Statement Presentation

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. The exception to this general rule are charges between the government's water and sewer function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. 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 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 NORTHAMPTON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024 (CONTINUED)

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (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.

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

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

A. Financial Reporting Entity

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

B. Individual Component Unit Disclosures

Blended Component Unit. The County has no blended component units to be included for the fiscal year ended June 30, 2024.

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

COUNTY OF NORTHAMPTON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 (CONTINUED)

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

C. Other Related Organizations Included in the County's Financial Report

None

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

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. Revenues are recognized when they have been earned and they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service principal and interest expenditures on general long-term debt, including lease and subscription liabilities, as well as expenditures related to compensated absences, claims and judgments, postemployment benefits, and environmental obligations are recognized later based on specific accounting rules applicable to each, generally when payment is due. General capital asset acquisitions, including entering into contracts giving the government the right to use lease and subscription assets, are reported as expenditures in the governmental funds. Issuance of long-term debt and financing through leases and subscriptions are reported as other financing sources.

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.

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

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

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

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

In the fund financial statements, financial transactions and accounts of the County are organized on 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 - are those through which most governmental functions typically are financed. The County reports the General Fund, Eastern Shore Regional Jail Fund, Debt Service Fund, American Rescue Plan Act Fund, and Capital Projects Fund as major governmental funds.

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.

Special Revenue Funds - account for and report the proceeds of special revenue sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects requiring separate accounting because of legal or regulatory provisions or administrative action. The County reports the Eastern Shore Regional Jail Fund as a major Special Revenue Fund. Revenues associated with this fund is derived primarily from the Commonwealth of Virginia and charges for services. The County also reports the American Rescue Plan Act Fund as a major Special Revenue Fund. Revenue associated with this fund is derived from the American Rescue Plan Act (ARPA).

Debt Service Fund - accounts for and reports financial resources that are restricted, committed or assigned to expenditure for principal and interest. Payment of principal and interest on the County and School System's general long-term debt is provided by appropriations from the General Fund.

Capital Projects Fund - accounts for and reports financial resources that are restricted, committed or assigned to expenditure for capital outlays except for those financed by proprietary funds or for assets held in trust for individuals, private organizations or other governments.

COUNTY OF NORTHAMPTON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024 (CONTINUED)

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

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

American Rescue Plan Act Fund - accounts for and reports financial resources that are restricted, committed, or assigned to expenditures associated with funding from the American Rescue Plan Act.

1. The County reports the following nonmajor governmental funds:

Special Revenue Funds - The County reports the following nonmajor Special Revenue Funds: Forfeited Asset Sharing, Purchase of Development Rights, CDBG Projects, Virginia Public Assistance, Brownfield Community Assessment, and Harbor Improvement.

2. Fiduciary Funds - (Trust and Custodial Funds) - account for assets held by the County in a trustee capacity or as a custodian for individuals, private organizations, other governmental units, or other funds. These funds include Private Purpose Trust and Custodial Funds. Private Purpose Trust and Custodial Funds utilize the accrual basis of accounting. Fiduciary funds are not included in the government-wide financial statements. The County's Custodial Funds include amounts held for others in a fiduciary capacity, which include social services clients, tourism commission, E-911 programs and IDA funds. The County reports the following Custodial Funds: Joint IDA Operating, Virginia Broadband Authority, Special Welfare, NC Tourism Commission, 911 Capital, 911 Operating, Building Inspection Fees, and Inmate Custodial.

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

Enterprise Funds - Enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. The County's major Enterprise Fund consists of the Public Utilities Fund, which accounts for the operations of sewage pumping stations and collection systems, and the water distribution system.

4. Component Unit

The Northampton County School Board has the following funds:

Governmental Fund:

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

Special Revenue Funds:

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

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

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

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

4. Component Unit (Continued)

Special Revenue Funds: (Continued)

School Retiree Health Insurance Fund - This fund accounts for the revenues and expenditures for the retiree health insurance program. The School Retiree Health Insurance Fund is considered a major fund for financial reporting purposes.

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

E. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, amounts in 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.

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

G. Receivables and Payables

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as either “due to/from other funds” (i.e. the current portions of the interfund loans). All other outstanding balances between funds are reported as “advances to/from other funds” (i.e. the noncurrent portion of the 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 \$134,225 at June 30, 2024 and is comprised solely of property taxes.

Real and Personal Property Tax Data:

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

	<u>Real Property</u>	<u>Personal Property</u>
Levy	January 1	January 1
Due Date	December 5	December 5
Lien Date	January 1	January 1
Collection Date	December 5	December 5

The County bills and collects its own property taxes.

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

H. Capital Assets

Capital assets are tangible and intangible assets, which include property, plant, equipment, lease, subscription, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), and are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets, except for infrastructure assets, are defined by the County and Component Unit School Board as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. For infrastructure asset the same estimated minimum useful life is used (in excess of two years), but only those infrastructure projects that cost more than \$50,000 are reported as capital assets.

As the County and Component Unit School Board constructs or acquires capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost (except for intangible right-to-use lease and subscription assets, the measurement of which is discussed in more detail below). The reported value excludes normal maintenance and repairs, which are amounts spent in relation to capital assets that do not increase the asset’s capacity or efficiency or increases its estimated useful life. Donated capital assets are recorded at acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of the donation. Intangible assets follow the same capitalization policies as tangible capital assets and are reported with tangible assets in the appropriate capital asset class.

Land and construction in progress are not depreciated. The other tangible and intangible property, plant equipment, lease assets, subscription assets, and infrastructure of the primary government, as well as the component unit, are depreciated/amortized using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	50
Improvements other than buildings	20
Machinery and equipment	5-15
Lease equipment	2-4
Lease building	2
Subscription asset	3

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

I. Leases and Subscription-Based IT Arrangements

The County has 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.

Lessee

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

Lessor

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

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 and subscription payments.

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

I. Leases and Subscription-Based IT Arrangements (Continued)

- 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 receivable (lessor), 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 receivable and deferred inflows of resources (lessor), 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 receivable, lease liability or subscription liability.

J. Compensated Absences

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

K. Use of Estimates

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

L. Net Position

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

COUNTY OF NORTHAMPTON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024 (CONTINUED)

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

L. Net Position (Continued)

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

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

M. Pensions

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

N. Other Postemployment Benefits (OPEB)

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

Medical, Dental and Disability Pay-As-You Go

For purposes of measuring the medical and dental pay-as-you go liability, deferred outflows of resources and deferred inflows of resources related to the Plan's OPEB, and the related OPEB expenses, information about the fiduciary net position of the County's and School Board's Medical and Dental Pay-As-You go Plan and the additions to/deductions from the County and School Board's OPEB Plan's net fiduciary position have been determined on the same basis as they were reported by the actuary. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

COUNTY OF NORTHAMPTON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024 (CONTINUED)

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

O. Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the bonds outstanding method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

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

P. Prepaid Items

Certain payments to vendors reflect costs applied to future accounting periods and are recorded as prepaid items in both the government-wide and the fund financial statements. Prepaid items are accounted for using the consumption method and are valued at cost. Prepaid expenditures in governmental funds are reported as nonspendable fund balance.

Q. Restricted Assets

Restricted cash and cash equivalents consist of \$515,334 set aside in a sinking fund for debt service, \$5,864,666 set aside for school construction, and \$85,417 set aside for school security as of June 30, 2024. Restricted investments consist of \$53,485,028 of Virginia State Non-Arbitrage Pool funds held for school construction at June 30, 2024.

R. Fund Balance

In governmental fund types, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called “fund balance.” County’s governmental funds report the following categories of fund balance, based on the nature of any limitations requiring the use of resources for specific purposes:

- Nonspendable fund balance - amounts that are not in spendable form (such as inventory and prepaids) or are required to be maintained intact (corpus of a permanent fund);
- Restricted fund balance - amounts that can be spent only for the specific purposes stipulated by external resource providers such as grantors or enabling federal, state, or local legislation. Restrictions may be changed or lifted only with the consent of the resource providers;
- Committed fund balance - amounts that can be used only for the specific purposes determined by the adoption of an ordinance committing fund balance for a specified purpose by the Board of Supervisors prior to the end of the fiscal year. Once adopted, the limitation imposed by the ordinance remains in place until the resources have been spent for the specified purpose or the Board adopts another ordinance to remove or revise the limitation;

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

R. Fund Balance

- Assigned fund balance - amounts a government intends to use for a specific purpose but do not meet the criteria to be classified as committed; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. Unlike commitments, assignments general only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment;
- Unassigned fund balance - amounts that are available for any purpose; positive amounts are only reported in the general fund. Additionally, any deficit fund balance within the other governmental fund types is reported as unassigned.

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

The Board of Supervisors establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance. This is typically done through adoption and amendment of the budget. A fund balance commitment, which does not lapse at year end, is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). The County does this through adoption or amendment of the budget as intended for specific purpose (such as the purchase of capital assets, construction, debt service or for other purposes). Assigned fund balance is established by the County Administrator, who has been given the delegated authority to assign amounts for a specific purpose (such as the purchase of capital assets, construction, or other purposes).

In the general fund, the County strives to maintain an unassigned fund balance to be used for unforeseen emergencies of an amount equal to 10% of the combined budgeted expenditures of the General Fund, VPA Fund, Eastern Shore Regional Jail Fund and the School Operating Fund (net of interfund transfers).

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COUNTY OF NORTHAMPTON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 (CONTINUED)

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

R. Fund Balance (Continued)

The details of governmental fund balances, as presented in aggregate on Exhibits 3 and 40, are as follows:

	Primary Government					Component Unit
	General Fund	Debt Service Fund	Capital Projects Fund	Other Governmental Funds	Total	School Board
						Total
Fund Balances:						
Nonspendable:						
Prepaid items	\$ -	\$ -	\$ -	\$ 53,700	\$ 53,700	\$ -
Lease related	27,076	-	-	-	27,076	-
Total Nonspendable	\$ 27,076	\$ -	\$ -	\$ 53,700	\$ 80,776	\$ -
Restricted:						
Debt sinking fund	\$ -	\$ 461,634	\$ -	\$ -	\$ 461,634	\$ -
School construction	-	-	62,218,561	-	62,218,561	-
Public assistance	-	-	-	(115,431)	(115,431)	-
Forfeited asset sharing	-	-	-	60,973	60,973	-
Opioid settlement	75,097	-	-	-	75,097	-
CDBG projects	-	-	-	86,911	86,911	-
Purchase of development rights	-	-	-	11,446	11,446	-
Total Restricted	\$ 75,097	\$ 461,634	\$ 62,218,561	\$ 43,899	\$ 62,799,191	\$ -
Committed:						
Capital projects	\$ -	\$ -	\$ 3,211,994	\$ -	\$ 3,211,994	\$ -
Middle/High School project	8,000,000	-	-	-	8,000,000	-
School sick leave payout reserve	-	-	-	-	-	390,554
School All-in program	-	-	-	-	-	642,172
School operations	-	-	-	-	-	3,705,275
School cafeteria operations	-	-	-	-	-	506,282
School retiree health insurance	-	-	-	-	-	46,428
School activity	-	-	-	-	-	440,037
Total Committed	\$ 8,000,000	\$ -	\$ 3,211,994	\$ -	\$ 11,211,994	\$ 5,730,748
Assigned:						
Harbor improvements	\$ -	\$ -	\$ -	\$ 76,724	\$ 76,724	\$ -
Total Assigned	\$ -	\$ -	\$ -	\$ 76,724	\$ 76,724	\$ -
Unassigned	\$ 9,827,840	\$ -	\$ -	\$ -	\$ 9,827,840	\$ -
Total Fund Balances	\$ 17,930,013	\$ 461,634	\$ 65,430,555	\$ 174,323	\$ 83,996,525	\$ 5,730,748

COUNTY OF NORTHAMPTON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024 (CONTINUED)

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

5. Deferred Outflow/Inflows of Resources

In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has one 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.

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, and amounts prepaid on the future tax levies, and is deferred and recognized as an inflow of resources in the period that the amount becomes available. Under the accrual basis, amounts prepaid on future tax levies are reported as deferred inflows of resources. Jail inmate telephone commission funds received are reported as deferred inflows of resources until expended. In addition, certain items related to pension, OPEB, leases, and opioid are reported as deferred inflows of resources. For more detailed information on these items, reference the related notes.

NOTE 2—STEWARDSHIP, COMPLIANCE, AND ACCOUNTING:

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

1. During the month of April, the County Administrator submits to the Board of Supervisors a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are required to be conducted to obtain citizen comments.
3. Prior to June 30, the budget is legally enacted through passage of an Appropriations Resolution.
4. The Appropriations Resolution places legal restrictions on expenditures at the fund level. The appropriation totals for each fund can only be revised by the Board of Supervisors.
5. Formal budgetary integration is employed as a management control device during the year and budgets are legally adopted for the General Fund, Special Revenue Funds and Debt Service Fund of the Primary Government. The Discretely Presented Component Unit is integrated only at the level of legal adoption.
6. All budgets of the County are adopted on a modified accrual basis. Annual budgets are adopted for all governmental funds. The budgets of the Discretely Presented Component Unit are adopted on a cash basis but differences between cash and accrual/modified accrual basis budgets are not considered to be material.
7. Appropriations lapse on June 30, for all County units.

COUNTY OF NORTHAMPTON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 (CONTINUED)

NOTE 2—STEWARDSHIP, COMPLIANCE, AND ACCOUNTING: (Continued)

8. All budgetary data presented in the accompanying financial statements is the original budget at June 30. Several supplemental appropriations were necessary during the year and at year end because they were not included in the original budget.
9. Excess of expenditures over appropriations:
For the year ended June 30, 2024, no expenditures exceeded appropriations at the fund level.

NOTE 3—DEPOSITS AND INVESTMENTS:

Deposits

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

Investments

Statutes authorize local governments and other public bodies to invest in obligations of the United States 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).

Custodial Credit Risk (Investments)

The County’s investment policy requires that all securities purchased for the County be held by the County or by the County’s designated custodian. The County’s investments at June 30, 2024 were held by the County or in the County’s name by the County’s custodial banks.

Credit Risk of Debt Securities

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

County's Rated Debt Investments' Values	
Rated Debt Investments	Fair Quality Ratings
	AAAm
Local Government Investment Pool	\$ 32,313,837
Virginia State Non-Arbitrage Pool	53,485,028
Total	\$ 85,798,865

NOTE 3—DEPOSITS AND INVESTMENTS: (Continued)

Interest Rate Risk

According to the County’s investment policy, no more than 50% of the portfolio may be invested in securities maturing in greater than one year.

Investment Maturities (in years)		
Investment Type	Fair Value	Less Than 1 Year
Local Government Investment Pool	\$ 32,313,837	\$ 32,313,837
Virginia State Non-Arbitrage Pool	53,485,028	53,485,028
Total	<u>\$ 85,798,865</u>	<u>\$ 85,798,865</u>

External Investment Pool

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 pool shares. As LGIP and SNAP are not SEC registered, regulatory oversight of the pool rests with the Virginia State Treasury. LGIP and SNAP are amortized cost basis portfolios. There are no withdrawal limitations or restrictions imposed on participants.

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COUNTY OF NORTHAMPTON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 (CONTINUED)

NOTE 4—DUE FROM OTHER GOVERNMENTS:

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

		Component Unit
	Primary Government	School Board
Commonwealth of Virginia:		
Local sales tax	\$ 820,878	\$ -
Local communication sales tax	52,092	-
Victim witness	2,153	-
VPA funds	19,474	-
State sales tax	-	341,398
Constitutional officer reimbursements	404,421	-
Wireless 911	12,500	-
MVC Rolling stock tax	1,589	-
Auto rental tax	1,299	-
Technology grant	-	25,558
VA Port Authority grant	45,000	-
SCAP grant	245,266	-
Other state funds	-	45,285
Federal Government:		
School funds	-	1,099,470
Department of Emergency Management grant	7,500	-
VPA funds	31,899	-
Tourism grant	47,103	-
EPA grant	13,137	-
Victim witness	4,523	-
Sheriff's equipment grant	224,200	-
Total due from other governments	\$ 1,933,034	\$ 1,511,711

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COUNTY OF NORTHAMPTON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024 (CONTINUED)

NOTE 5—CAPITAL ASSETS:

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

Primary Government:

	Balance July 1, 2023	Reclass	Increases	Decreases	Balance June 30, 2024
Governmental activities:					
Capital assets not subject to depreciation:					
Land	\$ 2,940,807	\$ -	\$ -	\$ -	\$ 2,940,807
Construction in progress	5,405,525	-	374,627	468,069	5,312,083
Jointly owned construction in progress	20,830,683	-	51,481	-	20,882,164
Total capital assets not subject to depreciation	\$ 29,177,015	\$ -	\$ 426,108	\$ 468,069	\$ 29,135,054
Capital assets subject to depreciation:					
Buildings and improvements	\$ 49,306,944	\$ -	\$ 482,890	\$ -	\$ 49,789,834
Improvements other than buildings	4,404,003	-	286,161	-	4,690,164
Machinery and equipment	7,109,575	-	987,624	-	8,097,199
Jointly owned assets	1,513,306	-	-	-	1,513,306
Lease buildings and improvements	113,631	5,170	-	109,944	8,857
Lease machinery and equipment	11,418	(5,170)	-	-	6,248
Subscription asset	173,315	-	-	-	173,315
Total capital assets subject to depreciation	\$ 62,632,192	\$ -	\$ 1,756,675	\$ 109,944	\$ 64,278,923
Accumulated depreciation:					
Buildings and improvements	\$ (27,954,970)	\$ -	\$ (1,849,339)	\$ -	\$ (29,804,309)
Improvements other than buildings	(1,793,164)	-	(220,996)	-	(2,014,160)
Machinery and equipment	(4,585,308)	-	(616,076)	-	(5,201,384)
Jointly owned assets	(1,039,135)	-	(75,675)	-	(1,114,810)
Lease building and improvements	(61,953)	(5,170)	(5,538)	(66,466)	(6,195)
Lease equipment	(8,578)	5,170	(1,704)	-	(5,112)
Subscription asset	(63,024)	-	(63,024)	-	(126,048)
Total accumulated depreciation	\$ (35,506,132)	\$ -	\$ (2,832,352)	\$ (66,466)	\$ (38,272,018)
Total capital assets being depreciated, net	\$ 27,126,060	\$ -	\$ (1,075,677)	\$ 43,478	\$ 26,006,905
Governmental activities capital assets, net	\$ 56,303,075	\$ -	\$ (649,569)	\$ 511,547	\$ 55,141,959

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COUNTY OF NORTHAMPTON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 (CONTINUED)

NOTE 5—CAPITAL ASSETS: (CONTINUED)

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

	Balance July 1, 2023	Increases	Decreases	Balance June 30, 2024
Business-type activities:				
Capital assets not subject to depreciation:				
Construction in progress	\$ 58,864	\$ 37,021	\$ -	\$ 95,885
Total capital assets not subject to depreciation	\$ 58,864	\$ 37,021	\$ -	\$ 95,885
Capital assets subject to depreciation:				
Improvements other than buildings	\$ 38,851	\$ -	\$ -	\$ 38,851
Machinery and equipment	42,497	-	-	42,497
Total capital assets subject to depreciation	\$ 81,348	\$ -	\$ -	\$ 81,348
Accumulated depreciation:				
Improvements other than buildings	\$ (3,238)	\$ (2,590)	\$ -	\$ (5,828)
Machinery and equipment	(38,691)	(1,375)	-	(40,066)
Total accumulated depreciation	\$ (41,929)	\$ (3,965)	\$ -	\$ (45,894)
Total capital assets being depreciated, net	\$ 39,419	\$ (3,965)	\$ -	\$ 35,454
Business-type activities capital assets, net	\$ 98,283	\$ 33,056	\$ -	\$ 131,339

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COUNTY OF NORTHAMPTON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 (CONTINUED)

NOTE 5—CAPITAL ASSETS: (CONTINUED)

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

	Balance July 1, 2023	Increases	Decreases	Balance June 30, 2024
Component Unit-School Board:				
Capital assets not subject to depreciation:				
Land	\$ 373,276	\$ 448,025	\$ -	\$ 821,301
Construction in progress	<u>4,900,794</u>	<u>2,005,715</u>	<u>420,885</u>	<u>6,485,624</u>
Total capital assets not subject to depreciation	\$ <u>5,274,070</u>	\$ <u>2,453,740</u>	\$ <u>420,885</u>	\$ <u>7,306,925</u>
Capital assets subject to depreciation:				
Buildings and improvements	\$ 11,909,550	\$ -	\$ -	\$ 11,909,550
Improvements other than buildings	2,823,487	-	-	2,823,487
Machinery and equipment	<u>7,881,964</u>	<u>1,118,059</u>	<u>346,882</u>	<u>8,653,141</u>
Total capital assets subject to depreciation	\$ <u>22,615,001</u>	\$ <u>1,118,059</u>	\$ <u>346,882</u>	\$ <u>23,386,178</u>
Accumulated depreciation:				
Buildings and improvements	\$ (8,096,062)	\$ (243,731)	\$ -	\$ (8,339,793)
Improvements other than buildings	(1,984,751)	(130,275)	-	(2,115,026)
Machinery and equipment	<u>(6,518,574)</u>	<u>(545,375)</u>	<u>(346,882)</u>	<u>(6,717,067)</u>
Total accumulated depreciation	\$ <u>(16,599,387)</u>	\$ <u>(919,381)</u>	\$ <u>(346,882)</u>	\$ <u>(17,171,886)</u>
Total capital assets being depreciated, net	\$ <u>6,015,614</u>	\$ <u>198,678</u>	\$ <u>-</u>	\$ <u>6,214,292</u>
Governmental activities capital assets, net	\$ <u><u>11,289,684</u></u>	\$ <u><u>2,652,418</u></u>	\$ <u><u>420,885</u></u>	\$ <u><u>13,521,217</u></u>

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COUNTY OF NORTHAMPTON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 (CONTINUED)

NOTE 5—CAPITAL ASSETS: (CONTINUED)

Depreciation expense was charged to functions/programs as follows:

Governmental activities:

General government administration	\$	981,799
Judicial administration		182,870
Public safety		1,080,878
Public works		396,693
Health and welfare		59,775
Education		75,675
Parks, recreation and cultural		42,056
Community development		12,606
		<hr/>
Total Governmental activities	\$	<u>2,832,352</u>

Enterprise activities:

Public utilities	\$	<u>3,965</u>
		<hr/>
Component Unit School Board	\$	<u>919,381</u>

Legislation enacted during the year ended June 30, 2002, Section 15.2-1800.1 of the Code of Virginia, 1950, as amended, has changed the reporting of local school capital assets and related debt for financial statement purposes. Historically, debt incurred by local governments “on-behalf” of school boards was reported in the school board’s discrete column along with the related capital assets. Under the new law, local governments have a “tenancy in common” with the school board whenever the locality incurs any financial obligation for any school property which is payable over more than one fiscal year. For financial reporting purposes, the legislation permits the locality to report the portion of school property related to any outstanding financial obligation eliminating any potential deficit from capitalizing assets financed with debt. The effect on the County of Northampton, Virginia for the year ended June 30, 2023, is that school financed assets in the amount of \$21,304,854 are reported in the Primary Government for financial reporting purposes.

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COUNTY OF NORTHAMPTON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 (CONTINUED)

NOTE 6—INTERFUND TRANSFERS:

Interfund transfers for the year ended June 30, 2024, consisted of the following:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Primary Government:		
Governmental Funds:		
General Fund	\$ 241,044	\$ 7,612,990
Eastern Shore Regional Jail	2,621,316	-
Debt Service	5,184,999	-
Capital Projects	2,124,394	2,938,182
American Rescue Plan Act	-	50,000
Other Governmental Funds	620,463	191,044
Total Governmental Funds	<u>\$ 10,792,216</u>	<u>\$ 10,792,216</u>
 Total-All Funds	 <u>\$ 10,792,216</u>	 <u>\$ 10,792,216</u>

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

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COUNTY OF NORTHAMPTON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 (CONTINUED)

NOTE 7—LONG-TERM OBLIGATIONS:

Primary Government:

A summary of long-term obligation transactions for the year ended June 30, 2024 is as follows:

	Balance at July 1, 2023	Issuances/ Increases	Retirements/ Decreases	Balance at June 30, 2024	Amounts Due Within One Year
Governmental Activities:					
Incurred by County:					
Direct borrowings and placements:					
Lease revenue bonds	\$ 8,225,000	\$ -	\$ 2,045,000	\$ 6,180,000	\$ 2,095,000
Add deferred amounts:					
For issuance premium	525,575	-	52,558	473,017	-
Notes payable	514,909	-	110,087	404,822	108,362
Lease liabilities	54,920	-	50,208	4,712	2,926
Subscription liability	108,636	-	61,504	47,132	47,132
Landfill post-closure liability	2,327,434	76,140	-	2,403,574	-
Compensated absences	1,026,637	135,471	118,359	1,043,749	104,375
Net OPEB liabilities	1,194,409	302,569	266,086	1,230,892	-
Total incurred by County	\$ 13,977,520	\$ 514,180	\$ 2,703,802	\$ 11,787,898	\$ 2,357,795
Incurred by School Board:					
Direct borrowings and placements:					
General obligation bonds	\$ 62,410,000	\$ -	\$ 760,000	\$ 61,650,000	\$ 810,000
Add deferred amounts:					
For issuance premium	6,826,017	-	382,140	6,443,877	-
Total incurred by School Board	\$ 69,236,017	\$ -	\$ 1,142,140	\$ 68,093,877	\$ 810,000
Total Governmental Activities	\$ 83,213,537	\$ 514,180	\$ 3,845,942	\$ 79,881,775	\$ 3,167,795
Business-type Activities:					
Compensated absences	\$ -	\$ 1,410	\$ -	\$ 1,410	\$ 141
Net OPEB liabilities	3,965	1,810	3,508	2,267	-
Total Business-type Activities	\$ 3,965	\$ 3,220	\$ 3,508	\$ 3,677	\$ 141

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COUNTY OF NORTHAMPTON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 (CONTINUED)

NOTE 7—LONG-TERM OBLIGATIONS: (CONTINUED)

Primary Government: (Continued)

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

Year Ending June 30,	County Obligations				Governmental Activities			
	Lease Liabilities		Subscription Liability		Bonds and Notes Payable from Direct Borrowings and Direct Placements			
					Lease Revenue Bonds		Notes Payable	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 2,926	\$ 34	\$ 47,132	\$ 1,377	\$ 2,095,000	\$ 140,901	\$ 108,362	\$ 8,056
2026	1,786	14	-	-	935,000	98,082	106,567	5,645
2027	-	-	-	-	965,000	71,219	92,678	3,334
2028	-	-	-	-	340,000	52,779	56,503	1,571
2029	-	-	-	-	350,000	43,048	19,418	718
2030	-	-	-	-	355,000	33,082	19,859	277
2031	-	-	-	-	370,000	22,854	1,435	244
2032	-	-	-	-	380,000	12,285	-	-
2033	-	-	-	-	390,000	3,461	-	-
Total	\$ 4,712	\$ 48	\$ 47,132	\$ 1,377	\$ 6,180,000	\$ 477,711	\$ 404,822	\$ 19,845

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COUNTY OF NORTHAMPTON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 (CONTINUED)

NOTE 7—LONG-TERM OBLIGATIONS: (CONTINUED)

Primary Government: (Continued)

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

Year Ending June 30,	Governmental Activities	
	Loans and Bonds from Direct Borrowings and Direct Placements	
	General Obligation	
	Bonds	
	Principal	Interest
2025	\$ 810,000	\$ 2,185,697
2026	2,095,000	2,115,078
2027	2,205,000	2,009,115
2028	2,975,000	1,880,126
2029	3,135,000	1,727,399
2030	3,295,000	1,566,091
2031	3,485,000	1,394,896
2032	3,665,000	1,214,359
2033	3,850,000	1,024,605
2034	4,040,000	854,083
2035	4,160,000	730,889
2036	4,260,000	628,315
2037	4,370,000	523,858
2038	4,475,000	417,440
2039	4,585,000	305,541
2040	4,700,000	187,913
2041	2,740,000	96,025
2042	2,805,000	32,258
Total	\$ 61,650,000	\$ 18,893,688

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COUNTY OF NORTHAMPTON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024 (CONTINUED)

NOTE 7—LONG-TERM OBLIGATIONS: (CONTINUED)

Primary Government: (Continued)

Details of long-term indebtedness are as follows:

	<u>Notes</u>	<u>Interest Rates</u>	<u>Date Issued</u>	<u>Final Maturity Date</u>	<u>Amount of Original Issue</u>	<u>Balance Governmental Activities</u>	<u>Amount Due Within One Year</u>
<u>Governmental Activities:</u>							
Compensated absences (payable from the General Fund)						\$ 1,043,749	\$ 104,375
Net OPEB liabilities (payable from the General Fund)						\$ 1,230,892	\$ -
Landfill post-closure liability						\$ 2,403,574	\$ -
<u>Direct borrowings and direct placements:</u>							
<u>Lease Revenue Bonds:</u>							
VRA Virginia Pooled Financing Program refunding bond outstanding \$6,180,000 plus unamortized premium of \$473,017	(a)	1.78% to 2.86%	08/04/21	10/01/32	8,475,000	\$ 6,653,017	\$ 2,095,000
Total Lease revenue bonds						\$ 6,653,017	\$ 2,095,000
<u>Notes Payable:</u>							
USDA promissory note payable, secured by public works equipment		3.00%	12/20/19	12/20/24	39,000	\$ 4,110	\$ 4,110
USDA promissory note payable, secured by public works equipment		2.25%	07/09/20	07/09/30	180,000	114,158	17,748
USDA promissory note payable, secured by public works equipment		2.25%	06/22/21	06/22/26	76,500	31,600	15,649
USDA promissory note payable, secured by public works equipment		2.25%	12/01/22	12/01/27	379,270	254,954	70,855
Total Notes payable						\$ 404,822	\$ 108,362
<u>Lease Liabilities:</u>							
Copier lease		2.00%	07/01/21	11/01/24	8,700	\$ 1,155	\$ 1,155
Boat ramp lease		3.00%	07/15/22	10/14/25	68,484	3,557	1,771
Total Lease liabilities						\$ 4,712	\$ 2,926
<u>Subscription Liability:</u>							
Tax software		3.00%	07/01/22	45,747	173,315	\$ 47,132	\$ 47,132
Total long-term obligations incurred by the County						\$ 11,787,898	\$ 2,357,795

COUNTY OF NORTHAMPTON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024 (CONTINUED)

NOTE 7—LONG-TERM OBLIGATIONS: (CONTINUED)

Primary Government: (Continued)

Details of long-term indebtedness are as follows: (Continued)

Direct borrowings and direct placements:

General Obligation Bonds:

VPSA Bond outstanding \$490,000 plus unamortized premium of \$33,613.	2.05% to								
	(b) 5.05%	11/15/12	07/15/28	1,290,000	\$	523,613	\$	95,000	
VPSA Bond outstanding \$24,040,000 plus unamortized premium of \$2,536,029.	2.80% to								
	(b) 5.05%	11/12/19	07/15/39	24,040,000		26,576,029		-	
VPSA Bond outstanding \$37,120,000 plus unamortized premium of \$3,874,235.	2.30% to								
	(b) 5.05%	10/19/21	07/15/41	37,790,000		40,994,235		715,000	
Total General Obligation Bonds					\$	68,093,877	\$	810,000	
Total Direct Borrowings and Direct Placements					\$	68,093,877	\$	810,000	
Total long-term obligations incurred by School Board, payable from the General Fund					\$	68,093,877	\$	810,000	
Total outstanding debt - governmental activities					\$	79,881,775	\$	3,167,795	

	<u>Notes</u>	<u>Interest Rates</u>	<u>Date Issued</u>	<u>Final Maturity Date</u>	<u>Amount of Original Issue</u>	<u>Balance Business-type Activities</u>	<u>Amount Due Within One Year</u>
<u>Business-type Activities:</u>							
Compensated absences (payable from the Enterprise Fund)						\$ 1,410	\$ 141
Net OPEB liabilities (payable from the Enterprise Fund)						\$ 2,267	\$ -
Total outstanding debt - business-type activities						\$ 3,677	\$ 141

Notes:

- (a) Title to leased real estate and improvements (Northampton County Jail) are held by the County. In the event of default, the lender may declare the entire unpaid rental payments due and payable and may take possession of the real estate and improvements and sell or sublease property to satisfy the payments due to VRA.
- (b) In the event of default for any general obligation bond, the Commonwealth of Virginia may withhold state aid from the locality until such time that the event of default is cured in accordance with Section 15.2-2659 of the Code of Virginia, 1950 as amended.

COUNTY OF NORTHAMPTON, VIRGINIA**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 (CONTINUED)****NOTE 7—LONG-TERM OBLIGATIONS: (CONTINUED)****Component Unit—School Board:**

The following is a summary of long-term obligation transactions of the Component Unit—School Board for the year ended June 30, 2024:

	Balance at July 1, 2023	Issuances/ Increases	Retirements/ Decreases	Balance at June 30, 2024	Amounts Due Within One Year
Compensated absences (payable from the School Fund)	\$ 418,980	\$ 41,898	\$ 65,844	\$ 395,034	\$ 39,503
Net pension liability	9,761,470	4,692,740	4,524,892	9,929,318	-
Net OPEB liabilities	3,256,453	634,655	859,257	3,031,851	-
Total	<u>\$ 13,436,903</u>	<u>\$ 5,369,293</u>	<u>\$ 5,449,993</u>	<u>\$ 13,356,203</u>	<u>\$ 39,503</u>

	Amount Outstanding
Compensated absences (payable from the School Fund)	\$ 395,034
Net pension liability (payable from the School Fund)	9,929,318
Net OPEB liabilities (payable from the School Fund)	<u>3,031,851</u>
Total Long-Term Obligations Incurred by School Board	<u>\$ 13,356,203</u>

NOTE 8—ADVANCED REFUNDING:

On August 4, 2021, the County issued \$8,475,000 in VRA Refunding Bonds, Series 2022 Summer with interest rates ranging from 1.775% to 2.862%. The net proceeds \$8,904,070 (after payment of \$201,620 in issuance costs and receipts of \$630,690 in premium on the bond) plus other available funds in the amount of \$1,301 were used to refund \$8,360,000 of outstanding VRA Bonds, Series 2012B which had interest rates ranging from 3.201% to 5.125%. The net proceeds are held by the trustee. The net carrying amount of the old debt exceeded the reacquisition price by \$2,170,784. This amount is reported as a deferred inflow of resources and is being amortized over the remaining life of the refunding debt. As of June 30, 2024, amount of deferred inflow of resources recorded for this advanced refunding was \$1,578,752.

NOTE 9—LANDFILL POST CLOSURE COSTS:

State and federal laws and regulations require the County to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Under the modified accrual basis of accounting, general fund expenditures and liabilities are to be recognized only to the extent that such costs are expected to be paid from available, expendable resources. Since the County does not expect to pay any portion of the postclosure care or corrective action costs from available, expendable resources as of June 30, 2024, the fund financial

COUNTY OF NORTHAMPTON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024 (CONTINUED)

NOTE 9—LANDFILL POST CLOSURE COSTS: (Continued)

statements do not include any fund expenditure or liability relating to postclosure care or corrective action costs of its landfill site. The \$2,403,574 reported as a long-term liability at June 30, 2024, represents the cumulative amount reported to date based on the use of 100% of the estimated capacity of the landfill.

The amount of \$1,752,952 is based on what it would cost to perform all postclosure care in fiscal year 2024 and the amount of \$650,622 represents corrective action costs. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. The County closed the current landfill site in fiscal year 2011.

The applicable laws and regulations require the County to select and meet one of several approved financial assurance mechanisms to demonstrate financial responsibility for closure care costs described above. The County has selected the Financial Ratio Test method for this purpose, and has made the requisite filings with the Virginia Department of Environmental Quality.

The County demonstrated financial assurance requirements for closure, post-closure care, and corrective action costs through the submission of a Local Governmental Financial Test to the Virginia Department of Environmental Quality in accordance with Section 9VA C20-70 of the Virginia Administrative Code.

NOTE 10—DEFERRED AND UNAVAILABLE REVENUE:

At June 30, 2024, deferred and unavailable revenue related to unspent jail telephone commission funds, uncollected lease income, and property taxes are reported as follows:

	Statements	Sheet
	Governmental	Governmental
	Activities	Funds
Unearned revenue representing the amount of unspent VRA grant	\$ 50,000	\$ 50,000
Unearned revenue representing downpayment on sale of property	10,000	10,000
Total unearned revenue	<u>\$ 60,000</u>	<u>\$ 60,000</u>
Unavailable revenue representing unspent jail telephone commission funds not available for funding of current expenditures.	\$ 219,540	\$ 219,540
Unavailable property tax revenue representing uncollected property tax billings that are not available for the funding of current expenditures	-	1,617,118
Prepaid property taxes due in December 2023 but paid in advance by taxpayers	60,396	60,396
Unavailable revenue representing gain on refunding of bonds not available for funding of current expenditures	1,578,752	-
Unavailable revenue representing opioid settlement income that are not available for funding of current expenditures	-	238,640
Unavailable revenue representing uncollected lease income that are not available for the funding of current expenditures	300,360	300,360
Total unavailable revenue	<u>\$ 2,159,048</u>	<u>\$ 2,436,054</u>

COUNTY OF NORTHAMPTON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024 (CONTINUED)

NOTE 11—COMMITMENTS AND CONTINGENCIES:

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

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

At June 30, 2024, the County was committed for outstanding construction contracts of \$835,217 issued to ABM Facility Support Services. In addition, the County was committed for an outstanding construction contract of \$75,493,707 issued to M.B. Kahn Construction Co. Inc.

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; injuries to employees; and natural disasters. The County has joined together with other cities and counties in the Virginia Local Government Risk Management Plan (VARISK2), a public entity risk pool currently operating as a common risk management and insurance program for several member cities and counties in Virginia. The County pays an annual premium to VARISK2 for its public officials general liability and public officials law enforcement liability insurance coverage. The agreement for formation of the VARISK2 provides that VARISK2 will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$1 million for each insured event.

Through the Virginia Municipal League, the County has joined together with other cities and counties in the Virginia Municipal Group Self Insurance Association (VMGSIA) and the Virginia Association of Counties Group Self Insurance Risk Pool (VACORP), public entity risk pools currently operating as common risk management and insurance programs for several member cities and counties in Virginia. The County pays an annual premium to VMGSIA for its workers' compensation and employer's liability insurance coverage, and to VACORP for its general liability, commercial automotive, property, and crime coverage. The agreements for formation of the VMGSIA and VACORP provide that they will be self-sustaining through member premiums. Workers' compensation coverage provides the benefits as set forth in the Virginia Workers' Compensation Act. VACORP will reinsure through commercial insurance companies for claims in excess of \$250,000 for general liability, \$250,000 for automotive liability, and \$100,000 for property coverage.

The County carries commercial insurance for all other risks of loss, including employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

COUNTY OF NORTHAMPTON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024 (CONTINUED)

NOTE 13—PENSION PLANS:

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.

Benefit Structures

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

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

COUNTY OF NORTHAMPTON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 (CONTINUED)

NOTE 13—PENSION PLANS: (CONTINUED)

Average Final Compensation and Service Retirement Multiplier

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

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

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

Employees Covered by Benefit Terms

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

	Primary Government	Component Unit School Board Nonprofessional
Inactive members or their beneficiaries currently receiving benefits	125	31
Inactive members:		
Vested inactive members	27	11
Non-vested inactive members	67	16
Inactive members active elsewhere in VRS	61	10
Active members	217	39
Total covered employees	497	107

COUNTY OF NORTHAMPTON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024 (CONTINUED)

NOTE 13—PENSION PLANS: (CONTINUED)

Contributions

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

The County's contractually required employer contribution rate for the year ended June 30, 2024 was 10.34% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the County were \$1,192,910 and \$946,202 for the years ended June 30, 2024 and June 30, 2023, respectively.

The Component Unit School Board's contractually required employer contribution rate for nonprofessional employees for the year ended June 30, 2024 was 4.06% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Component Unit School Board's nonprofessional employees were \$32,290 and \$32,736 for the years ended June 30, 2024 and June 30, 2023, respectively.

Net Pension Liability (Asset)

The net pension liability (asset) (NPL(A)) is calculated separately for each employer and represents that 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 were measured as of June 30, 2023. The total pension liabilities used to calculate the net pension liability were determined by an actuarial valuation performed as of June 30, 2022 and rolled forward to the measurement date of June 30, 2023.

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NOTE 13—PENSION PLANS: (CONTINUED)

Actuarial Assumptions - General Employees

The total pension liability for General Employees in the County’s and Component Unit School Board’s (nonprofessional) Retirement Plan was based on an actuarial valuation as of June 30, 2022, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2023.

Inflation	2.50%
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

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COUNTY OF NORTHAMPTON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 (CONTINUED)

NOTE 13—PENSION PLANS: (CONTINUED)

Actuarial Assumptions - General Employees (Continued)

Mortality rates: (Continued)

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

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

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

Actuarial Assumptions - Public Safety Employees with Hazardous Duty Benefits

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

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

COUNTY OF NORTHAMPTON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024 (CONTINUED)

NOTE 13—PENSION PLANS: (CONTINUED)

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

Mortality rates:

All Others (Non-10 Largest) - Non-Hazardous Duty: 15% of deaths are assumed to be service-related
Pub-2010 Amount Weighted Safety Employee Rates projected generationally with a Modified MP-2020 Improvement Scale; 95% of rates for males; 105% of rates for females set forward 2 years

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

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

All Others (Non 10 Largest) - Hazardous Duty:

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

COUNTY OF NORTHAMPTON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 (CONTINUED)

NOTE 13—PENSION PLANS: (CONTINUED)

Long-Term Expected Rate of Return

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

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

*The above allocation provides a one-year expected return of 8.25%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 7.14%, including expected inflation of 2.50%.

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

COUNTY OF NORTHAMPTON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 (CONTINUED)

NOTE 13—PENSION PLANS: (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. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions; the County and Component Unit School Board (nonprofessional) was also provided with an opportunity to use an alternative employer contribution rate. For the year ended June 30, 2023, the alternate rate was the employer contribution rate used in FY 2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2022 actuarial valuations, whichever was greater. Through the fiscal year ended June 30, 2023, 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 100% of the actuarially determined contribution rate. From July 1, 2023 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, 2022	\$ 43,032,311	\$ 44,147,955	\$ (1,115,644)
Changes for the year:			
Service cost	\$ 1,262,757	\$ -	\$ 1,262,757
Interest	2,915,403	-	2,915,403
Difference between expected and actual experience	266,750	-	266,750
Contributions - employer	-	943,645	(943,645)
Contributions - employee	-	524,203	(524,203)
Net investment income	-	2,849,671	(2,849,671)
Benefit payments, including refunds of employee contributions	(2,207,836)	(2,207,836)	-
Administrative expenses	-	(28,409)	28,409
Other changes	-	1,145	(1,145)
Net changes	\$ 2,237,074	\$ 2,082,419	\$ 154,655
Balances at June 30, 2023	\$ 45,269,385	\$ 46,230,374	\$ (960,989)

COUNTY OF NORTHAMPTON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 (CONTINUED)

NOTE 13—PENSION PLANS: (CONTINUED)

Changes in Net Pension Liability (Asset)

	Component School Board (nonprofessional)		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at June 30, 2022	\$ 3,933,786	\$ 4,298,061	\$ (364,275)
Changes for the year:			
Service cost	\$ 88,210	\$ -	\$ 88,210
Interest	261,532	-	261,532
Difference between expected and actual experience	81,765	-	81,765
Contributions - employer	-	32,731	(32,731)
Contributions - employee	-	45,462	(45,462)
Net investment income	-	269,853	(269,853)
Benefit payments, including refunds of employee contributions	(294,901)	(294,901)	-
Administrative expenses	-	(2,812)	2,812
Other changes	-	108	(108)
Net changes	\$ 136,606	\$ 50,441	\$ 86,165
Balances at June 30, 2023	\$ 4,070,392	\$ 4,348,502	\$ (278,110)

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COUNTY OF NORTHAMPTON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 (CONTINUED)

NOTE 13—PENSION PLANS: (CONTINUED)

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		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
County's			
Net Pension Liability (Asset)	\$ 4,909,230	\$ (960,989)	\$ (5,827,656)
Component Unit School Board's (nonprofessional)			
Net Pension Liability (Asset)	\$ 136,118	\$ (278,110)	\$ (630,412)

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

For the year ended June 30, 2024, the County and Component Unit School Board (nonprofessional) recognized pension expense of \$504,983 and \$36,088, respectively. At June 30, 2024, the County and Component Unit School Board (nonprofessional) reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Primary Government		Component Unit School Board (nonprofessional)	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 191,820	\$ 304,316	\$ 51,327	\$ -
Changes of assumptions	200,904	-	-	-
Net difference between projected and actual earnings on plan investments	-	686,702	-	73,720
Employer contributions subsequent to the measurement date	1,192,910	-	32,290	-
Total	\$ 1,585,634	\$ 991,018	\$ 83,617	\$ 73,720

COUNTY OF NORTHAMPTON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 (CONTINUED)

NOTE 13—PENSION PLANS: (CONTINUED)

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

\$1,192,910 and \$32,290 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 ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Year ended June 30	Primary Government	Component Unit School Board (nonprofessional)
2025	\$ (407,082)	\$ (5,698)
2026	(884,802)	(81,677)
2027	672,705	62,409
2028	20,885	2,573
2029	-	-
Thereafter	-	-

Pension Plan Data

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

Component Unit School Board (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 related to the plan description can be included in the first section of this note.

Contributions

The contribution requirement for active employees is governed by §51.1-145 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement. Each School Division's contractually required employer contribution rate for the year ended June 30, 2024 was 16.62% of covered employee compensation. This was the General Assembly approved rate, which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the School Board were \$1,753,506 and \$1,550,732 for the years ended June 30, 2024 and June 30, 2023, respectively.

COUNTY OF NORTHAMPTON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 (CONTINUED)

NOTE 13—PENSION PLANS: (CONTINUED)

Component Unit School Board (professional) (Continued)

Contributions (Continued)

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

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

At June 30, 2024, the school division reported a liability of \$9,929,318 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2023 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation performed as of June 30, 2022 and rolled forward to the measurement date of June 30, 2023. The school division's proportion of the Net Pension Liability was based on the school division's actuarially determined employer contributions to the pension plan for the year ended June 30, 2023 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2023, the school division's proportion was 0.09824% as compared to 0.10253% at June 30, 2022.

For the year ended June 30, 2024, the school division recognized pension expense of \$614,038. 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.

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COUNTY OF NORTHAMPTON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 (CONTINUED)

NOTE 13—PENSION PLANS: (CONTINUED)

Component Unit School Board (professional) (Continued)

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

At June 30, 2024, 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	\$ -	\$ 387,484
Change in assumptions	450,131	-
Net difference between projected and actual earnings on pension investments	852,937	645,606
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,334	875,721
Employer contributions subsequent to the measurement date	<u>1,753,506</u>	<u>-</u>
Total	<u>\$ 3,057,908</u>	<u>\$ 1,908,811</u>

\$1,753,506 reported as deferred outflows of resources related to pensions resulting from the school division's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

<u>Year ended June 30</u>	
2025	\$ (547,146)
2026	(846,374)
2027	666,813
2028	122,298
2029	-
Thereafter	-

NOTE 13—PENSION PLANS: (CONTINUED)

Component Unit School Board (professional) (Continued)

Actuarial Assumptions

The total pension liability for the VRS Teacher Retirement Plan was based on an actuarial valuation as of June 30, 2022, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2023.

Inflation	2.50%
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 NORTHAMPTON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 (CONTINUED)

NOTE 13—PENSION PLANS: (CONTINUED)

Component Unit School Board (professional) (Continued)

Actuarial Assumptions (Continued)

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

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

Net Pension Liability

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

		Teacher Employee Retirement Plan
Total Pension Liability	\$	57,574,609
Plan Fiduciary Net Position		47,467,405
Employers' Net Pension Liability (Asset)	\$	<u>10,107,204</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		82.45%

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

COUNTY OF NORTHAMPTON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 (CONTINUED)

NOTE 13—PENSION PLANS: (CONTINUED)

Component Unit School Board (professional) (Continued)

Net Pension Liability (Continued)

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		
	1% Decrease	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
School division's proportionate share of the VRS Teacher Employee Retirement Plan Net Pension Liability (Asset)	\$ 17,601,139	\$ 9,929,318	\$ 3,622,450

Pension Plan Fiduciary Net Position

Detailed information about the VRS Teacher Retirement Plan's Fiduciary Net Position is available in the separately issued VRS 2023 Annual Comprehensive Financial Report (Annual Report). A copy of the 2022 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/pdf/publications/2023-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Aggregate Pension Information

	Primary Government				Component Unit School Board			
	Deferred Outflows	Deferred Inflows	Net Pension Liability (Asset)	Pension Expense	Deferred Outflows	Deferred Inflows	Net Pension Liability (Asset)	Pension Expense
VRS Pension Plans:								
Primary Government	\$ 1,585,634	\$ 991,018	\$ (960,989)	\$ 504,983	\$ -	\$ -	\$ -	\$ -
School Board								
Nonprofessional	-	-	-	-	83,617	73,720	(278,110)	36,088
School Board								
Professional	-	-	-	-	3,057,908	1,908,811	9,929,318	614,038
Totals	\$ 1,585,634	\$ 991,018	\$ (960,989)	\$ 504,983	\$ 3,141,525	\$ 1,982,531	\$ 9,651,208	\$ 650,126

COUNTY OF NORTHAMPTON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024 (CONTINUED)

NOTE 14—SURETY BONDS:

	<u>Amount</u>
<u>Commonwealth of Virginia - Division of Risk Management - Surety</u>	
Travelers Casualty and Surety Company of America	
Traci W. Johnson, Clerk of the Circuit Court	\$ 500,000
Cynthia S. Bradford, Treasurer	400,000
Consuelo Gonzalez, Commissioner of the Revenue	3,000
David L. Doughty, Jr., Sheriff	30,000
The above constitutional officers employees blanket bond	50,000
<u>Va CORP</u>	
Board of Supervisors	1,000,000
All County Employees	250,000
<u>Virginia Municipal League</u>	
All School Board Employees	50,000
<u>Northampton Insurance Agency</u>	
All Social Service Employees	100,000

NOTE 15—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN):

Plan Description

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

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

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

Eligible Employees

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

COUNTY OF NORTHAMPTON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024 (CONTINUED)

NOTE 15—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

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 amount is increased annually based on the VRS Plan 2 cost-of-living adjustment calculation. The minimum benefit adjusted for the COLA was \$9,254 as of June 30, 2024.

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 1.34% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.80% ($1.34\% \times 60\%$) and the employer component was 0.54 ($1.34\% \times 40\%$). Employers may elect to pay all or part of the employee contribution; however, the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2024 was 0.54% of covered employee compensation. This rate was the final approved General Assembly rate, which was based on an actuarial valuation as of June 30, 2021. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the GLI Plan from the County were \$66,908 and \$59,522 for the years ended June 30, 2024 and June 30, 2023, respectively.

Contributions to the Group Life Insurance Program from the Component Unit School Board professional group were \$60,238 and \$53,340 for the years ended June 30, 2024 and June 30, 2023, respectively. Contributions to the Group Life Insurance Program from the Component Unit School Board nonprofessional group were \$5,822 and \$5,443 for the years ended June 30, 2024 and June 30, 2023, respectively.

In June 2023, the Commonwealth made a special contribution of approximately \$10.1 million to the Group Life Insurance Plan. This special payment was authorized by Chapter 2 of the Acts of Assembly of 2022, Special Session I, as amended by Chapter 769, 2023 Acts of Assembly Reconvened Session, and is classified as a special employer contribution. The entity's proportionate share is reflected in the other grants and contributions of the financial statements.

COUNTY OF NORTHAMPTON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 (CONTINUED)

NOTE 15—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

At June 30, 2024, the County reported a liability of \$561,159 for its proportionate share of the Net GLI OPEB Liability. The Component Unit School Board professional and nonprofessional groups reported liabilities of \$502,992 and \$51,331, respectively, for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2023 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation performed as of June 30, 2022, and rolled forward to the measurement date of June 30, 2023. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the GLI Plan for the year ended June 30, 2023 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2023, the County's proportion was 0.04679% as compared to 0.04820% at June 30, 2022. At June 30, 2023, the Component Unit School Board professional and nonprofessional groups' proportion was 0.04190% and 0.00428%, respectively as compared to 0.04420% and 0.00460% respectively at June 30, 2022.

For the year ended June 30, 2024, the County recognized GLI OPEB expense of \$32,088. For the year ended June 30, 2024, the Component Unit School Board professional group recognized GLI OPEB expense of \$3,467. For the year ended June 30, 2024, the Component Unit School Board nonprofessional group recognized GLI OPEB expense of \$166. 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.

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

	Primary Government		Component School Board (professional)		Component School Board (nonprofessional)	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 56,046	\$ 17,034	\$ 50,237	\$ 15,268	\$ 5,127	\$ 1,558
Net difference between projected and actual earnings on GLI OPEB plan investment	-	22,551	-	20,213	-	2,063
Changes in assumptions	11,995	38,879	10,752	34,849	1,097	3,556
Changes in proportionate share	18,386	15,450	731	59,135	1,511	8,166
Employer contributions subsequent to the measurement date	66,908	-	60,238	-	5,822	-
Total	\$ 153,335	\$ 93,914	\$ 121,958	\$ 129,465	\$ 13,557	\$ 15,343

COUNTY OF NORTHAMPTON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 (CONTINUED)

NOTE 15—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)

\$66,908, \$60,238, and \$5,822, respectively, reported as deferred outflows of resources related to the GLI OPEB resulting from the County, Component Unit School Board professional and nonprofessional group’s contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

		Primary	Unit School	Component Unit
		Government	Board	School Board
			(professional)	(nonprofessional)
Year Ended				
June 30				
2025	\$	3,553	\$ (20,525)	\$ (2,509)
2026		(20,470)	(37,138)	(4,317)
2027		8,596	(4,419)	(461)
2028		(1,769)	(5,835)	(205)
2029		2,603	172	(116)
Thereafter		-	-	-

Actuarial Assumptions

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2022, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2023. The assumptions include several employer groups. 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

COUNTY OF NORTHAMPTON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 (CONTINUED)

NOTE 15—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

Actuarial Assumptions (Continued)

Mortality Rates - Teachers

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:

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

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

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

COUNTY OF NORTHAMPTON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 (CONTINUED)

NOTE 15—GROUP LIFE INSURANCE (GLI) 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; males set forward 2 years; 105% of rates for females set forward 3 years

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:

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

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

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

COUNTY OF NORTHAMPTON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 (CONTINUED)

NOTE 15—GROUP LIFE INSURANCE (GLI) 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, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

NOTE 15—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

NET GLI OPEB Liability

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

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

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.

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COUNTY OF NORTHAMPTON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 (CONTINUED)

NOTE 15—GROUP LIFE INSURANCE (GLI) 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	34.00%	6.14%	2.09%
Fixed Income	15.00%	2.56%	0.38%
Credit Strategies	14.00%	5.60%	0.78%
Real Assets	14.00%	5.02%	0.70%
Private Equity	16.00%	9.17%	1.47%
MAPS - Multi-Asset Public Strategies	4.00%	4.50%	0.18%
PIP - Private Investment Partnership	2.00%	7.18%	0.14%
Cash	1.00%	1.20%	0.01%
Total	100.00%		5.75%
		Inflation	2.50%
		Expected arithmetic nominal return**	8.25%

*The above allocation provides a one-year return of 8.25%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 7.14%, including expected inflation of 2.50%.

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

Discount Rate

The discount rate used to measure the total GLI OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ended June 30, 2023, the rate contributed by the entity for the GLI OPEB will be subject to the portion of the VRS Board-certified rates that are funded

COUNTY OF NORTHAMPTON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 (CONTINUED)

NOTE 15—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

Discount Rate (Continued)

by the Virginia General Assembly which was 113% of the actuarially determined contribution rate. From July 1, 2023 on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the GLI OPEB's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total GLI OPEB liability.

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

The 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	Current	1% Increase
	(5.75%)	(6.75%)	(7.75%)
County's proportionate share of the GLI Plan			
Net OPEB Liability	\$ 831,813	\$ 561,159	\$ 342,333
Component School Board (professional)'s proportionate share of the GLI Plan			
Net OPEB Liability	\$ 745,591	\$ 502,992	\$ 306,849
Component School Board (nonprofessional)'s proportionate share of the GLI Plan			
Net OPEB Liability	\$ 76,088	\$ 51,331	\$ 31,314

Group Life Insurance Program Fiduciary Net Position

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

COUNTY OF NORTHAMPTON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024 (CONTINUED)

NOTE 16—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.

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.

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NOTE 16—HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): (CONTINUED)

Employees Covered by Benefit Terms

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

	<u>Number</u>
Inactive members or their beneficiaries currently receiving benefits	5
Vested inactive members	10
Active members	39
Total covered employees	<u>54</u>

Contributions

The contribution requirements for active employees is governed by §51.1-1402(E) of the Code of Virginia, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. The School Board’s contractually required employer contribution rate for the year ended June 30, 2024 was 0.49% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the School Board to the HIC Plan were \$5,283 and \$4,939 for the years ended June 30, 2024 and June 30, 2023, respectively.

Net HIC OPEB Liability

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

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NOTE 16—HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): (CONTINUED)

Actuarial Assumptions

The total HIC OPEB liability was based on an actuarial valuation as of June 30, 2022, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2023.

Inflation	2.50%
Salary increases, including inflation:	
Locality - General employees	3.50%-5.35%
Investment rate of return	6.75%, net of investment expenses, including inflation

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

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COUNTY OF NORTHAMPTON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 (CONTINUED)

NOTE 16—HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): (CONTINUED)

Actuarial Assumptions: (Continued)

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

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

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

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COUNTY OF NORTHAMPTON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 (CONTINUED)

NOTE 16—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	34.00%	6.14%	2.09%
Fixed Income	15.00%	2.56%	0.38%
Credit Strategies	14.00%	5.60%	0.78%
Real Assets	14.00%	5.02%	0.70%
Private Equity	16.00%	9.17%	1.47%
MAPS - Multi-Asset Public Strategies	4.00%	4.50%	0.18%
PIP - Private Investment Partnership	2.00%	7.18%	0.14%
Cash	1.00%	1.20%	0.01%
Total	100.00%		5.75%
		Inflation	2.50%
		Expected arithmetic nominal return**	8.25%

*The above allocation provides a one-year expected return of 8.25%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 7.14%, including expected inflation of 2.50%.

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

COUNTY OF NORTHAMPTON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 (CONTINUED)

NOTE 16—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, 2022, the rate contributed by the entity for the HIC OPEB was 100% of the actuarially determined contribution rate. From July 1, 2023 on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the HIC OPEB's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total HIC OPEB liability.

Changes in Net HIC OPEB Liability

	Increase (Decrease)		
	Total HIC OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net HIC OPEB Liability (Asset) (a) - (b)
Balances at June 30, 2022	\$ 62,252	\$ 6,781	\$ 55,471
Changes for the year:			
Service cost	\$ 642	\$ -	\$ 642
Interest	4,134	-	4,134
Benefit changes	-	-	-
Differences between expected and actual experience	(14,987)	-	(14,987)
Assumption changes	-	-	-
Contributions - employer	-	4,939	(4,939)
Net investment income	-	503	(503)
Benefit payments	(3,312)	(3,312)	-
Administrative expenses	-	(12)	12
Other changes	-	-	-
Net changes	\$ (13,523)	\$ 2,118	\$ (15,641)
Balances at June 30, 2023	\$ 48,729	\$ 8,899	\$ 39,830

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COUNTY OF NORTHAMPTON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 (CONTINUED)

NOTE 16—HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): (CONTINUED)

Sensitivity of the County’s HIC Net OPEB Liability to Changes in the Discount Rate

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

	Rate		
	1% Decrease	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
County's			
Net HIC OPEB Liability \$	44,454	\$ 39,830	\$ 35,877

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, 2024, the School Board recognized HIC Plan OPEB expense of \$2,512. At June 30, 2024, the School Board reported deferred outflows of resources and deferred inflows of resources related to the School Board’s HIC Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 14,812
Net difference between projected and actual earnings on HIC OPEB plan investments	105	-
Change in assumptions	9,035	-
Employer contributions subsequent to the measurement date	\$ 5,283	\$ -
Total	\$ 14,423	\$ 14,812

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NOTE 16—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: (Continued)

\$5,283 reported as deferred outflows of resources related to the HIC OPEB resulting from the County’s contributions subsequent to the measurement date will be recognized as a reduction of the Net HIC OPEB Liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIC OPEB will be recognized in the HIC OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>	
2025	\$ (1,763)
2026	(1,801)
2027	(2,035)
2028	(73)
2029	-
Thereafter	-

HIC Plan Data

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

NOTE 17—TEACHER EMPLOYEE HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN):

Plan Description

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

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

Eligible Employees

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

NOTE 17—TEACHER EMPLOYEE HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN):

Plan Description (Continued)

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.

HIC Plan Notes

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

Contributions

The contribution requirements for active employees is governed by §51.1-1401(E) of the Code of Virginia, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Each school division's contractually required employer contribution rate for the year ended June 30, 2024 was 1.21% of covered employee compensation for employees in the VRS Teacher Employee 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, 2021. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the school division to the VRS Teacher Employee HIC Plan were \$134,977 and \$119,378 for the years ended June 30, 2024 and June 30, 2023, respectively.

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

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

At June 30, 2024, the school division reported a liability of \$1,198,698 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, 2023 and the total VRS Teacher Employee HIC OPEB liability used to calculate the Net VRS Teacher Employee HIC OPEB Liability was determined by an actuarial valuation performed as of June 30, 2022 and rolled forward to the measurement date of June 30, 2023. The school division's proportion of the Net VRS Teacher Employee HIC OPEB Liability was based on the school division's actuarially determined

COUNTY OF NORTHAMPTON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 (CONTINUED)

NOTE 17—TEACHER EMPLOYEE HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): (CONTINUED)

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

employer contributions to the VRS Teacher Employee HIC OPEB plan for the year ended June 30, 2023 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2023, the school division's proportion of the VRS Teacher Employee HIC was 0.09890% as compared to 0.10313% at June 30, 2022.

For the year ended June 30, 2024, the school division recognized VRS Teacher Employee HIC OPEB expense of \$58,231. 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.

At June 30, 2024, 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	\$ -	\$ 52,761
Net difference between projected and actual earnings on Teacher HIC OPEB plan investments	602	-
Change of assumptions	27,904	1,208
Change in proportionate share and differences between actual and expected contributions	18	134,906
Employer contributions subsequent to the measurement date	<u>134,977</u>	<u>-</u>
Total	<u>\$ 163,501</u>	<u>\$ 188,875</u>

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NOTE 17—TEACHER EMPLOYEE HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): (CONTINUED)

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

\$134,977 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, 2024. 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>	
2025	\$ (38,617)
2026	(34,895)
2027	(29,594)
2028	(29,104)
2029	(18,725)
Thereafter	(9,416)

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, 2022, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2023.

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

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COUNTY OF NORTHAMPTON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024 (CONTINUED)

NOTE 17—TEACHER EMPLOYEE HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): (CONTINUED)

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

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2021, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age 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

NOTE 17—TEACHER EMPLOYEE HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): (CONTINUED)

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, 2023, NOL amounts for the VRS Teacher Employee HIC Plan are as follows (amounts expressed in thousands):

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

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

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COUNTY OF NORTHAMPTON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 (CONTINUED)

NOTE 17—TEACHER EMPLOYEE HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): (CONTINUED)

Long-Term Expected Rate of Return

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

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

*The above allocation provides a one-year return of 8.25%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 7.14%, including expected inflation of 2.50%.

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

Discount Rate

The discount rate used to measure the total Teacher Employee HIC OPEB was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ended June 30, 2023, the rate contributed by each school

NOTE 17—TEACHER EMPLOYEE HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): (CONTINUED)

Discount Rate (Continued)

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, 2023 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	Current Discount	1% Increase
		(5.75%)	(6.75%)	(7.75%)
School division's proportionate share of the VRS Teacher Employee HIC OPEB Plan				
Net HIC OPEB Liability	\$	1,355,861	\$ 1,198,698	\$ 1,065,515

Teacher Employee HIC OPEB Fiduciary Net Position

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

NOTE 18—MEDICAL, DENTAL AND DISABILITY PAY-AS-YOU-GO (OPEB PLAN):

County and School Board

Plan Description

In addition to the pension benefits described in Note 13, the County administers a single-employer defined benefit healthcare plan, The County of Northampton Postretirement Benefits Plan. The plan provides postemployment health care benefits to all eligible permanent employees who meet the requirements under the County’s pension plans. The plan does not issue a publicly available financial report.

In addition to the pension benefits described in Note 13, the Component Unit School Board administers a single-employer defined benefit healthcare plan, The Northampton County Public Schools Postretirement Benefits Plan. The plan provides postemployment health care benefits to all eligible permanent employees who meet the requirements under the School Board’s pension plans. The plan does not issue a publicly available financial report.

COUNTY OF NORTHAMPTON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 (CONTINUED)

NOTE 18—MEDICAL, DENTAL AND DISABILITY PAY-AS-YOU-GO (OPEB PLAN): (CONTINUED)

County and School Board: (Continued)

Benefits Provided

Postemployment benefits that are provided to eligible retirees include medical insurance, dental and disability insurance. The benefits that are provided for active employees are the same for eligible retirees and spouses and dependents of eligible retirees. All permanent employees of the County who meet eligibility requirements of the pension plan are eligible to receive postemployment health care benefits. No benefits are provided to Medicare eligible retirees or their spouses.

Postemployment benefits that are provided to eligible retirees include medical, dental and disability insurance. The benefits that are provided for active employees are the same for eligible retirees, spouses and dependents of eligible retirees. All permanent employees of the School Board who meet eligibility requirements of the pension plan are eligible to receive postemployment health care benefits. Retirees and spouses that became eligible for Medicare are no longer eligible to participate in the Northampton County Public School’s retiree healthcare plan. The retiree pays 100% of the medical insurance premium less \$158 per month credit provided by the School System.

Plan Membership

At July 1, 2023 (measurement date), the following employees were covered by the benefit terms:

	Primary Government	Component Unit School Board
Total active employees with coverage	216	244
Total retirees with coverage	-	7
Total	216	251

Contributions

The County nor the School Board pre-funds benefits; therefore, no assets are accumulated in a trust fund. The current funding policy is to pay benefits directly from general assets on a pay-as-you-go basis. The funding requirements are established and may be amended by the County or School Board. The amount paid by the County and the School Board for OPEB as the benefits came due during the year ended June 30, 2024 was \$14,000 and \$92,000.

Total OPEB Liability

The County and School Board’s total OPEB liability was measured as of July 1, 2023. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date for the County and the School Board.

NOTE 18—MEDICAL, DENTAL AND DISABILITY PAY-AS-YOU-GO (OPEB PLAN): (CONTINUED)

County and School Board: (Continued)

Net OPEB Liability

The employer’s net OPEB liability is reported herein for the County as of June 30, 2024 for the employer fiscal year and reporting period of July 1, 2023 to June 30, 2024. The values shown for this fiscal year and reporting period are based on a measurement date of July 1, 2023 and the corresponding measurement period of July 1, 2022 to July 1, 2023. The measurement of the total OPEB liability is based on a valuation date of July 1, 2022.

The employer’s net OPEB liability is reported herein for the School Board as of June 30, 2024 for the employer fiscal year and reporting period of July 1, 2023 to June 30, 2024. The values shown for this fiscal year and reporting period are based on a measurement date of July 1, 2023 and the corresponding measurement period of July 1, 2022 to July 1, 2023. The measurement of the total OPEB liability is based on a valuation date of July 1, 2023.

Actuarial Assumptions

The actuarial valuations for both the County and the School Board were determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Salary Scale	2.50%
Discount Rate	The discount rate has been set equal to 3.86% and represents the Municipal GO AA 20-year yield curve rate as of the measurement date.
Healthcare Cost Trent Rates	6.50% for fiscal year end 2024, decreasing 0.50% per year to an ultimate rate of 5.00%
Mortality Rate	RP-2014 Mortality Table, fully generational with base year 2006, projected using two-dimensional mortality improvement scale MP-2021.
Actuarial Cost Method	Entry Age Actuarial Cost Method

Discount Rate

The discount rate used when OPEB plan investments are insufficient to pay for future benefit payments is based on the Municipal GO AA 20-year yield curve rate as of the measurement date.

COUNTY OF NORTHAMPTON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 (CONTINUED)

NOTE 18—MEDICAL, DENTAL AND DISABILITY PAY-AS-YOU-GO (OPEB PLAN): (CONTINUED)

County and School Board: (Continued)

Changes in Total OPEB Liability

	Primary Government Total OPEB Liability	Component Unit School Board Total OPEB Liability
Balances at June 30, 2023	\$ 618,000	\$ 1,325,000
Changes for the year:		
Service cost	25,000	73,000
Interest	23,000	50,000
Difference between expected and actual experience	21,000	(101,000)
Changes of assumptions	(1,000)	(16,000)
Contributions - employer	(14,000)	(92,000)
Net changes	\$ 54,000	\$ (86,000)
Balances at June 30, 2024	\$ 672,000	\$ 1,239,000

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

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

	Rate		
	1% Decrease (2.86%)	Current Discount Rate (3.86%)	1% Increase (4.86%)
Primary Government:			
Total OPEB liability	\$ 732,000	\$ 672,000	\$ 619,000
Component Unit School Board:			
Total OPEB liability	\$ 1,400,000	\$ 1,239,000	\$ 1,107,000

NOTE 18—MEDICAL, DENTAL AND DISABILITY PAY-AS-YOU-GO (OPEB PLAN): (CONTINUED)

County and School Board: (Continued)

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

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

	Rates		
	Healthcare Cost		
	1% Decrease Rate	Trend Current Rate	1% Increase Rate
Primary Government:			
Total OPEB liability	\$ 605,000	\$ 672,000	\$ 749,000

	Rates		
	Healthcare Cost		
	1% Decrease Rate	Trend Current Rate	1% Increase Rate
Component Unit School Board:			
Total OPEB liability	\$ 1,089,000	\$ 1,239,000	\$ 1,403,000

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COUNTY OF NORTHAMPTON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 (CONTINUED)

NOTE 18—MEDICAL, DENTAL AND DISABILITY PAY-AS-YOU-GO (OPEB PLAN): (CONTINUED)

County and School Board: (Continued)

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

For the year ended June 30, 2024, the County and the School Board recognized OPEB expense in the amount of \$(30,000) and \$64,000. At June 30, 2024, the County and the School Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Primary Government		Component Unit School Board	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 35,000	\$ 315,000	\$ -	\$ 319,000
Changes of assumptions	76,000	105,000	178,000	236,000
Employer contributions subsequent to the measurement date	14,000	-	92,000	-
Total	<u>\$ 125,000</u>	<u>\$ 420,000</u>	<u>\$ 270,000</u>	<u>\$ 555,000</u>

\$14,000 and \$92,000 reported as deferred outflows of resources related to OPEB resulting from the County and School Board's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the fiscal year ending June 30, 2025. Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense in future reporting periods as follows:

Year Ended June 30	Primary Government	Component Unit School Board
2025	\$ (89,000)	\$ (65,000)
2026	(92,000)	(65,000)
2027	(102,000)	(65,000)
2028	(27,000)	(49,000)
2029	1,000	(33,000)
Thereafter	-	(100,000)

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

COUNTY OF NORTHAMPTON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024 (CONTINUED)

NOTE 19—SUMMARY OF OTHER POSTEMPLOYMENT BENEFIT PLANS:

	Primary Government				Component Unit School Board			
	Deferred Outflows	Deferred Inflows	Net OPEB Liability	OPEB Expense	Deferred Outflows	Deferred Inflows	Net OPEB Liability	OPEB Expense
VRS OPEB Plans:								
Group Life Insurance Plan (Note 15):								
County	\$ 153,335	\$ 93,914	\$ 561,159	\$ 32,088	\$ -	\$ -	\$ -	-
School Board Nonprofessional	-	-	-	-	13,557	15,343	51,331	166
School Board Professional	-	-	-	-	121,958	129,465	502,992	3,467
Health Insurance Credit Plan (Note 16)	-	-	-	-	14,423	14,812	39,830	2,512
Teacher Health Insurance Credit Plan (Note 17)	-	-	-	-	163,501	188,875	1,198,698	58,231
County Stand-Alone Plan (Note 18)	125,000	420,000	672,000	(30,000)	-	-	-	-
School Stand-Alone Plan (Note 18)	-	-	-	-	270,000	555,000	1,239,000	64,000
Totals	\$ 278,335	\$ 513,914	\$ 1,233,159	\$ 2,088	\$ 583,439	\$ 903,495	\$ 3,031,851	\$ 128,376

NOTE 20—LINE OF DUTY ACT (LODA) (OPEB BENEFITS):

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

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

The current-year OPEB expense/expenditure for the insured benefits is defined as the amount of premiums or other payments required for the insured benefits for the reporting period in accordance with the agreement with the insurance company for LODA and a change in liability to the insurer equal to the difference between amounts recognized as OPEB expense and amounts paid by the employer to the insurer. The County's LODA coverage is fully covered or "insured" through VACORP. This is built into the LODA coverage cost presented in the annual renewals. The County's LODA premium for the year ended June 30, 2024 was \$46,636.

NOTE 21—LITIGATION:

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

COUNTY OF NORTHAMPTON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024 (CONTINUED)

NOTE 22—LEASES RECEIVABLE:

The following is a summary of lease receivable transactions of the County for the year ended June 30, 2024:

	Lease Revenue	Interest Revenue	Total Revenue
\$	16,816	\$ 10,605	\$ 27,421

The following is a detail of lease receivables as of the year ended June 30, 2024:

Lease Description	Annual Installments	Start Date	End Date
Water Tower	\$ 816	2021	2025
Water Tower	1,500	2021	2025
Ground lease	16,986	2021	2043

There are no variable payments for the above leases.

NOTE 23—UPCOMING PRONOUNCEMENTS:

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

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

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

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

NOTE 24—ARBITRAGE LIABILITY:

The County is subject to federal arbitrage regulations as stipulated under Section 148 of the Internal Revenue Code, which requires issuers of tax-exempt debt to rebate to the U.S. Treasury any excess earnings on investment proceeds above the bond yield (arbitrage). Arbitrage liability arises when investment returns from tax-exempt bond proceeds exceed the allowable bond yield, creating a liability to remit excess earnings to the U.S. Treasury.

As of June 30, 2024, the County has accrued a liability for arbitrage rebate in the amount of \$366,662. This liability reflects the estimated excess investment earnings on outstanding tax-exempt debt based on current calculations and is included in accounts payables.

COUNTY OF NORTHAMPTON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 (CONTINUED)

NOTE 25—SUBSEQUENT EVENT:

On October 23, 2024, Northampton County closed on the sale of 16394 Courthouse Road (The Eastville Inn). The property was sold for \$250,000.

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REQUIRED SUPPLEMENTARY INFORMATION

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General Fund

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

For the Year Ended June 30, 2024

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
General property taxes	\$ 22,415,280	\$ 22,415,280	\$ 23,856,933	\$ 1,441,653
Other local taxes	6,715,050	6,940,213	7,139,675	199,462
Permits, privilege fees, and regulatory licenses	191,100	191,100	253,679	62,579
Fines and forfeitures	172,000	172,000	288,385	116,385
Revenue from the use of money and property	1,443,655	1,443,655	1,999,280	555,625
Charges for services	1,796,319	1,796,319	2,145,129	348,810
Miscellaneous	10,000	60,551	89,048	28,497
Recovered costs	142,238	143,428	177,715	34,287
Intergovernmental:				
Commonwealth	4,303,888	4,854,703	4,172,019	(682,684)
Federal	88,712	642,952	335,550	(307,402)
Total revenues	<u>\$ 37,278,242</u>	<u>\$ 38,660,201</u>	<u>\$ 40,457,413</u>	<u>\$ 1,797,212</u>
EXPENDITURES				
Current:				
General government administration	\$ 3,624,950	\$ 3,782,690	\$ 3,121,083	\$ 661,607
Judicial administration	1,087,958	1,097,645	1,016,095	81,550
Public safety	8,179,893	9,109,283	8,340,524	768,759
Public works	5,994,558	6,401,521	4,272,206	2,129,315
Health and welfare	878,698	878,698	800,936	77,762
Education	10,523,147	10,523,147	10,523,147	-
Parks, recreation, and cultural	549,088	549,088	484,587	64,501
Community development	2,380,817	2,613,885	1,896,345	717,540
Debt service:				
Principal retirement	-	-	111,712	(111,712)
Interest and other fiscal charges	-	-	3,435	(3,435)
Total expenditures	<u>\$ 33,219,109</u>	<u>\$ 34,955,957</u>	<u>\$ 30,570,070</u>	<u>\$ 4,385,887</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 4,059,133</u>	<u>\$ 3,704,244</u>	<u>\$ 9,887,343</u>	<u>\$ 6,183,099</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 2,849,512	\$ 3,097,681	\$ 241,044	\$ (2,856,637)
Transfers out	<u>(7,177,645)</u>	<u>(7,593,733)</u>	<u>(7,612,990)</u>	<u>(19,257)</u>
Total other financing sources (uses)	<u>\$ (4,328,133)</u>	<u>\$ (4,496,052)</u>	<u>\$ (7,371,946)</u>	<u>\$ (2,875,894)</u>
Net change in fund balances	\$ (269,000)	\$ (791,808)	\$ 2,515,397	\$ 3,307,205
Fund balances - beginning	269,000	791,808	15,414,616	14,622,808
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,930,013</u>	<u>\$ 17,930,013</u>

Eastern Shore Regional Jail Fund

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

For the Year Ended June 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
REVENUES				
Charges for services	\$ 24,200	\$ 24,200	\$ 9,744	\$ (14,456)
Miscellaneous	-	-	778	778
Recovered costs	3,000	3,000	8,840	5,840
Intergovernmental:				
Commonwealth	2,760,835	2,817,651	2,627,143	(190,508)
Total revenues	<u>\$ 2,788,035</u>	<u>\$ 2,844,851</u>	<u>\$ 2,646,505</u>	<u>\$ (198,346)</u>
EXPENDITURES				
Current:				
Public safety	\$ 5,194,221	\$ 5,463,843	\$ 5,267,821	\$ 196,022
Total expenditures	<u>\$ 5,194,221</u>	<u>\$ 5,463,843</u>	<u>\$ 5,267,821</u>	<u>\$ 196,022</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (2,406,186)</u>	<u>\$ (2,618,992)</u>	<u>\$ (2,621,316)</u>	<u>\$ (2,324)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 2,406,186	\$ 2,618,992	\$ 2,621,316	\$ 2,324
Total other financing sources (uses)	<u>\$ 2,406,186</u>	<u>\$ 2,618,992</u>	<u>\$ 2,621,316</u>	<u>\$ 2,324</u>
Net change in fund balances	\$ -	\$ -	\$ -	\$ -
Fund balances - beginning	-	-	-	-
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

American Rescue Plan Act Fund

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

For the Year Ended June 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
REVENUES				
Intergovernmental:				
Federal	\$ 218,860	\$ 464,000	\$ 437,313	\$ (26,687)
Total revenues	\$ 218,860	\$ 464,000	\$ 437,313	\$ (26,687)
EXPENDITURES				
Current:				
General government administration	\$ -	\$ 70,000	\$ 70,000	\$ -
Public safety	-	244,000	224,200	19,800
Community development	-	100,000	93,113	6,887
Total expenditures	\$ -	\$ 414,000	\$ 387,313	\$ 26,687
Excess (deficiency) of revenues over (under) expenditures	\$ 218,860	\$ 50,000	\$ 50,000	\$ -
OTHER FINANCING SOURCES (USES)				
Transfers out	\$ (218,860)	\$ (50,000)	\$ (50,000)	\$ -
Total other financing sources (uses)	\$ (218,860)	\$ (50,000)	\$ (50,000)	\$ -
Net change in fund balances	\$ -	\$ -	\$ -	\$ -
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ -	\$ -	\$ -	\$ -

COUNTY OF NORTHAMPTON, VIRGINIA

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios

Primary Government

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

	2023	2022	2021
Total pension liability			
Service cost	\$ 1,262,757	\$ 1,183,857	\$ 1,127,441
Interest	2,915,403	2,818,402	2,558,606
Changes in benefit terms	-	-	-
Difference between expected and actual experience	266,750	(594,235)	(139,917)
Changes of assumptions	-	-	1,074,393
Benefit payments	(2,207,836)	(1,891,906)	(2,019,222)
Net change in total pension liability	\$ 2,237,074	\$ 1,516,118	\$ 2,601,301
Total pension liability - beginning	43,032,311	41,516,193	38,914,892
Total pension liability - ending (a)	\$ 45,269,385	\$ 43,032,311	\$ 41,516,193
Plan fiduciary net position			
Contributions - employer	\$ 943,645	\$ 874,365	\$ 829,668
Contributions - employee	524,203	510,307	491,862
Net investment income	2,849,671	(48,049)	9,738,103
Benefit payments	(2,207,836)	(1,891,906)	(2,019,222)
Administrator charges	(28,409)	(27,789)	(24,262)
Other	1,145	1,037	918
Net change in plan fiduciary net position	\$ 2,082,419	\$ (582,035)	\$ 9,017,067
Plan fiduciary net position - beginning	44,147,955	44,729,990	35,712,923
Plan fiduciary net position - ending (b)	\$ 46,230,374	\$ 44,147,955	\$ 44,729,990
County's net pension liability (asset) - ending (a) - (b)	\$ (960,989)	\$ (1,115,644)	\$ (3,213,797)
Plan fiduciary net position as a percentage of the total pension liability	102.12%	102.59%	107.74%
Covered payroll	\$ 11,022,665	\$ 10,482,260	\$ 9,913,126
County's net pension liability (asset) as a percentage of covered payroll	-8.72%	-10.64%	-32.42%

2020	2019	2018	2017	2016	2015	2014
\$ 1,092,317	\$ 967,981	\$ 973,374	\$ 956,949	\$ 943,326	\$ 926,204	\$ 925,228
2,402,528	2,289,392	2,206,097	2,098,998	2,047,945	1,926,687	1,805,167
-	-	-	723,111	-	-	-
610,469	144,128	(433,911)	(497,814)	(925,448)	43,818	-
-	1,021,717	-	(276,394)	-	-	-
(1,566,844)	(1,504,798)	(1,606,470)	(1,343,258)	(1,329,725)	(999,177)	(989,616)
\$ 2,538,470	\$ 2,918,420	\$ 1,139,090	\$ 1,661,592	\$ 736,098	\$ 1,897,532	\$ 1,740,779
36,376,422	33,458,002	32,318,912	30,657,320	29,921,222	28,023,690	26,282,911
<u>\$ 38,914,892</u>	<u>\$ 36,376,422</u>	<u>\$ 33,458,002</u>	<u>\$ 32,318,912</u>	<u>\$ 30,657,320</u>	<u>\$ 29,921,222</u>	<u>\$ 28,023,690</u>
\$ 752,177	\$ 718,548	\$ 661,255	\$ 649,769	\$ 760,120	\$ 773,751	\$ 811,390
465,393	443,683	421,116	410,791	392,011	400,292	397,922
673,237	2,238,859	2,338,980	3,476,551	489,866	1,239,556	3,653,770
(1,566,844)	(1,504,798)	(1,606,470)	(1,343,258)	(1,329,725)	(999,177)	(989,616)
(22,886)	(21,900)	(20,193)	(19,927)	(17,501)	(16,542)	(19,324)
(856)	(1,413)	(2,082)	(3,102)	(209)	(261)	192
\$ 300,221	\$ 1,872,979	\$ 1,792,606	\$ 3,170,824	\$ 294,562	\$ 1,397,619	\$ 3,854,334
35,412,702	33,539,723	31,747,117	28,576,293	28,281,731	26,884,112	23,029,778
<u>\$ 35,712,923</u>	<u>\$ 35,412,702</u>	<u>\$ 33,539,723</u>	<u>\$ 31,747,117</u>	<u>\$ 28,576,293</u>	<u>\$ 28,281,731</u>	<u>\$ 26,884,112</u>
\$ 3,201,969	\$ 963,720	\$ (81,721)	\$ 571,795	\$ 2,081,027	\$ 1,639,491	\$ 1,139,578
91.77%	97.35%	100.24%	98.23%	93.21%	94.52%	95.93%
\$ 9,758,018	\$ 9,178,895	\$ 8,367,700	\$ 8,135,972	\$ 8,016,513	\$ 8,079,121	\$ 7,965,906
32.81%	10.50%	-0.98%	7.03%	25.96%	20.29%	14.31%

COUNTY OF NORTHAMPTON, VIRGINIA

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

	2023	2022	2021
Total pension liability			
Service cost	\$ 88,210	\$ 89,179	\$ 88,317
Interest	261,532	254,492	245,229
Difference between expected and actual experience	81,765	49,766	(115,607)
Changes of assumptions	-	-	128,150
Benefit payments	(294,901)	(281,437)	(314,655)
Net change in total pension liability	\$ 136,606	\$ 112,000	\$ 31,434
Total pension liability - beginning	3,933,786	3,821,786	3,790,352
Total pension liability - ending (a)	<u>\$ 4,070,392</u>	<u>\$ 3,933,786</u>	<u>\$ 3,821,786</u>
Plan fiduciary net position			
Contributions - employer	\$ 32,731	\$ 41,360	\$ 38,568
Contributions - employee	45,462	45,448	42,341
Net investment income	269,853	(2,245)	993,446
Benefit payments	(294,901)	(281,437)	(314,655)
Administrator charges	(2,812)	(2,837)	(2,629)
Other	108	101	92
Net change in plan fiduciary net position	\$ 50,441	\$ (199,610)	\$ 757,163
Plan fiduciary net position - beginning	4,298,061	4,497,671	3,740,508
Plan fiduciary net position - ending (b)	<u>\$ 4,348,502</u>	<u>\$ 4,298,061</u>	<u>\$ 4,497,671</u>
School Division's net pension liability (asset) - ending (a) - (b)	\$ (278,110)	\$ (364,275)	\$ (675,885)
Plan fiduciary net position as a percentage of the total pension liability	106.83%	109.26%	117.69%
Covered payroll	\$ 1,007,906	\$ 996,748	\$ 911,769
School Division's net pension liability (asset) as a percentage of covered payroll	-27.59%	-36.55%	-74.13%

2020	2019	2018	2017	2016	2015	2014
\$ 90,741	\$ 89,764	\$ 96,360	\$ 104,546	\$ 103,098	\$ 103,369	\$ 61,828
245,863	243,749	243,920	244,018	245,622	234,428	231,160
(79,808)	(43,615)	(119,907)	(131,137)	(145,175)	56,039	-
-	89,593	-	4,446	-	-	-
(217,707)	(220,709)	(224,939)	(221,599)	(231,328)	(236,505)	(256,107)
\$ 39,089	\$ 158,782	\$ (4,566)	\$ 274	\$ (27,783)	\$ 157,331	\$ 36,881
3,751,263	3,592,481	3,597,047	3,596,773	3,624,556	3,467,225	3,430,344
<u>\$ 3,790,352</u>	<u>\$ 3,751,263</u>	<u>\$ 3,592,481</u>	<u>\$ 3,597,047</u>	<u>\$ 3,596,773</u>	<u>\$ 3,624,556</u>	<u>\$ 3,467,225</u>
\$ 45,909	\$ 48,175	\$ 61,530	\$ 62,531	105,053	\$ 105,888	\$ 115,410
45,563	47,933	46,798	48,487	49,007	49,513	52,929
71,695	241,685	259,179	392,758	56,104	144,460	443,203
(217,707)	(220,709)	(224,939)	(221,599)	(231,328)	(236,505)	(256,107)
(2,509)	(2,453)	(2,286)	(2,331)	(2,055)	(2,034)	(2,446)
(167)	(152)	(229)	(346)	(24)	(32)	23
\$ (57,216)	\$ 114,479	\$ 140,053	\$ 279,500	\$ (23,243)	\$ 61,290	\$ 353,012
3,797,724	3,683,245	3,543,192	3,263,692	3,286,935	3,225,645	2,872,633
<u>\$ 3,740,508</u>	<u>\$ 3,797,724</u>	<u>\$ 3,683,245</u>	<u>\$ 3,543,192</u>	<u>\$ 3,263,692</u>	<u>\$ 3,286,935</u>	<u>\$ 3,225,645</u>
\$ 49,844	\$ (46,461)	\$ (90,764)	\$ 53,855	\$ 333,081	\$ 337,621	\$ 241,580
98.68%	101.24%	102.53%	98.50%	90.74%	90.69%	93.03%
\$ 971,858	\$ 1,020,902	\$ 982,525	\$ 978,504	\$ 980,718	\$ 986,149	\$ 946,087
5.13%	-4.55%	-9.24%	5.50%	33.96%	34.24%	25.53%

Schedule of Employer's Share of Net Pension Liability VRS Teacher Retirement Plan
For the Measurement Dates of June 30, 2014 through June 30, 2024

Date	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll (3)/(4)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
(1)	(2)	(3)	(4)	(5)	(6)
2023	0.09824%	\$ 9,929,318	\$ 9,865,909	100.64%	82.45%
2022	0.10253%	9,761,470	9,611,675	101.56%	82.61%
2021	0.10432%	8,098,463	9,294,819	87.13%	85.46%
2020	0.10920%	15,885,647	9,678,311	164.14%	71.47%
2019	0.11336%	14,918,820	9,670,453	154.27%	73.51%
2018	0.11402%	13,409,000	9,323,625	143.82%	74.81%
2017	0.11530%	14,179,000	9,282,121	152.76%	72.92%
2016	0.11850%	16,607,000	9,067,859	183.14%	68.28%
2015	0.12128%	15,265,000	8,777,441	173.91%	70.68%
2014	0.12418%	15,007,000	9,085,111	165.18%	70.88%

Schedule of Employer Contributions - Pension Plans

For the Years Ended June 30, 2014 through June 30, 2024

		Contributions in Relation to			Contributions	
	Contractually Required Contribution*	Contractually Required Contribution*	Contribution Deficiency (Excess)	Employer's Covered Payroll	as a % of Covered Payroll	
Date	(1)	(2)	(3)	(4)	(5)	
Primary Government						
2024	\$ 1,192,910	\$ 1,192,910	\$ -	\$ 12,345,881	9.66%	
2023	946,202	946,202	-	11,022,665	8.58%	
2022	875,537	875,537	-	10,482,260	8.35%	
2021	832,901	832,901	-	9,913,126	8.40%	
2020	752,740	752,740	-	9,758,018	8.14%	
2019	720,436	720,436	-	9,178,895	8.14%	
2018	661,255	661,255	-	8,367,700	8.16%	
2017	663,895	663,895	-	8,135,972	8.16%	
2016	772,792	772,792	-	8,016,513	9.64%	
2015	778,827	778,827	-	8,079,121	9.64%	
2014	810,929	810,929	-	7,965,906	10.18%	
Component Unit School Board (nonprofessional)						
2024	\$ 32,290	\$ 32,290	\$ -	\$ 1,078,189	2.99%	
2023	32,736	32,736	-	1,007,906	3.25%	
2022	41,719	41,719	-	996,748	4.19%	
2021	38,567	38,567	-	911,769	4.23%	
2020	45,909	45,909	-	971,858	5.12%	
2019	48,175	48,175	-	1,020,902	5.12%	
2018	61,530	61,530	-	982,525	6.58%	
2017	64,386	64,386	-	978,504	6.58%	
2016	106,016	106,016	-	980,718	10.81%	
2015	106,603	106,603	-	986,149	10.81%	
2014	115,044	115,044	-	946,087	12.16%	
Component Unit School Board (professional)						
2024	\$ 1,753,506	\$ 1,753,506	\$ -	\$ 11,155,126	15.72%	
2023	1,550,732	1,550,732	-	9,865,909	15.72%	
2022	1,523,107	1,523,107	-	9,611,675	15.85%	
2021	1,475,811	1,475,811	-	9,294,819	15.88%	
2020	1,450,509	1,450,509	-	9,678,311	15.68%	
2019	941,605	941,605	-	9,670,453	15.68%	
2018	1,062,589	1,062,589	-	9,323,625	16.32%	
2017	1,333,472	1,333,472	-	9,282,121	14.66%	
2016	1,274,941	1,274,941	-	9,067,859	14.06%	
2015	1,272,729	1,272,729	-	8,777,441	14.50%	
2014	1,059,324	1,059,324	-	9,085,111	11.66%	

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

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

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

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

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

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

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

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

Component Unit School Board - Professional Employees:

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

Schedule of County's Share of Net OPEB Liability
 Group Life Insurance (GLI) Plan
 For the Measurement Dates of June 30, 2017 through 2023

Date (1)	Employer's	Employer's	Employer's Covered Payroll (4)	Employer's	Plan Fiduciary Net Position as a Percentage of Total GLI OPEB Liability (6)
	Proportion of the Net GLI OPEB Liability (Asset) (2)	Proportionate Share of the Net GLI OPEB Liability (Asset) (3)		Proportionate Share of the Net GLI OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) (5)	
Primary Government:					
2023	0.04679%	\$ 561,159	\$ 11,022,665	5.09%	69.30%
2022	0.04820%	580,374	10,485,633	5.53%	67.21%
2021	0.04810%	560,480	9,939,199	5.64%	67.45%
2020	0.04742%	791,363	9,758,018	8.11%	52.64%
2019	0.04687%	762,700	9,187,117	8.30%	52.00%
2018	0.04401%	668,000	8,367,700	7.98%	51.22%
2017	0.04411%	664,000	8,135,972	8.16%	48.86%
Component Unit School Board (professional):					
2023	0.04194%	\$ 502,992	\$ 9,877,809	5.09%	69.30%
2022	0.04420%	532,692	9,622,983	5.54%	67.21%
2021	0.04500%	524,388	9,299,014	5.64%	67.45%
2020	0.04703%	784,854	13,409,000	5.85%	52.64%
2019	0.04902%	797,686	9,609,340	8.30%	52.00%
2018	0.04880%	741,000	9,279,732	7.99%	51.22%
2017	0.04982%	750,000	9,190,530	8.16%	48.86%
Component Unit School Board (nonprofessional):					
2023	0.04280%	\$ 51,331	\$ 1,007,906	5.09%	69.30%
2022	0.00460%	55,148	996,791	5.53%	67.21%
2021	0.00440%	51,577	914,614	5.64%	67.45%
2020	0.00474%	79,103	975,093	8.11%	52.64%
2019	0.00522%	84,943	1,023,907	8.30%	52.00%
2018	0.00519%	79,000	987,248	8.00%	51.22%
2017	0.00532%	81,000	978,504	8.28%	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

For the Years Ended June 30, 2015 through June 30, 2024

		Contributions in Relation to Contractually Required Contribution					Contributions as a % of Covered Payroll
	Contractually Required Contribution		Contractually Required Contribution	Contribution Deficiency (Excess)		Employer's Covered Payroll	
Date	(1)		(2)	(3)		(4)	(5)
Primary Government:							
2024	\$ 66,908	\$	66,908	\$ -	\$	12,390,454	0.54%
2023	59,522		59,522	-		11,022,665	0.54%
2022	56,622		56,622	-		10,485,633	0.54%
2021	53,672		53,672	-		9,939,199	0.54%
2020	50,742		50,742	-		9,758,018	0.52%
2019	47,773		47,773	-		9,187,117	0.52%
2018	43,512		43,512	-		8,367,700	0.52%
2017	42,307		42,307	-		8,135,972	0.52%
2016	38,479		38,479	-		8,016,513	0.48%
2015	38,780		38,780	-		8,079,121	0.48%
Component Unit School Board (professional):							
2024	\$ 60,238		60,238	\$ -	\$	11,155,126	0.54%
2023	53,340		53,340	-		9,877,809	0.54%
2022	51,964		51,964	-		9,622,983	0.54%
2021	50,215		50,215	-		9,299,014	0.54%
2020	50,327		50,327	-		9,678,311	0.52%
2019	49,969		49,969	-		9,609,340	0.52%
2018	48,679		48,679	-		9,279,732	0.52%
2017	47,791		47,791	-		9,190,530	0.52%
2016	43,454		43,454	-		9,052,924	0.48%
2015	43,281		43,281	-		9,016,800	0.48%
Component Unit School Board (nonprofessional):							
2024	\$ 5,822	\$	5,822	\$ -	\$	1,078,189	0.54%
2023	5,443		5,443	-		1,007,906	0.54%
2022	5,383		5,383	-		996,791	0.54%
2021	4,939		4,939	-		914,614	0.54%
2020	5,070		5,070	-		975,093	0.52%
2019	5,324		5,324	-		1,023,907	0.52%
2018	5,134		5,134	-		987,248	0.52%
2017	5,100		5,100	-		978,504	0.52%
2016	4,707		4,707	-		980,718	0.48%
2015	4,734		4,734	-		986,149	0.48%

Notes to Required Supplementary Information
Group Life Insurance (GLI) Plan
For the Year Ended June 30, 2024

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

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

Teachers

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

Non-Largest Ten Locality Employers - General Employees

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

Non-Largest Ten Locality Employers - Hazardous Duty Employees

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

Schedule of Changes in the School Board's (nonprofessional) Net OPEB Liability and Related Ratios
Health Insurance Credit (HIC) Plan
For the Measurement Dates of June 30, 2020 through June 30, 2023

	2023	2022	2021	2020
Total HIC OPEB Liability				
Service cost	\$ 642	\$ 868	\$ 1,271	\$ -
Interest	4,134	3,504	3,159	-
Changes in benefit terms	-	-	-	46,800
Differences between expected and actual experience	(14,987)	(5,963)	-	-
Changes of assumptions	-	14,305	1,329	-
Benefit payments	(3,312)	(3,021)	-	-
Net change in total HIC OPEB liability	\$ (13,523)	\$ 9,693	\$ 5,759	\$ 46,800
Total HIC OPEB Liability - beginning	62,252	52,559	46,800	-
Total HIC OPEB Liability - ending (a)	\$ 48,729	\$ 62,252	\$ 52,559	\$ 46,800
Plan fiduciary net position				
Contributions - employer	\$ 4,939	\$ 4,842	\$ 4,467	\$ -
Net investment income	503	(42)	567	-
Benefit payments	(3,312)	(3,021)	-	-
Administrator charges	(12)	(12)	(20)	-
Net change in plan fiduciary net position	\$ 2,118	\$ 1,767	\$ 5,014	\$ -
Plan fiduciary net position - beginning	6,781	5,014	-	-
Plan fiduciary net position - ending (b)	\$ 8,899	\$ 6,781	\$ 5,014	\$ -
School Board's net HIC OPEB liability - ending (a) - (b)	\$ 39,830	\$ 55,471	\$ 47,545	\$ 46,800
Plan fiduciary net position as a percentage of the total HIC OPEB liability	18.26%	10.89%	9.54%	0.00%
Covered payroll	\$ 1,007,906	\$ 995,669	\$ 911,769	\$ -
County's net HIC OPEB liability as a percentage of covered payroll	3.95%	5.57%	5.21%	0.00%

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
 For the Years Ended June 30, 2021 and June 30, 2024

Date	Contributions in Relation to		Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
	Contractually Required Contribution (1)	Contractually Required Contribution (2)			
2024	\$ 5,283	\$ 5,283	\$ -	\$ 1,078,189	\$ 0.49%
2023	4,939	4,939	-	1,007,906	0.49%
2022	4,879	4,879	-	995,669	0.49%
2021	4,468	4,468	-	911,769	0.49%

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

Notes to Required Supplementary Information
 Health Insurance Credit (HIC) Plan
 For the Year Ended June 30, 2024

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

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

Non-Largest Ten Locality Employers - General Employees

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

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

Date	Employer's Proportion of the Net HIC OPEB Liability (Asset)	Employer's Proportionate Share of the Net HIC OPEB Liability (Asset)	Employer's Covered Payroll	Employer's Proportionate Share of the Net HIC OPEB Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of Total HIC OPEB Liability
2023	0.09890%	\$ 1,198,698	\$ 9,865,909	12.15%	17.90%
2022	0.10313%	1,288,142	9,611,675	13.40%	15.08%
2021	0.10510%	1,349,031	9,294,819	14.51%	13.15%
2020	0.11040%	1,440,187	9,678,311	14.88%	9.95%
2019	0.11451%	1,499,048	9,604,939	15.61%	8.97%
2018	0.11463%	1,455,000	9,270,189	15.70%	8.08%
2017	0.11617%	1,473,000	9,168,130	16.07%	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

For the Years Ended June 30, 2015 through June 30, 2024

Date	Contributions in Relation to				Contributions as a % of Covered Payroll (5)
	Contractually Required Contribution (1)	Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	
2024	\$ 134,977	\$ 134,977	\$ -	\$ 11,155,126	1.21%
2023	119,378	119,378	-	9,865,909	1.21%
2022	116,301	116,301	-	9,611,675	1.21%
2021	112,467	112,467	-	9,294,819	1.21%
2020	116,140	116,140	-	9,678,311	1.20%
2019	115,259	115,259	-	9,604,939	1.23%
2018	114,023	114,023	-	9,270,189	1.23%
2017	101,766	101,766	-	9,168,130	1.11%
2016	95,774	95,774	-	9,035,308	1.06%
2015	95,578	95,578	-	9,016,800	1.06%

Notes to Required Supplementary Information
Teacher Employee Health Insurance Credit (HIC) Plan
For the Year Ended June 30, 2024

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

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

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

Schedule of Changes in Total OPEB Liability (Asset) and Related Ratios
Primary Government
For the Years Ended June 30, 2018 through June 30, 2024

	2024	2023	2022	2021	2020	2019	2018
Total OPEB liability							
Service cost	\$ 25,000	\$ 50,000	\$ 46,000	\$ 50,000	\$ 43,000	\$ 43,000	\$ 42,000
Interest	23,000	18,000	23,000	36,000	36,000	33,000	31,000
Changes of assumptions	(1,000)	(152,000)	80,000	54,000	45,000	(63,000)	-
Differences between expected and actual experience	21,000	(185,000)	(108,000)	(322,000)	53,000	59,000	-
Benefit payments	(14,000)	(30,000)	(17,000)	(41,000)	(20,000)	(20,000)	(12,000)
Net change in total OPEB liability	\$ 54,000	\$ (299,000)	\$ 24,000	\$ (223,000)	\$ 157,000	\$ 52,000	\$ 61,000
Total OPEB liability - beginning	618,000	917,000	893,000	1,116,000	959,000	907,000	846,000
Total OPEB liability - ending	\$ 672,000	\$ 618,000	\$ 917,000	\$ 893,000	\$ 1,116,000	\$ 959,000	\$ 907,000
 Covered employee payroll	 \$ 10,373,000	 \$ 10,373,000	 \$ 9,064,000	 \$ 9,064,000	 \$ 8,527,000	 \$ 8,527,000	 \$ 7,101,000
 County's total OPEB liability (asset) as a percentage of covered-employee payroll	 6.48%	 5.96%	 10.12%	 9.85%	 13.09%	 11.25%	 12.77%

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

Schedule of Changes in Total OPEB Liability (Asset) and Related Ratios
Component Unit School Board
For the Years Ended June 30, 2018 through June 30, 2024

	2024	2023	2022	2021	2020	2019	2018
Total OPEB liability							
Service cost	\$ 73,000	\$ 107,000	\$ 85,000	\$ 79,000	\$ 66,000	\$ 76,000	\$ 74,000
Interest	50,000	31,000	36,000	46,000	53,000	57,000	55,000
Changes of assumptions	(16,000)	(240,000)	128,000	90,000	-	(86,000)	-
Differences between expected and actual experience	(101,000)	(30,000)	(34,000)	(129,000)	(114,000)	(138,000)	-
Other changes	-	-	-	-	62,000	-	-
Benefit payments	(92,000)	(91,000)	(91,000)	(101,000)	(38,000)	(40,000)	(133,000)
Net change in total OPEB liability	\$ (86,000)	\$ (223,000)	\$ 124,000	\$ (15,000)	\$ 29,000	\$ (131,000)	\$ (4,000)
Total OPEB liability - beginning	1,325,000	1,548,000	1,424,000	1,439,000	1,410,000	1,541,000	1,545,000
Total OPEB liability - ending	\$ 1,239,000	\$ 1,325,000	\$ 1,548,000	\$ 1,424,000	\$ 1,439,000	\$ 1,410,000	\$ 1,541,000
 Covered employee payroll	 \$ 11,143,000	 \$ 10,581,000	 \$ 10,581,000	 \$ 9,095,000	 \$ 9,095,000	 \$ 9,229,000	 \$ 9,229,000
 School Board's total OPEB liability (asset) as a percentage of covered-employee payroll	 11.12%	 12.52%	 14.63%	 15.66%	 15.82%	 15.28%	 16.70%

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

Notes to Required Supplementary Information - County OPEB
For the Year Ended June 30, 2024

Valuation Date: 7/1/2022
Measurement Date: 7/1/2023

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

Methods and assumptions used to determine OPEB liability:

Actuarial Cost Method	Entry Age Actuarial Cost Method
Discount Rate	3.86%
Healthcare Cost Trend Rates	6.50% for fiscal year ending 2024, decreasing 0.50% per year to an ultimate rate of 5.00%
Salary Scale	2.50%
Mortality Rates	RP-2014 Mortality Table, fully generational with base year 2006, projected using two-dimensional mortality improvement scale MP-2021

Notes to Required Supplementary Information - Component Unit School Board
For the Year Ended June 30, 2024

Valuation Date: 7/1/2023
Measurement Date: 7/1/2023

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

Methods and assumptions used to determine OPEB liability:

Actuarial Cost Method	Entry Age Normal Actuarial Cost Method
Discount Rate	3.86%
Healthcare Cost Trend Rates	6.50% for fiscal year ended 2024, decreasing 0.50% per year to an ultimate rate of 5.00%
Salary Increase Rates	2.50%
Mortality Rates	RP-2014 Mortality Table, fully generational with base year 2006, projected using two-dimensional mortality improvement scale MP-2021

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OTHER SUPPLEMENTARY INFORMATION

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*COMBINING AND INDIVIDUAL FUND FINANCIAL
STATEMENTS AND SCHEDULES*

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Debt Service Fund

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

For the Year Ended June 30, 2024

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Revenue from the use of money and property	\$ -	\$ -	\$ 4,028	\$ 4,028
Recovered costs	161,100	161,100	161,100	-
Total revenues	<u>\$ 161,100</u>	<u>\$ 161,100</u>	<u>\$ 165,128</u>	<u>\$ 4,028</u>
EXPENDITURES				
Debt service:				
Principal retirement	\$ 2,915,080	\$ 2,915,080	\$ 2,915,087	\$ (7)
Interest and other fiscal charges	2,435,198	2,435,198	2,435,040	158
Total expenditures	<u>\$ 5,350,278</u>	<u>\$ 5,350,278</u>	<u>\$ 5,350,127</u>	<u>\$ 151</u>
Excess (deficiency) of revenues over (under) expenditures				
	<u>\$ (5,189,178)</u>	<u>\$ (5,189,178)</u>	<u>\$ (5,184,999)</u>	<u>\$ 4,179</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>\$ 5,189,178</u>	<u>\$ 5,189,178</u>	<u>\$ 5,184,999</u>	<u>\$ (4,179)</u>
Total other financing sources (uses)	<u>\$ 5,189,178</u>	<u>\$ 5,189,178</u>	<u>\$ 5,184,999</u>	<u>\$ (4,179)</u>
Net change in fund balances				
	\$ -	\$ -	\$ -	\$ -
Fund balances - beginning	-	-	461,634	461,634
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 461,634</u>	<u>\$ 461,634</u>

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Capital Projects Fund

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

For the Year Ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ -	\$ -	\$ 2,512,369	\$ 2,512,369
Intergovernmental:				
Local government	321,024	321,024	3,383,397	3,062,373
Commonwealth	-	-	286,243	286,243
Federal	9,245,000	9,245,000	1,610,461	(7,634,539)
Total revenues	<u>\$ 9,566,024</u>	<u>\$ 9,566,024</u>	<u>\$ 7,792,470</u>	<u>\$ (1,773,554)</u>
EXPENDITURES				
Current:				
Education	\$ 158,035	\$ 158,035	\$ 158,035	\$ -
Capital projects	<u>62,647,311</u>	<u>65,567,205</u>	<u>4,431,586</u>	<u>61,135,619</u>
Total expenditures	<u>\$ 62,805,346</u>	<u>\$ 65,725,240</u>	<u>\$ 4,589,621</u>	<u>\$ 61,135,619</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (53,239,322)</u>	<u>\$ (56,159,216)</u>	<u>\$ 3,202,849</u>	<u>\$ 59,362,065</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 1,900,000	\$ 2,103,282	\$ 2,124,394	\$ 21,112
Transfers out	<u>(5,456,660)</u>	<u>(6,073,678)</u>	<u>(2,938,182)</u>	<u>3,135,496</u>
Total other financing sources (uses)	<u>\$ (3,556,660)</u>	<u>\$ (3,970,396)</u>	<u>\$ (813,788)</u>	<u>\$ 3,156,608</u>
Net change in fund balances	\$ (56,795,982)	\$ (60,129,612)	\$ 2,389,061	\$ 62,518,673
Fund balances - beginning	<u>56,795,982</u>	<u>60,129,612</u>	<u>63,041,494</u>	<u>2,911,882</u>
Fund balances - ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 65,430,555</u></u>	<u><u>\$ 65,430,555</u></u>

COUNTY OF NORTHAMPTON, VIRGINIA

Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2024

	Virginia Public Assistance Fund	Forfeited Asset Sharing Fund	Purchase of Development Rights Fund
ASSETS			
Cash and cash equivalents	\$ -	\$ 60,973	\$ 11,446
Receivables (net of allowance for uncollectibles):			
Accounts receivable	-	-	-
Due from other governmental units	51,373	-	-
Prepaid items	53,700	-	-
Total assets	<u>\$ 105,073</u>	<u>\$ 60,973</u>	<u>\$ 11,446</u>
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ -
Accrued liabilities	89,306	-	-
Reconciled overdraft payable	77,498	-	-
Unearned revenue	-	-	-
Total liabilities	<u>\$ 166,804</u>	<u>\$ -</u>	<u>\$ -</u>
FUND BALANCES			
Nonspendable	\$ 53,700	\$ -	\$ -
Restricted	(115,431)	60,973	11,446
Assigned	-	-	-
Total fund balances	<u>\$ (61,731)</u>	<u>\$ 60,973</u>	<u>\$ 11,446</u>
Total liabilities and fund balances	<u>\$ 105,073</u>	<u>\$ 60,973</u>	<u>\$ 11,446</u>

Exhibit 35

<u>CDBG Projects Fund</u>	<u>Brownfield Community Assessment Fund</u>	<u>Harbor Improvement Fund</u>	<u>Total</u>
\$ 86,995	\$ 49,613	\$ 47,556	\$ 256,583
-	387	360	747
-	13,137	45,000	109,510
-	-	-	53,700
<u>\$ 86,995</u>	<u>\$ 63,137</u>	<u>\$ 92,916</u>	<u>\$ 420,540</u>
\$ 84	\$ 13,137	\$ 16,192	\$ 29,413
-	-	-	89,306
-	-	-	77,498
-	50,000	-	50,000
<u>\$ 84</u>	<u>\$ 63,137</u>	<u>\$ 16,192</u>	<u>\$ 246,217</u>
\$ -	\$ -	\$ -	\$ 53,700
86,911	-	-	43,899
-	-	76,724	76,724
<u>\$ 86,911</u>	<u>\$ -</u>	<u>\$ 76,724</u>	<u>\$ 174,323</u>
<u>\$ 86,995</u>	<u>\$ 63,137</u>	<u>\$ 92,916</u>	<u>\$ 420,540</u>

COUNTY OF NORTHAMPTON, VIRGINIA

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2024

	Virginia Public Assistance Fund	Forfeited Asset Sharing Fund	Purchase of Development Rights Fund
REVENUES			
Charges for services	\$ -	\$ -	\$ -
Miscellaneous	30,925	-	-
Intergovernmental:			
Commonwealth	725,329	-	-
Federal	1,611,135	-	-
Total revenues	<u>\$ 2,367,389</u>	<u>\$ -</u>	<u>\$ -</u>
EXPENDITURES			
Current:			
Judicial administration	\$ -	\$ 2,684	\$ -
Health and welfare	2,788,076	-	-
Community development	-	-	-
Capital projects	-	-	-
Total expenditures	<u>\$ 2,788,076</u>	<u>\$ 2,684</u>	<u>\$ -</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (420,687)</u>	<u>\$ (2,684)</u>	<u>\$ -</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	\$ 550,000	\$ -	\$ -
Transfers out	(191,044)	-	-
Total other financing sources (uses)	<u>\$ 358,956</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balances	\$ (61,731)	\$ (2,684)	\$ -
Fund balances - beginning	-	63,657	11,446
Fund balances - ending	<u>\$ (61,731)</u>	<u>\$ 60,973</u>	<u>\$ 11,446</u>

Exhibit 36

<u>CDBG Projects Fund</u>	<u>Brownfield Community Assessment Fund</u>	<u>Harbor Improvement Fund</u>	<u>Total</u>
\$ -	\$ -	\$ 13,012	\$ 13,012
1,492	388	-	32,805
-	42,647	1,562,377	2,330,353
-	839,957	-	2,451,092
<u>\$ 1,492</u>	<u>\$ 882,992</u>	<u>\$ 1,575,389</u>	<u>\$ 4,827,262</u>
\$ -	\$ -	\$ -	\$ 2,684
-	-	-	2,788,076
85	882,992	-	883,077
-	-	1,667,060	1,667,060
<u>\$ 85</u>	<u>\$ 882,992</u>	<u>\$ 1,667,060</u>	<u>\$ 5,340,897</u>
<u>\$ 1,407</u>	<u>\$ -</u>	<u>\$ (91,671)</u>	<u>\$ (513,635)</u>
\$ -	\$ -	\$ 70,463	\$ 620,463
-	-	-	(191,044)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 70,463</u>	<u>\$ 429,419</u>
\$ 1,407	\$ -	\$ (21,208)	\$ (84,216)
85,504	-	97,932	258,539
<u>\$ 86,911</u>	<u>\$ -</u>	<u>\$ 76,724</u>	<u>\$ 174,323</u>

COUNTY OF NORTHAMPTON, VIRGINIA

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

Nonmajor Special Revenue Funds

For the Year Ended June 30, 2024

	Virginia Public Assistance Fund			
	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Charges for services	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	-	30,925	30,925
Intergovernmental:				
Commonwealth	1,102,384	1,102,384	725,329	(377,055)
Federal	1,358,128	1,358,128	1,611,135	253,007
Total revenues	<u>\$ 2,460,512</u>	<u>\$ 2,460,512</u>	<u>\$ 2,367,389</u>	<u>\$ (93,123)</u>
EXPENDITURES				
Current:				
Judicial administration	\$ -	\$ -	\$ -	\$ -
Health and welfare	2,906,527	2,906,527	2,788,076	118,451
Community development	-	-	-	-
Capital projects	-	-	-	-
Total expenditures	<u>\$ 2,906,527</u>	<u>\$ 2,906,527</u>	<u>\$ 2,788,076</u>	<u>\$ 118,451</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (446,015)</u>	<u>\$ (446,015)</u>	<u>\$ (420,687)</u>	<u>\$ 25,328</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 550,000	\$ 550,000	\$ 550,000	\$ -
Transfers out	(103,985)	(103,985)	(191,044)	(87,059)
Total other financing sources (uses)	<u>\$ 446,015</u>	<u>\$ 446,015</u>	<u>\$ 358,956</u>	<u>\$ (87,059)</u>
Net change in fund balances	\$ -	\$ -	\$ (61,731)	\$ (61,731)
Fund balances - beginning	-	-	-	-
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (61,731)</u>	<u>\$ (61,731)</u>

Forfeited Asset Sharing Fund				Purchase of Development Rights Fund			
Budgeted Amounts			Variance with Final Budget	Budgeted Amounts			Variance with Final Budget
Original	Final	Actual	Positive (Negative)	Original	Final	Actual	Positive (Negative)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	4,219	-	(4,219)	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 4,219</u>	<u>\$ -</u>	<u>\$ (4,219)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ 4,219	\$ 2,684	\$ 1,535	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 4,219</u>	<u>\$ 2,684</u>	<u>\$ 1,535</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,684)</u>	<u>\$ (2,684)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ (2,684)	\$ (2,684)	\$ -	\$ -	\$ -	\$ -
-	-	63,657	63,657	-	-	11,446	11,446
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 60,973</u>	<u>\$ 60,973</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,446</u>	<u>\$ 11,446</u>

COUNTY OF NORTHAMPTON, VIRGINIA

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2024

CDBG Projects Fund				
	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	-	1,492	1,492
Intergovernmental:				
Commonwealth	-	-	-	-
Federal	-	-	-	-
Total revenues	\$ -	\$ -	\$ 1,492	\$ 1,492
EXPENDITURES				
Current:				
Judicial administration	\$ -	\$ -	\$ -	\$ -
Health and welfare	-	-	-	-
Community development	-	85	85	-
Capital projects	-	-	-	-
Total expenditures	\$ -	\$ 85	\$ 85	\$ -
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ (85)	\$ 1,407	\$ 1,492
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ -	\$ -	\$ -
Transfers out	-	-	-	-
Total other financing sources (uses)	\$ -	\$ -	\$ -	\$ -
Net change in fund balances	\$ -	\$ (85)	\$ 1,407	\$ 1,492
Fund balances - beginning	-	-	85,504	85,504
Fund balances - ending	\$ -	\$ (85)	\$ 86,911	\$ 86,996

Brownfield Community Assessment Fund				Harbor Improvement Fund			
Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
Original	Final		Original	Final			
-	\$ -	\$ -	\$ -	15,805	\$ 15,805	\$ 13,012	\$ (2,793)
-	-	388	388	51,582	51,582	-	(51,582)
47,000	99,750	42,647	(57,103)	72,248	1,875,248	1,562,377	(312,871)
-	1,005,000	839,957	(165,043)	-	-	-	-
47,000	\$ 1,104,750	\$ 882,992	\$ (221,758)	\$ 139,635	\$ 1,942,635	\$ 1,575,389	\$ (367,246)
-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
-	-	-	-	-	-	-	-
47,000	1,104,750	882,992	221,758	-	-	-	-
-	-	-	-	161,909	2,013,098	1,667,060	346,038
47,000	\$ 1,104,750	\$ 882,992	\$ 221,758	\$ 161,909	\$ 2,013,098	\$ 1,667,060	\$ 346,038
-	\$ -	\$ -	\$ -	(22,274)	(70,463)	(91,671)	(21,208)
-	\$ -	\$ -	\$ -	\$ -	70,463	70,463	-
-	-	-	-	-	-	-	-
-	\$ -	\$ -	\$ -	\$ -	70,463	70,463	-
-	\$ -	\$ -	\$ -	(22,274)	\$ -	(21,208)	(21,208)
-	-	-	-	-	-	97,932	97,932
-	\$ -	\$ -	\$ -	(22,274)	\$ -	76,724	76,724

COUNTY OF NORTHAMPTON, VIRGINIA

Combining Statement of Fiduciary Net Position

Fiduciary Funds

June 30, 2024

	Joint IDA Operating Fund	Virginia Broadband Authority Fund	Special Welfare Fund
ASSETS			
Cash and cash equivalents	\$ 243,835	\$ -	\$ 148,032
Accounts receivable	-	346,211	-
Total assets	\$ 243,835	\$ 346,211	\$ 148,032
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ -
Accrued liabilities	-	70,172	-
Reconciled overdraft payable	-	276,039	-
Total liabilities	\$ -	\$ 346,211	\$ -
NET POSITION			
Restricted for:			
Individuals	\$ -	\$ -	\$ 148,032
Other organizations	-	-	-
Other governments	243,835	-	-
Total net position	\$ 243,835	\$ -	\$ 148,032

Custodial Funds					
NC Tourism Commission Fund	911 Capital Fund	911 Operating Fund	Inmate Custodial Fund	Building Inspection Fees Fund	Total
\$ 527,841	\$ 332,717	\$ 583,117	\$ 60,381	\$ 800	\$ 1,896,723
-	-	30,261	-	-	376,472
<u>\$ 527,841</u>	<u>\$ 332,717</u>	<u>\$ 613,378</u>	<u>\$ 60,381</u>	<u>\$ 800</u>	<u>\$ 2,273,195</u>
\$ 23,635	\$ 550	\$ 12,612	\$ -	\$ -	\$ 36,797
-	-	44,347	-	800	115,319
-	-	-	-	-	276,039
<u>\$ 23,635</u>	<u>\$ 550</u>	<u>\$ 56,959</u>	<u>\$ -</u>	<u>\$ 800</u>	<u>\$ 428,155</u>
\$ -	\$ -	\$ -	\$ 60,381	\$ -	\$ 208,413
504,206	-	-	-	-	504,206
-	332,167	556,419	-	-	1,132,421
<u>\$ 504,206</u>	<u>\$ 332,167</u>	<u>\$ 556,419</u>	<u>\$ 60,381</u>	<u>\$ -</u>	<u>\$ 1,845,040</u>

COUNTY OF NORTHAMPTON, VIRGINIA

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

	Custodial Funds			
	Joint IDA Operating Fund	Virginia Broadband Authority Fund	Special Welfare Fund	NC Tourism Commission Fund
ADDITIONS				
Contributions:				
Other governmental entities	\$ -	\$ 1,790,061	\$ -	\$ 229,443
Participant fees	13,943	-	-	-
Miscellaneous	-	-	98,202	-
State grants	10,500	-	-	-
Federal grants	-	-	-	-
Investment earnings:				
Interest and dividends	-	-	4,910	-
Total additions	\$ 24,443	\$ 1,790,061	\$ 103,112	\$ 229,443
DEDUCTIONS				
Recipient payments	\$ -	\$ -	\$ 134,468	\$ -
Payments for professional services	-	-	-	111,941
Grants to other organizations	16,799	-	-	248,230
Payments for other charges	-	-	-	-
Payments for capital outlay	-	-	-	-
Payments for personnel	-	1,789,769	-	-
Purchases of supplies	-	292	-	-
Total deductions	\$ 16,799	\$ 1,790,061	\$ 134,468	\$ 360,171
Net increase (decrease) in fiduciary net position	\$ 7,644	\$ -	\$ (31,356)	\$ (130,728)
Net position - beginning	\$ 236,191	\$ -	\$ 179,388	\$ 634,934
Net position - ending	\$ 243,835	\$ -	\$ 148,032	\$ 504,206

911 Capital Fund	911 Operating Fund	Inmate Custodial Fund	Building Inspection Fees Fund	Total
\$ 19,414	\$ 1,393,719	\$ -	\$ -	\$ 3,432,637
-	285,148	248,061	-	547,152
2,265	15,584	2,665	-	118,716
7,516	46,981	-	-	64,997
27,660	-	-	-	27,660
-	97	-	-	5,007
\$ 56,855	\$ 1,741,529	\$ 250,726	\$ -	\$ 4,196,169
\$ -	\$ -	\$ 187,001	\$ -	\$ 321,469
9,925	56,035	-	-	177,901
-	-	-	-	265,029
-	380,831	2,842	-	383,673
90,513	7,909	-	-	98,422
-	1,169,259	-	-	2,959,028
39,019	20,946	72,184	-	132,441
\$ 139,457	\$ 1,634,980	\$ 262,027	\$ -	\$ 4,337,963
\$ (82,602)	\$ 106,549	\$ (11,301)	\$ -	\$ (141,794)
\$ 414,769	\$ 449,870	\$ 71,682	\$ -	\$ 1,986,834
\$ 332,167	\$ 556,419	\$ 60,381	\$ -	\$ 1,845,040

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*DISCRETELY PRESENTED COMPONENT UNIT
SCHOOL BOARD*

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Combining Balance Sheet

Discretely Presented Component Unit - School Board

June 30, 2024

	School Operating Fund	School Grants Fund	School Cafeteria Fund	School Retiree Health Insurance Fund	School Activity Fund	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 6,559,221	\$ -	\$ 397,083	\$ 46,428	\$ 440,037	\$ 7,442,769
Receivables (net of allowance for uncollectibles):						
Accounts receivable	40,334	-	2,612	-	-	42,946
Lease receivable	69,161	-	-	-	-	69,161
Due from other governmental units	412,241	912,927	186,543	-	-	1,511,711
Total assets	<u>\$ 7,080,957</u>	<u>\$ 912,927</u>	<u>\$ 586,238</u>	<u>\$ 46,428</u>	<u>\$ 440,037</u>	<u>\$ 9,066,587</u>
LIABILITIES						
Accounts payable	\$ 480,101	\$ 52,685	\$ 3,963	\$ -	\$ -	\$ 536,749
Accrued liabilities	1,782,517	151,481	75,993	-	-	2,009,991
Reconciled overdraft payable	-	708,761	-	-	-	708,761
Unearned revenue - lease	67,872	-	-	-	-	67,872
Unearned revenue - other	12,466	-	-	-	-	12,466
Total liabilities	<u>\$ 2,342,956</u>	<u>\$ 912,927</u>	<u>\$ 79,956</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,335,839</u>
FUND BALANCES						
Committed	\$ 4,738,001	\$ -	\$ 506,282	\$ 46,428	\$ 440,037	\$ 5,730,748
Total fund balances	<u>\$ 4,738,001</u>	<u>\$ -</u>	<u>\$ 506,282</u>	<u>\$ 46,428</u>	<u>\$ 440,037</u>	<u>\$ 5,730,748</u>
Total liabilities and fund balances	<u>\$ 7,080,957</u>	<u>\$ 912,927</u>	<u>\$ 586,238</u>	<u>\$ 46,428</u>	<u>\$ 440,037</u>	<u>\$ 9,066,587</u>

Amounts reported for governmental activities in the statement of net position (Exhibit 1) are different because:

Total fund balances per above \$ 5,730,748

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Capital assets, cost	\$ 30,693,103	
Accumulated depreciation	<u>(17,171,886)</u>	13,521,217

Other long-term assets are not available to pay for current-period expenditures and, therefore, are not reported in the funds.

Net pension asset	<u>\$ 278,110</u>	278,110
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Deferred outflows of resources are not available to pay for current period expenditures and therefore, are not reported in the funds.

Pension related items	\$ 3,141,525	
OPEB related items	<u>583,439</u>	3,724,964

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

Net OPEB liabilities	\$ (3,031,851)	
Net Pension liability	(9,929,318)	
Compensated absences	<u>(395,034)</u>	(13,356,203)

Deferred inflows of resources are not available to pay for current period expenditures and therefore, are not reported in the funds.

Pension related items	\$ (1,982,531)	
OPEB related items	<u>(903,495)</u>	(2,886,026)

Net position of governmental activities \$ 7,012,810

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

	School Operating Fund	School Grants Fund	School Cafeteria Fund	School Retiree Health Insurance Fund	School Activity Fund	Total Governmental Funds
REVENUES						
Revenue from the use of property	\$ 45,506	\$ -	\$ -	\$ -	\$ -	\$ 45,506
Charges for services	-	-	88,553	60,064	-	148,617
Miscellaneous	287,249	-	-	-	401,191	688,440
Intergovernmental:						
Local government	10,653,589	-	-	-	-	10,653,589
Commonwealth	13,255,032	-	19,403	-	-	13,274,435
Federal	-	2,652,858	1,097,827	-	-	3,750,685
Total revenues	<u>\$ 24,241,376</u>	<u>\$ 2,652,858</u>	<u>\$ 1,205,783</u>	<u>\$ 60,064</u>	<u>\$ 401,191</u>	<u>\$ 28,561,272</u>
EXPENDITURES						
Current:						
Education	\$ 23,599,204	\$ 2,772,433	\$ 1,298,848	\$ 61,661	\$ 385,842	\$ 28,117,988
Total expenditures	<u>\$ 23,599,204</u>	<u>\$ 2,772,433</u>	<u>\$ 1,298,848</u>	<u>\$ 61,661</u>	<u>\$ 385,842</u>	<u>\$ 28,117,988</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 642,172</u>	<u>\$ (119,575)</u>	<u>\$ (93,065)</u>	<u>\$ (1,597)</u>	<u>\$ 15,349</u>	<u>\$ 443,284</u>
Net change in fund balances	\$ 642,172	\$ (119,575)	\$ (93,065)	\$ (1,597)	\$ 15,349	\$ 443,284
Fund balances - beginning	4,095,829	119,575	599,347	48,025	424,688	5,287,464
Fund balances - ending	<u>\$ 4,738,001</u>	<u>\$ -</u>	<u>\$ 506,282</u>	<u>\$ 46,428</u>	<u>\$ 440,037</u>	<u>\$ 5,730,748</u>

Amounts reported for governmental activities in the statement of activities (Exhibit 2) are different because:

Net change in fund balances - total governmental funds - per above	\$ 443,284
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which the depreciation exceeded capital outlays in the current period.

Capital asset additions	\$ 3,150,914	
Depreciation expense	(919,381)	2,231,533

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.

Change in compensated absences	\$ 23,946	
OPEB expense	185,596	
Pension expense	1,280,527	1,490,069

Change in net position of governmental activities	\$ 4,164,886
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COUNTY OF NORTHAMPTON, VIRGINIA

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

	School Operating Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts			
	Original	Final	Actual	
REVENUES				
Revenue from the use of money and property	\$ -	\$ -	\$ 45,506	\$ 45,506
Miscellaneous	295,250	295,250	287,249	(8,001)
Intergovernmental:				
Local government	10,653,589	10,653,589	10,653,589	-
Commonwealth	13,518,814	13,518,814	13,255,032	(263,782)
Federal	-	-	-	-
Total revenues	\$ 24,467,653	\$ 24,467,653	\$ 24,241,376	\$ (226,277)
EXPENDITURES				
Current:				
Education	\$ 24,737,933	\$ 24,737,933	\$ 23,599,204	\$ 1,138,729
Total expenditures	\$ 24,737,933	\$ 24,737,933	\$ 23,599,204	\$ 1,138,729
Excess (deficiency) of revenues over (under) expenditures	\$ (270,280)	\$ (270,280)	\$ 642,172	\$ 912,452
Net change in fund balances	\$ (270,280)	\$ (270,280)	\$ 642,172	\$ 912,452
Fund balances - beginning	270,280	270,280	4,095,829	3,825,549
Fund balances - ending	\$ -	\$ -	\$ 4,738,001	\$ 4,738,001

School Grants Fund				
Budgeted Amounts			Variance with Final Budget Positive (Negative)	
Original	Final	Actual		
\$ -	\$ -	\$ -	\$ -	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
4,968,236	4,968,236	2,652,858	(2,315,378)	
\$ 4,968,236	\$ 4,968,236	\$ 2,652,858	\$ (2,315,378)	
\$ 4,968,236	\$ 4,968,236	\$ 2,772,433	\$ 2,195,803	
\$ 4,968,236	\$ 4,968,236	\$ 2,772,433	\$ 2,195,803	
\$ -	\$ -	\$ (119,575)	\$ (119,575)	
\$ -	\$ -	\$ (119,575)	\$ (119,575)	
-	-	119,575	119,575	
\$ -	\$ -	\$ -	\$ -	

COUNTY OF NORTHAMPTON, VIRGINIA

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

	School Cafeteria Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Charges for services	\$ 63,013	\$ 63,013	\$ 88,553	\$ 25,540
Intergovernmental:				
Commonwealth	12,463	12,463	19,403	6,940
Federal	1,022,205	1,022,205	1,097,827	75,622
Total revenues	<u>\$ 1,097,681</u>	<u>\$ 1,097,681</u>	<u>\$ 1,205,783</u>	<u>\$ 108,102</u>
EXPENDITURES				
Current:				
Education	<u>\$ 1,259,469</u>	<u>\$ 1,340,686</u>	<u>\$ 1,298,848</u>	<u>\$ 41,838</u>
Total expenditures	<u>\$ 1,259,469</u>	<u>\$ 1,340,686</u>	<u>\$ 1,298,848</u>	<u>\$ 41,838</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (161,788)</u>	<u>\$ (243,005)</u>	<u>\$ (93,065)</u>	<u>\$ 149,940</u>
Net change in fund balances	\$ (161,788)	\$ (243,005)	\$ (93,065)	\$ 149,940
Fund balances - beginning	161,788	243,005	599,347	356,342
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 506,282</u>	<u>\$ 506,282</u>

School Retiree Health Insurance Fund				
Budgeted Amounts			Variance with	
Original	Final	Actual	Final Budget	
			Positive	
			(Negative)	
\$ -	\$ -	\$ 60,064	\$	60,064
-	-	-		-
-	-	-		-
\$ -	\$ -	\$ 60,064	\$	60,064
\$ -	\$ -	\$ 61,661	\$	(61,661)
\$ -	\$ -	\$ 61,661	\$	(61,661)
\$ -	\$ -	\$ (1,597)	\$	(1,597)
\$ -	\$ -	\$ (1,597)	\$	(1,597)
-	-	48,025		48,025
\$ -	\$ -	\$ 46,428	\$	46,428

Combining Statement of Fiduciary Net Position
 Fiduciary Funds - Discretely Presented Component Unit School Board
 June 30, 2024

Private Purpose Trust Funds

	GW Young Scholarship Fund	BF Kellam Scholarship Fund	David Lewis Scholarship Fund	SD Goldstein Scholarship Fund	Total
ASSETS					
Investments	\$ 21,916	\$ 5,512	\$ 72	\$ 3,631	\$ 31,131
Total assets	<u>\$ 21,916</u>	<u>\$ 5,512</u>	<u>\$ 72</u>	<u>\$ 3,631</u>	<u>\$ 31,131</u>
NET POSITION					
Restricted:					
Held in trust for scholarships	\$ 21,916	\$ 5,512	\$ 72	\$ 3,631	\$ 31,131
Total net position	<u>\$ 21,916</u>	<u>\$ 5,512</u>	<u>\$ 72</u>	<u>\$ 3,631</u>	<u>\$ 31,131</u>

Combining Statement of Changes in Fiduciary Net Position
 Fiduciary Funds - Discretely Presented Component Unit School Board
 For the Year Ended June 30, 2024

	Private Purpose Trust Funds				
	GW Young Scholarship Fund	BF Kellam Scholarship Fund	David Lewis Scholarship Fund	SD Goldstein Scholarship Fund	Total
ADDITIONS					
Investment earnings:					
Interest	\$ 1,158	\$ 297	\$ -	\$ 197	\$ 1,652
Total additions	\$ 1,158	\$ 297	\$ -	\$ 197	\$ 1,652
Change in net position	\$ 1,158	\$ 297	\$ -	\$ 197	\$ 1,652
Net position - beginning	20,758	5,215	72	3,434	29,479
Net position - ending	\$ 21,916	\$ 5,512	\$ 72	\$ 3,631	\$ 31,131

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OTHER SUPPLEMENTARY INFORMATION

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SUPPORTING SCHEDULES

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Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2024

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 17,875,188	\$ 17,875,188	\$ 18,367,919	\$ 492,731
Real and personal public service corporation taxes	500,762	500,762	430,184	(70,578)
Personal property taxes	3,647,907	3,647,907	4,604,733	956,826
Mobile home taxes	20,214	20,214	23,325	3,111
Penalties	226,709	226,709	258,828	32,119
Interest	144,500	144,500	171,944	27,444
Total general property taxes	<u>\$ 22,415,280</u>	<u>\$ 22,415,280</u>	<u>\$ 23,856,933</u>	<u>\$ 1,441,653</u>
Other local taxes:				
Local sales and use taxes	\$ 3,900,000	\$ 4,103,282	\$ 4,269,590	\$ 166,308
Cigarette tax	364,800	364,800	263,861	(100,939)
Consumers' utility taxes	330,000	330,000	334,386	4,386
Business license taxes	36,000	36,000	41,714	5,714
Motor vehicle licenses	375,000	375,000	394,178	19,178
Bank stock taxes	35,000	35,000	41,760	6,760
Taxes on recordation and wills	405,500	405,500	377,282	(28,218)
Hotel and motel room taxes	800,000	821,881	933,853	111,972
Restaurant food taxes	468,750	468,750	483,051	14,301
Total other local taxes	<u>\$ 6,715,050</u>	<u>\$ 6,940,213</u>	<u>\$ 7,139,675</u>	<u>\$ 199,462</u>
Permits, privilege fees, and regulatory licenses:				
Animal licenses	\$ 1,500	\$ 1,500	\$ 1,001	\$ (499)
Permits and other licenses	<u>189,600</u>	<u>189,600</u>	<u>252,678</u>	<u>63,078</u>
Total permits, privilege fees, and regulatory licenses	<u>\$ 191,100</u>	<u>\$ 191,100</u>	<u>\$ 253,679</u>	<u>\$ 62,579</u>
Fines and forfeitures:				
Court fines and forfeitures	<u>\$ 172,000</u>	<u>\$ 172,000</u>	<u>\$ 288,385</u>	<u>\$ 116,385</u>
Total fines and forfeitures	<u>\$ 172,000</u>	<u>\$ 172,000</u>	<u>\$ 288,385</u>	<u>\$ 116,385</u>
Revenue from use of money and property:				
Revenue from use of money	\$ 1,415,000	\$ 1,415,000	\$ 1,982,464	\$ 567,464
Revenue from use of property	28,655	28,655	16,816	(11,839)
Total revenue from use of money and property	<u>\$ 1,443,655</u>	<u>\$ 1,443,655</u>	<u>\$ 1,999,280</u>	<u>\$ 555,625</u>

Schedule of Revenues - Budget and Actual

Governmental Funds

For The Year Ended June 30, 2024 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Revenue from local sources: (Continued)				
Charges for services:				
Charges for courthouse maintenance	\$ 45,000	\$ 45,000	\$ 52,622	\$ 7,622
Charges for courthouse security	460,000	460,000	509,758	49,758
Charges for sheriff secondary employment	50,000	50,000	19,018	(30,982)
Charges for Commonwealth's Attorney	4,000	4,000	3,884	(116)
Charges for ambulance fees	400,000	400,000	615,197	215,197
Charges for school officer	45,000	45,000	37,842	(7,158)
Charges for sanitation and waste removal	724,764	724,764	837,805	113,041
Charges for solar farm fees	17,280	17,280	17,626	346
Charges for parks and recreation	50,275	50,275	51,377	1,102
Total charges for services	<u>\$ 1,796,319</u>	<u>\$ 1,796,319</u>	<u>\$ 2,145,129</u>	<u>\$ 348,810</u>
Miscellaneous:				
Miscellaneous	\$ 10,000	\$ 60,551	\$ 50,317	\$ (10,234)
Opioid settlement	-	-	38,731	38,731
Total miscellaneous	<u>\$ 10,000</u>	<u>\$ 60,551</u>	<u>\$ 89,048</u>	<u>\$ 28,497</u>
Recovered costs:				
General recovered costs	\$ 60,000	\$ 61,190	\$ 43,204	\$ (17,986)
Emergency medical services	-	-	43,717	43,717
Code enforcement	6,000	6,000	-	(6,000)
Treasurer recovered costs	76,238	76,238	65,398	(10,840)
Other recovered costs	-	-	25,396	25,396
Total recovered costs	<u>\$ 142,238</u>	<u>\$ 143,428</u>	<u>\$ 177,715</u>	<u>\$ 34,287</u>
Total revenue from local sources	<u>\$ 32,885,642</u>	<u>\$ 33,162,546</u>	<u>\$ 35,949,844</u>	<u>\$ 2,787,298</u>
Intergovernmental:				
Revenue from the Commonwealth:				
Noncategorical aid:				
Rolling stock tax	\$ 1,600	\$ 1,600	\$ 1,589	\$ (11)
Mobile home titling tax	12,000	12,000	11,664	(336)
Motor vehicle rental tax	5,000	5,000	5,375	375
Communications tax	322,080	322,080	331,172	9,092
Personal property tax relief funds	1,421,967	1,421,967	1,421,967	-
Total noncategorical aid	<u>\$ 1,762,647</u>	<u>\$ 1,762,647</u>	<u>\$ 1,771,767</u>	<u>\$ 9,120</u>

Schedule of Revenues - Budget and Actual
Governmental Funds
For The Year Ended June 30, 2024 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Intergovernmental: (Continued)				
Revenue from the Commonwealth: (Continued)				
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	\$ 293,345	\$ 293,485	\$ 252,714	\$ (40,771)
Sheriff	1,286,877	1,394,601	1,375,922	(18,679)
Commissioner of revenue	117,439	117,439	125,102	7,663
Treasurer	118,405	118,405	126,219	7,814
Registrar/electoral board	70,210	81,627	81,745	118
Clerk of the Circuit Court	286,140	291,287	291,734	447
Total shared expenses	<u>\$ 2,172,416</u>	<u>\$ 2,296,844</u>	<u>\$ 2,253,436</u>	<u>\$ (43,408)</u>
Other categorical aid:				
Four for Life	\$ 12,636	\$ 17,600	\$ 38,787	\$ 21,187
Litter control grant	15,950	15,950	20,853	4,903
Library grant	69,827	69,827	-	(69,827)
VA department of emergency management	-	15,000	12,500	(2,500)
Health department settlement	20,000	20,000	19,830	(170)
Housing and community development	-	50,000	-	(50,000)
Victim-witness grant	15,156	15,156	17,786	2,630
Other state funds	202,232	554,619	-	(554,619)
Fire programs	33,024	37,060	37,060	-
Total other categorical aid	<u>\$ 368,825</u>	<u>\$ 795,212</u>	<u>\$ 146,816</u>	<u>\$ (648,396)</u>
Total categorical aid	<u>\$ 2,541,241</u>	<u>\$ 3,092,056</u>	<u>\$ 2,400,252</u>	<u>\$ (691,804)</u>
Total revenue from the Commonwealth	<u>\$ 4,303,888</u>	<u>\$ 4,854,703</u>	<u>\$ 4,172,019</u>	<u>\$ (682,684)</u>
Revenue from the federal government:				
Noncategorical aid:				
Payments in lieu of taxes	\$ 25,000	\$ 25,000	\$ 26,113	\$ 1,113
Total noncategorical aid	<u>\$ 25,000</u>	<u>\$ 25,000</u>	<u>\$ 26,113</u>	<u>\$ 1,113</u>
Categorical aid:				
Victim-witness grant	\$ 45,469	\$ 45,469	\$ 37,350	\$ (8,119)
Byrne Justice assistance grant	2,658	6,904	3,587	(3,317)
Emergency management	7,500	7,500	7,500	-
DMV grant	8,085	8,085	-	(8,085)
USDA Grant - Rural Assistance	-	261,000	261,000	-
Dept of Health and Human Services	-	288,994	-	(288,994)
Total categorical aid	<u>\$ 63,712</u>	<u>\$ 617,952</u>	<u>\$ 309,437</u>	<u>\$ (308,515)</u>
Total revenue from the federal government	<u>\$ 88,712</u>	<u>\$ 642,952</u>	<u>\$ 335,550</u>	<u>\$ (307,402)</u>
Total General Fund	<u><u>\$ 37,278,242</u></u>	<u><u>\$ 38,660,201</u></u>	<u><u>\$ 40,457,413</u></u>	<u><u>\$ 1,797,212</u></u>

Schedule of Revenues - Budget and Actual
Governmental Funds
For The Year Ended June 30, 2024 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Special Revenue Funds:				
Eastern Shore Regional Jail Fund:				
Revenue from local sources:				
Charges for services:				
Jail housing and other fees	\$ 24,200	\$ 24,200	\$ 9,744	\$ (14,456)
Total charges for services	\$ 24,200	\$ 24,200	\$ 9,744	\$ (14,456)
Miscellaneous:				
Other miscellaneous	\$ -	\$ -	\$ 778	\$ 778
Total miscellaneous	\$ -	\$ -	\$ 778	\$ 778
Recovered costs:				
Extradition costs	\$ 3,000	\$ 3,000	\$ 8,840	\$ 5,840
Total recovered costs	\$ 3,000	\$ 3,000	\$ 8,840	\$ 5,840
Total revenue from local sources	\$ 27,200	\$ 27,200	\$ 19,362	\$ (7,838)
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Shared expenses:				
Sheriff	\$ 2,660,835	\$ 2,717,651	\$ 2,509,770	\$ (207,881)
Other categorical aid:				
Local jails	\$ 100,000	\$ 100,000	\$ 117,373	\$ 17,373
Total categorical aid	\$ 2,760,835	\$ 2,817,651	\$ 2,627,143	\$ (190,508)
Total revenue from the Commonwealth	\$ 2,760,835	\$ 2,817,651	\$ 2,627,143	\$ (190,508)
Total Eastern Shore Regional Jail Fund	\$ 2,788,035	\$ 2,844,851	\$ 2,646,505	\$ (198,346)
Virginia Public Assistance Fund:				
Revenue from local sources:				
Miscellaneous:				
Other miscellaneous	\$ -	\$ -	\$ 30,925	\$ 30,925
Total revenue from local sources	\$ -	\$ -	\$ 30,925	\$ 30,925
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Public assistance and welfare administration	\$ 1,102,384	\$ 1,102,384	\$ 725,329	\$ (377,055)
Total categorical aid	\$ 1,102,384	\$ 1,102,384	\$ 725,329	\$ (377,055)
Total revenue from the Commonwealth	\$ 1,102,384	\$ 1,102,384	\$ 725,329	\$ (377,055)
Revenue from the federal government:				
Categorical aid:				
Public assistance and welfare administration	\$ 1,358,128	\$ 1,358,128	\$ 1,611,135	\$ 253,007
Total categorical aid	\$ 1,358,128	\$ 1,358,128	\$ 1,611,135	\$ 253,007
Total revenue from the federal government	\$ 1,358,128	\$ 1,358,128	\$ 1,611,135	\$ 253,007
Total Virginia Public Assistance Fund	\$ 2,460,512	\$ 2,460,512	\$ 2,367,389	\$ (93,123)

Schedule of Revenues - Budget and Actual
Governmental Funds
For The Year Ended June 30, 2024 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Special Revenue Funds: (Continued)				
Forfeited Asset Sharing Fund:				
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Asset forfeiture	\$ -	\$ 4,219	\$ -	\$ (4,219)
Total revenue from the Commonwealth	\$ -	\$ 4,219	\$ -	\$ (4,219)
Total Forfeited Asset Sharing Fund	\$ -	\$ 4,219	\$ -	\$ (4,219)
CDBG Projects Fund:				
Revenue from local sources:				
Miscellaneous:				
Program income	\$ -	\$ -	\$ 1,492	\$ 1,492
Total miscellaneous	\$ -	\$ -	\$ 1,492	\$ 1,492
Total revenue from local sources	\$ -	\$ -	\$ 1,492	\$ 1,492
Total CDBG Projects Fund	\$ -	\$ -	\$ 1,492	\$ 1,492
Brownfield Community Assessment Fund:				
Revenue from local sources:				
Miscellaneous:				
Other miscellaneous	\$ -	\$ -	\$ 388	\$ 388
Total miscellaneous	\$ -	\$ -	\$ 388	\$ 388
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Environmental Protection Agency grant	\$ 47,000	\$ 99,750	\$ 42,647	\$ (57,103)
Total categorical aid	\$ 47,000	\$ 99,750	\$ 42,647	\$ (57,103)
Total revenue from the Commonwealth	\$ 47,000	\$ 99,750	\$ 42,647	\$ (57,103)
Categorical aid:				
Environmental Protection Agency grant	\$ -	\$ 255,000	\$ 89,957	\$ (165,043)
Dept of Housing and Community Dev	-	750,000	750,000	-
Total categorical aid	\$ -	\$ 1,005,000	\$ 839,957	\$ (165,043)
Total revenue from the federal government	-	1,005,000	839,957	(165,043)
Total Brownfield Community Assessment Fund	\$ 47,000	\$ 1,104,750	\$ 882,992	\$ (221,758)

Schedule of Revenues - Budget and Actual
Governmental Funds
For The Year Ended June 30, 2024 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Special Revenue Funds: (Continued)				
Harbor Improvement Fund:				
Revenue from local sources:				
Charges for services:				
Boat slip rentals	\$ 15,805	\$ 15,805	\$ 13,012	\$ (2,793)
Total charges for services	\$ 15,805	\$ 15,805	\$ 13,012	\$ (2,793)
Miscellaneous:				
Other miscellaneous	51,582	51,582	-	(51,582)
Total miscellaneous	\$ 51,582	\$ 51,582	\$ -	\$ (51,582)
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
VA Port Authority Grant	\$ 72,248	\$ 1,875,248	\$ 1,562,377	\$ (312,871)
Total revenue from the Commonwealth	\$ 72,248	\$ 1,875,248	\$ 1,562,377	\$ (312,871)
Total Harbor Improvement Fund	\$ 139,635	\$ 1,942,635	\$ 1,575,389	\$ (367,246)
Debt Service Fund:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 4,028	\$ 4,028
Total revenue from use of money and property	\$ -	\$ -	\$ 4,028	\$ 4,028
Recovered costs:				
Other recovered costs	\$ 161,100	\$ 161,100	\$ 161,100	\$ -
Total recovered costs	\$ 161,100	\$ 161,100	\$ 161,100	\$ -
Total revenue from local sources	\$ 161,100	\$ 161,100	\$ 165,128	\$ 4,028
Total Debt Service Fund	\$ 161,100	\$ 161,100	\$ 165,128	\$ 4,028
Capital Projects Funds:				
Capital Improvements Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 2,512,369	\$ 2,512,369
Total revenue from use of money and property	\$ -	\$ -	\$ 2,512,369	\$ 2,512,369
Intergovernmental:				
Revenues from local governments:				
Contribution from Accomack County	\$ -	\$ -	\$ 246,121	\$ 246,121
Contribution from Northampton School Board	321,024	321,024	3,137,276	2,816,252
Total revenues from local governments	\$ 321,024	\$ 321,024	\$ 3,383,397	\$ 3,062,373
Total revenue from local sources	\$ 321,024	\$ 321,024	\$ 5,895,766	\$ 5,574,742

Schedule of Revenues - Budget and Actual
Governmental Funds
For The Year Ended June 30, 2024 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Capital Projects Funds: (Continued)				
Capital Improvements Fund: (Continued)				
Intergovernmental: (Continued)				
Revenue from the Commonwealth:				
Categorical aid:				
VA Dept of Forestry	\$ -	\$ -	\$ 40,977	\$ 40,977
SCAP grant	-	-	245,266	245,266
Total revenue from the Commonwealth	\$ -	\$ -	\$ 286,243	\$ 286,243
Categorical aid:				
USDA Grant - Rural Assistance	\$ 1,000,000	\$ 1,000,000	\$ -	\$ (1,000,000)
COPS grant	8,245,000	8,245,000	1,610,461	(6,634,539)
Total categorical aid	\$ 9,245,000	\$ 9,245,000	\$ 1,610,461	\$ (7,634,539)
Total revenue from the federal government	\$ 9,245,000	\$ 9,245,000	\$ 1,610,461	\$ (7,634,539)
Total County Capital Improvements Fund	\$ 9,566,024	\$ 9,566,024	\$ 7,792,470	\$ (1,773,554)
American Rescue Plan Act Fund:				
Revenue from the federal government:				
Categorical aid:				
American Rescue Plan Act	\$ 218,860	\$ 464,000	\$ 387,313	\$ (76,687)
LATCF ARPA	-	-	50,000	50,000
Total categorical aid	218,860	464,000	437,313	(26,687)
Total revenue from the federal government	\$ 218,860	\$ 464,000	\$ 437,313	\$ (26,687)
Total American Rescue Plan Act Fund	\$ 218,860	\$ 464,000	\$ 437,313	\$ (26,687)
Total Primary Government	\$ 52,659,408	\$ 57,208,292	\$ 56,326,091	\$ (882,201)
Discretely Presented Component Unit-School Board:				
School Operating Fund:				
Revenue from use of money and property:				
Revenue from the use of property	\$ -	\$ -	\$ 45,506	\$ 45,506
Total revenue from use of money and property	\$ -	\$ -	\$ 45,506	\$ 45,506
Miscellaneous:				
Other miscellaneous	\$ 295,250	\$ 295,250	\$ 287,249	\$ (8,001)
Total miscellaneous revenue	\$ 295,250	\$ 295,250	\$ 287,249	\$ (8,001)
Total revenue from local sources	\$ 295,250	\$ 295,250	\$ 332,755	\$ 37,505
Intergovernmental:				
Revenues from local governments:				
Contribution from County of Northampton, Virginia	\$ 10,653,589	\$ 10,653,589	\$ 10,653,589	\$ -
Total revenues from local governments	\$ 10,653,589	\$ 10,653,589	\$ 10,653,589	\$ -
Revenue from the Commonwealth:				
Categorical aid:				
Share of state sales tax	\$ 2,115,708	\$ 2,115,708	\$ 2,028,798	\$ (86,910)
Basic school aid	4,469,787	4,469,787	4,255,549	(214,238)

Schedule of Revenues - Budget and Actual
Governmental Funds
For The Year Ended June 30, 2024 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Discretely Presented Component Unit-School Board: (Continued)				
School Operating Fund: (Continued)				
Intergovernmental: (Continued)				
Revenue from the Commonwealth: (Continued)				
Categorical aid: (Continued)				
ISAP	\$ 8,203	\$ 8,203	\$ 8,173	\$ (30)
Regular foster care	-	-	3,078	3,078
Special education foster care	-	-	1,539	1,539
Gifted and talented	37,907	37,907	36,881	(1,026)
Remedial education	259,257	259,257	252,243	(7,014)
Project graduation	3,789	3,789	3,789	-
English as a second language	128,377	128,377	98,264	(30,113)
Special education	585,267	585,267	606,043	20,776
Textbook payment	89,609	89,609	87,185	(2,424)
Virginia preschool initiative	156,691	156,691	178,454	21,763
Social security fringe benefits	257,226	257,226	248,291	(8,935)
Retirement fringe benefits	600,419	600,419	579,565	(20,854)
Group life insurance fringe benefits	18,277	18,277	17,782	(495)
SOL algebra	29,554	29,554	29,545	(9)
Early reading intervention	70,047	70,047	60,318	(9,729)
Supplemental support	306,586	306,586	329,688	23,102
GED pass-thru grant	35,939	35,939	30,924	(5,015)
Special education homebound	1,026	1,026	546	(480)
All-in	-	-	659,428	659,428
National Board Certification incentive awards	17,500	17,500	-	(17,500)
Vocational educational	209,278	209,278	201,413	(7,865)
At risk payments	1,417,768	1,417,768	1,196,506	(221,262)
Primary class size	326,847	326,847	320,214	(6,633)
Compensation supplement	779,620	779,620	672,573	(107,047)
Supplemental lottery per pupil allocation	275,277	275,277	266,678	(8,599)
Technology	211,538	211,538	146,339	(65,199)
Alternative education	116,427	116,427	117,777	1,350
Jobs for Virginia graduates	30,000	30,000	24,491	(5,509)
Support in lieu of sales tax	-	-	299,615	299,615
Hold harmless	-	-	364,952	364,952
Other state funds	958,788	958,788	126,289	(832,499)
Mentor teacher programs	2,102	2,102	2,102	-
Total categorical aid	\$ 13,518,814	\$ 13,518,814	\$ 13,255,032	\$ (263,782)
Total revenue from the Commonwealth	\$ 13,518,814	\$ 13,518,814	\$ 13,255,032	\$ (263,782)
Total School Operating Fund	\$ 24,467,653	\$ 24,467,653	\$ 24,241,376	\$ (226,277)

Schedule of Revenues - Budget and Actual
Governmental Funds
For The Year Ended June 30, 2024 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Discretely Presented Component Unit-School Board: (Continued)				
School Cafeteria Fund:				
Revenue from local sources:				
Charges for services:				
Cafeteria sales	\$ 63,013	\$ 63,013	\$ 88,553	\$ 25,540
Total charges for services	\$ 63,013	\$ 63,013	\$ 88,553	\$ 25,540
Total revenue from local sources	\$ 63,013	\$ 63,013	\$ 88,553	\$ 25,540
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
School food program grant	\$ 12,463	\$ 12,463	\$ 19,403	\$ 6,940
Total categorical aid	\$ 12,463	\$ 12,463	\$ 19,403	\$ 6,940
Total revenue from the Commonwealth	\$ 12,463	\$ 12,463	\$ 19,403	\$ 6,940
Revenue from the federal government:				
Categorical aid:				
School food program grant	\$ 994,787	\$ 994,787	\$ 1,025,496	\$ 30,709
Summer food program grant	27,418	27,418	21,160	(6,258)
Other federal grants	-	-	3,256	3,256
USDA commodities	-	-	47,915	47,915
Total categorical aid	\$ 1,022,205	\$ 1,022,205	\$ 1,097,827	\$ 75,622
Total revenue from the federal government	\$ 1,022,205	\$ 1,022,205	\$ 1,097,827	\$ 75,622
Total School Cafeteria Fund	\$ 1,097,681	\$ 1,097,681	\$ 1,205,783	\$ 108,102
School Grants Fund:				
Intergovernmental:				
Revenue from the federal government:				
Categorical aid:				
Title I Part A	\$ 1,299,944	\$ 1,299,944	\$ 769,604	\$ (530,340)
Title I Part C (Migrant)	135,850	135,850	52,183	(83,667)
Title II Part A	138,519	138,519	34,873	(103,646)
Title III Part A	31,279	31,279	11,920	(19,359)
Title IV Part A	103,096	103,096	19,276	(83,820)
Title V Part A	91,004	91,004	70,824	(20,180)
Title VI-B Special education	608,774	608,774	354,966	(253,808)
Title VI-B preschool	28,955	28,955	11,267	(17,688)
CTE/Perkins grant	73,237	73,237	70,567	(2,670)
1003 A school improvement grant	119,243	119,243	119,241	(2)
Consortium incentive grants	22,058	22,058	14,396	(7,662)
Other federal grants	2,316,277	2,316,277	1,123,741	(1,192,536)
Total categorical aid	\$ 4,968,236	\$ 4,968,236	\$ 2,652,858	\$ (2,315,378)
Total revenue from the federal government	\$ 4,968,236	\$ 4,968,236	\$ 2,652,858	\$ (2,315,378)
Total School Grants Fund	\$ 4,968,236	\$ 4,968,236	\$ 2,652,858	\$ (2,315,378)

Schedule of Revenues - Budget and Actual
Governmental Funds
For The Year Ended June 30, 2024 (Continued)

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Discretely Presented Component Unit-School Board: (Continued)				
School Retiree Health Insurance Fund:				
Revenue from local sources:				
Charges for services:				
Retiree health insurance premiums	\$ -	\$ -	\$ 60,064	\$ 60,064
Total revenue from local sources	\$ -	\$ -	\$ 60,064	\$ 60,064
Total School Retiree Health Insurance Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 60,064</u>	<u>\$ 60,064</u>
School Activity Fund:				
Revenue from local sources:				
Miscellaneous revenue:				
Other miscellaneous	\$ -	\$ -	\$ 401,191	\$ 401,191
Total miscellaneous revenue	\$ -	\$ -	\$ 401,191	\$ 401,191
Total School Activity Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 401,191</u>	<u>\$ 401,191</u>
Total Discretely Presented Component Unit - School Board	<u>\$ 30,533,570</u>	<u>\$ 30,533,570</u>	<u>\$ 28,561,272</u>	<u>\$ (1,972,298)</u>

Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2024

Fund, Function, Activity and Element	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund:				
General government administration:				
Legislative:				
Board of supervisors	\$ 53,839	\$ 57,839	\$ 57,800	\$ 39
General and financial administration:				
County administrator	\$ 508,463	\$ 558,463	\$ 432,106	\$ 126,357
County attorney	171,452	172,652	172,586	66
Commissioner of revenue	341,181	368,281	360,202	8,079
General reassessment	376,946	376,946	232,309	144,637
Treasurer	444,725	472,825	472,786	39
Finance	516,958	571,644	506,983	64,661
Department of information technology	513,289	513,289	351,062	162,227
Contingency	156,320	132,457	26,748	105,709
Other general and financial administration	235,842	240,942	240,860	82
Total general and financial administration	\$ 3,265,176	\$ 3,407,499	\$ 2,795,642	\$ 611,857
Board of elections:				
Electoral board and officials	\$ 305,935	\$ 317,352	\$ 267,641	\$ 49,711
Total board of elections	\$ 305,935	\$ 317,352	\$ 267,641	\$ 49,711
Total general government administration	\$ 3,624,950	\$ 3,782,690	\$ 3,121,083	\$ 661,607
Judicial administration:				
Courts:				
Circuit court	\$ 35,650	\$ 47,150	\$ 47,130	\$ 20
General district court	8,395	8,795	6,908	1,887
Magistrate	3,225	3,225	551	2,674
Juvenile and domestic relations district court	6,550	6,550	5,146	1,404
Clerk of the circuit court	503,810	501,457	434,623	66,834
Victim and witness assistance	69,675	69,675	67,317	2,358
Total courts	\$ 627,305	\$ 636,852	\$ 561,675	\$ 75,177
Commonwealth's attorney:				
Commonwealth's attorney	\$ 460,653	\$ 460,793	\$ 454,420	\$ 6,373
Total commonwealth's attorney	\$ 460,653	\$ 460,793	\$ 454,420	\$ 6,373
Total judicial administration	\$ 1,087,958	\$ 1,097,645	\$ 1,016,095	\$ 81,550
Public safety:				
Law enforcement and traffic control:				
Sheriff	\$ 3,876,880	\$ 4,139,718	\$ 4,137,746	\$ 1,972
Total law enforcement and traffic control	\$ 3,876,880	\$ 4,139,718	\$ 4,137,746	\$ 1,972

Schedule of Expenditures - Budget and Actual
Governmental Funds
For The Year Ended June 30, 2024 (Continued)

Fund, Function, Activity and Element	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Public safety: (Continued)				
Fire and rescue services:				
Ambulance and rescue	\$ 14,286	\$ 16,186	\$ 16,156	\$ 30
Fire prevention	518,541	522,577	427,046	95,531
Emergency medical services	2,927,553	3,572,152	2,989,897	582,255
Total fire and rescue services	<u>\$ 3,460,380</u>	<u>\$ 4,110,915</u>	<u>\$ 3,433,099</u>	<u>\$ 677,816</u>
Correction and detention:				
Judicial court services	\$ 105,380	\$ 105,380	\$ 70,576	\$ 34,804
Total correction and detention	<u>\$ 105,380</u>	<u>\$ 105,380</u>	<u>\$ 70,576</u>	<u>\$ 34,804</u>
Other protection:				
Animal control	\$ 152,495	\$ 160,295	\$ 160,210	\$ 85
Other emergency services	549,158	557,375	509,073	48,302
Contribution to animal control facility	35,600	35,600	29,820	5,780
Total other protection	<u>\$ 737,253</u>	<u>\$ 753,270</u>	<u>\$ 699,103</u>	<u>\$ 54,167</u>
Total public safety	<u>\$ 8,179,893</u>	<u>\$ 9,109,283</u>	<u>\$ 8,340,524</u>	<u>\$ 768,759</u>
Public works:				
Sanitation and waste removal:				
Refuse collection and disposal	\$ 3,279,393	\$ 3,304,728	\$ 2,674,864	\$ 629,864
Administration	245,866	245,866	240,624	5,242
Total sanitation and waste removal	<u>\$ 3,525,259</u>	<u>\$ 3,550,594</u>	<u>\$ 2,915,488</u>	<u>\$ 635,106</u>
Maintenance of general buildings and grounds:				
General properties	\$ 2,469,299	\$ 2,850,927	\$ 1,356,718	\$ 1,494,209
Total maintenance of general buildings and grounds	<u>\$ 2,469,299</u>	<u>\$ 2,850,927</u>	<u>\$ 1,356,718</u>	<u>\$ 1,494,209</u>
Total public works	<u>\$ 5,994,558</u>	<u>\$ 6,401,521</u>	<u>\$ 4,272,206</u>	<u>\$ 2,129,315</u>
Health and welfare:				
Health:				
Supplement of local health department	\$ 621,190	\$ 621,190	\$ 621,190	\$ -
Total health	<u>\$ 621,190</u>	<u>\$ 621,190</u>	<u>\$ 621,190</u>	<u>\$ -</u>

Schedule of Expenditures - Budget and Actual
Governmental Funds
For The Year Ended June 30, 2024 (Continued)

Fund, Function, Activity and Element	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Health and welfare: (Continued)				
Mental health and mental retardation:				
Community services board	\$ 80,708	\$ 80,708	\$ 80,708	\$ -
Total mental health and mental retardation	\$ 80,708	\$ 80,708	\$ 80,708	\$ -
Welfare:				
Welfare administration	\$ 1,800	\$ 1,800	\$ 1,750	\$ 50
Comprehensive Services Act	175,000	175,000	97,288	77,712
Total welfare	\$ 176,800	\$ 176,800	\$ 99,038	\$ 77,762
Total health and welfare	\$ 878,698	\$ 878,698	\$ 800,936	\$ 77,762
Education:				
Other instructional costs:				
Contribution to community colleges	\$ 27,593	\$ 27,593	\$ 27,593	\$ -
Contribution to County School Board	10,495,554	10,495,554	10,495,554	-
Total education	\$ 10,523,147	\$ 10,523,147	\$ 10,523,147	\$ -
Parks, recreation, and cultural:				
Parks and recreation:				
Recreation centers and playgrounds	\$ 353,246	\$ 353,246	\$ 288,745	\$ 64,501
Total parks and recreation	\$ 353,246	\$ 353,246	\$ 288,745	\$ 64,501
Library:				
Contribution to regional library	\$ 165,842	\$ 165,842	\$ 165,842	\$ -
Contribution to local library	30,000	30,000	30,000	-
Total library	\$ 195,842	\$ 195,842	\$ 195,842	\$ -
Total parks, recreation, and cultural	\$ 549,088	\$ 549,088	\$ 484,587	\$ 64,501
Community development:				
Planning and community development:				
Community development	\$ 306,162	\$ 288,662	\$ 196,540	\$ 92,122
Planning, permitting and enforcement	1,240,048	1,491,735	970,096	521,639
Wetlands board	6,140	6,140	2,777	3,363
Planning commission	112,132	112,132	87,739	24,393
Other economic development	535,829	534,710	534,709	1
Total planning and community development	\$ 2,200,311	\$ 2,433,379	\$ 1,791,861	\$ 641,518
Environmental management:				
Contribution to Soil and Water Conservation District	\$ 53,504	\$ 53,504	\$ 53,504	\$ -
Total environmental management	\$ 53,504	\$ 53,504	\$ 53,504	\$ -
Cooperative extension program:				
Extension office	\$ 127,002	\$ 127,002	\$ 50,980	\$ 76,022
Total cooperative extension program	\$ 127,002	\$ 127,002	\$ 50,980	\$ 76,022
Total community development	\$ 2,380,817	\$ 2,613,885	\$ 1,896,345	\$ 717,540

Schedule of Expenditures - Budget and Actual
Governmental Funds
For The Year Ended June 30, 2024 (Continued)

Fund, Function, Activity and Element	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Debt service:				
Principal retirement	\$ -	\$ -	\$ 111,712	\$ (111,712)
Interest and other fiscal charges	-	-	3,435	(3,435)
Total debt service	\$ -	\$ -	\$ 115,147	\$ (115,147)
Total General Fund	\$ 33,219,109	\$ 34,955,957	\$ 30,570,070	\$ 4,385,887
Special Revenue Funds:				
Eastern Shore Regional Jail Fund:				
Public safety:				
Correction and detention:				
Eastern Shore Regional Jail	\$ 5,194,221	\$ 5,463,843	\$ 5,267,821	\$ 196,022
Total correction and detention	\$ 5,194,221	\$ 5,463,843	\$ 5,267,821	\$ 196,022
Total Eastern Shore Regional Jail Fund	\$ 5,194,221	\$ 5,463,843	\$ 5,267,821	\$ 196,022
Virginia Public Assistance Fund:				
Health and welfare:				
Welfare and social services:				
Welfare administration	\$ 2,567,007	\$ 2,567,007	\$ 2,609,051	\$ (42,044)
Public assistance	185,300	185,300	126,224	59,076
Other welfare services	154,220	154,220	52,801	101,419
Total welfare and social services	\$ 2,906,527	\$ 2,906,527	\$ 2,788,076	\$ 118,451
Total health and welfare	\$ 2,906,527	\$ 2,906,527	\$ 2,788,076	\$ 118,451
Total Virginia Public Assistance Fund	\$ 2,906,527	\$ 2,906,527	\$ 2,788,076	\$ 118,451
Forfeited Asset Sharing Fund:				
Judicial administration:				
Commonwealth's attorney:				
Commonwealth's attorney	\$ -	\$ 4,219	\$ 2,684	\$ 1,535
Total Forfeited Asset Sharing Fund	\$ -	\$ 4,219	\$ 2,684	\$ 1,535
CDBG Projects Fund:				
Community development:				
Planning and community development:				
East Fairview CDBG project	\$ -	\$ 15	\$ 15	\$ -
West Fairview CDBG project	-	10	10	-
Culls Community CDBG project	-	60	60	-
Total community development	\$ -	\$ 85	\$ 85	\$ -
Total CDBG Projects Fund	\$ -	\$ 85	\$ 85	\$ -

Schedule of Expenditures - Budget and Actual
Governmental Funds
For The Year Ended June 30, 2024 (Continued)

Fund, Function, Activity and Element	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Special Revenue Funds: (Continued)				
Brownfield Community Assessment Fund:				
Community development:				
Planning and community development:				
Construction and improvements	\$ 47,000	\$ 1,104,750	\$ 882,992	\$ 221,758
Total Brownfield Community Assessment Fund	\$ 47,000	\$ 1,104,750	\$ 882,992	\$ 221,758
Harbor Improvement Fund:				
Capital projects:				
Harbors and boat ramps	\$ 101,909	\$ 210,098	\$ 194,432	\$ 15,666
Kings Creek	60,000	1,494,000	1,404,928	89,072
Hungars Creek	-	103,000	-	103,000
Nassawadox Creek	-	103,000	40,325	62,675
Red Bank Creek	-	103,000	27,375	75,625
Total capital projects	\$ 161,909	\$ 2,013,098	\$ 1,667,060	\$ 346,038
Total Harbor Improvement Fund	\$ 161,909	\$ 2,013,098	\$ 1,667,060	\$ 346,038
Debt Service Fund:				
Debt service:				
Principal retirement	\$ 2,915,080	\$ 2,915,080	\$ 2,915,087	\$ (7)
Interest and other fiscal charges	2,432,948	2,432,948	2,432,940	8
Other debt service	2,250	2,250	2,100	150
Total Debt Service Fund	\$ 5,350,278	\$ 5,350,278	\$ 5,350,127	\$ 151
Capital Projects Funds:				
Capital Improvements Fund:				
Education:				
Other instructional costs:				
Contribution to County School Board	\$ 158,035	\$ 158,035	\$ 158,035	\$ -
Total education	\$ 158,035	\$ 158,035	\$ 158,035	\$ -
Capital projects expenditures:				
Other school capital projects	\$ 1,446,024	\$ 4,365,918	\$ 745,606	\$ 3,620,312
School enhancement project	52,956,287	52,956,287	1,773,780	51,182,507
Emergency communications	8,245,000	8,245,000	1,912,200	6,332,800
Total capital projects	\$ 62,647,311	\$ 65,567,205	\$ 4,431,586	\$ 61,135,619
Total Capital Improvements Fund	\$ 62,805,346	\$ 65,725,240	\$ 4,589,621	\$ 61,135,619
American Rescue Plan Act Fund:				
General and financial administration:				
County administrator	\$ -	\$ 70,000	\$ 70,000	\$ -
Total general and financial administration	\$ -	\$ 70,000	\$ 70,000	\$ -

Schedule of Expenditures - Budget and Actual
Governmental Funds
For The Year Ended June 30, 2024 (Continued)

Fund, Function, Activity and Element	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
American Rescue Plan Act Fund: (Continued)				
Public safety:				
Law enforcement and traffic control:				
Sheriff	\$ -	\$ 244,000	\$ 224,200	\$ 19,800
Total law enforcement and traffic control	\$ -	\$ 244,000	\$ 224,200	\$ 19,800
Community development:				
Planning and community development:				
Community development	\$ -	\$ 100,000	\$ 93,113	\$ 6,887
Total planning and community development	\$ -	\$ 100,000	\$ 93,113	\$ 6,887
Total community development	\$ -	\$ 100,000	\$ 93,113	\$ 6,887
Total American Rescue Plan Act Fund	\$ -	\$ 414,000	\$ 387,313	\$ 26,687
Total Primary Government	\$ 109,684,390	\$ 117,937,997	\$ 51,505,849	\$ 66,432,148
School Operating Fund:				
Education:				
Administration of schools:				
Administration, attendance and health services	\$ 2,428,535	\$ 2,428,535	\$ 2,187,674	\$ 240,861
Total administration of schools	\$ 2,428,535	\$ 2,428,535	\$ 2,187,674	\$ 240,861
Instruction costs:				
Elementary and secondary schools	\$ 17,827,837	\$ 17,827,837	\$ 14,677,054	\$ 3,150,783
Total instruction costs	\$ 17,827,837	\$ 17,827,837	\$ 14,677,054	\$ 3,150,783
Operating costs:				
Pupil transportation	\$ 1,357,903	\$ 1,357,903	\$ 1,211,368	\$ 146,535
Operation and maintenance of school plant	2,802,634	2,802,634	2,505,407	297,227
Total operating costs	\$ 4,160,537	\$ 4,160,537	\$ 3,716,775	\$ 443,762
Contribution to County Capital Projects Fund	\$ 321,024	\$ 321,024	\$ 3,017,701	\$ (2,696,677)
Total education	\$ 24,737,933	\$ 24,737,933	\$ 23,599,204	\$ 1,138,729
Total School Operating Fund	\$ 24,737,933	\$ 24,737,933	\$ 23,599,204	\$ 1,138,729

Schedule of Expenditures - Budget and Actual
Governmental Funds
For The Year Ended June 30, 2024 (Continued)

Fund, Function, Activity and Element	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Discretely Presented Component Unit-School Board:				
School Cafeteria Fund:				
Education:				
School food services:				
Administration of school food program	\$ 1,259,469	\$ 1,340,686	\$ 1,250,933	\$ 89,753
USDA commodities	-	-	47,915	(47,915)
Total school food services	<u>\$ 1,259,469</u>	<u>\$ 1,340,686</u>	<u>\$ 1,298,848</u>	<u>\$ 41,838</u>
Total education	<u>\$ 1,259,469</u>	<u>\$ 1,340,686</u>	<u>\$ 1,298,848</u>	<u>\$ 41,838</u>
Total School Cafeteria Fund	<u>\$ 1,259,469</u>	<u>\$ 1,340,686</u>	<u>\$ 1,298,848</u>	<u>\$ 41,838</u>
School Grants Fund:				
Education:				
Instruction	\$ 4,968,236	\$ 4,968,236	\$ 2,652,858	\$ 2,315,378
Total instruction costs	<u>\$ 4,968,236</u>	<u>\$ 4,968,236</u>	<u>\$ 2,652,858</u>	<u>\$ 2,315,378</u>
Contribution to County Capital Projects Fund	\$ -	\$ -	\$ 119,575	\$ (119,575)
Total education	<u>\$ 4,968,236</u>	<u>\$ 4,968,236</u>	<u>\$ 2,772,433</u>	<u>\$ 2,195,803</u>
Total School Grants Fund	<u>\$ 4,968,236</u>	<u>\$ 4,968,236</u>	<u>\$ 2,772,433</u>	<u>\$ 2,195,803</u>
School Retiree Health Insurance Fund:				
Education:				
Instruction	\$ -	\$ -	\$ 61,661	\$ (61,661)
Total education	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 61,661</u>	<u>\$ (61,661)</u>
Total School Retiree Health Insurance Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 61,661</u>	<u>\$ (61,661)</u>
School Activity Fund:				
Education:				
Instructional services:				
Elementary and secondary schools	\$ -	\$ -	\$ 385,842	\$ (385,842)
Total education	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 385,842</u>	<u>\$ (385,842)</u>
Total School Activity Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 385,842</u>	<u>\$ (385,842)</u>
Total Discretely Presented Component Unit - School Board	<u>\$ 30,965,638</u>	<u>\$ 31,046,855</u>	<u>\$ 28,117,988</u>	<u>\$ 2,928,867</u>

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STATISTICAL SECTION

COUNTY OF NORTHAMPTON, VIRGINIA

Net Position by Component

Last Ten Fiscal Years

(accrual basis of accounting)

	2024	2023	2022	2021
Governmental activities				
Net investment in capital assets	\$ 25,908,355	\$ 24,143,469	\$ 20,161,411	\$ 12,847,424
Restricted	11,304,175	4,280,543	5,820,670	1,968,721
Unrestricted	22,556,787	23,270,915	12,867,512	17,225,766
Total governmental activities net position	<u>\$ 59,769,317</u>	<u>\$ 51,694,927</u>	<u>\$ 38,849,593</u>	<u>\$ 32,041,911</u>
Business-type activities				
Net investment in capital assets	\$ 131,339	\$ 98,283	\$ 95,221	\$ 66,293
Restricted	976	2,780	-	-
Unrestricted	350,665	268,218	184,344	129,479
Total business-type activities net position	<u>\$ 482,980</u>	<u>\$ 369,281</u>	<u>\$ 279,565</u>	<u>\$ 195,772</u>
Primary government				
Net investment in capital assets	\$ 26,039,694	\$ 24,241,752	\$ 20,256,632	\$ 12,913,717
Restricted	11,305,151	4,283,323	5,820,670	1,968,721
Unrestricted	22,907,452	23,539,133	13,051,856	17,355,245
Total primary government net position	<u>\$ 60,252,297</u>	<u>\$ 52,064,208</u>	<u>\$ 39,129,158</u>	<u>\$ 32,237,683</u>

Table 1

2020	2019	2018	2017	2016	2015
\$ 12,791,941	\$ 11,822,786	\$ 13,426,790	\$ 13,075,221	\$ 13,311,004	\$ 13,002,316
1,919,429	1,671,403	3,545,615	3,195,132	2,915,707	3,005,354
14,144,763	13,221,915	11,733,339	11,922,127	9,069,441	7,678,896
<u>\$ 28,856,133</u>	<u>\$ 26,716,104</u>	<u>\$ 28,705,744</u>	<u>\$ 28,192,480</u>	<u>\$ 25,296,152</u>	<u>\$ 23,686,566</u>
\$ 27,740	\$ 34,741	\$ 41,742	\$ 16,149	\$ 18,036	\$ -
-	-	-	-	-	-
112,968	33,375	(36,699)	1,452	8,426	9,561
<u>\$ 140,708</u>	<u>\$ 68,116</u>	<u>\$ 5,043</u>	<u>\$ 17,601</u>	<u>\$ 26,462</u>	<u>\$ 9,561</u>
\$ 12,819,681	\$ 11,857,527	\$ 13,468,532	\$ 13,091,370	\$ 13,329,040	\$ 13,002,316
1,919,429	1,671,403	3,545,615	3,195,132	2,915,707	3,005,354
14,257,731	13,255,290	11,696,640	11,923,579	9,077,867	7,688,457
<u>\$ 28,996,841</u>	<u>\$ 26,784,220</u>	<u>\$ 28,710,787</u>	<u>\$ 28,210,081</u>	<u>\$ 25,322,614</u>	<u>\$ 23,696,127</u>

COUNTY OF NORTHAMPTON, VIRGINIA

Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

	2024	2023	2022	2021
Expenses				
Governmental activities:				
General government administration	\$ 3,976,444	\$ 3,702,772	\$ 2,992,729	\$ 2,966,512
Judicial administration	1,121,702	1,083,789	524,342	936,664
Public safety	15,672,651	12,393,961	11,792,717	11,579,210
Public works	4,558,587	4,856,616	4,555,377	3,245,658
Health and welfare	3,509,365	3,238,555	2,975,568	3,193,313
Education	13,224,762	9,252,169	9,158,147	9,640,932
Parks, recreation, culture	2,010,237	623,441	75,080	653,310
Community development	2,280,888	1,299,852	2,498,128	2,255,067
Interest on long-term debt	1,613,353	1,735,105	1,651,144	898,769
Total governmental activities expenses	\$ 47,967,989	\$ 38,186,260	\$ 36,223,232	\$ 35,369,435
Business-type activities:				
Public utilities	\$ 92,516	\$ 138,334	\$ 129,183	\$ 169,924
Total business-type activities expenses	\$ 92,516	\$ 138,334	\$ 129,183	\$ 169,924
Total Primary government expenses	\$ 48,060,505	\$ 38,324,594	\$ 36,352,415	\$ 35,539,359
Program Revenues				
Governmental activities:				
Charges for services				
General government administration	\$ 16,816	\$ 30,754	\$ 34,930	\$ -
Judicial administration	344,891	285,281	218,219	345,436
Public safety	1,407,396	1,213,215	1,199,894	1,036,314
Public works	855,431	961,120	768,681	817,127
Health and welfare	38,731	-	-	-
Education	37,842	36,766	43,555	39,294
Parks, recreation, culture	64,389	70,108	65,221	51,135
Community development	-	-	-	-
Operating grants and contributions	9,790,964	9,111,395	9,241,923	8,178,573
Capital grants and contributions	-	-	-	313,673
Total governmental activities program revenues	\$ 12,556,460	\$ 11,708,639	\$ 11,572,423	\$ 10,781,552
Business-type activities:				
Charges for services	\$ 206,215	\$ 228,050	\$ 208,075	\$ 224,988
Total business-type activities program revenues	\$ 206,215	\$ 228,050	\$ 208,075	\$ 224,988
Total primary government program revenue	\$ 12,762,675	\$ 11,936,689	\$ 11,780,498	\$ 11,006,540
Net(Expense)/Revenue				
Governmental activities	\$ (35,411,529)	\$ (26,477,621)	\$ (24,650,809)	\$ (24,587,883)
Business-type activities	113,699	89,716	78,892	55,064
Total primary government net expense	\$ (35,297,830)	\$ (26,387,905)	\$ (24,571,917)	\$ (24,532,819)

Table 2
Page 1 of 2

2020	2019	2018	2017	2016	2015
\$ 3,195,073	\$ 3,050,836	\$ 2,846,063	\$ 2,635,928	\$ 2,413,847	\$ 2,654,848
805,032	738,392	852,560	852,577	827,333	808,280
10,763,461	9,602,687	9,589,223	9,215,297	8,739,709	8,723,916
3,148,791	2,850,905	2,583,136	2,483,413	2,545,525	2,006,016
2,921,111	2,786,249	3,022,247	2,851,470	2,859,742	2,885,030
9,982,925	10,493,929	9,638,974	9,341,711	10,018,401	9,587,332
442,445	756,434	456,076	419,903	384,855	356,931
1,486,382	1,215,550	1,052,847	1,018,247	912,784	1,153,095
1,124,481	435,051	534,335	622,511	697,430	765,128
<u>\$ 33,869,701</u>	<u>\$ 31,930,033</u>	<u>\$ 30,575,461</u>	<u>\$ 29,441,057</u>	<u>\$ 29,399,626</u>	<u>\$ 28,940,576</u>
\$ 260,122	\$ 194,946	\$ 218,374	\$ 192,628	\$ 185,352	\$ 165,348
<u>\$ 260,122</u>	<u>\$ 194,946</u>	<u>\$ 218,374</u>	<u>\$ 192,628</u>	<u>\$ 185,352</u>	<u>\$ 165,348</u>
<u>\$ 34,129,823</u>	<u>\$ 32,124,979</u>	<u>\$ 30,793,835</u>	<u>\$ 29,633,685</u>	<u>\$ 29,584,978</u>	<u>\$ 29,105,924</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
558,010	684,650	784,750	768,860	654,510	722,594
663,631	783,262	694,031	469,439	304,566	267,459
755,252	728,839	806,547	574,315	575,089	535,686
-	-	-	-	-	-
17,154	-	-	-	-	-
48,490	66,707	60,534	53,744	51,200	58,630
-	-	-	-	-	40
6,309,865	6,252,276	6,130,345	6,085,668	6,080,273	6,137,361
69,347	-	-	33,129	52,577	-
<u>\$ 8,421,749</u>	<u>\$ 8,515,734</u>	<u>\$ 8,476,207</u>	<u>\$ 7,985,155</u>	<u>\$ 7,718,215</u>	<u>\$ 7,721,770</u>
\$ 336,989	\$ 262,294	\$ 196,844	\$ 187,630	\$ 180,235	\$ 165,486
<u>\$ 336,989</u>	<u>\$ 262,294</u>	<u>\$ 196,844</u>	<u>\$ 187,630</u>	<u>\$ 180,235</u>	<u>\$ 165,486</u>
<u>\$ 8,758,738</u>	<u>\$ 8,778,028</u>	<u>\$ 8,673,051</u>	<u>\$ 8,172,785</u>	<u>\$ 7,898,450</u>	<u>\$ 7,887,256</u>
\$ (25,447,952)	\$ (23,414,299)	\$ (22,099,254)	\$ (21,455,902)	\$ (21,681,411)	\$ (21,218,806)
76,867	67,348	(21,530)	(4,998)	(5,117)	138
<u>\$ (25,371,085)</u>	<u>\$ (23,346,951)</u>	<u>\$ (22,120,784)</u>	<u>\$ (21,460,900)</u>	<u>\$ (21,686,528)</u>	<u>\$ (21,218,668)</u>

COUNTY OF NORTHAMPTON, VIRGINIA

Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2024	2023	2022	2021
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes:				
General property taxes	\$ 23,841,968	\$ 23,118,826	\$ 20,561,841	\$ 19,860,840
Local sales and use tax	4,269,590	4,332,100	4,139,963	1,957,466
Communication sales tax	263,861	363,051	-	-
Consumer utility tax	334,386	329,972	335,039	328,659
Motor vehicle licenses	394,178	358,248	359,014	374,220
Franchise taxes	483,051	425,037	410,177	362,177
Hotel and meals taxes	933,853	1,011,360	1,018,413	663,301
Other local taxes	460,756	460,272	489,697	533,308
Unrestricted revenues from use of money and property	4,498,861	3,280,005	259,681	144,449
Miscellaneous	83,900	955,117	144,101	181,048
Grants and contributions not restricted to specific programs	4,538,118	3,067,980	1,876,084	1,903,845
Transfers	3,383,397	1,620,987	1,864,481	1,464,348
Total governmental activities	\$ 43,485,919	\$ 39,322,955	\$ 31,458,491	\$ 27,773,661
Business-type activities:				
Transfers	\$ -	\$ -	\$ 4,901	\$ -
Total business-type activities	\$ -	\$ -	\$ 4,901	\$ -
Total primary government	\$ 43,485,919	\$ 39,322,955	\$ 31,463,392	\$ 27,773,661
Change in Net Position				
Governmental activities	\$ 8,074,390	\$ 12,845,334	\$ 6,807,682	\$ 3,185,778
Business-type activities	113,699	89,716	83,793	55,064
Total primary government	\$ 8,188,089	\$ 12,935,050	\$ 6,891,475	\$ 3,240,842

2020	2019	2018	2017	2016	2015
\$ 19,688,827	\$ 18,776,883	\$ 18,283,266	\$ 18,041,615	\$ 17,065,329	\$ 16,695,685
1,443,547	1,347,759	1,278,342	1,206,730	1,178,112	1,091,493
-	-	-	-	-	-
324,208	328,478	325,996	323,498	318,769	322,591
38,265	38,126	39,667	38,221	37,220	38,132
-	-	-	-	-	-
805,013	844,012	828,344	624,632	598,525	553,510
613,373	575,224	545,693	583,525	576,843	500,753
602,166	254,371	131,362	107,437	174,263	77,791
169,872	119,981	(158,082)	376,240	237,483	166,823
2,164,551	1,920,062	1,953,926	1,972,832	1,975,885	2,012,975
1,738,169	851,753	546,170	1,077,500	991,545	394,521
\$ 27,587,991	\$ 25,056,649	\$ 23,774,684	\$ 24,352,230	\$ 23,153,974	\$ 21,854,274
\$ (4,275)	\$ (4,275)	\$ 5,225	\$ (3,863)	\$ 22,018	\$ -
\$ (4,275)	\$ (4,275)	\$ 5,225	\$ (3,863)	\$ 22,018	\$ -
\$ 27,583,716	\$ 25,052,374	\$ 23,779,909	\$ 24,348,367	\$ 23,175,992	\$ 21,854,274
\$ 3,000,108	\$ (391,303)	\$ 360,385	\$ 2,252,976	\$ 1,698,072	\$ 635,468
50,789	72,592	72,573	(25,393)	17,020	138
\$ 3,050,897	\$ (318,711)	\$ 432,958	\$ 2,227,583	\$ 1,715,092	\$ 635,606

COUNTY OF NORTHAMPTON, VIRGINIA

Fund Balances, Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
General Fund				
Nonspendable	\$ 27,076	\$ 18,676	\$ 30,176	\$ 27,244
Restricted	75,097	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	17,827,840	15,395,940	12,161,807	14,167,329
Total General Fund	<u>\$ 17,930,013</u>	<u>\$ 15,414,616</u>	<u>\$ 12,191,983</u>	<u>\$ 14,194,573</u>
All Other Governmental Funds				
Nonspendable	\$ 53,700	\$ 26,850	\$ 30,176	\$ -
Restricted	62,724,094	51,439,582	55,710,610	24,708,712
Committed	3,211,994	12,197,303	10,008,012	8,546,295
Assigned	-	97,932	88,657	84,447
Unassigned	-	-	-	-
Total all other governmental funds	<u>\$ 65,989,788</u>	<u>\$ 63,761,667</u>	<u>\$ 65,837,455</u>	<u>\$ 33,339,454</u>

Table 3

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ -	\$ -	\$ 2,963	\$ 782	\$ 1,748	\$ 874
-	-	-	-	-	-
-	-	-	-	-	190,175
-	-	139,908	139,908	66,000	-
11,682,987	11,495,155	10,332,116	9,464,231	7,763,364	7,804,166
<u>\$ 11,682,987</u>	<u>\$ 11,495,155</u>	<u>\$ 10,474,987</u>	<u>\$ 9,604,921</u>	<u>\$ 7,831,112</u>	<u>\$ 7,995,215</u>
\$ 17,936	\$ -	\$ -	\$ -	\$ -	\$ -
29,129,465	1,671,403	3,545,615	3,195,132	2,915,707	3,005,354
7,640,030	6,642,429	6,902,495	6,684,163	5,735,985	4,691,846
84,445	98,719	141,413	142,280	160,978	-
(39,946)	(22,010)	(22,010)	(192,866)	(191,846)	(203,262)
<u>\$ 36,831,930</u>	<u>\$ 8,390,541</u>	<u>\$ 10,567,513</u>	<u>\$ 9,828,709</u>	<u>\$ 8,620,824</u>	<u>\$ 7,493,938</u>

COUNTY OF NORTHAMPTON, VIRGINIA

Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	2024	2023	2022	2021
REVENUES				
General property taxes	\$ 23,856,933	\$ 22,461,183	\$ 20,311,351	\$ 20,092,815
Other local taxes	7,139,675	7,280,040	6,752,303	4,219,131
Permits, privilege fees, and regulatory licenses	253,679	251,351	217,090	154,123
Fines and forfeitures	288,385	234,806	170,093	296,670
Revenue from the use of money and property	4,515,677	3,310,759	294,611	54,417
Charges for services	2,167,885	2,080,333	1,908,387	1,716,642
Miscellaneous	122,631	955,117	144,101	72,004
Recovered costs	347,655	541,622	542,068	169,846
Intergovernmental revenues	17,633,571	13,635,883	12,987,389	12,344,988
Total revenues	\$ 56,326,091	\$ 50,751,094	\$ 43,327,393	\$ 39,120,636
EXPENDITURES				
Current:				
General government administration	\$ 3,191,083	\$ 2,723,048	\$ 2,711,660	\$ 2,532,056
Judicial administration	1,018,779	1,000,442	886,138	789,639
Public safety	13,832,545	13,077,411	13,117,885	11,044,585
Public works	4,272,206	5,682,946	6,143,311	3,033,477
Health and welfare	3,589,012	3,261,093	3,175,437	3,157,622
Education	10,681,182	9,674,166	9,124,571	9,025,571
Parks, recreation, and cultural	484,587	578,555	547,811	440,021
Community development	2,872,535	1,989,779	2,636,763	2,227,636
Capital projects	6,098,646	4,616,354	13,138,510	4,058,439
Debt service:				
Principal retirement	3,026,799	4,564,928	2,181,056	2,239,465
Interest and other fiscal charges	2,438,475	2,832,235	1,834,690	1,809,515
Bond issuance costs	-	-	199,820	-
Total expenditures	\$ 51,505,849	\$ 50,000,957	\$ 55,697,652	\$ 40,358,026
Excess (deficiency) of revenues over (under) expenditures	\$ 4,820,242	\$ 750,137	\$ (12,370,259)	\$ (1,237,390)
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 10,792,216	\$ 12,646,194	\$ 10,644,126	\$ 6,686,821
Transfers out	(10,792,216)	(12,646,194)	(10,649,027)	(6,686,821)
Bonds issued	-	-	42,094,705	-
Refunding bonds issued	-	-	8,475,000	-
Bond premium issuance	-	-	630,690	-
Issuance of note payable	-	358,400	-	256,500
Payment-refunded bonds escrow agent	-	-	(8,360,000)	-
Issuance of leases	-	68,484	-	-
Total other financing sources (uses)	\$ -	\$ 426,884	\$ 42,835,494	\$ 256,500
Net change in fund balances	\$ 4,820,242	\$ 1,177,021	\$ 30,465,235	\$ (980,890)
Fund balances - beginning	79,176,283	77,999,262	47,534,027	48,514,917
Fund balances - ending	\$ 83,996,525	\$ 79,176,283	\$ 77,999,262	\$ 47,534,027
Debt Service as a percentage of noncapital expenditures	10.98%	17.85%	10.53%	11.47%

Table 4

2020	2019	2018	2017	2016	2015
\$ 19,579,185	\$ 18,998,268	\$ 18,272,125	\$ 18,039,197	\$ 17,212,661	\$ 16,682,266
3,224,406	3,133,599	3,018,042	2,776,606	2,709,469	2,506,479
128,213	118,752	141,646	167,599	168,928	109,011
511,699	639,442	781,255	553,690	442,889	510,887
602,166	254,371	131,362	107,437	174,263	77,791
1,402,625	1,505,264	1,422,961	1,145,069	973,548	964,511
169,872	119,981	44,584	347,709	209,667	130,164
249,026	348,701	282,924	483,456	402,761	213,750
10,277,657	9,019,816	8,635,666	9,165,266	9,122,298	8,544,857
<u>\$ 36,144,849</u>	<u>\$ 34,138,194</u>	<u>\$ 32,730,565</u>	<u>\$ 32,786,029</u>	<u>\$ 31,416,484</u>	<u>\$ 29,739,716</u>
\$ 2,480,599	\$ 2,391,971	\$ 2,098,866	\$ 2,109,381	\$ 2,150,567	\$ 1,961,308
727,320	673,490	685,186	689,380	677,613	648,852
10,589,133	9,685,493	9,139,783	8,735,849	8,240,146	8,118,561
3,286,052	2,716,341	2,488,639	2,262,325	2,130,659	2,120,556
2,976,558	2,902,092	2,938,337	2,813,823	2,892,299	2,893,156
9,050,725	8,996,636	8,687,800	8,739,800	8,754,047	8,176,890
410,100	425,608	430,593	376,247	366,068	338,095
1,387,807	1,203,882	1,000,540	988,099	977,163	1,430,497
867,527	1,190,630	656,236	176,072	983,315	812,998
2,110,815	4,149,298	1,912,130	1,822,131	2,269,250	1,861,182
769,803	873,625	970,634	1,054,591	1,127,579	1,191,756
-	-	-	-	-	-
<u>\$ 34,656,439</u>	<u>\$ 35,209,066</u>	<u>\$ 31,008,744</u>	<u>\$ 29,767,698</u>	<u>\$ 30,568,706</u>	<u>\$ 29,553,851</u>
\$ 1,488,410	\$ (1,070,872)	\$ 1,721,821	\$ 3,018,331	\$ 847,778	\$ 185,865
\$ 6,057,206	\$ 5,717,906	\$ 5,955,599	\$ 5,214,133	\$ 5,805,122	\$ 5,733,914
(6,165,431)	(5,766,131)	(6,008,824)	(5,250,770)	(5,867,640)	(5,733,914)
24,040,000	-	-	-	-	-
-	-	-	-	-	-
3,170,036	-	-	-	-	-
39,000	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 27,140,811</u>	<u>\$ (48,225)</u>	<u>\$ (53,225)</u>	<u>\$ (36,637)</u>	<u>\$ (62,518)</u>	<u>\$ -</u>
\$ 28,629,221	\$ (1,119,097)	\$ 1,668,596	\$ 2,981,694	\$ 785,260	\$ 185,865
19,885,696	21,004,793	19,373,904	16,451,936	15,666,676	15,303,288
<u>\$ 48,514,917</u>	<u>\$ 19,885,696</u>	<u>\$ 21,042,500</u>	<u>\$ 19,433,630</u>	<u>\$ 16,451,936</u>	<u>\$ 15,489,153</u>
<u>8.66%</u>	<u>14.81%</u>	<u>9.58%</u>	<u>9.80%</u>	<u>11.33%</u>	<u>10.50%</u>

Principal Property Tax Payers
Current and Ten Years Ago

Taxpayer	December 31, 2023			December 31, 2014		
	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
Bay Creek Development, LLC	\$ 24,662,300	1	0.97%			
Cape Charles Properties, LLC (Former Bayshore Concrete Products Corporation location)	14,782,500	2	0.58%	\$ 11,652,800	3	0.51%
THS Family Limited Partnership	13,892,300	3	0.55%	5,745,300	8	0.25%
Peacock Holdings Va LLC	11,452,000	4	0.45%	9,910,100	6	0.43%
Bay Creek Resort, LLC	12,345,600	5	0.49%			
Sun Cherrystone RV, LLC	11,143,500	6	0.44%			
Hoffler, Daniel A.	10,322,300	7	0.41%	14,288,300	2	0.62%
The Nature Conservancy	8,871,600	8	0.35%	9,914,900	5	0.43%
Sun Sunset Beach RV, LLC	7,374,900	9	0.29%			
Bay Creek South, LLC	5,527,500	10	0.22%	40,042,756	1	1.75%
Cherrydale Holdings VA, LLC				6,337,000	7	0.28%
Ballard Brothers Fish Company				10,209,500	4	0.45%
Baymark Construction Corporation				5,726,000	9	0.25%
Hungars Glebe LLC				5,660,500	10	0.25%
	<u>\$ 120,374,500</u>		<u>4.75%</u>	<u>\$ 119,487,156</u>		<u>5.22%</u>

Source: Northampton County Commissioner of Revenue Department

Property Tax Levies and Collections
Last Ten Fiscal Years

Tax Year	Taxes Levied for the Fiscal Year (Original Levy)	Adjust- ments	Total Adjusted Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
				Amount	Percentage of Original Levy		Amount	Percentage of Adjusted Levy
2014	16,654,676	6,434	16,661,110	15,677,996	94.14%	965,053	16,643,049	99.89%
2015	17,087,463	36,286	17,123,749	16,170,224	94.63%	936,229	17,106,453	99.90%
2016	18,068,330	9,998	18,078,328	17,101,267	94.65%	966,477	18,067,744	99.94%
2017	18,383,412	9,041	18,392,453	17,395,680	94.63%	985,032	18,380,712	99.94%
2018	18,972,804	2,978	18,975,782	17,985,687	94.80%	978,416	18,964,103	99.94%
2019	19,405,666	(138,776)	19,266,890	18,456,213	95.11%	695,771	19,151,984	99.40%
2020	19,976,062	(184,277)	19,791,785	19,192,031	96.08%	537,616	19,729,647	99.69%
2021	20,779,581	(2,000)	20,777,581	19,613,997	94.39%	1,016,140	20,630,137	99.29%
2022	23,095,563	(215,320)	22,880,243	21,577,055	93.43%	893,990	22,471,045	98.21%
2023	24,277,741	(381,479)	23,896,262	22,556,800	92.91%	-	22,556,800	94.39%

Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(in thousands of dollars)

Fiscal Year Ended	Real Property					Personal Property										Total Taxable Assessed Value	Direct Tax Rate per \$100					
	(Class 1, 2 & 3) Residential Property	(Class 4) Commercial Property	(Class 5 & 6) Raw Land	Public Service Property	Total	Tax Rate per \$100	Motor			Public Service Property	Tax Rate per \$100	Machinery		Tax Rate per \$100	Heavy Equipment			Tax Rate per \$100	Boats		Tax Rate per \$100	
							Vehicles and Tangibles	Tax Rate per \$100	Farm Machinery			Tax Rate per \$100	Farm Machinery						Tax Rate per \$100	Boats		Tax Rate per \$100
2015	1,645,307,200	161,885,000	479,901,300	48,854,329	2,335,947,829	0.6728	68,775,700	3.85	3.85	50,980	3.85	3,867,100	2.00	-	-	-	-	9,428,100	0.99	2,418,069,709	0.767	
2016	1,645,468,057	159,026,800	476,301,901	52,285,130	2,333,081,888	0.6805	73,842,300	3.90	3.90	12,074	3.90	4,621,400	2.00	-	-	-	-	9,484,600	0.99	2,421,042,262	0.782	
2017	1,384,987,850	141,462,300	389,505,900	51,653,101	1,967,609,151	0.8300	94,006,200	3.90	3.90	8,726	3.90	4,062,400	2.00	-	-	-	-	9,561,600	0.99	2,075,248,077	0.972	
2018	1,399,425,300	147,004,700	388,836,200	53,789,964	1,989,056,164	0.8300	98,671,200	3.90	3.90	-	3.90	4,721,200	2.00	9,263,300	1.43	963,600	2.86	10,699,200	0.99	2,113,374,664	0.980	
2019	1,448,771,200	153,521,800	380,059,700	58,245,081	2,040,597,781	0.8300	106,809,627	3.90	3.90	-	3.90	4,015,300	2.00	8,643,900	1.43	1,468,400	2.86	10,699,200	0.99	2,172,234,208	0.988	
2020	1,463,601,100	159,402,100	376,098,200	56,636,303	2,055,737,703	0.8300	106,809,627	3.90	3.90	-	3.90	4,061,000	2.00	8,643,900	1.20	1,468,400	2.86	11,229,100	0.99	2,187,949,730	0.986	
2021	1,510,344,825	166,865,000	375,563,224	59,628,880	2,112,401,929	0.8350	129,595,800	3.90	3.90	-	3.90	2,734,600	2.00	7,357,500	1.20	2,052,500	2.86	11,528,300	0.99	2,264,851,229	1.015	
2022	1,541,505,900	166,282,400	374,765,300	58,286,800	2,140,840,400	0.8350	133,087,025	3.90	3.90	-	3.90	4,810,500	2.00	7,596,500	0.99	2,052,500	2.86	14,588,300	0.99	2,302,975,225	1.018	
2023	1,899,522,800	192,824,100	376,944,600	65,889,700	2,535,181,200	0.7600	146,474,000	3.60	3.60	-	3.60	6,108,600	2.00	9,167,200	0.99	1,158,700	2.86	15,831,500	0.99	2,713,921,200	0.919	
2024	1,984,655,700	193,570,500	381,965,900	56,603,200	2,616,795,300	0.7600	136,245,765	3.60	3.60	-	3.60	6,197,800	2.00	11,991,000	0.99	2,152,000	2.86	15,552,900	0.99	2,788,934,765	0.905	

Source: Northampton County Commissioner of Revenue Department

Note: The County assesses property at 100% of actual value. Tax rates are assessed per \$100 of assessed value.

Direct and Overlapping Property Tax Rates

Last Ten Fiscal Years

(in thousands of dollars)

Fiscal Year	Real Estate	Motor Vehicles and Tangibles	Public Service Property	Machinery and Tools	Farm Machinery	Heavy Equipment	Boat	Total Direct Rate
2015	0.650	0.110	0.000	0.003	0.000	0.000	0.004	0.767
2016	0.656	0.119	0.000	0.004	0.000	0.000	0.004	0.782
2017	0.787	0.177	0.000	0.004	0.000	0.000	0.005	0.972
2018	0.781	0.182	0.000	0.004	0.006	0.001	0.005	0.980
2019	0.780	0.192	0.000	0.004	0.006	0.002	0.005	0.988
2020	0.780	0.190	0.000	0.004	0.005	0.002	0.005	0.986
2021	0.779	0.223	0.000	0.002	0.004	0.002	0.005	1.015
2022	0.776	0.225	0.000	0.004	0.003	0.003	0.006	1.018
2023	0.710	0.194	0.000	0.005	0.003	0.001	0.006	0.919
2024	0.713	0.176	0.000	0.004	0.004	0.002	0.006	0.905

Source: Northampton County Commissioner of Revenue Department

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

Overlapping Rates

Fiscal Year	Town of Eastville		Town of Cape Charles		Town of Exmore		Town of Belle Haven
	Real Estate	Tangible Property	Real Estate	Tangible Property	Real Estate	Tangible Property	Real Estate
2015	0.0590	0.0500	0.2759	2.00	0.1200	0.4900	0.0850
2016	0.0590	0.0500	0.3260	2.00	0.1200	0.4900	0.0850
2017	0.0590	0.0500	0.3260	2.00	0.1200	0.4900	0.0850
2018	0.0590	0.0500	0.3260	2.00	0.1200	0.4900	0.0850
2019	0.0590	0.1000	0.2945	2.00	0.1200	0.4900	0.0850
2020	0.0590	0.1000	0.2731	2.00	0.1200	0.4900	0.0850
2021	0.0590	0.1000	0.2731	2.00	0.1200	0.4900	0.0850
2022	0.0590	0.1000	0.2731	2.00	0.1200	0.4900	0.0850
2023	0.0550	0.1000	0.2159	1.00	0.1200	0.4900	0.0850
2024	0.0550	0.1000	0.2460	1.00	0.1200	0.4900	0.0850

Ratio of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	General Bonded Debt Outstanding General Obligation Bonds			Per Capita(a)	Percentage of Actual Taxable Value of Property (b)
	Governmental Activities	Less: Amounts Restricted to Repaying Principal	Total		
2015	34,079,522	2,762,716	31,316,806	2,552	1.30%
2016	31,651,888	2,752,047	28,899,841	2,336	1.19%
2017	29,578,315	3,057,346	26,520,969	2,147	1.28%
2018	27,414,742	3,371,311	24,043,431	1,960	1.14%
2019	23,014,001	1,518,958	21,495,043	1,755	0.99%
2020	47,900,779	1,665,914	46,234,865	3,755	2.11%
2021	45,507,869	1,816,140	43,691,729	3,579	1.93%
2022	83,026,300	2,431,184	80,595,116	6,695	3.50%
2023	77,986,592	488,484	77,498,108	6,512	2.86%
2024	74,746,894	515,334	74,231,560	6,119	2.66%

Note: Debt refinanced in July 2014.

(a) Population data can be found in Table 11

(b) See Table 7 for property value data

Ratio of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities		Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Leases/USDA Payable			
2015	31,316,806	93,059	31,409,865	6.52%	2,559
2016	28,899,841	-	28,899,841	5.66%	2,336
2017	26,520,969	-	26,520,969	4.80%	2,147
2018	24,043,431	-	24,043,431	4.02%	1,960
2019	21,495,043	-	21,495,043	3.44%	1,755
2020	46,234,865	-	46,234,865	6.96%	3,755
2021	43,691,729	-	43,691,729	6.02%	3,579
2022	80,595,116	33,185	80,628,301	10.00%	6,697
2023	77,498,108	678,465	78,176,573	10.23%	6,569
2024	74,231,560	456,666	74,688,226	9.59%	6,156

Note: Debt refinanced in July 2013.

Demographic and Economic Statistics
Last Ten Available Calendar Years

Calendar	Population	Personal Income (1)	Per Capita Personal	Median Age	Fall School Enrollment	Unemployment Rate
Year End	(1)	(in thousands)	Income (1)	(1)	(3)	(2)
2014	12,273	481,956	39,270	48.0	1,557	7.40%
2015	12,369	511,041	41,316	48.3	1,598	6.00%
2016	12,354	552,550	44,726	48.4	1,599	5.70%
2017	12,270	598,293	48,761	48.4	1,563	5.60%
2018	12,246	624,885	51,028	48.5	1,521	5.40%
2019	12,314	664,472	53,961	49	1,446	4.40%
2020	12,208	726,286	59,493	49.8	1,362	8.10%
2021	12,039	805,933	66,944	51.2	1,287	5.20%
2022	11,900	764,219	64,220	50.7	1,332	3.40%
2023	12,132	779,117	64,220	51.3	1,320	3.50%

Sources:

(1) Bureau of Economic Analysis - due to budget constraints they are no longer updating these for counties

(2) Virginia Employment Commission

(3) Northampton County Schools

Per capita income is the total income computed for every man, woman, and child in Northampton including those living in group quarters. It is derived by dividing the aggregate income of Northampton by the total population in that group.

Principal Employers
Current Year and Ten Years Ago

Employer	2024			2015		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Northampton County Schools	250-499	1	8.21%	250-499	2	5.38%
County of Northampton	100-249	2	3.16%	100-249	3	2.15%
Chesapeake Bay Bridge Tunnel	100-249	3	3.16%	100-249	5	2.15%
Ballard Fish and Oyster Company	100-249	4	3.16%	50-99	10	1.08%
Food Lion	100-249	5	3.16%	50-99	8	1.08%
Nassawadox Rehabilitation & Nursing	100-249	6	3.16%	100-249	6	2.15%
David's Nursery	50-99	7	1.55%			
Eastern Shore Rural Health System	50-99	8	1.55%			
New Ravenna Acquisition LLC	50-99	9	1.55%	50-99	7	1.08%
Tankard Nurseries	50-99	10	1.55%	50-99	9	1.08%
Shore Memorial Hospital (Riverside)				500-999	1	10.76%
Bayshore Concrete Products Company				100-249	4	2.15%
Total County Employees (Q1 2024 & Q4 2015)	4,117		30.22%	5,060		29.06%

Source: Virginia Employment Commission

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

	Full-time Equivalent Employees as of June 30									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General Government	20	21	20	19	20	20	20	19	19	19
Judicial	8	9	10	9	8	8	7	7	7	7
Public Safety	100	101	103	105	110	116	113	113	113	109
Public Works	15	16	16	14	13	13	10	10	10	10
Public Utilities	1	0	1	1	2	2	2	2	2	2
Health and Welfare	30	28	27	30	24	30	33	33	33	33
Parks, Recreation & Cultural	2	2	2	2	2	2	2	2	1	1
Community Development	7	8	7	8	8	9	11	9	9	9
TOTAL	183	185	186	188	187	200	198	195	194	190

Source: Northampton County Human Resources Department

COUNTY OF NORTHAMPTON, VIRGINIA

Operating Indicators by Function

Last Ten Fiscal Years (where available)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General Administration										
Treasurer										
Tax bills printed	29,752	23,149	40,498	N/A	32,305	32,209	40,234	39,786	31,652	38,833
Deposits	2,597	2,612	N/A	2,467	2,277	2,237	2,217	2,223	2,177	2,172
Finance										
Paychecks and direct deposit notices	10,364	10,196	10,462	10,262	9,566	9,054	8,762	9,280	8,646	8,112
Accounts payable checks	3,837	3,499	3,676	3,656	3,877	3,733	3,725	3,561	3,452	3,574
Judicial Administration										
Clerk of the Circuit Court										
Criminal cases commenced	929	965	1,051	920	683	763	814	738	497	487
Law cases commenced	134	96	132	267	269	347	209	128	173	194
Deeds recorded	2,948	2,946	3,291	2,797	2,246	2,043	2,157	2,128	2,045	2,138
Public Safety										
Sheriff										
Calls for service	3,223	3,143	2,885	2,822	3,264	3,214	3,380	3,209	3,379	N/A
Arrests made * FY20 new RMS system counts in custody only	61	70	54	65	60	165	240	298	296	N/A
Traffic summonses	3,694	2,913	2,226	3,278	5,489	6,970	7,552	7,372	7,048	N/A
Civil processes	3,981	3,793	1,467	1,399	1,748	2,329	2,324	2,723	2,646	N/A
Local prisoner days	26,217	18,197	25,185	16,185	28,020	30,729	33,966	32,920	38,596	40,155
Inmate transports	224	268	325	255	285	259	274	268	288	235
Out of state extraditions	18	14	25	15	15	20	14	14	8	11
EMS										
EMS dispatched	3,202	3,233	3,040	2,913	2,934	2,895	2,790	2,628	2,699	2,842
Avg daytime response time in minutes	8:32	8:56	8:64	8:93	9:03	8:57	8:52	8:53	9:34	9:29
Avg nighttime response time in minutes	9:20	9:69	9:67	9:42	10:42	10:29	10:24	10:41	10:29	10:49
Building inspections										
Plan reviews/Permits issued	383	361	332	299	276	293	489	303	254	332
Inspections	1,748	1,859	1,342	1,118	879	961	766	663	765	780
Public Works										
Solid waste services										
Tons received at landfill	20,331	19,309	19,333	17,243	18,167	17,791	17,889	17,171	15,687	17,075
Per capital waster generation (lbs/p/d)	8.91	7.84	8.12	7.07	6.76	7.59	7.41	6.34	6.23	6.31
Tipping fee per ton	\$ 75.00	\$ 75.00	\$ 75.00	\$ 75.00	\$ 75.00	\$ 72.00	\$ 69.00	\$ 69.00	\$ 69.00	\$ 65.00
Community Development										
Code compliance										
Abandoned vehicle/Inoperable vehicles	0	0	22	39	97	5	0	2	8	11
Overgrown grass	2	12	15	34	48	43	42	12	10	61
Dangerous structures	19	18	147	139	151	41	20	2	6	31
Assignment 911 addresses	68	84	61	153	113	257	32	20	36	39

Sources: Various departments in Northampton County.

N/A - This information is not available.

COUNTY OF NORTHAMPTON, VIRGINIA

Table 15

Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General Administration										
County Administration										
Eastville historic buildings	1	1	1	1	1	1	1	1	1	1
Eastville Inn	1	1	1	1	1	1	1	1	1	1
Temporary Admin. Bldg-Old Middle School	0	0	0	0	0	0	0	0	0	0
Former Middle School/Community Center	1	1	1	1	1	1	1	1	1	1
1899 Courthouse building	1	1	1	1	1	1	1	1	1	1
Old Jail Building	0	0	0	0	0	0	0	1	1	1
Judicial Administration										
2006 Courthouse	1	1	1	1	1	1	1	1	1	1
Public Safety										
THU (Converted to Sheriff's Admin)	1	1	1	1	1	1	1	1	1	1
Eastern Shore Regional Jail	1	1	1	1	1	1	1	1	1	1
Sheriff's vehicles	58	53	54	51	49	47	46	44	44	46
Public Works										
Landfill	1	1	1	1	1	1	1	1	1	1
Transfer station	1	1	1	1	1	1	1	1	1	1
Convenience centers	6	6	6	6	6	6	6	6	6	6
Community Development										
Social services building (old)	0	0	0	0	0	0	0	1	1	1
Social services building (new)	1	1	1	1	1	1	1	1	1	1
Parks, Recreation and Cultural										
Parks	1	1	1	1	1	1	1	1	1	1
Recreation center - Indian Town Park	1	1	1	1	1	1	1	1	1	1
Community Center (Former Middle School)	1	1	1	1	1	1	1			
Schools										
Attendance centers, Elementary	2	2	2	2	2	2	2	2	2	2
Attendance centers, Middle	1	1	1	1	1	1	1	1	1	1
Attendance centers, Secondary	1	1	1	1	1	1	1	1	1	1
Number of classrooms, Elementary	78	78	78	78	78	78	78	77	77	77
Number of classrooms, Middle	10	10	10	10	10	10	10	12	11	11
Number of classrooms, Secondary	53	53	53	53	53	53	53	51	51.5	51

Sources: Various departments in the County of Northampton.

COMPLIANCE SECTION

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ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

**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 Northampton
Northampton, Virginia**

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of County of Northampton, Virginia, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise County of Northampton, Virginia's basic financial statements, and have issued our report thereon dated November 1, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered County of Northampton, 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 County of Northampton, Virginia's internal control. Accordingly, we do not express an opinion on the effectiveness of County of Northampton, 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 County of Northampton, 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.

A handwritten signature in black ink that reads "Robinson, Farmer, Cox Associates". The signature is written in a cursive, flowing style.

Richmond, Virginia
November 1, 2024



**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 Northampton
Northampton, Virginia

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited County of Northampton, Virginia's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of County of Northampton, Virginia's major federal programs for the year ended June 30, 2024. County of Northampton, 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 Northampton, 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, 2024.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of County of Northampton, 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 Northampton, 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 Northampton, 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 Northampton, 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 Northampton, 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 Northampton, 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 Northampton, 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 Northampton, 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.

A handwritten signature in black ink that reads "Robinson, Farmer, Cox Associates". The script is cursive and fluid, with the first name "Robinson" being the most prominent.

Richmond, Virginia
November 1, 2024

COUNTY OF NORTHAMPTON, VIRGINIA

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures	Pass-Through to Subrecipients
Department of Health and Human Services:				
Pass Through Payments:				
Department of Social Services:				
Guardianship Assistance	93.090	1110123/1110124	\$ 307	\$ -
Title IV-E Prevention Program	93.472	1140123/1140124	4,534	-
Temporary Assistance for Needy Families	93.558	0400123/0400124	244,459	-
MaryLee Allen Promoting Safe and Stable Families Program	93.556	0950122/0950123	12,733	-
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	93.566	0500123/0500124	1,238	-
Low-Income Home Energy Assistance	93.568	0600423/0600424	61,143	-
Child Care Mandatory and Matching Funds of the Child Care and Development Fund (CCDF Cluster)	93.596	0760123/0760124	53,912	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	0900122/0900123	194	-
Foster Care - Title IV-E	93.658	1100123/1100124	123,331	-
Adoption Assistance	93.659	1120123/1120124	39,202	-
Social Services Block Grant	93.667	1000123/1000124	229,222	-
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	9150122/9150123	2,357	-
Children's Health Insurance Program	93.767	0540123/0540124	3,848	-
Medical Assistance Program (Medicaid Cluster)	93.778	1200123/1200124	348,126	-
Elder Abuse Prevention Interventions Program	93.747	8000221/8000321	859	-
Total Department of Health and Human Services			\$ 1,125,465	\$ -
Department of Agriculture:				
Pass Through Payments:				
Department of Agriculture:				
Food Distribution--School (Child Nutrition Cluster)	10.555	Not available	\$ 43,987	\$ -
Department of Education:				
National School Lunch Program (Child Nutrition Cluster)	10.555	202221N89034/ 202323N11994/ 202424N1194	711,118	-
Sub-total ALN 10.555			\$ 755,105	\$ -
Department of Agriculture:				
Food Distribution--Summer school (Child Nutrition Cluster)	10.559	Not available	\$ 3,928	\$ -
Summer Food Service Program for Children (Child Nutrition Cluster)	10.559	202323N11994	17,232	-
Sub-total ALN 10.559			\$ 21,160	\$ -
Department of Education:				
School Breakfast Program (Child Nutrition Cluster)	10.553	202323N11994/ 202424N11994	313,175	-
Child Nutrition Cluster			\$ 1,089,440	\$ -

COUNTY OF NORTHAMPTON, VIRGINIA

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024 (Continued)

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures	Pass-Through to Subrecipients
Department of Agriculture: (Continued)				
Pass Through Payments: (Continued)				
Department of Agriculture:				
Pandemic EBT Administrative Costs	10.649	202323S900941	\$ 3,256	\$ -
Child and Adult Care Food Program	10.558	202424N11994	5,132	-
Department of Social Services:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP Cluster)	10.561	0010123/0010124 0040123/0040124	463,566	-
Total Department of Agriculture			\$ 1,561,394	\$ -
Department of Justice:				
Direct payments:				
Public Safety Partnership and Community Policing Grants	16.710	N/A	\$ 1,610,461	\$ -
Pass Through Payments:				
Department of Criminal Justice Service:				
Crime Victim Assistance	16.575	23-O1095VW19/ 24-O1095VW19	37,350	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	513469	3,587	-
Total Department of Justice			\$ 1,651,398	\$ -
Department of Homeland Security:				
Pass Through Payments:				
Emergency Management Performance Grants	97.042	Not available	\$ 7,500	\$ -
Homeland Security Grant Program	97.067	Not available	27,660	-
Total Department of Homeland Security			\$ 35,160	\$ -
Department of Treasury:				
Direct Payments:				
Local Assistance and Tribal Consistency Fund	21.032	N/A	\$ 50,000	\$ -
Pass Through Payments:				
Virginia Tourism Corporation:				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	Not available	93,113	-
Department of Accounts:				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	2206FFARPA	261,000	-
Department of Justice:				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	50995	224,200	-
Department of Housing and Community Development:				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	23IRFPG04	70,000	-
Department of Social Services:				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	9122222	22,103	-
Sub-total ALN 21.027			\$ 670,416	\$ -
Total Department of Treasury			\$ 720,416	\$ -
Department of Housing and Urban Development:				
Direct Payments:				
Economic Development Initiative, Community Project Funding, and Miscellaneous Grants	14.251	N/A	\$ 750,000	\$ -
Total Department of Housing and Urban Development			\$ 750,000	\$ -

COUNTY OF NORTHAMPTON, VIRGINIA

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024 (Continued)

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures	Pass-Through to Subrecipients
Environmental Protection Agency:				
Direct Payments:				
Brownfields Multipurpose, Assessment, Revolving Loan Fund, and Cleanup Cooperative Agreements	66.818	N/A	\$ 89,957	\$ -
Total Environmental Protection Agency			\$ 89,957	\$ -
Department of Education:				
Pass Through Payments:				
Department of Education:				
Title I Grants to Local Educational Agencies	84.010	S010A210046/ S010A220046/ S010A230046	\$ 896,584	\$ -
Migrant Education - State Grant Program	84.011	S011A210047/ S011A220047/ S011A200047/ S011A230047	44,445	-
Career and Technical Education - Basic Grants to States	84.048	V048A220046/ V048A230046	70,567	-
Special Education Grants to States (Special Education Cluster)	84.027	H027X210107/ H027A220107	354,966	-
Special Education Preschool Grants (Special Education Cluster)	84.173	H173A220112	11,267	-
Special Education Cluster			\$ 366,233	\$ -
Migrant Education - Coordination Program	84.144	S144F210047/ S144F220047	\$ 14,396	\$ -
Rural Education	84.358	S358B200046/ S358B210046/ S358B220046/ S358B230046	70,824	-
English Language Acquisition State Grants	84.365	S365A200046/ S365A220046	11,920	-
Supporting Effective Instruction State Grants	84.367	S367A220044	34,873	-
Student Support and Academic Enrichment Program	84.424	S424A200048/ S424A210048/ S424A220048	19,276	-
COVID-19 - Elementary and Secondary School Emergency Relief (ESSER) (ESSER) Fund	84.425D	S425D210008	245,915	-
COVID-19 American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	S425U210008	877,825	-
Sub-total ALN 84.425			\$ 1,123,740	\$ -
Total Department of Education			\$ 2,652,858	\$ -
Total Expenditures of Federal Awards			\$ 8,586,648	\$ -

See accompanying notes to schedule of expenditures of federal awards.

COUNTY OF NORTHAMPTON, VIRGINIA

Notes to Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2024

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the County of Northampton, Virginia under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards (Uniform Guidance)*. Because the Schedule presents only a selected portion of the operations of the County of Northampton, Virginia, it is not intended to be and does not present the financial position, changes in net position, or cash flows of the County of Northampton, Virginia.

Note 2 - Summary of Significant Accounting Policies

- (1) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the *Uniform Guidance*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- (2) Pass-through entity identifying numbers are presented where available.

Note 3 - Food Donation

The value of federal awards expended in the form of noncash assistance of food commodities is reported in the schedule.

Note 4 - 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	\$	335,550
Capital Projects Fund		1,610,461
American Rescue Plan Act		437,313
Special Revenue Funds:		
Virginia Public Assistance Fund		1,611,135
Brownfield Community Assessment Fund		839,957
Total primary government	\$	<u>4,834,416</u>

Component Unit School Board:

School Cafeteria Fund	\$	1,097,827
School Grants Fund		2,652,858
Total component unit School Board	\$	<u>3,750,685</u>

Fiduciary Funds:

911 Capital Fund	\$	<u>27,660</u>
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Total federal expenditures per basic financial statements	\$	<u>8,612,761</u>
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Less: Federal Payment in Lieu of Taxes not included in the SEFA	\$	<u>(26,113)</u>
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Total federal expenditures per the Schedule of Expenditures of Federal Awards	\$	<u><u>8,586,648</u></u>
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Note 5 - De Minimis Cost Rate

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

Note 6 - Loan Balances

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

COUNTY OF NORTHAMPTON, VIRGINIA

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2024

Section I-Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: unmodified

Internal control over financial reporting:

Material weakness(es) identified? yes ✓ no

Significant deficiency(ies) identified? yes ✓ no

Noncompliance material to financial statements noted? yes ✓ none reported

Federal Awards

Internal control over major programs:

Material weakness(es) identified? yes ✓ no

Significant deficiency(ies) identified? yes ✓ 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)? yes ✓ no

Identification of major programs:

<u>Assistance Listing Numbers</u>	<u>Name of Federal Program or Cluster</u>
14.251	Economic Development Initiative, Community Project Funding, and Miscellaneous grants
16.710	Public Safety Partnership and Community Policing Grants
93.775/93.774/93.778	Medicaid Cluster

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? ✓ yes no

Section II-Financial Statement Findings

None

Section III-Federal Award Findings and Questioned Costs

None

COUNTY OF NORTHAMPTON, VIRGINIA

Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2024

There were no prior year findings.

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