ORANGE COUNTY

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Annual Comprehensive Financial Report

Orange County, Virginia

Fiscal Year Ended June 30, 2025

COUNTY OF ORANGE, VIRGINIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

YEAR ENDED JUNE 30, 2025

PREPARED BY

FINANCE DEPARTMENT
ORANGE, VIRGINIA

COUNTY OF ORANGE, VIRGINIA

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INTRODUCTORY SECTION

ORANGE COUNTY, VIRGINIA

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January 20, 2026

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

It is my pleasure to submit to you the Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2025. This report has been prepared in accordance with Section 15.2-2511 of the Code of Virginia, 1950, as amended. The report is designed to present fairly the respective financial position of the government activities, business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Orange, Virginia ("County" or "Orange County") in all material respects, and to demonstrate compliance with applicable finance-related legal and contractual provisions.

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, Orange 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.

PBMares, LLP, a firm of licensed certified public accountants, has audited and issued an unmodified "clean" opinion on the financial statements of Orange County for the fiscal year ended June 30, 2025. The Independent Auditor's 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. Orange County's MD&A can be found immediately following the report of the independent auditors.

PROFILE OF THE GOVERNMENT

Orange County, Virginia, is a rural, but developing county with a landscape dominated by gently rolling hillsides, spectacular views of the beautiful Blue Ridge Mountains, the Rapidan River and several of Virginia's most significant historic areas. Located in Virginia's north-central Piedmont region, the County is 72 miles northwest of Richmond, 55 miles southwest of Washington, D.C. and 25 miles northeast of Charlottesville. The County consists of 344 square miles of land that ranges in elevation from 175 feet above sea level along the Rapidan River to 1,200 feet above sea level in the mountains and has an estimated population of 38,986. The County was named after William IV, Prince of Orange, and was formed in 1734. The Town of Orange became Orange County's judicial seat in 1749 when Culpeper County was formed making the previous courthouse location at Raccoon Ford far from the center of the new County.

Orange County Courthouse

The County includes two incorporated towns, the Towns of Gordonsville (population 1,509) and Orange (population 5,210), which are two of the main centers of commercial and industrial activity. The Route 3 Corridor in the eastern end of the County is also a commercial center. A planned residential community known as the

Lake of the Woods is located on this corridor within the County and offers a private residential setting with recreation and open space areas.

The County operates under the traditional Board of Supervisors/County Administrator form of government as defined under Virginia law. The governing body of the County is the Board of Supervisors, which establishes policies for the administration of the County. The Board of Supervisors consists of five members representing the five election districts. The Chairman of the Board of Supervisors is elected from the Board of Supervisors and serves in addition to being a District Supervisor. The Board of Supervisors appoints a County Administrator to serve as the administrative manager of the County. The County Administrator serves at the pleasure of the Board of Supervisors, carries out policies established by the Board of Supervisors, and directs business and administrative procedures with the County government. In addition to the elected Board of Supervisors, five constitutional officers are elected. These officers include the Commissioner of Revenue, the Commonwealth's Attorney, the Clerk of the Circuit Court, the Sheriff, and the Treasurer.

The County provides a full range of services to its residents, including education, public safety, judicial services, solid waste disposal, community and economic development, airport, parks and recreation activities, public libraries, health and welfare, and general administration.

Orange County is financially accountable for a legally separate school district, which is reported separately within the financial statements as a component unit. Orange County Public Schools is the single largest service provided by the County. The School Board is composed of five elected members from each of the election districts. The School Board appoints a Superintendent to administer the policies of the School Board. The school system is comprised of one high school, two middle schools, five elementary schools and one primary school. The average daily membership for establishing the amounts of state school aid for school year 2024-2025 was 4,788. This represents a decrease of 16 students from the prior year and falls within typical year-to-year fluctuations and is not expected to have significant impact on funding or operations. The mission statement adopted by the Orange County Public Schools is: "*Improving the future by empowering our students to value learning, achieve their full potential, and pursue their dreams."*

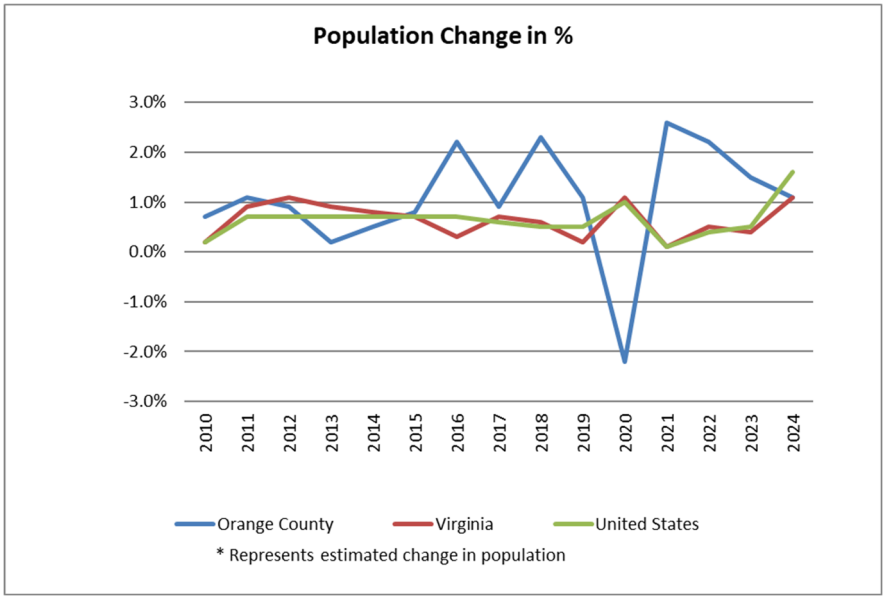
The Economic Development Authority (EDA) is a component unit of the County and has the power to issue tax-exempt industrial development revenue bonds to qualifying enterprises wishing to utilize that form of financing. Those bonds represent limited obligations of the EDA to be repaid solely from the revenue and receipts from the project funded with these proceeds. The debt outstanding does not constitute a debt or pledge of the faith and credit of the County or the EDA.

On April 26, 2016, the Board of Supervisors adopted a resolution authorizing the creation of the Orange County Broadband Authority, another component unit of the County. The Broadband Authority was created to facilitate the provision of affordable broadband service to businesses, governmental agencies, and the public. Access to affordable, reliable high-speed broadband, particularly in the rural geography of the County, is important for fostering economic development, improving educational opportunities, ensuring public safety, and enhancing the overall quality of life for the citizens of Orange County. In August 2020, Orange County Broadband Authority began operating under the name "FiberLync". On April 6, 2021, FiberLync connected its first customer. As of June 30, 2025, FiberLync has installed 543.2 miles of fiber passing over 10,026 potential subscribers. A total of 5,731 households and businesses signed up for FiberLync's internet services as of the end of fiscal year 2025.

Virginia law requires the County to maintain a balanced budget in each fiscal year. The annual budget serves as the foundation of the County's financial planning and control. County departments and agencies begin their budget preparation each fall. In February, the County Administrator submits a proposed operating and capital budget. The operating and capital budget includes proposed expenditures and the means of financing such expenditures. Work sessions are scheduled to further refine the proposal and align it with the County's Comprehensive Plan, Strategic Plan, Capital Improvement Plan and other goals and objectives. A public hearing is conducted to obtain citizen comments on the proposed budget and tax rates. After consideration of public comment, the Board approves and appropriates the budget and sets property tax rates. The legal level of budgetary control (the level at which management cannot adjust the budget without the approval of the governing body) is the functional level. Functional categories include General Administration, Judicial Administration, Public Safety, Public Works, Health & Welfare, Education, Parks, Recreation & Culture, and Community Development.

Economic Conditions and Outlook

A major driver of the County's economy in the past ten years was population growth with many new residents moving in to enjoy the County's rural and picturesque location and proximity to the markets of Richmond, Charlottesville, Culpeper, Fredericksburg, and the Washington D.C./Northern Virginia metropolitan area. As indicated in the following chart, Orange County's population growth between 2015 and 2023 was well above the state and national rates and growth in the commercial and service sectors of the economy accompanied the new residents, except for the pandemic year of 2020. Orange County's population change in 2024 is in line with the state rate and slightly below the national rate.



Tourism is an important and rapidly growing component of Orange County's economy. It was first officially recognized for its potential as an economic driver through a study conducted by Mangum Economics during the fiscal year 2015. Additional Visitor Profile studies were conducted by Buxton research in 2018, and Economic Impact studies are conducted annually by the Virginia Tourism Corporation. Orange County is home to many historical sites, vineyards, breweries, attractions, and agritourism businesses which have flourished during the past decade even considering the profound impact of the recent pandemic.

Visitors to Orange County spent $57.6 million in 2024. This represents a 6.0 % percent increase over 2023 expenditures. Local tourism-supported 520 jobs, generating $15.4 million in payroll, while state and local tourism-related taxes generated $2.5 million. All data was received by the Virginia Tourism Corporation (VTC) from US Travel Association and is based on domestic visitor spending (travelers from within the United States) from trips taken 50 miles or more away from home. 2025 data have not yet been published through the US Travel Association and Virginia Tourism Corporation.

Tourism businesses directly contribute to these increases by creating and aiding in the retention of jobs, increasing economic diversity, taking advantage of existing rural and agricultural assets, generating new business opportunities for complimentary products and services, providing entry level positions which develop soft skills in first-time workers, and fostering the development of critical customer and local supplier networks.

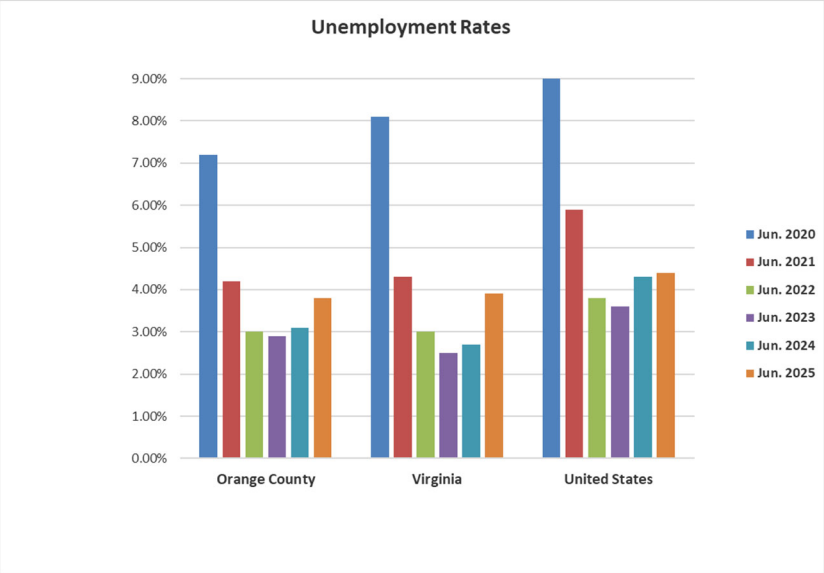
Orange County's largest attraction is James Madison's Montpelier, a 2,650-acre estate which was the lifelong home of James Madison. The estate was originally settled by James Madison's grandfather in the 1720s and later served as an encampment for Civil War soldiers. In 1901, Montpelier was purchased by William duPont, a leading industrialist, and remained in the duPont family for most of the 20th century. Marion duPont Scott and her brother, William transformed the estate into one of the nation's leading equestrian estates and played an important role in establishing and promoting flat track and steeple chase racing in America.

Following Mrs. Scott's death, and in accordance with her bequest, ownership of Montpelier was transferred to the National Trust for Historic Preservation which later established The Montpelier Foundation. In 2003, the Montpelier Foundation began restoration of the property to the 1820s home that James and Dolley Madison called home. Today, the lifelong home of James Madison, Father of the Constitution, Architect of the Bill of Rights, and fourth President of the United States, is more than a museum. As a monument to James Madison, a museum of American history, and a center for constitutional education, Montpelier engages the public with the enduring legacy of Madison's most powerful idea: government by the people. The historic home and 2,650-acre grounds are open to visitors and student groups throughout the year; and the Robert H. Smith Center for the Constitution at Montpelier offers world-class residential and online educational programs. Montpelier is a National Trust for Historic Preservation site. The estate currently receives an estimated 75,000 visitors a year and continues to host the annual Montpelier Hunt Races, which celebrated its 90th Birthday in 2025.

Agriculture continues to play a major role in the County's economic life. The number of farms in the County has grown over the last several years even though the acreage devoted to farming has declined slightly. In addition to farming, however, the County is home to several related agribusinesses including two greenhouse facilities that supply a national retail chain, a producer of high-quality, wood framing systems for a national chain, new residential construction projects such as single-family homes, townhouses, duplexes, and condos, nine wineries, three breweries, one distillery, two meat processing facilities, and a laboratory specializing in natural pesticides and herbicides that have no adverse impact on the environment. Orange County is also home to the largest corn-maze (34 acres) in the United States, several pick-your-own fruit, vegetable, and flower farms, and a 1,000-acre farm which is home to one of the largest retail tree nurseries in Virginia.

Orange County retains a strong core of manufacturing businesses, taking advantage of the County's location, skilled labor force, and business friendly atmosphere. The County is the location for production and distribution facilities of nationally recognized industry leaders in such diverse sectors as plumbing tools, production molding, hardcover books, adhesive bonding, eco-friendly patch material and rocket propulsion systems.

Unemployment rates in the County increased in 2025 fiscal year along with state and national rates. Information provided by the Virginia Works Economic Information and Analytics indicates a county unemployment rate at June 30, 2025, of 3.8 %; a state average of 3.9% and the national unemployment rate of 4.4%. According to the Bureau of Economic Analysis, in 2023 (the most recent year available), Orange County per capita personal income ($62,886) rose by 5.1% over the previous year compared to the state-wide increase of 5.9%. The national increase in per capita personal income was 5.4%.



During fiscal year 2025, property taxes were billed as follows:

- 2nd Half Real Estate – 2024 Tax Year
- Public Service Companies – 2024 Tax Year
- All Personal Property – 2024 Tax Year
- 2025 Interim Real Estate– 2025 Tax Year

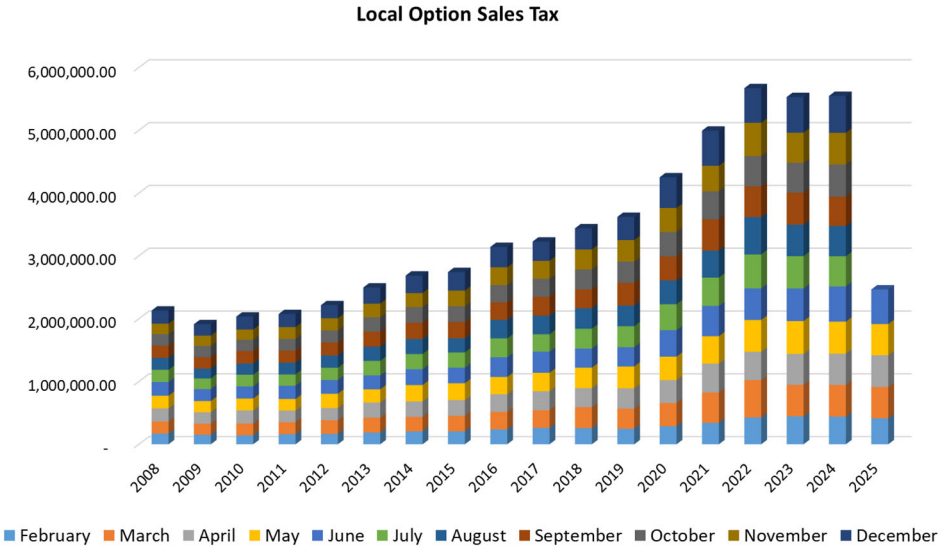
On October 8, 2025, the Board adopted a fiscal year alignment for real estate tax billing, with taxes now billed in two installments on December 5th and June 5th, consistent with the County's fiscal year. As a result, an interim real estate tax billing was issued for the period from January 1, 2025, to June 5, 2025.

Real estate values for tax year 2025 increased by 5.2% over the 2024 values. Regular personal property values for tax year 2025, which includes automobiles, increased by 3.3%. Machinery and Tools assessed values increased by 15.5%. Business and Heavy Equipment values also increased by 15.6%. Merchants Capital assessed values increased by 4.5% for the 2025 tax year and assessed values for RVs and Campers decreased by approximately 2.3% over the prior year. Total 202 assessed values for Aircraft decreased by 8.2% and the assessed values for Boats decreased by .5%. Total property assessments for all property types increased by 5% for tax year 2025.

On February 27, 2018, the Board approved a change in the billing of property taxes for Public Service Companies (PSC). The billing schedule was changed from semi-annual for real estate and annual for personal property to an annual billing for both. The annual billing will enable the Commissioner of the Revenue to receive the certified values from the Virginia Department of Taxation prior to billing for the year. In the past, the first half PSC real estate taxes were estimated and once the values were received, the second half bills were adjusted to reflect any differences.

In tax year 2016, values for aircraft decreased reflecting the fact that several other neighboring localities with airports had reduced their property tax rates on aircraft. The Orange County Airport was experiencing a competitive disadvantage to recruit and locate new aircraft at the airport due to the continued assessment of the property tax. As an economic development strategy, the personal property tax on aircraft was eliminated in Orange County as part of the fiscal year 2016-2017 approved budget. It was anticipated that T-hanger and tie-down rentals at the Orange County Airport would increase by the elimination of the tax and by extension, fuel sales and service work at the airport would increase as well. An evaluation was completed in fiscal year 2024 that resulted in the board voting to establish a tax rate of $0.50 per $100 of assessed valuation for aircraft for tax year 2024 personal property taxes (collected in fiscal year 2025). The rate was unchanged for fiscal year 2025.

Orange county receives a 1% Local Option Sales Tax which is collected by the Virginia Department of Taxation and remitted to the County in which the sale occurred. Because this portion of sales tax is directly related to sales activity within the County, it provides a unique perspective on the County's local economy. The following chart is a historical representation of Local Option Sales Tax vendor collections through June 2025. The Local Option Sales Tax revenue is remitted to the County by the Virginia Department of Taxation two months after it is collected by the vendor and then accrued back to the appropriate fiscal year.



According to a recent report by the Fredericksburg Area Association of Realtors, there was a decrease in sales (down by 1.6%) during June of 2025 compared to prior year. The median home sales price within the county increased by 0.1% during the twelve-month period ending June 2025, and the median length of time on the market has decreased by two days during the same period. The active listings on the market increased in Orange County by 42% compared to prior year.

The Orange County EDA adopted a revised strategic plan in May 2021. This document has guided economic development efforts throughout the County through 2025. To refine the focus within this strategic plan, Orange County Economic Development hired Platinum PR, an economic development and tourism marketing firm, to engage the community. In Fall 2020, Platinum PR conducted a series of interviews and meetings to build excitement for Orange County Economic Development's trajectory. This planning process called upon residents, business owners, staff, community organizations, key industries, educators, municipal leaders, partners, and other stakeholders to shape the vision for Orange County.

The following four focus areas were identified throughout this process:

- Attraction and Retention
- Workforce Development
- Small Business Development and Entrepreneurship
- Quality of Life

In fiscal year 2026 the Economic Development Strategic Plan is being updated for another 5-year period. In addition, Orange County started fiscal year 2025 with a brand-new Comprehensive Economic Development Strategy (CEDS) adopted by the Rappahannock, Rapidan Regional Commission (RRRC) on June 26th, 2024. The study was facilitated by a team from Camoin and funded at the regional level by a USEDA grant.

Orange County Economic Development prioritizes the attraction, growth, and retention of industries that invigorate our communities. Orange County aligns its target industry list with Central Virginia Partnership for Economic Development (CVPED), the regional marketing arm out of Charlottesville, Virginia, which provides business attraction efforts for the nine communities of Albemarle County, City of Charlottesville, Culpeper County, Fluvanna County, Greene County, Louisa County, Madison County, Nelson County, and Orange County. In 2012, a base industry study detailed the region's labor supply. The results refined target industries for future growth. Many identified industries are in high-growth sectors, thus diversifying the economic base for Orange County, Virginia. These industries inspire workforce development initiatives locally and inform the path forward. A 2017 study by Camoin Associates and its subsequent updates continue to affirm the original industry targets. Based on the available data, CVPED's suggested target industries are as follows:

TARGETED INDUSTRIES BY LOCALITY

	Albemarle	Charlottesville	Culpeper	Fluvanna	Greene	Louisa	Madison	Nelson	Orange
Bioscience & Medical Devices	●	●							
Business & Financial Services	●	●	●	●	●	●	●	●	●
Information Technology	●	●	●		●				
Defense & Security	●	●	●		●				
Health Services	●	●	●	●	●				●
Agribusiness, Food Processing & Tech	●					●	●	●	●
Transportation & Logistics				●		●			●
Chemicals & Plastics						●			
Forest & Wood Products				●		●		●	
Light Manufacturing			●	●		●			●
Arts, Design, Sports & Media	●	●			●		●	●	

Stakeholders and partner organizations also suggested the following areas for industry growth in Orange County:

- Government contracting
- High yield / low workforce companies
- Manufacturing (medical device, specialty, etc.)
- Warehousing
- Healthcare
- Ag/forestry – hemp, beverage manufacturing, tourism
- Technology-based companies
- Hospitality

Orange County's narrative is a bright one, characterized by focused action and fruitful collaborations at the state, local, and industry levels.

Major Initiatives

Effective use of taxpayer funds, coupled with staff creativity and innovation, helped Orange County earn several awards in Fiscal Year 2025 (July 1, 2024 – June 30, 2025). In fact, FY25 was one of our most awarded ever, setting the tone for continued success.

The excitement began with our third Digital Counties Survey Award, received in July, from the Center for Digital Government (CDG) and the National Association of Counties (NACo). Orange County ranked ninth nationwide among counties of up to 150,000 residents. The survey identifies the best technology practices among U.S. counties, including initiatives that streamline delivery of government services, encourage collaboration, enhance cybersecurity, and apply innovative and emerging technologies to county priorities.

Highlights from Orange County's submission included streamlined internal and external customer experiences, refined digital performance measurements and key performance indicators, continued expansion of FiberLync services, new initiatives to test and strengthen cybersecurity, and redoubled training efforts to improve emergency response preparedness using our electronic resources.

A pair of Virginia Association of Counties (VACo) awards earned in FY25 brought Orange County's total to seven (at the time). The organization was especially excited that these two honors were received by agencies that had never before been recognized, namely our Public Works (now General Services) Department, and our Litter Control Initiative.

Prioritizing staff development in a field with limited professional development opportunities, the first VACo award recognized our Facilities Maintenance Staff Education partnership. Working locally with Germanna Community College, our maintenance team was able to attend National Center for Construction Education & Research (NCCER) Facility Maintenance Apprenticeship courses hosted weekly at our office, after work hours. Furthermore, they were able to apply their everyday duties addressing work orders towards course completion requirements. This approach fostered professional growth for our team members while producing a foundation for long-term cost savings through deeper facility maintenance skillsets.

Our Plastic Film Recycling Program was the second recognized initiative. Orange County prioritizes providing accessible, practical, and meaningful recycling opportunities to our residents. Examples include five distinct single-stream recycling locations at collection sites, the hosting of annual electronics recycling events, and more recently, the creation of recycling programs for traditionally difficult-to-recycle items such as plastic film.

By partnering with NexTrex's Recycling Challenge program, Orange County Litter Control eliminated a barrier to recycling plastic film. Items such as plastic grocery bags, bread bags, produce bags, plastic overwrap, bubble wrap, and shipping envelopes were collected at any of six convenient locations. For every 1,000 pounds of plastic collected (approximately 90,000+ bags), a composite bench is earned to use at a community facility.

In recent years, the Orange County Board of Supervisors has elevated the importance of Parks & Recreation in Orange County. Our staff have taken that directive to heart, and in FY25 the department was recognized with two awards thanks to their efforts.

The Most Creative Marketing Strategy award recognized “Our DogGone Fence” at Skydog Orange Dog Park, which celebrates the memories of pets that have passed. By purchasing a memorial, patrons can honor their best friend with a permanent sign featuring the pet’s name, image, dates of life, and a heartfelt message. Funds raised support Skydog Orange Dog Park. While recognized in the marketing category, it was, and is, much more than a marketing piece. It is an avenue for connection between past and future pets and patrons. By honoring pets no longer with us, Our DogGone Fence participants help support a bright future for a location where future pets can make memories with their families.

The second award, in the category of Best New Renovation/Addition (Parks, Playgrounds, Blueways, Greenways, or Trails), recognized the efforts to renovate the Courts at Locust Grove. Located at Locust Grove Middle School, the Courts now feature a resurfaced tennis court and four pickleball courts. Staff leveraged previously allocated resources for court maintenance in combination with a growing interest in pickleball. The result is a revitalized amenity that responded to resident interest and now receives much greater use than when it offered only tennis.

Orange County is proud to have been awarded a 2025 Silver Bell Seal for Workplace Mental Health by Mental Health America (MHA) in the second half of FY25. The Bell Seal is a certification that recognizes employers creating workplaces that prioritize employees’ mental health.

Only two in five employers meet the Bell Seal standards, which evaluate an organization’s workplace mental health efforts across four categories: workplace culture, benefits that support mental health, caring beyond compliance, and holistic wellness at work. According to MHA, “recognition at any level—Bronze, Silver, Gold, or Platinum—means [the recipient] organization prioritizes its employees’ mental health and well-being and aligns [its] policies, practices, and benefits with topline industry best practices accordingly.”

Over the past several years, Orange County has made significant strides to improve the very areas identified by MHA. Holistic and wide-ranging, various programs such as an online employee assistance program, an enhanced benefits package that rewards employees for being proactive with their preventative care, and employee wellness events have been carefully considered and intentionally created with the knowledge that a happy and well-supported employee in turn provides higher quality services to Orange County and its residents.

In FY25, Orange County continued to elevate efforts to improve workplace culture which began in FY23. This initiative was, and is, staff-driven, made up of a central committee supported by several subcommittees focused on areas like Employee Growth & Development, Collaboration, Customer Service, and Communication.

From this employee-led effort, a three-pronged approach was developed to increase employee engagement, wellness, and enjoyment of their jobs. Most visible is the J.U.I.C.E. program, which recognizes staff members displaying "Joyful, Uplifting, Innovative, Caring, or Empowering" characteristics at work with a small "Orange J.U.I.C.E."-branded prize. This program culminates in an appreciation event with games, food, and fellowship, which has been held each summer since 2022.

Fun is fostered with the "County Cup," which broke down silos with friendly monthly competitions. They were organized to be as accessible as possible, often occurring over several days, around lunchtime. When needed, our Parks & Recreation Department travelled to other facilities, removing obstacles to participation. Recognizing the diversity of skills and abilities among our staff, these challenges were designed to reward a variety of talents. Some events, such as collecting leaves in a wind tunnel, had a physical focus supplemented with a healthy dose of luck. Others relied on riddle-solving abilities and mathematical prowess. The final event, held in December, was a team trivia game.

Lastly, acknowledging that workplace culture goes beyond the jobsite, we have moved beyond traditional benefits by implementing a comprehensive approach to employee wellness. In FY25, this included a pilot "Lifestyle Spending Account" program, which empowered employees to pursue their own form of wellness by offsetting approved expenses like gym memberships, fitness equipment, hunting & fishing licenses, public land access permits, and more!

Long-Term Financial Planning

Historically, the Finance Department has provided a financial forecast of revenues to the County Administrator and the Board of Supervisors. The forecast serves as a first step in the budget process for the upcoming fiscal year and is meant to provide a very preliminary view of the County's ability to meet its obligations and funding needs under a prescribed set of assumptions. The revenue forecast for FY26 included the following major assumptions:

- 2% increases in assessed values for real property
- 2% increases in assessed values for personal property (excluding vehicles and trucks, which were forecasted without an increase due to significant recent increases in values)
- 2% increases in other local taxes
- 5% increases in permits and privilege licenses
- 2% increases in fines and forfeitures

The results of the forecast are shown below and indicate ongoing challenges in balancing the County's annual budget with existing tax rates. The County's goal is to continue limiting the use of fund balance to one-time expenditures to avoid structural imbalance in the budget. As part of future budget discussions, the County will consider funding alternatives for the major capital projects as well as tax rate adjustments if necessary.

Orange County Government
Five-Year General Fund Forecast

	2024-2025 Revised Budget	2025-2026 Forecast	2026-2027 Forecast	2027-2028 Forecast	2028-2029 Forecast	2029-2030 Forecast
Revenue:						
General Property Taxes	$ 48,929,787	$ 58,191,179	$ 59,361,503	$ 60,555,428	$ 61,773,432	$ 63,016,003
Other Local Taxes	10,281,382	10,080,788	10,282,404	10,488,052	10,697,813	10,911,769
Permits, Fees, License	807,015	1,415,721	1,486,507	1,560,832	1,638,874	1,720,818
Fines and Forfeitures	103,242	106,378	110,194	113,412	116,725	120,135
Use of Money and Property	1,254,560	1,729,772	1,730,806	1,731,997	1,733,352	1,734,873
Charges for Service	1,014,616	973,158	1,002,353	1,032,423	1,063,396	1,095,298
Miscellaneous Revenue	538,629	188,000	193,640	199,449	205,433	211,596
Recovered Costs	2,480,507	1,638,799	1,648,526	1,664,058	1,629,212	1,643,150
State Aid	14,636,663	9,809,491	9,886,604	10,055,502	10,230,362	10,411,347
Federal Grants	659,767	175,446	180,709	186,131	191,715	197,466
Transfer In from Other Funds	137,674	129,963	133,862	137,878	142,014	146,275
Total General Fund Revenue	**$ 80,843,842**	**$ 84,438,695**	**$ 86,017,108**	**$ 87,725,162**	**$ 89,422,328**	**$ 91,208,730**

Orange County Government
Five-Year Fire/EMS Levy Fund Forecast

	2024-2025 Revised Budget	2025-2026 Forecast	2026-2027 Forecast	2027-2028 Forecast	2028-2029 Forecast	2029-2030 Forecast
Revenue:						
General Property Taxes	$ 7,192,964	$ 9,537,013	$ 9,727,783	$ 9,922,370	$ 10,120,849	$ 10,323,299
Charges for Service	1,547,974	1,582,820	1,630,256	1,679,116	1,729,441	1,781,276
Miscellaneous Revenue	900	-	-	-	-	
Recovered Costs	8,267	-	-	-	-	
State Aid	236,227	213,387	219,789	226,382	233,174	240,169
Federal Grants	-	-	-	-	-	
Transfer In from Other Funds	1,439,948	-	-	-	-	-
Total Fire/EMS Levy Fund Revenue	**$ 10,426,280**	**$ 11,333,220**	**$ 11,577,828**	**$ 11,827,868**	**$ 12,083,464**	**$ 12,344,744**

Relevant Financial Policies

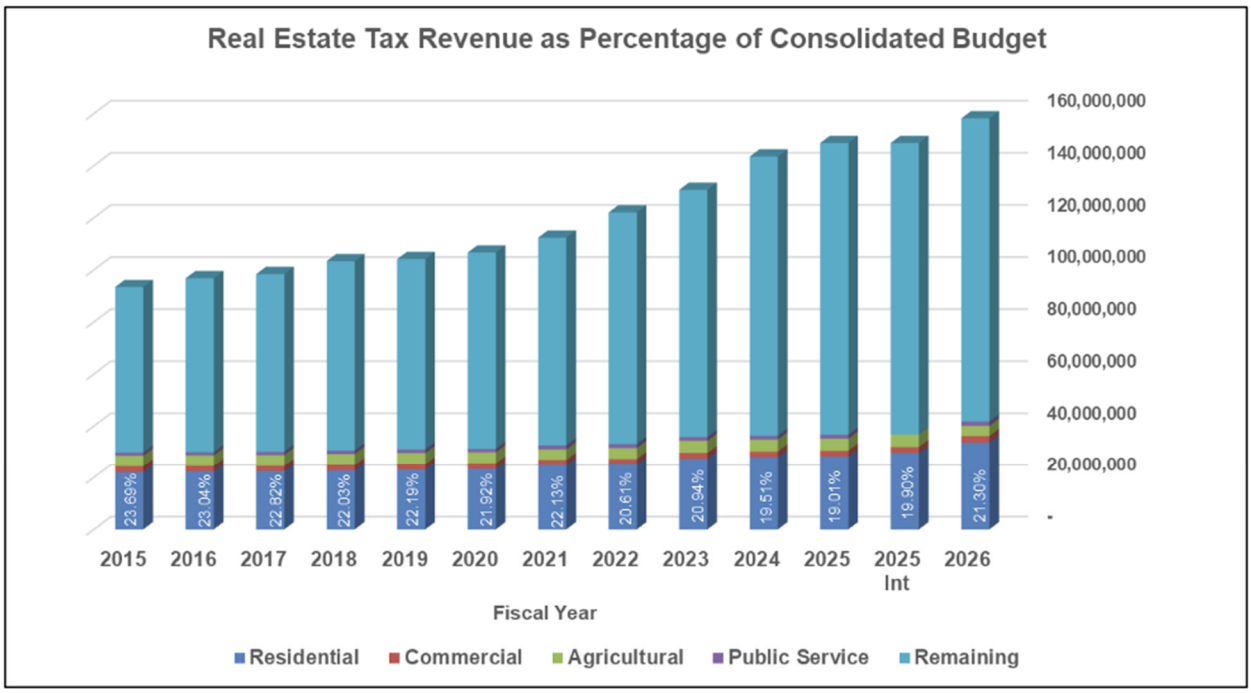
Following discussions at the 2014 planning retreat, the Board of Supervisors established a committee to draft several high-level financial policies for guiding future financial and budgetary decisions. The following policies were adopted by the Board on January 27, 2015, and amended on May 13, 2025.

Tax Revenue Generation

The Board's overall policy is not to raise tax rates and to do so only in cases where the County must meet legal mandates, fund specific capital projects, or when a revenue source is significantly diminished or lost.

Supporting Financial Operations

- Budget should be based on plans to achieve specific outcomes and the assessment of priorities rather than simply increases across-the-board.
- County services are maintained at existing levels and standards as a function of population changes, keeping a strong focus on maintaining high quality law enforcement, Fire/EMS, and public education.
- County services are subject to continuous improvement and innovation to gain cost and operational efficiencies.
- Real Property will be reassessed annually and in accordance with Article 59-XII of the Orange County Code of Ordinances.
- The Board's first priority is to expand the County's economy as a growing source of tax revenue to lessen the tax burden on residential real estate, which funded 24% of the total consolidated annual budget in 2015, when the policy was originally adopted.



Debt

- Short-Term Debt such as lease purchase agreements used primarily for capital equipment purchases should be used for aiding and smoothing cash flow.
- Long-Term Debt should only be used for durable infrastructure such as real estate, buildings, and major IT systems.
- Long-Term Debt should NEVER be used for cash flow purposes.
- The County shall utilize a balanced approach to capital funding utilizing debt financing, capital reserves and current-year revenues.
- The County shall match the repayment schedule (debt service) for bonds used to finance capital improvements with a period not to exceed the expected useful life of the project.
- Target debt ratios shall be calculated annually as part of the Budget/CIP process.
  a. Direct net debt as a percentage of assessed value of taxable property shall not exceed two and one-half percent (2.50%). Direct net debt is defined as all debt that is tax-supported.
  b. The ratio of direct debt service expenditures as a percent of total governmental fund expenditures (including the component unit school division) shall not exceed twelve percent (12%).
  c. The County intends to maintain its ten-year tax-supported debt payout ratio at or above fifty-five percent (55%).

Capital Improvement Plan and Budget

- The County will prepare annual updates of a five-year Capital Improvements Plan (CIP) which will include all general government, enterprise (such as airport and landfill) and school capital projects. Annual reviews will specify proposed funding sources for capital projects, estimate the impact of any new debt, and include the level of annual General Fund contributions required for capital and debt service.
- The County will establish a Capital Projects Reserve Account to serve as the primary source of monies for the CIP. The Capital Projects Reserve Account (the County Capital Project Fund) may be funded through a combination of sources such as: transfers from the General Fund, carry-forward funds, user fees, debt proceeds, grants, donations, reserves, and unbudgeted revenue.
- Future combined budgets for General Fund contributions for Debt Service *(net of the amounts reimbursable as an obligation of another entity)* and Capital Projects will be no less than a total of $13,500,000. This amount will be reviewed annually and adjusted when appropriate to ensure the County's contributions for capital investment remain scaled appropriately.
- The County will consider additional appropriations to the Capital Projects Reserve Account from the General Fund Unassigned Fund Balance when funds may be available above the minimum amount established by the adopted Reserves Policy.

Reserves

The Board continued its Reserves Policy which sets the minimum level of acceptable unassigned General Fund balance for a fiscal stability reserve at 15% of the combined budgeted operating expenditures of the General Fund and School Operating Fund (net of inter-fund transfers).

The Board recognizes that if amounts above the 15% policy minimum exist, the Board could contemplate strategically utilizing these amounts, if appropriate. However, the Board also recognizes that maintaining an Unassigned Fund Balance above the minimum policy level may be beneficial to the overall wellbeing of the County. Should any amounts above the 15% policy exist they should only be appropriated for non-recurring expenditures as they represent prior year surpluses that may or may not materialize in subsequent fiscal years. Amounts above the 15% policy minimum could be used for the following purposes (listed in order of priority):

i. Increase Restricted Fund Balances as necessary.
ii. Fund an additional reserve for use during an emergency or during periods of economic uncertainty or budget adversity. Such additional reserve shall not exceed 3% of the combined budgeted expenditures of the County General Fund and the Orange County Board of Education Operating Fund, net of the County's local share contribution to the School Board.
iii. Fund a commitment of General Fund Balance to function as a reserve for self-funded health insurance claims liability in the amount of 8% of the total expected health insurance program liability (total expected health insurance claims and fixed costs, not including Health Savings Account (HSA) contributions).
iv. Transfers for Capital Projects.

Prioritization of Fund Balances: As indicated, the fund balance classifications outlined above are based on the level of restriction. In the event expenditures qualify for disbursement from more than one fund balance category, it shall be the policy of Orange County that the most constrained or limited fund balance available will be used first. Unassigned fund balance will be used last.

Accounting for Encumbrances: Amounts set aside for encumbered purchase orders may be either restricted, committed or assigned fund balance depending upon the resources to be used to fund the purchases. Amounts set aside for encumbrances may not be classified as unassigned since the creation of an encumbrance signifies a specific purpose for the use of the funds.

Reporting Requirements: The Board of Supervisors will annually review the elements, levels, and amounts of all fund balance reserves to ensure sufficient funds are available for the purpose(s) specified for each individual reserve. Staff has a duty to make the Board of Supervisors aware of any factors or circumstances that could have a significant and/or unforeseen impact on the level of unassigned General Fund Balance that would bring the level below the amount prescribed by the adopted reserve policy.

a. In order to ensure the preservation of an appropriate and intended level of fund balance throughout the year, the following internal controls and procedures will be observed:

i. General cash balances will be included in quarterly financial reports to the Board of Supervisors reflecting book balances as of the last day of each month. Any unexpected or significant increases or decreases will be addressed as part of the transmittal memorandum. If combined general cash balances fall below $10,000,000 at the close of any month, the Board of Supervisors will be immediately informed with a detailed explanation of the reason for the reduction. General cash balances at the close of the month shall not fall below $5,000,000 without specific prior approval by the Board of Supervisors.
ii. The Board of Supervisors may make appropriations from the fund balance as part of the adopted annual budget and through supplemental appropriations, including reappropriations throughout each fiscal year. A use of fund balance occurs when expenditures for the year exceed revenues collected. By monitoring the actual revenue and expenditure performance, year to date, in comparison to budget estimates each quarter, the staff will report any indicators that the actual use of fund balance may exceed the amount of appropriated fund balance previously approved by the Board of Supervisors.

Replenishment of the Unassigned Fund Balance: Should the Unassigned Fund Balance fall below the 15% minimum level, the Board must approve and adopt a plan to restore this balance to the minimum level within 24 months.

AWARDS & ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County of Orange for its annual comprehensive financial report (ACFR) for the fiscal year ended June 30, 2024. The award for fiscal year 2024 was the nineteenth consecutive year the County has achieved this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

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 staff of the Finance and Treasurer's 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,

Glenda Paul
County Administrator

Andrew Oliver
Finance Director

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Orange County Virginia

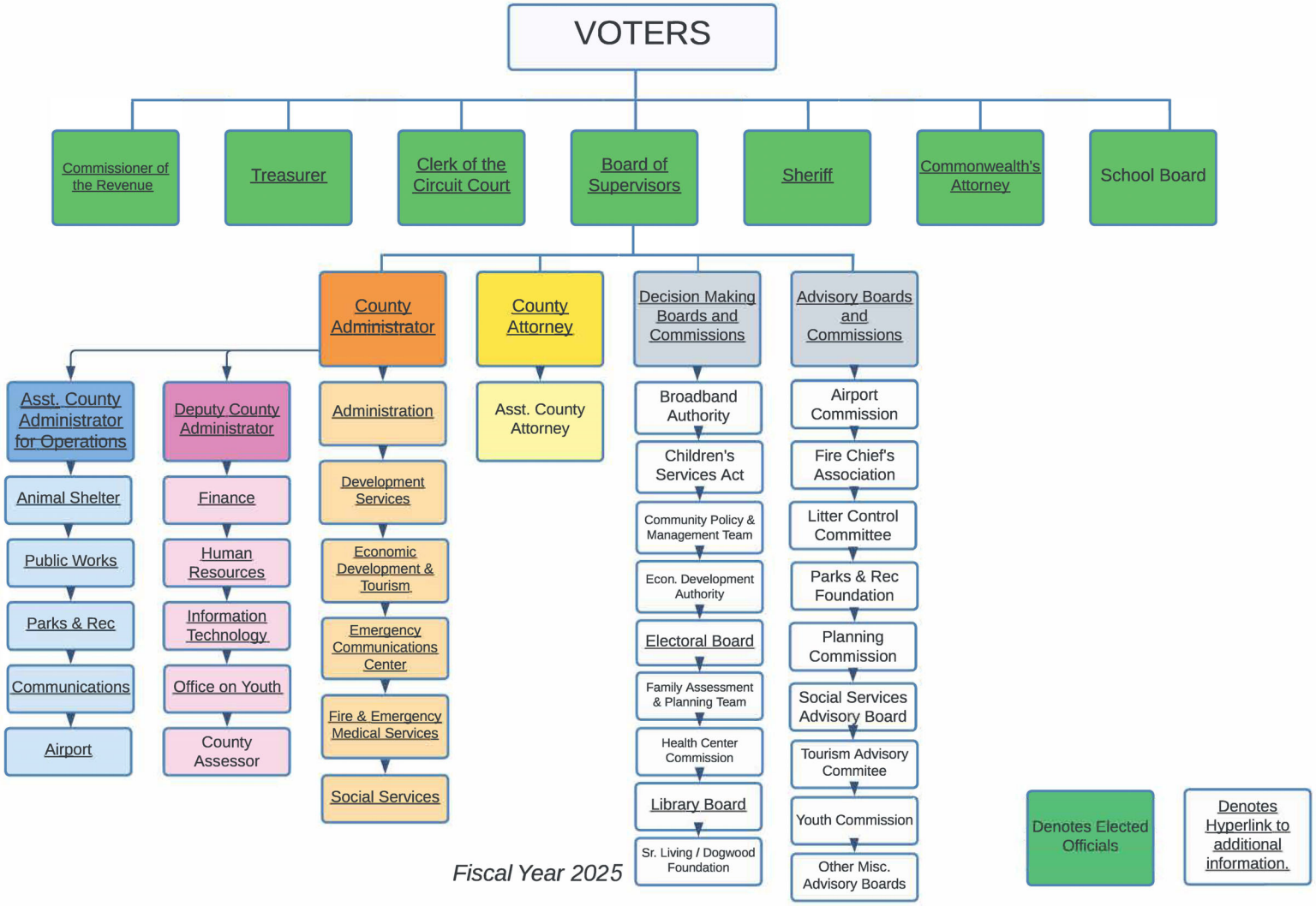
For its Annual Comprehensive Financial Report For the Fiscal Year Ended

June 30, 2024

Christopher P. Morrill

Executive Director/CEO

Orange County Organizational Chart



Fiscal Year 2025

COUNTY OF ORANGE, VIRGINIA

Directory of Principal Officials
June 30, 2025

Board of Supervisors

R. Mark Johnson, Chair
Ed M. Van Hoven, Vice Chair

J. Bryan Nicol | Crystal D. Hale | Keith F. Marshall

School Board

Melissa Anderson, Chair
Darlene Dawson, Vice Chair

Jack Rickett | Vacant | Sandy Harrington

Other Officials

Chief Judge of the Circuit Court	Claude V. Worrell
Clerk of the Circuit Court	Melissa Tyler
Chief Judge of the General District Court	Claiborne H. Stokes, Jr.
Chief Judge of the Juvenile & Domestic Relations Court	Deborah S. Tinsley
Clerk of the General & Juvenile & Domestic Relations Court	Barbara B. Miller
County Attorney	Amy Wilson
Commonwealth's Attorney	Page Higginbotham
Commissioner of the Revenue	Renee Pope
Treasurer	Dawn Herndon
Sheriff	Jason Smith
Superintendent of Schools	Dr. Daniel Hornick
Clerk of the School Board	Laura Byram
Director of Social Services	Robin Breckenridge
County Administrator	Theodore L. Voorhees
Deputy County Administrator	Glenda Paul
Assistant County Administrator for Operations	Stephanie Straub
School Board Chief Financial Officer	Lisa Frady-Lawhorn
Finance Director	Andrew Oliver

INDEPENDENT AUDITORS

PBMares, LLP

FINANCIAL SECTION

PBMares SM
CPAs and Consultants

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

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 Orange, Virginia (County), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective 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, as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS); 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 and specifications are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As described in Note 21 to the financial statements, in fiscal year 2025, the County adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 101, Compensated Absences. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require Management's Discussion and Analysis and the required supplementary information on pages 4-14 and 116-141, respectively, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying supplementary information listed in the table of contents is presented for purposes of additional analysis and is 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 accompanying supplementary information listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 20, 2026 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

PBMares, LLP

Harrisonburg, Virginia
January 20, 2026

Management's Discussion and Analysis

As management of the County of Orange (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 year ended June 30, 2025. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i through xiii of this report.

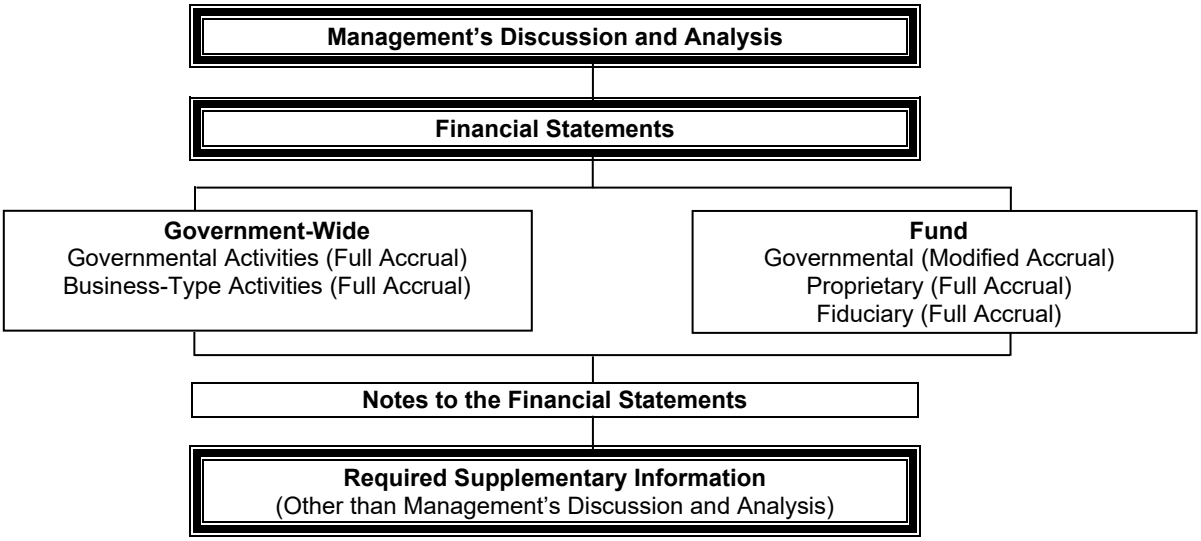
Financial Highlights

- Total assets and deferred outflows of resources of the County of Orange (primary government) exceeded total liabilities and deferred inflows of resources at the close of the most recent fiscal year by $59,220,992 (*net position*). Of this amount, $45,943,556 resulted from governmental activities and $13,277,436 from business-type activities.
- On a government-wide basis for governmental activities, the County had expenses net of program revenues of $71,083,691. Other revenues totaled $71,984,380 resulting in a positive change in net position of $900,689 before transfers to other funds totaling $3,712,245.
- On a government-wide basis for business-type activities, the County had expenses net of program revenues of $3,128,241. The net position for business-type activities was increased by a total of $584,432.
- At June 30, 2025, unassigned General Fund balance was $26,688,349 or 21.64% of budgeted operating expenditures as defined by the County's fund balance policy.
- The County implemented GASB Statement No. 101, Compensated Absences, for fiscal year 2025, which required the restatement of beginning net position due to a change in accounting principle for governmental activities, business-type activities, and the School Board and Broadband Authority component units, as discussed in note 21 to the basic financial statements. Table 1 has not been restated for this change.

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, deferred outflows of resources, liabilities, and deferred inflows of resources using the accrual method of accounting. All of the year's revenue and expenses are considered, regardless of when the cash is received or paid.

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

The Statement of Net Position presents information on all the County's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Net position is 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 Position as a financial indicator.

The Statement of Activities provides information on how the County's net position changed during the year. Since the government-wide financial statements use the accrual method of accounting, changes in net position 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 Position 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 government and judicial administration, public safety, public works, health and welfare, education, parks, recreation and cultural, and community development.
- Business-Type Activities: These activities charge fees to customers to help cover the costs of the service. The County's Airport and Landfill Funds are the two business-type activities for Orange County.
- Component Units: The Orange County Public School Board, the Economic Development Authority, and the Broadband Authority are component units 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. Orange 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 Insurance Internal Service Funds. Enterprise Funds report the same functions as the business-type activities in the government-wide financial statements. Insurance 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 Orange currently has two Enterprise Funds and one Insurance Internal Service Fund. The Insurance Internal Service Fund accounts for the activities of a self-insured health plan and is classified as a governmental activity.

- Fiduciary Funds: Fiduciary funds are used to report assets held in trustee or agency 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 position and a statement of changes in fiduciary net position. Assets for Special Welfare and the Commonwealth of Virginia are held in fiduciary funds. These fiduciary activities are excluded from the County's government-wide financial statements because they are custodial fund activities and 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 page 29 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning Orange County's progress in funding its obligation to provide pension and other postemployment benefits to its employees. Required supplementary information can be found in the labeled section of this report.

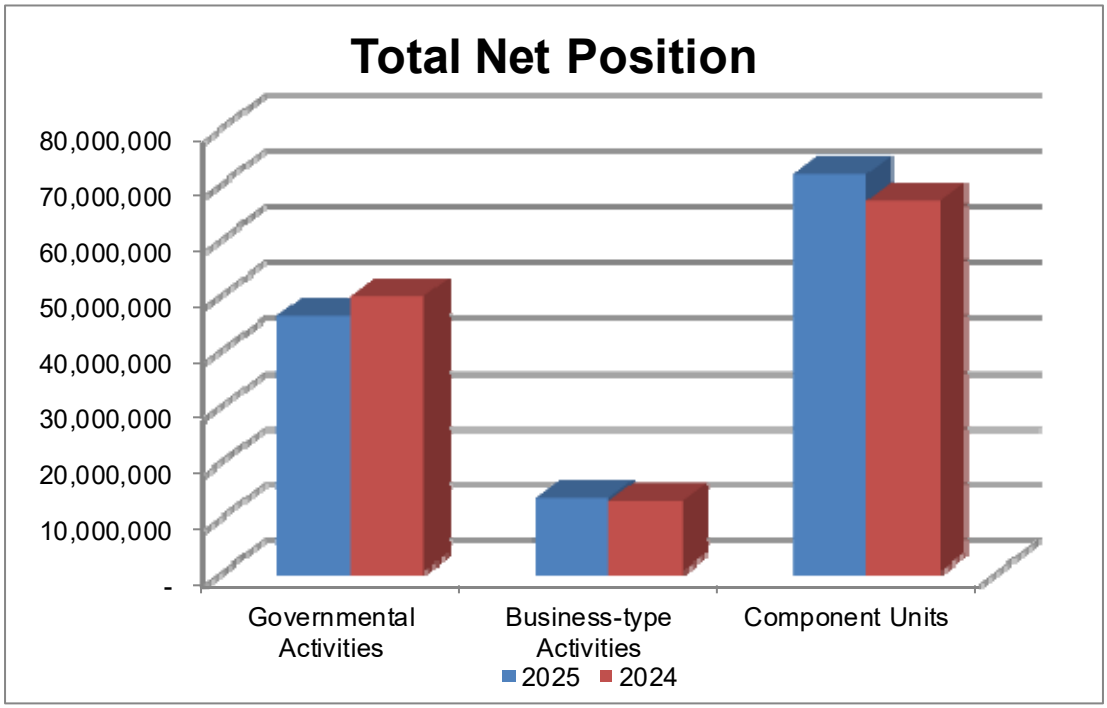
The combining statements, in connection with non-major governmental funds, are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found in the other supplementary information section of this report.

Government-Wide Financial Analysis

The following table presents the condensed Statement of Net Position:

Orange County, VA
Summary Statement of Net Position

	Primary Government					
	Governmental Activities		Business-type Activities		Component Units	
	2025	2024	2025	2024	2025	2024
Current and Other Assets	$ 62,965,981	$ 68,506,614	$ 7,883,145	$ 7,577,436	$ 14,288,753	$ 14,111,962
Capital Assets (net)	50,603,162	53,916,030	12,102,602	12,036,577	131,327,146	126,714,144
Total Assets	113,569,143	122,422,644	19,985,747	19,614,013	145,615,899	140,826,106
Total Deferred Outflows of Resources	3,876,132	2,845,908	76,327	49,665	13,925,369	12,837,296
Long-term Liabilities	61,046,522	66,654,489	6,470,248	6,663,890	70,457,864	73,840,591
Other Liabilities	8,090,629	6,720,238	256,298	236,296	8,582,891	6,467,940
Total Liabilities	69,137,151	73,374,727	6,726,546	6,900,186	79,040,755	80,308,531
Total Deferred Inflows of Resources	2,364,568	2,265,545	58,092	37,609	9,081,705	6,542,231
Net Position:						
Net Investment in Capital Assets	8,348,725	7,465,453	9,811,791	9,257,129	102,277,733	97,035,516
Restricted	5,468,157	1,028,179	23,725	14,951	2,401,099	2,313,446
Unrestricted (deficit)	32,126,674	41,134,648	3,441,920	3,453,803	(33,260,024)	(32,536,322)
Total Net Position	$ 45,943,556	$ 49,628,280	$ 13,277,436	$ 12,725,883	$ 71,418,808	$ 66,812,640



The following table presents the condensed Statement of Activities:

Orange County, VA
Summary Statement of Activities

	Primary Government				Component Units	
	Governmental Activities		Business-type Activities			
	2025	2024	2025	2024	2025	2024
Revenues:						
Program Revenues:						
Charges for Services	$ 5,301,883	$ 4,412,017	$ 1,223,568	$ 1,115,812	$ 4,768,568	$ 4,386,879
Operating Grants and Contributions	11,896,377	11,375,134	30,389	62,149	51,848,748	50,416,949
Capital Grants and Contributions	43,314	38,500	236,012	255,399	2,431,045	1,675,258
General Revenues:						
General Property Taxes	54,678,961	53,748,984	-	-	-	-
Other Local Taxes	10,352,926	10,240,946	-	-	-	-
Grants and Contributions Not Restricted to Specific Programs	-	-	-	-	27,132,092	23,822,334
Intergovernmental, Non-Categorical Aid	3,851,577	3,833,905	-	-		
Use of Property and Money	1,970,291	2,138,968	-	-	110,972	99,930
Miscellaneous	1,130,625	1,810,866	428	471	212,732	300,176
Lease revenue	-	-	-	-	53,257	55,257
Gain on sale of land	-	-	-	-	-	-
Total Revenues	89,225,954	87,599,320	1,490,397	1,433,831	86,557,414	80,756,783
Expenses:						
General Government Administration	10,218,829	8,946,132	-	-	495,825	292,696
Judicial Administration	2,256,281	2,701,048	-	-	-	-
Public Safety	23,324,031	19,828,564	-	-	-	-
Public Works	1,961,453	1,614,339	-	-	5,010,848	4,946,218
Health and Human Services	13,115,814	11,561,514	-	-	-	-
Education	29,393,039	28,375,448	-	-	74,497,546	66,264,138
Parks, Recreation, and Cultural	2,307,660	1,961,726	-	-	-	-
Community Development	4,129,438	2,889,575	-	-	-	-
Interest	1,618,720	2,025,713	-	-	-	-
Airport	-	-	906,890	1,166,075	-	-
Landfill	-	-	3,711,320	3,704,252	-	-
Total Expenses	88,325,265	79,904,059	4,618,210	4,870,327	80,004,219	71,503,052
Change in Net Position Before Transfers	900,689	7,695,261	(3,127,813)	(3,436,496)	6,553,195	9,253,731
Transfers In (Out)	(3,712,245)	(3,827,234)	3,712,245	3,827,234	-	-
Change in Net Position	(2,811,556)	3,868,027	584,432	390,738	6,553,195	9,253,731
Net Position, beginning, as previously stated	49,628,280	45,760,253	12,725,883	12,335,145	66,812,640	57,558,909
Restatement due to change in accounting principle	(873,168)	-	(32,879)	-	(1,947,027)	-
Net Position, beginning, as restated	48,755,112	45,760,253	12,693,004	12,335,145	64,865,613	57,558,909
Net Position, ending	$ 45,943,556	$ 49,628,280	$ 13,277,436	$ 12,725,883	$ 71,418,808	$ 66,812,640

Net Position

The Primary Government's governmental net position decreased by $2,8114,556 or 5.7% during the year ended June 30, 2025. This decrease was primarily due to increased personnel expenses due to the creation of in-house departments for the County Attorney and Real Estate Assessment. The County's net position increased in the business-type activities mainly due to transfers in from the general fund. Expenses (including depreciation) continue to outpace revenues, particularly in the Landfill Fund. In fiscal year 2025, the change in net position experienced similar increase as it did in fiscal year 2024. The change in net position for the fiscal year was $584,432, compared to an increase of $390,738 in the prior year. Net position in the County's component units increased by a total of $6,553,195 during fiscal year 2025.

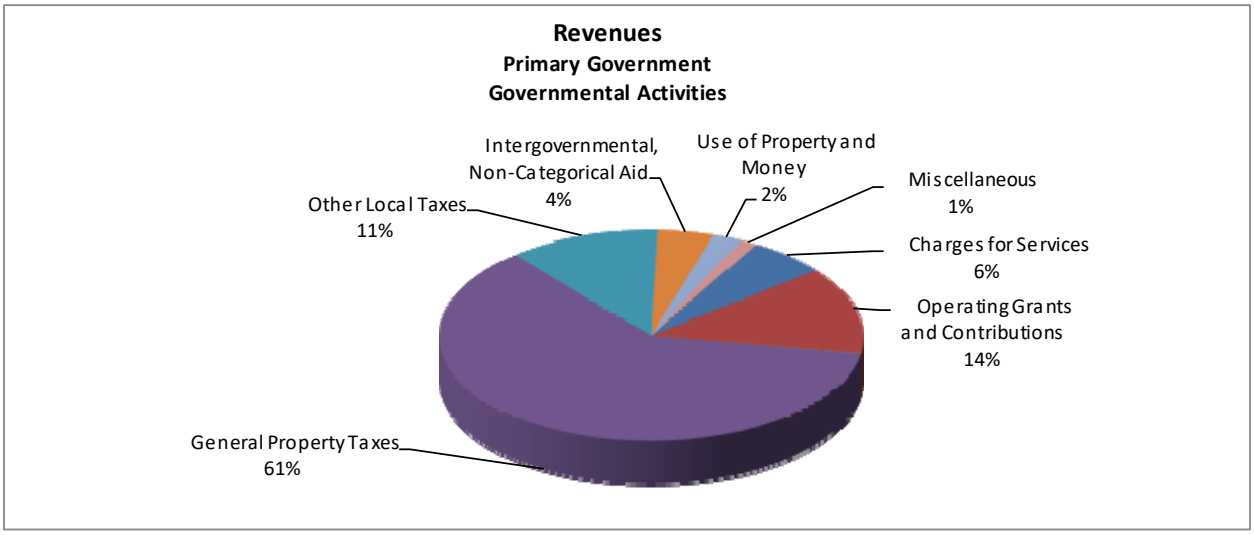
Unrestricted governmental activities net position decreased by $3,684,724.

Revenues

For the fiscal year ended June 30, 2025, revenues generated by the Primary Government's governmental activities totaled $89,225,954. General property taxes, the County's largest revenue source, were $54,678,961. Included in this total are real and personal property levies, which are due on June 5th and December 5th each year. The real estate tax rate for fiscal year 2025 was $.75/$100. This rate represents a combined rate; one for general purposes and one specifically for Fire/EMS services. In fiscal year 2025, the County collects real estate taxes for the second half of tax year 2024 and the interim "short year" 2025 (January 1, 2025 – June 30, 2025). The short year was adopted to align the Real Estate tax billing to match the County's Fiscal Year (July 1 – June 30). Both the general real estate tax and the Fire/EMS tax rate remained unchanged.

Fiscal year 2025 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 legislation established a fixed amount to be provided to localities for funding tax relief for vehicles valued at less than $20,000. The PPTRA became effective with the 2006 tax year and is based on the amount collected for 2004 taxes through December 2005. The total amount Orange County receives under the program is $2,763,073. This amount enabled the County to provide car tax relief of 21.66% up to the first $20,000 in value for fiscal year 2025.

The other local tax category includes sales tax, consumer utilities tax, consumption tax, recordation tax, motor vehicle license tax, food and beverage tax, and cigarette tax. Local sales and use tax revenue remained level, with a slight decrease by $77,362 or less than 1.4% from the previous fiscal year. Consumption Tax revenue increased by $13,446 or 14.0%, Consumer Utility Tax increased by $74,442 or 12.0%. Motor Vehicle License Tax revenue was up slightly, increasing 3.7% from the prior year. Recordation Tax increased $103,136, or 13%. Cigarette Taxes decreased $54,989 or 12.1% from the previous fiscal year. Restaurant Food Taxes revenue also reflected an increase of $35,427 or 2.7% from the prior year.



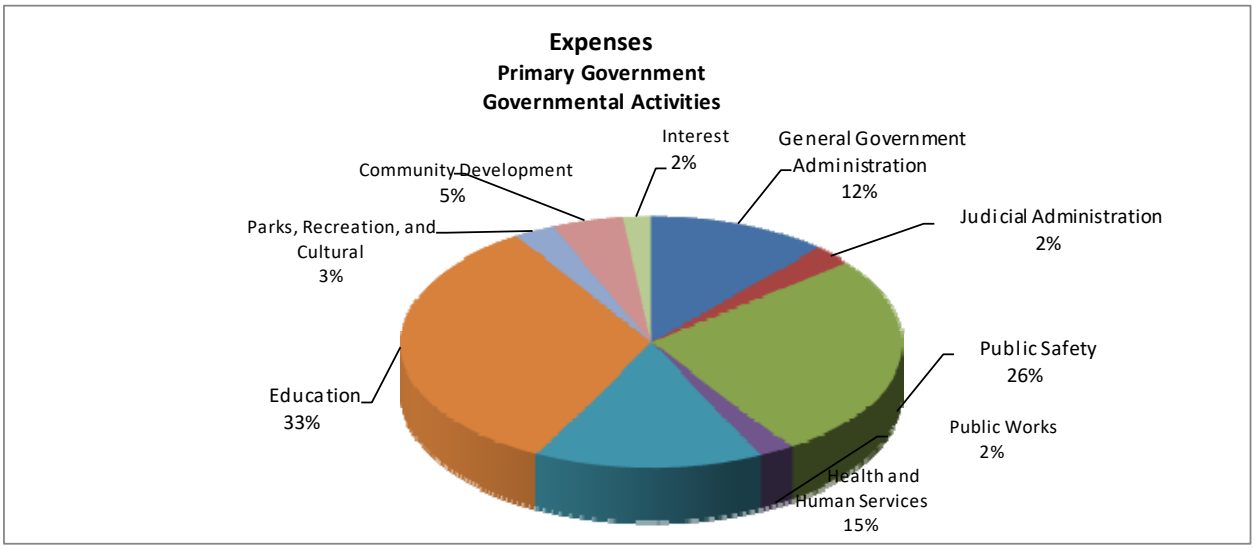
Program revenues are derived from the program itself and reduce the cost of the function to the County. This category includes charges for services and operating and capital grant revenues. Total program revenues for governmental activities were $17,241,574, an increase of $1,415,923, or 8.9% from the previous year. This increase is mainly attributable to the increase in ambulance and rescue services charges by $938,599 or 106.8%, and increase in operating grants by $521,243, or 4.6% over prior year. Program revenues in the governmental funds include charges for services that totaled $5,301,833, and includes charges for ambulance fees, recreation and childcare programs, and building permits. This category reflects an increase from the prior year of $889,866, which was distributed across functional areas of expenditures.

Proprietary funds generated program revenues of $1,223,568 from charges for services and $266,401 in operating and capital grant revenues and contributions. Charges for services increased in the Landfill Fund by $171,046 and decreased in the Airport Fund by $63,290. Within the component units, program revenues increased by $2,569,275.

Expenses

For the fiscal year ended June 30, 2025, expenses for governmental activities totaled $88,325,265, an increase of 10.5% or $8,421,206. Expenses include the cost of employee compensation, contributions to the School Board, and interest on governmental debt. The largest increases are reflected in the General Government Administration category, which increased by $1,272,697; the Health and Human Services category, which increased $1,554,300; the Community Development category, which increased $1,239,863; and the Public Safety category, which increased $3,495,467. The increase in the General Government Administration category was mainly due to increases in salaries and benefits, and a yield-reduction payment of $246,491 to the Department of Treasury. The salaries and benefits increases are due to cost-of-living increases, creation of the in-house County Assessment and County Attorney offices in FY24 and staffed throughout FY25. The yield-reduction payment was for interest earned on bond proceeds that were above the bond yield, which the IRS mandates. The increase in Health and Human Services category was mainly due to increased childcare expenses. The increase in the Community Development category was mainly due to site readiness work at the Thomas E. Lee Industrial Park to make lots pad ready for marketing and business attraction to the county. The increase in the Public Safety category was mainly due to increases in salaries and benefits and purchase of eight cardiac monitor/defibrillators. The salaries and benefits increases were also due to funding a career step program, and cost-of-living increases and overtime expenses. Interest charges decreased $406,993 compared to the previous fiscal year.

In the Primary Government category, personnel expenses for fiscal year 2025 included increases in general government health insurance costs and increased personnel costs. In FY2025, the County added an Assistant Registrar, Senior Assistant Commonwealth Attorney, Grounds Maintenance Tech I, Youth Services Librarian, Benefit Programs Specialist II, DSS Program Coordinator, Public Safety Support IT tech, and the FAPT Coordinator was reclassified from part-time to full-time. A county-wide market wage adjustment of 3% was implemented for all positions in July 2024.



Expenses within the other functional areas of governmental activities increased by amounts related to the allocation of expenses incurred by the self-insurance fund, changes in compensated absences, pension expenses, and other long-term liabilities included in the entity-wide financial statements.

The County's Proprietary Funds reflect a total of $4,618,210 in expenses compared to $4,870,327 for fiscal year 2024. The Airport Fund reflects expenses that were $259,185 or 22.2% lower than the previous year. This decrease is mainly attributed to a decrease in capital outlay and grounds maintenance expense. The Landfill Fund expenses were relatively flat with a small increase of .19%, or $7,068.

Within the School Board component unit, overall expenses increased by $8,233,408 or 12.43%. Roughly, half of this increase was in the School Operating Fund, while the remainder was in the School Capital Project Fund. The Economic Development Authority reflects expenses that are $203,129 higher than the prior year mainly due to expenses related to site readiness work in the Thomas E. Lee Industrial Park. The Orange County Virginia Broadband Authority expenses increased by $64,630, with most of these expenses being related to depreciation, personnel expenses, and costs associated with repairing and relocating fiber lines.

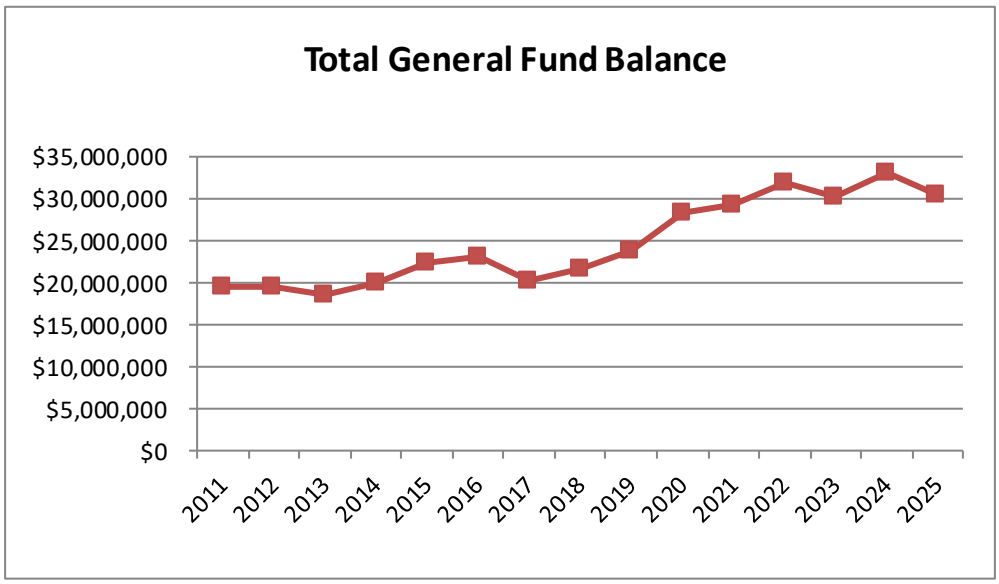
Financial Analysis of the Government's Funds

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

For the fiscal year ended June 30, 2025, the County's governmental funds reflected a combined fund balance of $40,719,863, some of which is reserved for specific purposes, such as capital outlay, debt service, and fire and EMS related expenditures. The decrease of $3,660,834 over fiscal year 2024 reflects a decreases in the General Fund, which decreased by $2,675,289; the EMS and Fire Fund, which decreased $604,071; and Other Governmental Funds, which decreased $1,094,070 over prior year. The Capital Projects Fund reflected an increase in fund balance of $712,596. Other fund balance totals within governmental funds are assigned, committed, or restricted for specific purposes.

At June 30, 2025, unassigned General Fund balance was $26,688,349, or 21.64% of budgeted operating expenditures as defined by the County's fund balance policy. Total unassigned general fund balance decreased by $2,202,768 from fiscal year 2024. The decrease was primarily due to transfers out to the Landfill Fund. General Fund revenues were more than prior year by $3,373,587 due to increased General Property Tax Revenue and increased Operating Grants. General Fund expenditures were more than prior year by $6,976,350. This increase was mainly due to additional budgeted positions, market wage adjustments to salaries, and capital outlay for economic development and public safety.

The Board of Supervisors has established a fund balance policy, which sets the minimum level of acceptable unassigned General Fund balance that is not less than 15% of the combined budgeted operating expenditures of the General Fund and School Operating Fund (net of inter-fund transfers). In addition, the Board's policy states that unassigned general fund balance should not exceed 18%. In August 2022, the board approved a revision to the current reserve policy requiring an additional reserve requirement of 8% of the total expected health insurance program expenses beginning June 30, 2022. At June 30, 2025, unassigned General Fund balance, decreased from 25.50% to 21.64% of expenditures as defined in the policy. The Board of Supervisors continues to discuss options to apply the excess balance to appropriate purposes.



Fund balance in the EMS & Fire Fund decreased by $604,071, primarily due to a 20% increase in salaries and benefits due to funding a career step program, cost-of-living increases, and overtime expenses. In addition, debt service increased $1,420,303 due to the issuance of a private placement note for the purchase of three ambulances.

Fund balance in the Virginia Public Assistance Fund remained unchanged for fiscal year 2025. Fund balance within the Debt Service Fund balance remained $0. Normally, this fund does not accumulate a fund balance because it is funded solely by transfers from the General Fund in an amount equal to the annual debt service due.

Fund balance in the Capital Projects Fund increased by $712,596, primarily due to the issuance of a private placement note for the purchase of three ambulances. These ambulances, scheduled for delivery in 2026, will be paid for with these funds upon arrival. The Capital Projects Fund is used to track expenditures for capital projects as outlined in the adopted Capital Improvements Plan.

General Fund Budgetary Highlights

Differences between the original operating budget and the final operating budget resulted in a net increase of $8,772,988 in additional appropriations. Highlights of the budget amendments are as follows:

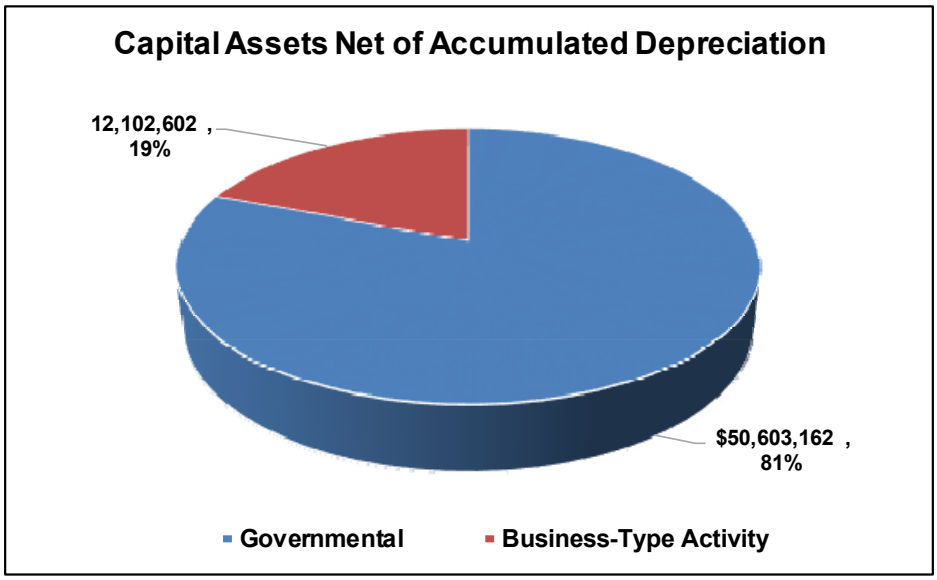
Budget Amendment	Amount
VATI State Broadband Grant	$ 3,250,720
Additional State & Federal CSA Aid	997,840
Bureau of Justice Asst. Drug Court Grant	423,104
Outstanding Encumbrances	746,800
Ongoing Projects reappropriations	1,041,046
Additional Local CSA Appropriations	635,323
Contracted Legal Services (Staff Vacancy)	333,976
Local Contribution for Airport Hanger Project	64,483
Mid-year 2% Wage Adjustments	124,112
Additional State Funding for Wage Adjustments	500,000
Total	**$ 8,117,404**

The largest budget amendment was to appropriate the Virginia Telecommunication Initiative (VATI) grant funds for broadband expansion in the county. The next largest amendment was to appropriate additional state and federal CSA Aid due to an increased caseload in this program. This also required an additional local match of $635,323. Unspent funds from fiscal year 2024 were carried forward for ongoing projects. These carryforward funds included appropriations of expenditures planned for projects, grants, and other items that were incomplete at the end of the fiscal year for a variety of reasons.

Differences between the final amended budget and actuals included property tax collections that were lower than budget estimates by a total of $1,186,153, primarily in the personal property tax category. Other local tax revenues exceeded budget estimates by $81,044, and use of money and property exceeded budget estimates by $559,913. Total commonwealth intergovernmental revenues were lower than budget estimates by $2,797,886. The largest expenditure variance between the final amended budget and actuals was in the VATI grant for broadband of $1,787,029. This variance was due to fewer appropriations being required than originally budgeted for broadband expansion, as some planned items were not procured during the fiscal year. Many of these items will be re-appropriated in fiscal year 2026.

Capital Assets

The County of Orange's net capital assets balance for its governmental and business-type activities as of June 30, 2025, amounted to $62,705,764 (net of accumulated depreciation). This net capital assets balance included land, construction in progress, landfill development, buildings and systems, improvements, machinery and equipment, park facilities, right-to-use lease assets, and right-to-use subscription assets.



Orange County, VA
Primary Government
Change in Capital Assets

	Balance June 30, 2024	Net Increase/ (Decrease)	Balance June 30, 2025
Governmental Activities:			
Non-Depreciable Assets:			
Land	$ 2,656,710	$ 390,666	$ 3,047,376
Easements	41,990	-	41,990
Construction in Progress	1,650,477	457,978	2,108,455
Other Capital Assets:			
Buildings & Improvements	35,067,197	177,185	35,244,382
Infrastructure	3,863,397	-	3,863,397
Intangible Right-to-use leased buildings	1,057,229	-	1,057,229
Intangible Right-to-use leased equipment and vehicles	20,635	443,412	464,047
School Buildings & Improvements	12,653,158	(2,729,881)	9,923,277
Furniture, Equipment and Vehicles	26,314,819	1,486,017	27,800,836
Intangible Right-to-use subscription assets	700,093	67,526	767,619
Less: Accumulated Depreciation and Amortization	(30,109,675)	(3,605,771)	(33,715,446)
Business-type Activities:			
Non-Depreciable Assets:			
Land	2,465,164	-	2,465,164
Construction in Progress	284,404	248,866	533,270
Other Capital Assets:			
Buildings & Improvements	5,011,313	-	5,011,313
Infrastructure	7,023,455	-	7,023,455
Landfill Development Costs	5,751,479	-	5,751,479
Furniture and Other Equipment	1,632,759	735,728	2,368,487
Less: Accumulated Depreciation and Amortization	(10,131,997)	(918,569)	(11,050,566)
Net Capital Assets	$ 65,952,607	$ (3,246,843)	$ 62,705,764

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 9 in the notes to the financial statements.

Long-Term Debt

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. 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 County operates a debt service fund for debt associated with the county and its school system. Debt for an Assisted Living Facility is also included; however, that facility makes lease payments to the County equal to the debt service each year. Funding for the repayment of county and school debt comes directly from the County's General Fund.

The County occasionally uses lease-purchase financing (private placement notes) to acquire large equipment items as approved in the annual operating budget process. At June 30, 2025, the County had five such notes outstanding, which were for the purchase of a roll-off truck for the landfill in FY19; a front loader for the landfill, and a tanker unit in FY22; and a roll-off truck for the landfill, and cardiac monitors and three ambulances in FY25. The FY22 financing for the front loader carries a four-year term with an interest rate of 3.696%. The FY22 financing for the tanker unit carries a ten-year term with an interest rate of 3.916%. The roll-off truck purchased during 2019 carries a seven-year term with an interest rate of 3.35%. The FY25 financing for a roll-off truck for the landfill carries a seven-year term with an interest rate of 4.505%. The FY25 financing of the cardiac monitors and three ambulances carries a three-year term with an interest rate of 4.287%.

The School Board also occasionally uses lease-purchase financing to acquire large equipment items. During fiscal year 2013, the School Board entered an Energy Performance Contract for $6,198,242 at an interest rate of 2.59% over a fifteen-year term. The proceeds from this issue were spent to acquire energy-saving equipment throughout the division, which has generated energy savings over the term in amounts sufficient to fund the debt service. A second phase of the Energy Performance Contract was entered in fiscal year 2016 with a fifteen-year term, an interest rate of 2.39% and a total amount of $1,259,830. A third phase of the Energy Performance Contract was entered in fiscal year 2024 with a twenty-year term, an interest rate of 4.167% and a total amount of $5,448,149. At June 30, 2025, the School board had two notes outstanding for bus purchases. The FY24 purchase of $971,905 for school buses carries a two-year term with an interest rate of 7.233%, and the FY25 purchase of $940,926 for school buses carries a three-year term with an interest rate of 4.7%.

In November 2016, the Board of Supervisors authorized a lease-revenue bond sale totaling $52,508,303 for the refinancing of the 2007 Bonds ($25,265,030) as well as new bonds to fund the construction of a Public Safety Communications System ($9,333,922), Consolidated E-911 Dispatch and Facility ($13,719,262), Dispatch Consolidation and Modernization Project ($2,975,089) and a Fiber Optics/Rural Broadband Initiative ($1,215,000). Prior to the sale, the County received an upgrade of its lease-revenue bond rating from Standard & Poor's from AA- to AA and an upgrade of its general obligation bond rating from AA to AA+. In addition, the County received its first bond ratings from Moody's: Aa3 for lease-revenue and Aa2 for general obligation bonds. The refinancing portion of the 2016 Bonds did not extend the original maturity, which was 2034, and the final maturity for the new project bonds is 2036. The true interest cost (TIC) on the entire issue was 3.31%. The final savings on the refinancing over the term of the bonds was $3,018,203.

In July 2020, the Board of Supervisors authorized a lease-revenue bond sale totaling $15,166,000 to fund the renovation of Gordon Barbour Elementary School ($6,300,000), construction of a new landfill cell ($3,000,000), continued Fiber Optics/Rural Broadband Initiative ($3,000,000), facility securement for a Career Technical Center ($2,500,000), and the purchase of an Ambulance ($225,000). The new projects will provide new and updated spaces for the continued growth of our education system as well as ensure the county is able to serve our citizens in the future with their refuse disposal needs. The broadband component of the project continues the County's initiative to serve unserved and underserved areas within Orange County. During fiscal year 2025, the broadband project continued to expand their construction efforts to provide residents and businesses consumer choice for affordable and reliable high-speed fiberoptic broadband. The Broadband Authority (FiberLync) has assumed the responsibility of maintaining and managing the broadband project. The expansion of Landfill Cell II was completed in fiscal year 2023, and the renovation of Gordon Barbour Elementary is still in progress. These bonds mature in November 2036 and the true interest cost (TIC) on the entire issue was 2.29% in aggregate.

In May 2021, the Broadband Authority authorized a lease-revenue bond sale totaling $15,830,000 to fund further construction of fiber in Orange County to expand services to underserved citizens. These bonds mature in 2036 and the true interest cost (TIC) on the entire issue was 2.44%. Although the Broadband Authority's revenues are expected to be sufficient to pay the debt service on the bonds, an accompanying support agreement offers a non-binding moral obligation for the County to fund any annual deficiencies in the revenues of the Broadband Authority that would otherwise prevent the Broadband Authority from making its scheduled debt service payments to the Virginia Resources Authority. Although the Board of Supervisors is not empowered to make any binding commitment to make appropriations in future fiscal years, the support agreement declares its intent to make such appropriations in future fiscal years.

In September 2022, the Broadband Authority authorized a lease-revenue bond sale totaling $6,065,000 to fund further construction of fiber in Orange County to expand services to underserved citizens, specifically located in the Lake of the Woods subdivision. These bonds mature in 2037 and the true interest cost (TIC) on the entire issue was 4.10%.

In May 2025, the Economic Development Authority authorized a Virginia Small Business Financing Authority Loan in the amount of $795,000 to complete site work in the Thomas E. Lee Industrial Park to make lots pad ready for better marketing and business attraction to the county. The loan matures in May 2035 and carries in interest rate of 5.5%.

The Primary Government's outstanding debt and other long-term liabilities at June 30, 2025 are as follows:

General Obligation Bonds:		
School Bond Series 2005D	$	747,800
General Obligation Bond Premiums		770,482
Virginia Public School Authority Bonds (VPSA):		
Series 2007 B		780,000
Series 2009 B		7,625,000
Lease Revenue Bonds:		
Series 2016		29,071,000
Series 2020		14,703,000
Lease Revenue Bond Premiums		2,098,580
Private Placement Notes		1,595,372
Leases Payable		784,798
Subscriptions Payable		310,966
Landfill Obligation		4,038,000
Other Postemployment Benefits		1,973,193
Compensated Absences		3,018,579
Grand Total	$	67,516,770

The Component Unit School Board's outstanding debt and other long-term liabilities at June 30, 2025 are as follows:

Private Placement Notes	$	9,114,963
Other Postemployment Benefits		7,788,319
Compensated Absences		3,113,118
Net Pension Liability		29,728,422
Subscriptions Payable		20,857
Grand Total	$	49,765,679

The Component Unit Broadband Authority's outstanding debt and other long-term liabilities at June 30, 2025 are as follows:

Lease Revenue Bonds:		
Series 2021	$	13,780,000
Series 2022		5,738,000
Discount on Bond		(7,787)
Leases Payable		244,586
Other Postemployment Benefits		45,195
Compensated Absences		97,191
Grand Total	$	19,897,185

The Component Unit Economic Development Authority's outstanding debt and other long-term liabilities at June 30, 2025 are as follows:

Promissory Note	$	750,000
Grand Total	$	750,000

Additional information on the County's long-term debt can be found in Note 10 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 funds it receives. Questions concerning this report or requests for additional information should be directed to:

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Phone (540) 661-5379
E-mail aoliver@orangecountyva.gov
http://orangecountyva.gov

BASIC FINANCIAL STATEMENTS

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 1

STATEMENT OF NET POSITION
June 30, 2025

	Primary Government			Component Units		
	Governmental Activities	Business-type Activities	Totals	School Board	EDA	Broadband Authority
ASSETS						
Cash and cash equivalents	$ 27,983,739	$ 5,896,455	$ 33,880,194	$ 4,152,788	$ 665,577	$ 1,132,289
Investments	6,395,959	1,770,857	8,166,816	683,882	527,233	-
Receivables, net:						
Taxes receivable	3,620,679	-	3,620,679	-	-	-
Accounts receivable	3,229,322	167,556	3,396,878	139,172	-	299,570
Interest receivable	-	-	-	-	8,802	-
Leases receivable	-	-	-	-	359,272	-
Due from other governments	2,035,193	-	2,035,193	3,705,244	-	188,240
Due from component unit	2,178,105	-	2,178,105	-	-	-
Inventory	-	24,552	24,552	-	-	-
Other assets	-	-	-	-	-	5,425
Prepaid items	50,000	-	50,000	-	-	20,160
Note receivable	9,940,000	-	9,940,000	-	-	-
Restricted cash	6,533,584	-	6,533,584	-	-	1,352,290
Net pension asset	999,400	23,725	1,023,125	892,311	-	156,498
Capital assets:						
Land	3,047,376	2,465,164	5,512,540	1,855,343	642,722	-
Easements	41,990	-	41,990	-	-	-
Infrastructure	3,863,397	7,023,455	10,886,852	-	-	40,465,714
Intangible right-to-use lease buildings	1,057,229	-	1,057,229	-	-	233,604
Intangible right-to-use lease equipment and vehicles	464,047	-	464,047	-	-	130,201
Buildings and improvements	35,244,382	5,011,313	40,255,695	164,494,510	33,214	-
School buildings and improvements	9,923,277	-	9,923,277	(9,923,277)	-	-
Landfill development costs	-	5,751,479	5,751,479	-	-	-
Intangible right-to-use subscription assets	767,619	-	767,619	58,346	-	-
Furniture, equipment and vehicles	27,800,836	2,368,487	30,169,323	18,392,279	-	425,922
Construction in progress	2,108,455	533,270	2,641,725	12,501,793	699,213	-
Less accumulated depreciation and amortization	(33,715,446)	(11,050,566)	(44,766,012)	(94,641,256)	(1,799)	(4,039,383)
Total assets	113,569,143	19,985,747	133,554,890	102,311,135	2,934,234	40,370,530
DEFERRED OUTFLOWS OF RESOURCES						
Deferred charge on refunding	712,306	-	712,306	-	-	-
Pension plan	2,776,843	65,921	2,842,764	11,823,816	-	20,552
Other postemployment benefits	386,983	10,406	397,389	2,038,026	-	42,975
Total deferred outflows of resources	3,876,132	76,327	3,952,459	13,861,842	-	63,527

See Notes to Financial Statements.

LIABILITIES						
Accounts payable and accrued expenses	6,375,571	249,076	6,624,647	4,940,374	70,159	655,472
Due to component unit	-	-	-	-	-	-
Accrued interest payable	463,240	7,222	470,462	69,155	-	107,715
Unearned revenue	-	-	-	561,911	-	-
Insurance benefit claims	1,251,818	-	1,251,818	-	-	-
Due to primary government	-	-	-	-	645	2,177,460
Long-term liabilities:						
Due within one year:						
Bonds payable	6,771,800	637,000	7,408,800	-	-	1,381,000
Promissory note	-	-	-	-	1,757	-
Leases payable	272,490	-	272,490	-	-	77,775
Subscriptions payable	76,528	-	76,528	10,307	-	-
Private placement notes	492,023	104,655	596,678	1,498,151	-	-
Compensated absences	2,140,903	68,073	2,208,976	261,528	-	74,593
Total other postemployment benefits liability	43,156	1,034	44,190	164,706	-	-
Due in more than one year:						
Bonds payable, net	47,070,062	1,317,000	48,387,062	-	-	18,129,213
Promissory note	-	-	-	-	793,243	-
Leases payable	512,308	-	512,308	-	-	166,811
Private placement notes	781,291	217,403	998,694	7,616,812	-	-
Compensated absences	780,578	29,025	809,603	2,851,590	-	22,598
Subscriptions payable	234,438	-	234,438	10,550	-	-
Total other postemployment benefits liability	1,870,945	58,058	1,929,003	7,623,613	-	45,195
Landfill obligation	-	4,038,000	4,038,000	-	-	-
Net pension liability	-	-	-	29,728,422	-	-
Total liabilities	69,137,151	6,726,546	75,863,697	55,337,119	865,804	22,837,832
DEFERRED INFLOWS OF RESOURCES						
Property taxes collected in advance	219,021	-	219,021	-	-	-
Leases related	-	-	-	-	394,701	-
Pension plan	1,402,747	33,300	1,436,047	5,448,135	-	50,954
Other postemployment benefits	742,800	24,792	767,592	3,180,735	-	7,180
Total deferred inflows of resources	2,364,568	58,092	2,422,660	8,628,870	394,701	58,134
NET POSITION						
Net investment in capital assets	8,348,725	9,811,791	18,160,516	83,474,647	524,191	18,278,895
Restricted						
Capital projects	3,811,708	-	3,811,708	-	-	-
Opioid funds	473,054	-	473,054	-	-	-
Judicial administration	27,842	-	27,842	-	-	-
Public safety	79,312	-	79,312	-	-	-
Public assistance	76,841	-	76,841	-	-	-
Debt covenants	-	-	-	-	-	1,352,290
Pension asset	999,400	23,725	1,023,125	892,311	-	156,498
Unrestricted (deficit)	32,126,674	3,441,920	35,568,594	(32,159,970)	1,149,538	(2,249,592)
Total net position	$ 45,943,556	$ 13,277,436	$ 59,220,992	$ 52,206,988	$ 1,673,729	$ 17,538,091

See Notes to Financial Statements.

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 2

STATEMENT OF ACTIVITIES
Year Ended June 30, 2025

		Program Revenues			Net (Expense) Revenue and Changes in Net Position					
					Primary Government			Component Units		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Totals	School Board	EDA	Broadband Authority
Primary Government:										
Governmental activities:										
General government administration	$ 10,218,829	$ 1,585,701	$ 426,065	$ -	$ (8,207,063)	$ -	$ (8,207,063)	$ -	$ -	$ -
Judicial administration	2,256,281	222,368	888,055	-	(1,145,858)	-	(1,145,858)	-	-	-
Public safety	23,324,031	2,683,228	2,659,858	43,314	(17,937,631)	-	(17,937,631)	-	-	-
Public works	1,961,453	12,708	-	-	(1,948,745)	-	(1,948,745)	-	-	-
Health and human services	13,115,814	611,587	6,580,217	-	(5,924,010)	-	(5,924,010)	-	-	-
Education	29,393,039	-	-	-	(29,393,039)	-	(29,393,039)	-	-	-
Parks, recreation and cultural	2,307,660	65,003	251,892	-	(1,990,765)	-	(1,990,765)	-	-	-
Community development	4,129,438	121,288	1,090,290	-	(2,917,860)	-	(2,917,860)	-	-	-
Interest	1,618,720	-	-	-	(1,618,720)	-	(1,618,720)	-	-	-
Total governmental activities	88,325,265	5,301,883	11,896,377	43,314	(71,083,691)	-	(71,083,691)	-	-	-
Business-type activities:										
Airport	906,890	328,141	19,634	236,012	-	(323,103)	(323,103)	-	-	-
Landfill	3,711,320	895,427	10,755	-	-	(2,805,138)	(2,805,138)	-	-	-
Total business-type activities	4,618,210	1,223,568	30,389	236,012	-	(3,128,241)	(3,128,241)	-	-	-
Total primary government	$ 92,943,475	$ 6,525,451	$ 11,926,766	$ 279,326	(71,083,691)	(3,128,241)	(74,211,932)	-	-	-
Component Units:										
School Board	$ 74,497,546	$ 149,567	$ 51,801,981	$ 233,489	-	-	-	(22,312,509)	-	-
Economic Development Authority	495,825	-	46,767	-	-	-	-	-	(449,058)	-
Broadband Authority	5,010,848	4,619,001	-	2,197,556	-	-	-	-	-	1,805,709
Total component units	$ 80,004,219	$ 4,768,568	$ 51,848,748	$ 2,431,045	-	-	-	(22,312,509)	(449,058)	1,805,709

General Revenues:						
Taxes:						
General property taxes	54,678,961	-	54,678,961	-	-	-
Other local taxes:						
Local sales and use	5,415,734	-	5,415,734	-	-	-
Consumer utility tax	694,204	-	694,204	-	-	-
Consumption taxes	109,413	-	109,413	-	-	-
Motor vehicle licenses	1,146,756	-	1,146,756	-	-	-
Taxes on recordation and wills	29,773	-	29,773	-	-	-
Restaurant food taxes	1,338,713	-	1,338,713	-	-	-
Other taxes	1,618,333	-	1,618,333	-	-	-
Grants and contributions not restricted to specific programs	-	-	-	27,132,092	-	-
Intergovernmental, non-categorical aid	3,851,577	-	3,851,577	-	-	-
Use of money and property	1,970,291	-	1,970,291	-	47,588	63,384
Miscellaneous	1,130,625	428	1,131,053	62,158	-	150,574
Lease revenue	-	-	-	-	53,257	-
Transfers	(3,712,245)	3,712,245	-	-	-	-
Total general revenues and transfers	68,272,135	3,712,673	71,984,808	27,194,250	100,845	213,958
Change in net position	(2,811,556)	584,432	(2,227,124)	4,881,741	(348,213)	2,019,667
Net position, beginning as previously stated	49,628,280	12,725,883	62,354,163	49,253,953	2,021,942	15,536,745
Restatement due to implementation of GASB 101, *Compensated Absences*	(873,168)	(32,879)	(906,047)	(1,928,706)	-	(18,321)
Net position, beginning as restated	48,755,112	12,693,004	61,448,116	47,325,247	2,021,942	15,518,424
Net position, ending	$ 45,943,556	$ 13,277,436	$ 59,220,992	$ 52,206,988	$ 1,673,729	$ 17,538,091

See Notes to Financial Statements.

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 3

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2025

	General	Virginia Public Assistance	EMS & Fire	Capital Projects	Other Governmental Funds	Total
ASSETS						
Cash and cash equivalents	$ 20,335,633	$ 66,478	$ -	$ 5,755,663	$ 1,190,330	$ 27,348,104
Investments	6,205,061	-	-	-	-	6,205,061
Receivables, net:						
Taxes	3,402,625	-	218,054	-	-	3,620,679
Accounts receivable	1,860,123	-	248,183	83,187	990,632	3,182,125
Due from other governments	1,751,361	282,154	-	-	1,678	2,035,193
Due from component unit	2,178,105	-	-	-	-	2,178,105
Note receivable	9,940,000	-	-	-	-	9,940,000
Prepaid items	50,000	-	-	-	-	50,000
Restricted cash	1,947,310	-	206,971	3,811,707	567,596	6,533,584
Total assets	$ 47,670,218	$ 348,632	$ 673,208	$ 9,650,557	$ 2,750,236	$ 61,092,851
LIABILITIES						
Accounts payable and accrued expenditures	$ 4,512,254	$ 271,791	$ 492,231	$ 788,362	$ 182,234	$ 6,246,872
Total liabilities	4,512,254	271,791	492,231	788,362	182,234	6,246,872
DEFERRED INFLOWS OF RESOURCES						
Property taxes collected in advance	219,021	-	-	-	-	219,021
Unavailable revenue	12,527,640	-	397,957	-	981,498	13,907,095
Total deferred inflows of resources	12,746,661	-	397,957	-	981,498	14,126,116
FUND BALANCES						
Nonspendable	50,000	-	-	-	-	50,000
Restricted	-	76,841	-	3,811,708	584,577	4,473,126
Assigned	3,672,954	-	-	5,050,487	1,001,927	9,725,368
Unassigned	26,688,349	-	(216,980)	-	-	26,471,369
Total fund balances	30,411,303	76,841	(216,980)	8,862,195	1,586,504	40,719,863
Total liabilities, deferred inflows of resources and fund balances	$ 47,670,218	$ 348,632	$ 673,208	$ 9,650,557	$ 2,750,236	$ 61,092,851

See Notes to Financial Statements.

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 4

RECONCILIATION OF THE BALANCE SHEET OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
June 30, 2025

		Governmental Funds
Total fund balances - total governmental funds		$ 40,719,863
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.		
Governmental capital assets	$ 84,318,608	
Less accumulated depreciation and amortization	(33,715,446)	
Net capital assets		50,603,162
Long-term assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental fund.		
Net pension asset		999,400
Deferred outflows of resources represent a consumption of net position that applies to a future period and are not recognized as deferred outflows of resources in the governmental funds.		
Pension plan	2,776,843	
Other postemployment benefits	386,983	
		3,163,826
Unavailable revenue represents amounts that were not available to fund current expenditures and, therefore, is not reported as revenue in the governmental funds.		13,907,095
Internal service funds are used by management to charge the costs of goods provided to other departments or funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.		(506,787)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Bonds payable, including unamortized premiums and discounts	(53,841,862)	
Private placement note	(1,273,314)	
Compensated absences	(2,921,481)	
Leases payable	(784,798)	
Subscriptions payable	(310,966)	
Interest payable	(463,240)	
Deferred charge on refunding	712,306	
Total other postemployment benefits liability	(1,914,101)	
		(60,797,456)
Deferred inflows of resources represent an acquisition of net position that applies to a future period and are not recognized as deferred inflows of resources in the governmental funds.		
Pension plan	(1,402,747)	
Other postemployment benefits	(742,800)	
		(2,145,547)
Net position of governmental activities		$ 45,943,556

See Notes to Financial Statements.

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 5

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2025

	General	Virginia Public Assistance	EMS & Fire	Debt Service	Capital Projects	Other Governmental Funds	Total
Revenues:							
General property taxes	$ 47,743,634	$ -	$ 6,956,867	$ -	$ -	$ -	$ 54,700,501
Other local taxes	10,362,426	-	-	-	-	-	10,362,426
Permits, privilege fees and regulatory licenses	1,201,814	-	-	-	-	-	1,201,814
Fines and forfeitures	109,700	-	-	-	-	-	109,700
Use of money and property	1,814,473	-	798	-	152,189	2,831	1,970,291
Charges for services	945,927	-	1,817,144	-	-	11,394	2,774,465
Miscellaneous	922,051	-	1,392	-	90,633	146,803	1,160,879
Recovered costs	2,490,584	-	9,486	-	35,197	-	2,535,267
Intergovernmental:							
Commonwealth	11,838,777	1,031,955	226,017	-	-	20,869	13,117,618
Federal	320,898	2,322,601	(13,163)	-	43,314	-	2,673,650
Total revenues	77,750,284	3,354,556	8,998,541	-	321,333	181,897	90,606,611
Expenditures:							
Current:							
General government administration	6,850,835	-	-	-	-	-	6,850,835
Judicial administration	2,214,622	-	-	-	-	-	2,214,622
Public safety	12,055,117	-	9,060,939	-	-	469,195	21,585,251
Public works	1,902,242	-	-	-	-	-	1,902,242
Health and human services	7,751,199	5,072,303	-	-	-	74,989	12,898,491
Education	27,175,692	-	-	-	-	-	27,175,692
Parks, recreation and cultural	2,206,664	-	-	-	-	-	2,206,664
Community development	3,977,314	-	-	-	-	-	3,977,314
Nondepartmental	208,922	-	-	-	-	-	208,922
Capital outlay	29,975	-	-	-	3,661,501	-	3,691,476
Debt service:							
Principal	98,421	-	170,447	7,228,023	76,765	10,673	7,584,329
Interest and fiscal charges	13,107	-	6,778	2,202,198	8,594	252	2,230,929
Total expenditures	64,484,110	5,072,303	9,238,164	9,430,221	3,746,860	555,109	92,526,767
Excess (deficiency) of revenues over (under) expenditures	13,266,174	(1,717,747)	(239,623)	(9,430,221)	(3,425,527)	(373,212)	(1,920,156)
Other financing sources (uses):							
Issuance of private placement note	-	-	-	-	1,350,822	-	1,350,822
Issuance of subscription	29,975	-	-	-	-	-	29,975
Issuance of lease	-	-	-	-	457,620	-	457,620
Transfers in	144,646	1,717,747	1,439,948	9,430,221	2,672,880	37,877	15,443,319
Transfers out	(16,116,084)	-	(1,804,396)	-	(343,199)	(758,735)	(19,022,414)
Other financing sources (uses), net	(15,941,463)	1,717,747	(364,448)	9,430,221	4,138,123	(720,858)	(1,740,678)
Net change in fund balances	(2,675,289)	-	(604,071)	-	712,596	(1,094,070)	(3,660,834)
Fund balance, beginning	33,086,592	76,841	387,091	-	8,149,599	2,680,574	44,380,697
Fund balance, ending	$ 30,411,303	$ 76,841	$ (216,980)	$ -	$ 8,862,195	$ 1,586,504	$ 40,719,863

See Notes to Financial Statements.

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 6

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2025

		Governmental Funds
Net change in fund balances - total governmental funds		$ (3,660,834)
Reconciliation of amounts reported for governmental activities in the Statement of Activities:		
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 and amortization expense. This is the amount by which depreciation and amortization exceeded capital outlays in the current period.		
Expenditures for capital assets	$ 2,947,033	
Less depreciation and amortization expense	(4,485,635)	
Excess of depreciation and amortization over capital outlays		(1,538,602)
Transfer of joint tenancy assets from Primary Government to the School Board Component Unit:		
Transfer of capital assets to component unit	(2,729,881)	
Transfer of depreciation to component unit	587,663	
		(2,142,218)
The net effect of miscellaneous transactions involving capital assets (i.e. sales, trade-ins and donations) is to increase net position.		367,952
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		
Unavailable revenue	(1,380,657)	
		(1,380,657)
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		
Debt issued or incurred:		
Issuance of private placement note	(1,350,822)	
Issuance of subscription	(29,975)	
Issuance of lease	(457,620)	
		(1,838,417)
Principal repayments:		
General obligation debt	2,527,594	
Lease revenue refunding bonds	4,035,000	
Lease payable	251,123	
Subscriptions payable	105,182	
Private placement note	665,430	
		7,584,329
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.		
Accrued interest	146,957	
Compensated absences	(169,624)	
Changes in OPEB liabilities and related deferred outflows and inflows of resources	71,067	
Amortization of deferred charge on refunding	(79,145)	
Amortization of premium	544,397	
Changes in pension liabilities and related deferred outflows and inflows of resources	1,163,563	
		1,677,215
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net income of the internal service funds are reported with governmental activities.		
Total revenues	12,200,390	
Total expenses	(14,080,714)	
		(1,880,324)
Change in net position of governmental activities		$ (2,811,556)

See Notes to Financial Statements.

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 7

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2025

	Business-Type Activities - Enterprise Funds			Governmental Activities - Insurance Internal Service Fund
	Airport	Landfill	Total	
ASSETS				
Current assets:				
Cash and cash equivalents	$ 1,131,366	$ 4,765,089	$ 5,896,455	$ 635,635
Investments	339,778	1,431,079	1,770,857	190,898
Receivables, net	40,458	127,098	167,556	47,197
Inventory	24,552	-	24,552	-
Total current assets	1,536,154	6,323,266	7,859,420	873,730
Noncurrent assets:				
Net pension asset	6,829	16,896	23,725	-
Capital assets:				
Land	2,400,559	64,605	2,465,164	-
Buildings and improvements	4,944,192	67,121	5,011,313	-
Infrastructure	7,023,455	-	7,023,455	-
Landfill development costs	-	5,751,479	5,751,479	-
Furniture, equipment and vehicles	240,144	2,128,343	2,368,487	-
Construction in progress	436,423	96,847	533,270	-
Less accumulated depreciation and amortization	(6,706,128)	(4,344,438)	(11,050,566)	-
Total capital assets, net of accumulated depreciation and amortization	8,338,645	3,763,957	12,102,602	-
Total noncurrent assets	8,345,474	3,780,853	12,126,327	-
Total assets	9,881,628	10,104,119	19,985,747	873,730
DEFERRED OUTFLOWS OF RESOURCES				
Pension plan	18,975	46,946	65,921	-
Other postemployment benefits	2,544	7,862	10,406	-
Total deferred outflows of resources	21,519	54,808	76,327	-
LIABILITIES				
Current liabilities:				
Accounts payable	17,500	165,390	182,890	128,699
Compensated absences	2,354	65,719	68,073	-
Accrued payroll	10,146	56,040	66,186	-
Accrued interest	-	7,222	7,222	-
Private placement note	-	104,655	104,655	-
Insurance and benefit claims	-	-	-	1,251,818
Revenue bonds	-	637,000	637,000	-
Total other postemployment benefits liability	287	747	1,034	-
Total current liabilities	30,287	1,036,773	1,067,060	1,380,517
Noncurrent liabilities:				
Compensated absences	244	28,781	29,025	-
Private placement note	-	217,403	217,403	-
Total other postemployment benefits liability	12,107	45,951	58,058	-
Revenue bonds	-	1,317,000	1,317,000	-
Landfill obligation	-	4,038,000	4,038,000	-
Total noncurrent liabilities	12,351	5,647,135	5,659,486	-
Total liabilities	42,638	6,683,908	6,726,546	1,380,517
DEFERRED INFLOWS OF RESOURCES				
Pension plan	9,585	23,715	33,300	-
Other postemployment benefits	4,772	20,020	24,792	-
Total deferred inflows of resources	14,357	43,735	58,092	-
NET POSITION				
Net investment in capital assets	8,327,312	1,484,479	9,811,791	-
Restricted- pension asset	6,829	16,896	23,725	-
Unrestricted	1,512,011	1,929,909	3,441,920	(506,787)
Total net position (deficit)	$ 9,846,152	$ 3,431,284	$ 13,277,436	$ (506,787)

See Notes to Financial Statements.

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 8

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
Year Ended June 30, 2025

	Business-Type Activities - Enterprise Funds			Governmental Activities - Insurance Internal Service Fund
	Airport	Landfill	Totals	
Operating revenues:				
Charges for services	$ 308,052	$ 895,427	$ 1,203,479	$ 12,198,272
Recovered costs	20,089	-	20,089	-
Miscellaneous	428	-	428	2,118
Total operating revenues	328,569	895,427	1,223,996	12,200,390
Operating expenses:				
Personal services	152,084	898,997	1,051,081	-
Fringe benefits	30,906	190,586	221,492	-
Contractual services	69,995	-	69,995	-
Other charges	234,362	2,065,166	2,299,528	-
Insurance claims and other expenses	-	-	-	13,947,564
Depreciation and amortization	419,543	499,026	918,569	-
Total operating expenses	906,890	3,653,775	4,560,665	13,947,564
Operating loss	(578,321)	(2,758,348)	(3,336,669)	(1,747,174)
Nonoperating revenues (expenses):				
Intergovernmental	19,634	10,755	30,389	-
Interest expense	-	(57,545)	(57,545)	-
Loss before transfers and capital contributions	(558,687)	(2,805,138)	(3,363,825)	(1,747,174)
Capital contribution- capital grants	236,012	-	236,012	-
Transfers in	295,002	3,417,243	3,712,245	-
Transfers out	-	-	-	(133,150)
Change in net position	(27,673)	612,105	584,432	(1,880,324)
Total net position, beginning as previously stated	9,875,201	2,850,682	12,725,883	1,373,537
Restatement due to implementation of GASB 101, *Compensated Absences*	(1,376)	(31,503)	(32,879)	-
Total net position, beginning as restated	9,873,825	2,819,179	12,693,004	1,373,537
Total net position, ending (deficit)	$ 9,846,152	$ 3,431,284	$ 13,277,436	$ (506,787)

See Notes to Financial Statements.

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 9
Page 1

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended June 30, 2025

	Business-Type Activities - Enterprise Funds			Governmental Activities - Insurance Internal Service Fund
	Airport	Landfill	Totals	
Cash flows from operating activities:				
Receipts from interfund services provided	$ -	$ -	$ -	$ 12,184,115
Receipts from customers	297,914	879,862	1,177,776	-
Claims and benefits paid	-	-	-	(13,495,952)
Payments to suppliers for goods and services	(305,691)	(1,769,571)	(2,075,262)	-
Payments to employees for services	(191,444)	(1,070,285)	(1,261,729)	-
Other receipts	20,517	-	20,517	2,118
Net cash used in operating activities	(178,704)	(1,959,994)	(2,138,698)	(1,309,719)
Cash flows from noncapital financing activities:				
Intergovernmental	19,634	10,755	30,389	-
Transfers to other funds	-	-	-	(133,150)
Transfers from other funds	295,002	3,417,243	3,712,245	-
Net cash provided by (used in) noncapital financing activities	314,636	3,427,998	3,742,634	(133,150)
Cash flows from capital and related financing activities:				
Intergovernmental	236,012	-	236,012	-
Principal payments on private placement notes	-	(119,115)	(119,115)	-
Principal payments on revenue bonds	-	(624,000)	(624,000)	-
Interest payments on private placement notes	-	(57,545)	(57,545)	-
Proceeds from issuance of private placement notes	-	256,658	256,658	-
Acquisition and construction of capital assets	(152,646)	(831,948)	(984,594)	-
Net cash provided by (used in) capital and related financing activities	83,366	(1,375,950)	(1,292,584)	-
Cash flows from investing activities:				
Sale of investments	-	-	-	268,674
Purchase of investments	(86,269)	(194,948)	(281,217)	-
Net cash provided by (used in) investing activities	(86,269)	(194,948)	(281,217)	268,674
Net change in cash and cash equivalents	133,029	(102,894)	30,135	(1,174,195)
Cash and cash equivalents:				
Beginning	998,337	4,867,983	5,866,320	1,809,830
Ending	$ 1,131,366	$ 4,765,089	$ 5,896,455	$ 635,635

See Notes to Financial Statements.

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 9
Page 2

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended June 30, 2025

	Business-Type Activities - Enterprise Funds			Governmental Activities - Insurance Internal Service Fund
	Airport	Landfill	Totals	
Reconciliation of operating loss to net cash used in operating activities:				
Operating loss	$ (578,321)	$ (2,758,348)	$ (3,336,669)	$ (1,747,174)
Adjustments to reconcile operating loss to net cash used in operating activities:				
Depreciation and amortization	419,543	499,026	918,569	-
Decrease in pension & OPEB related deferred outflows of resources	(7,262)	(19,400)	(26,662)	-
Increase in pension & OPEB related deferred inflows of resources	3,846	16,637	20,483	-
Changes in assets and liabilities:				
Decrease (increase) in:				
Receivables	(10,138)	(15,565)	(25,703)	(14,157)
Pension asset	(2,501)	(6,273)	(8,774)	-
Inventory	40,120	-	40,120	-
Increase (decrease) in:				
Accounts payable	(41,454)	59,257	17,803	451,612
Accrued liabilities	303	21,596	21,899	-
Landfill obligation	-	239,000	239,000	-
OPEB liability	(2,840)	4,076	1,236	-
Net cash used in operating activities	$ (178,704)	$ (1,959,994)	$ (2,138,698)	$ (1,309,719)

See Notes to Financial Statements.

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 10

STATEMENT OF NET POSITION
FIDUCIARY FUNDS
June 30, 2025

	Custodial Funds
ASSETS	
Restricted cash	$ 82,350
Accounts receivable	2,280
Total assets	84,630
LIABILITIES	
Accounts payable	5,850
Total liabilities	5,850
NET POSITION	
Restricted for:	
Individuals	68,160
Other governments	10,620
Total net position	$ 78,780

See Notes to Financial Statements.

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 11

STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
Year Ended June 30, 2025

	Custodial Funds
ADDITIONS	
Benefits collected on behalf of others	$ 785,461
Total additions	785,461
DEDUCTIONS	
Payments to beneficiaries or other governments	816,423
Total deductions	816,423
Net decrease in fiduciary net position	(30,962)
Total net position, beginning	109,742
Total net position, ending	$ 78,780

See Notes to Financial Statements.

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The County of Orange, Virginia (the County) is a political subdivision of the Commonwealth of Virginia governed by an elected five-member Board of Supervisors. The accompanying financial statements present the County and its component units, entities for which the County is considered to be financially accountable. The County has taxing powers subject to statewide restrictions and tax limits and provides a full range of services to its citizens including law enforcement, fire, social services, public improvements, planning and zoning, education, sanitation, and airport services. The County is the primary government for the reporting entity.

Discretely Presented Component Units – The component unit columns in the financial statements include the financial data of the County's discretely presented component units. They are reported in separate columns to emphasize that they are legally separate from the County.

The Orange County School Board operates the elementary and secondary public schools in the County. School Board members are popularly elected. The School Board is fiscally dependent upon the County because the County approves all debt issuances and provides significant funding for operations as the School Board does not have separate taxing powers. The Orange County School Board does not prepare separate financial statements.

The Orange County Economic Development Authority (EDA) is included as a component unit because the EDA's primary use of funds is to provide for economic development of the County, thereby benefiting the County. The County appoints all members of the EDA's Board of Directors. The County may significantly influence the fiscal affairs of the EDA. The EDA prepares separate financial statements, which can be obtained from the County.

The Orange County Broadband Authority (FiberLync) (Authority) is included as a component unit because the Authority's primary use of funds is to provide qualifying communications services to residents of the County. The County appoints all members of the Authority's Board of Directors. The County may significantly influence the fiscal affairs of the Authority and a financial burden exists. The Authority prepares separate financial statements, which can be obtained from the Authority.

Related Organization – The Airport Commission serves as an advisory body to the Orange County Board of Supervisors. The Airport Commission serves as a liaison between the airport users, the Board of Supervisors, and the citizens of the community. The Airport Commission is to consult and advise the Board of Supervisors in matters affecting aviation policies, programs, personnel, finances and the acquisition and disposal of lands and properties related to the community aviation program, and to its long-range project program for aviation.

Jointly Governed Organizations – The County, in conjunction with other localities, has created the Central Virginia Regional Jail, the Rappahannock-Rapidan Planning District Commission, the Rapidan Service Authority and the Rappahannock-Rapidan Community Services Board. The governing bodies of these organizations are appointed by the respective governing bodies of the participating jurisdictions.

Note 1. Summary of Significant Accounting Policies (Continued)

B. Government-Wide and Fund Financial Statements

1. Government-Wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all non-fiduciary activities of the primary government and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. Interfund services provided and used are not eliminated in the process of consolidation. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely significantly on fees charged to external parties. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The Statement of Net Position presents both governmental and business-type activities on the accrual basis of accounting, which incorporates long-term assets and receivables, as well as long-term debt and obligations.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses 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.

2. Fund Financial Statements

These statements are organized based on funds, each of which is considered a separate accounting entity. The emphasis is on major governmental and proprietary funds. The County reports the following major governmental funds:

The *General Fund* is the primary operating fund of the County and accounts for all revenues and expenditures applicable to the general operations not accounted for in other funds. Revenues are derived primarily from property and other local taxes, licenses, permits, charges for services, use of money and property, and intergovernmental grants.

The *Special Revenue Funds* account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. The major special revenue funds are the Virginia Public Assistance Fund, which accounts for the operation of various programs under the Orange County Department of Social Services, and the EMS & Fire Fund, which accounts for emergency services performed by Orange County. The Virginia Public Assistance is reported as major due to public interest. Revenues are derived primarily from state and Federal grants in the Special Revenue Funds.

Note 1. Summary of Significant Accounting Policies (Continued)

B. Government-Wide and Fund Financial Statements (Continued)

2. Fund Financial Statements (Continued)

The *Debt Service Fund* accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt.

The *County Capital Project Fund* accounts for financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary funds.

The County reports the following major proprietary funds:

The *Airport Fund* is an enterprise fund used to account for the activities of the Orange County Airport. The cost of airport services is primarily financed through user charges.

The *Landfill Fund* is an enterprise fund used to account for waste disposal operations of the County's landfill. The cost of waste disposal services is primarily financed through user charges to the County, residents and commercial customers.

The *Insurance Internal Service Fund* is an internal service fund used to account for employee fringes provided to other departments or agencies of the government, or to other governments, on a cost reimbursement basis. The Internal Service Fund consists of the Insurance Fund.

Major proprietary 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 the fund's principal ongoing operations. The principal operating revenues of the County's major proprietary funds are charges to customers for sales and services. Operating expenses for major proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Additionally, the County reports the following fund types:

The *Nonmajor Special Revenue Funds* account for proceeds of specific revenue sources restricted for expenditures for specified purposes. The County reports the Asset Forfeiture Fund, Law Library Fund, Covid-19 Fund, and Opioid Abatement Fund as nonmajor special revenue funds.

The *Fiduciary Funds* account for assets held by the government in a trustee capacity or as agent or custodian for individuals or other governmental units. Fiduciary funds include the Special Welfare and Commonwealth funds.

Note 1. Summary of Significant Accounting Policies (Continued)

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting,* as are the major proprietary and fiduciary fund financial statements. 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.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when they become susceptible to accrual, that is, when they become both measurable and available to finance expenditures of the current period. General fund tax revenues are considered measurable when they have been levied and available if collected within 60 days of year end. Grant revenues are considered measurable and available when related grant expenditures are incurred. All other revenue items are considered measurable and available when cash is received. Expenditures are recorded when a liability is incurred, as under accrual accounting. However, debt service, compensated absences, other postemployment benefits, as well as expenditures related to claims and judgements are recorded only when payment is due.

As a result of the different measurement focus and basis of accounting used in preparing the government-wide statements versus the governmental fund financial statements, a reconciliation between the government-wide and fund financial statements are necessary. The reconciliations are presented as Exhibits in the governmental fund financial statements. As part of the reconciliation process, non-departmental indirect expenditures are allocated to functional expenses based on a percent of functional expenditures.

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Fund Balance/Net Position

1. Deposits and Investments

Cash and Cash Equivalents

For purposes of reporting cash flows, the County considers all cash accounts, including cash on hand, demand deposits, and all short-term investments with a maturity of three months or less to be cash equivalents.

Investments

Cash of individual funds is combined to form a pool of cash and investments. The pool consists primarily of demand deposits, certificates of deposit and external local government investment pools if maturing in more than one year. Interest earned as a result of pooling is distributed to the appropriate funds utilizing a formula based on average monthly balances.

Note 1. Summary of Significant Accounting Policies (Continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Fund Balance/Net Position (Continued)

2. Restricted Cash and Investments

The General Fund reports restricted cash of $1,947,310, which consists of bonds held, escrow funds, and surplus sale of LGIP funds.

The EMS & Fire Fund reports restricted cash of $206,971, which consists of unspent EMS & Fire levy proceeds. The Capital Projects Fund report restricted cash of $3,811,707, which consists of unspent bond proceeds. Other Governmental Funds report restricted cash of $94,542, which consists of asset forfeiture amounts and opioid settlement funds. The custodial funds report restricted cash of $473,054, which consists of special welfare amounts and taxes due to the state. The Broadband Authority reports restricted cash and investments of $1,352,290, which consists of unspent bond proceeds.

3. Interfund Receivables and Payables

Outstanding balances between funds are reported as due to/from other funds, if applicable. Any residual balances outstanding between the governmental and business-type activities are reported in the government-wide statements as internal balances. Outstanding balances between the County and the component units are reported as due to/from component unit or due to/from primary government.

4. Prepaid Items

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

5. Inventories

Inventories are valued using the first-in, first-out method. Inventories in the airport fund consist of fuel.

6. Taxes Receivable

Personal property is assessed at its estimated fair value, and property taxes attach as an enforceable lien as of January 1st. Personal property taxes are payable on December 5th. Real estate is assessed at 100% fair market value in accordance with the Code of Virginia. Prior to FY25, real estate taxes were assessed based on a calendar year, with taxes payable in two installments on June 5th and December 5th. Beginning in FY25, the County adopted a fiscal year alignment for real estate tax billing, with taxes now billed in two installments on December 5th and June 5th, consistent with the County's fiscal year. As a result, an interim real estate tax billing was issued for the period from January 1, 2025, to June 5, 2025. The County bills and collects its own property taxes.

Note 1. Summary of Significant Accounting Policies (Continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Fund Balance/Net Position (Continued)

7. Note Receivable

During 2007, the County issued a lease revenue and refunding bond to finance construction at the County courthouse and renovations at a privately owned nursing home in the County, which serves the community's needs. The County agreed to finance the nursing home renovations as part of its bond issuance and is obligated to repay the funds to the bondholders. In relation to the agreement, a note was signed which requires the nursing home to reimburse the County principal and interest outstanding under the bond obligation as it becomes due. In December 2016, the bond was refunded and a revised agreement was entered into, reducing the note receivable by $1,540,000 to $15,845,000. The County additionally requires the nursing home to maintain a minimum of two years' worth of debt service payments in an escrow account. The County has not recorded this escrow account as it does not become property of the County until a default on the note occurs. The receivable has been deferred in the governmental funds as the amounts are not considered available; however, is recognized in the fund statements as recovered costs when normal payments are received. The note is due in the following installments:

	Governmental Activities	
Year(s) Ending June 30,	Principal	Interest
2026	$ 910,000	$ 404,588
2027	960,000	357,838
2028	1,015,000	308,463
2029	1,060,000	256,588
2030	1,110,000	212,744
2031-2035	4,885,000	400,100
	$ 9,940,000	$ 1,940,321

8. Capital Assets

Capital assets, which include property, intangible right-to-use lease buildings, buildings, intangible right-to-use lease equipment, equipment, and intangible right-to-use subscription assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined as assets with an initial, individual cost of more than $10,000 for the County, $5,000 for the School Board, and $10,000 for the Broadband Authority and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed (except for intangible right-to-use lease assets, and intangible right-to-use subscription assets, the measurement of which is discussed in Note 1.D.12. and Note 1.D.13, respectively, below). 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 contribution.

Note 1. Summary of Significant Accounting Policies (Continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Fund Balance/Net Position (Continued)

8. Capital Assets (Continued)

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its life are not capitalized. There were no impaired capital assets at June 30, 2025.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Prior to the adoption of GASB 89, accounting for interest cost incurred during the construction phase of capital assets of business-type activities was included as part of the capitalized value of the assets constructed.

Most capital assets are depreciated using the straight-line method over the following estimated useful lives:

Buildings	50 years
Intangible right-to-use lease buildings	2-7 years
Building improvements	10-50 years
Intangible right-to-use subscription assets	5-20 years
Intangible right-to-use lease equipment	3-5 years
Furniture, equipment and vehicles	5-12 years

Landfill development costs are depreciated based on the percentage of capacity used compared to the total estimated capacity.

9. Deferred Outflows and Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County and discretely presented component unit, the School Board, have several items that qualify for reporting in this category. One item is a deferred charge on refunding resulting from the difference in carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the life of the refunded or refunding debt. The remaining items relate to the pension and other postemployment benefits (OPEB) plans. See Notes 13 through 15 for more information.

Note 1. Summary of Significant Accounting Policies (Continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Fund Balance/Net Position (Continued)

9. Deferred Outflows and Inflows of Resources (Continued)

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. Several types of items qualify for reporting in this category. Accordingly, one item, unavailable revenue, which arises under the modified accrual basis of accounting, is reported only in the governmental funds Balance Sheet. The governmental funds report unavailable revenue from property taxes, EMS billings, a long-term note receivable, amounts due from the Towns of Gordonsville and Orange and opioid settlement funds, and other items not collected within the available period. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The remaining items relate to the pension and OPEB plans. See Notes 13 through 15 for more information.

10. Compensated Absences

The County permit employees to accumulate earned but unused annual, sick, compensatory, and personal leave. The School Board permits employees to accumulate earned but unused vacation, sick, and personal leave benefits. In accordance with GASB Statement No. 101, liabilities for compensated absences are recognized for:

• Leave that has not been used, it if is attributable to services already rendered, accumulates, and is more likely than not to be used for time off or otherwise paid or settled.
• Leave that has been used but not yet paid or settled.

The County and School Board do not recognize a liability for leave balances that are not expected to be paid or settled, such as those forfeited upon separation from service. However, under GASB 101, the County and School Board evaluates historical usage patterns and employment policies to determine the portion of leave that is more likely than not to be used. In the government-wide and proprietary fund financial statements, all compensated absences are accrued when incurred. In governmental fund financial statements, expenditures are recognized only when the liability has matured, such as through employee resignation or retirement.

County employees accumulate annual leave for subsequent use or for payment upon termination, death or retirement based on full-time status. An employee may carry forward to a new calendar year leave balance of no more than the applicable maximum annual hours per year. County employees may accumulate compensatory time for subsequent use up to 80 hours or 120 hours, depending on position. County employees earn one personal day each calendar year that is forfeited at the end of the year. Lastly, County employees accumulate an unlimited amount of sick leave, paid out upon termination at the lesser of 25% or $5,000.

Note 1. Summary of Significant Accounting Policies (Continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Fund Balance/Net Position (Continued)

10. Compensated Absences (Continued)

School employees accumulate vacation leave for subsequent use or for payment upon termination, death or retirement based on full-time status with a max carryover of 40 days each fiscal year. School employees also accumulate sick leave at a rate of one day per month. Sick leave is paid out at a rate of 25% of the balance. Lastly, school employees accumulate sick leave at a rate of two days per year for a max of five days. Personal leave is paid out at a rate of 25% of the balance.

11. Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the period incurred. 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. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

12. Leases

Lessor: The Economic Development Authority is a lessor for a noncancellable lease of land. The Authority recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of the lease, the Authority initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgements include how the Authority determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The Authority uses its estimated incremental borrowing rate as the discount rate for leases.

Note 1. Summary of Significant Accounting Policies (Continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Fund Balance/Net Position (Continued)

12. Leases (Continued)

- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

Lessee: The County and Broadband Authority are lessees for noncancellable leases of buildings and equipment. The County and Broadband Authority recognize lease liabilities and intangible right-to-use lease assets (lease assets) in the government-wide financial statements. The County and Broadband Authority recognize lease liabilities with an initial, individual value of $10,000 or more.

At the commencement of the lease, the County and Broadband Authority initially measure the lease liabilities at the present value of payments expected to be made during the lease term. Subsequently, the lease liabilities are reduced by the principal portion of lease payments made. The lease assets are initially measured as the initial amount of the lease liabilities, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease assets are amortized on a straight-line basis over its useful life.

Key estimates and judgements related to leases include how the County and Broadband Authority determine (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The County and Broadband Authority use the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the County and Broadband Authority generally use its estimated incremental borrowing rate as the discount rate for leases.

- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the County and Broadband Authority are reasonably certain to exercise.

The County and Broadband Authority monitor changes in circumstances that would require a remeasurement of their leases and will remeasure the lease assets and liabilities if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Note 1. Summary of Significant Accounting Policies (Continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Fund Balance/Net Position (Continued)

13. Subscription-based information technology arrangements (SBITAs)

For new or modified contracts, the County, School Board, and Broadband Authority determines whether the contract is a SBITA. If a contract is determined to be, or contain, a SBITA with a non-cancellable term in excess of 12 months (including any options to extend or terminate the subscription when exercise is reasonably certain), the County, School Board, and Broadband Authority records an intangible right-to-use subscription asset and subscription liability which is calculated based on the value of the discounted future subscription payments over the term of the subscription. If the interest rate implicit in the subscription is not readily determinable, the County, School Board, and Broadband Authority will use the applicable incremental borrowing rate in the calculation of the present value of the subscription payments.

The County, School Board, and Broadband Authority recognize a subscription liability and an intangible right-to-use subscription asset on the Statement of Net Position. Subscriptions with an initial, non-cancellable term of 12 months or less are not recorded on the Statement of Net Position and expense is recognized as incurred over the subscription term.

At the commencement of a SBITA, the County, School Board, and Broadband Authority measures the subscription liability at the present value of payments expected to be made during the subscription term and then reduces the liability by the principal portion of the subscription payments made. The intangible right-to-use subscription asset is measured at the initial amount of the subscription liability, adjusted for subscription payments made at or before the subscription commencement date, plus certain initial direct costs, then amortized on a straight-line basis over the subscription term.

Subscription payments are apportioned between interest expense and principal based on an amortization schedule calculated using the effective interest method.

14. Pensions

The Virginia Retirement System (VRS) County and School Board Non-Professional Retirement Plan is a multiple employer, agent plan. The VRS School Board Professional Retirement Plan is a multiple employer cost-sharing plan. 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 and its component unit, the School Board, retirement plans and the additions to/deductions from the County and the 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.

Note 1. Summary of Significant Accounting Policies (Continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Fund Balance/Net Position (Continued)

15. Other Postemployment Benefits

Medical Insurance Program

The Medical Insurance Program is a single-employer plan. Experience gains or losses are amortized over the average working lifetime of all participants, which for the current period is 7.2 years. Plan amendments are recognized immediately. Changes in actuarial assumptions are amortized over the average working lifetime of all participants.

Group Life Insurance Program

The VRS Group Life Insurance Program (GLI) is a multiple employer, cost-sharing plan. It provides coverage to state employees, teachers, and employees of participating political subdivisions. The GLI was established pursuant to Section 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. The GLI is a defined benefit plan that provides a basic GLI benefit for employees of participating employers. For purposes of measuring the total GLI OPEB liability, deferred outflows of resources and deferred inflows of resources related to the GLI OPEB, and GLI OPEB expense, information about the fiduciary net position of the VRS GLI OPEB and the additions to/deductions from the VRS GLI OPEB's 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.

Health Insurance Credit Program

The School Board non-professional Health Insurance Credit (HIC) Program is a multiple-employer, agent defined benefit plan that provides a credit toward the cost of health insurance coverage for retired political subdivision employees of participating employers. The School Board professional HIC Program is a multiple-employer, cost-sharing plan. Both HIC Programs were established pursuant to Section 51.1-1400 et seq. of the *Code of Virginia*, as amended, and which provide the authority under which benefit terms are established or may be amended. For purposes of measuring both HIC Programs' total OPEB liabilities, deferred outflows of resources and deferred inflows of resources related to the HIC Programs' OPEB, and the HIC Programs' OPEB expense, information about the fiduciary net position of the HIC Programs; and the additions to/deductions from both of the HIC Programs net fiduciary position have been determined on the same basis as they were reported by VRS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Note 1. Summary of Significant Accounting Policies (Continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Fund Balance/Net Position (Continued)

16. Fund Balances/Net Position

a. Fund Balances

Fund balance is divided into five classifications based primarily on the extent to which the County is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

- *Nonspendable* – Amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans, if applicable.

- *Restricted* – Amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

- *Committed* – Amounts constrained to specific purposes determined by the adoption of an ordinance committing fund balance for a specified purpose by the County's Board of Supervisors prior to the end of the fiscal year. To be reported as committed, amounts cannot be used for any other purpose unless the Board of Supervisors takes the action to remove or change the constraint.

- *Assigned* – Amounts are constrained by intent to be used for specific purposes but are neither restricted nor committed. Assignments are made by the County Administrator or designated department head based on governing body direction, through adoption or amendment of the budget, or through ordinance or resolution. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment.

- *Unassigned* – Amounts that are available for any purpose; positive amounts are reported only in the general fund.

The General Fund is the only fund that reports a positive unassigned fund balance amount. In governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

Note 1. Summary of Significant Accounting Policies (Continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Fund Balance/Net Position (Continued)

16. Fund Balances/Net Position (Continued)

b. Restricted Amounts

The County applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and the unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

c. Minimum Fund Balance Policy

Within its General Fund, the County's policy is to maintain a fiscal stability reserve amount for cash liquidity purposes. That balance should be sufficient to meet the County's cyclical cash flow requirements and avoid the need for short-term tax anticipation borrowing. The fiscal stability reserve shall have a balance that is not less than 15 percent of the combined budgeted expenditures of the County General Fund and the School Board Operating Fund, net of the County's local share contribution to the School Board. Should the reserve fall below the 15 percent targeted level, the Board must approve and adopt a plan to restore this balance to the target level within 24 months, unless that timeframe would cause severe hardship to the County.

In addition, the Board, in an emergency or during periods of economic uncertainty or budget adversity, may retain an additional reserve balance above the Fiscal Stability Reserve. Such additional reserve shall not exceed three percent of the combined budgeted expenditures of the General Fund and the School Board Operating Fund, net of the County's contribution to the School Board.

Other funds of the County do not have specified fund balance or net position targets. Recommended levels of committed and/or assigned fund balance will be determined on a case by case basis, based on the needs of each fund and as recommended by officials and approved by the Board.

Note 1. Summary of Significant Accounting Policies (Continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Fund Balance/Net Position (Continued)

16. Fund Balances/Net Position (Continued)

d. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the appropriation, is employed as an extension of formal budgetary integration in the governmental funds. In accordance with the County's adopted budget process, encumbered funds are reappropriated annually by the Board of Supervisors in the succeeding year's budget amendment. Encumbrances outstanding at year end total $260,802 in the General Fund. These amounts are reported as assigned fund balance since they do not constitute expenditures or liabilities.

e. Net Position

Net position is the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net investment in capital assets represent capital assets, less accumulated depreciation and any outstanding debt related to the acquisition, construction or improvement of those assets.

E. 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. Actual results could differ from those estimates.

F. Subsequent Events

The County has evaluated subsequent events through January 20, 2026, the date on which the financial statements were available to be issued.

Note 2. Stewardship, Compliance, and Accountability

Budgetary Information

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

1. Prior to April 1, the County Administrator submits to the Board of Supervisors a proposed operating and capital budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them. The following funds have legally adopted budgets: General Fund, Virginia Public Assistance Fund, EMS & Fire Fund, Opioid Abatement Fund, Law Library Fund, Asset Forfeiture Fund, Covid-19 Fund, School Operating Fund, School Textbook Adoptions Fund and School Adult Education Fund.

2. Public hearings are conducted to obtain citizen comments.

3. Prior to June 30, the budget is legally enacted through passage of an Appropriations Resolution.

4. The Appropriations Resolution places legal restrictions on expenditures at the function level. The appropriation for each function can be revised by the Board of Supervisors only. Amounts that do not fall under a function's control are categorized as non-departmental even though they may relate to a particular function.

5. Formal budgetary integration is employed as a management control device during the year for the General Fund and Special Revenue Funds (except the School Funds). The School Funds are integrated only at the level of legal adoption.

6. All budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP).

7. Appropriations lapse on June 30.

8. Budget data presented in the accompanying financial statements includes the original adopted budget and the revised budget as of June 30.

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

Custodial Credit Risk (Deposits): This is the risk that in the event of a bank failure, the County, School Board, Economic Development Authority, and Broadband Authority's deposits may not be returned to it. The County, School Board, Economic Development, and Broadband Authority's investment policy requires all deposits comply with the Act. At year end, none of the County, School Board, Economic Development Authority, and Broadband Authority's deposits were exposed to custodial credit risk.

Note 3. Deposits and Investments (Continued)

Investments: State statutes authorize local governments and other public bodies to invest in obligations of the United States or its agencies thereof, obligations of the Commonwealth of Virginia or political subdivisions thereof, obligations of the International Bank for Reconstruction and Development (World Bank), the Asian Development Bank, the African Development Bank, "prime quality" commercial paper and certain corporate notes, bankers' acceptances, repurchase agreements, the State Treasurer's Local Government Investment Pool (LGIP), the Virginia Investment Pool (VIP), and the State Non-Arbitrage Program (SNAP).

The State Treasurer's Local Government Investment Pool (LGIP) is an external investment pool and a professionally managed money market fund which invests in qualifying obligations and securities as permitted by Virginia statutes. Pursuant to Section 2.2-4605 of the *Code of Virginia*, the Treasury Board of the Commonwealth sponsors the LGIP and has delegated certain functions to the State Treasurer. The LGIP reports to the Treasury Board at their regularly scheduled monthly meetings. The County and Economic Development Authority's investments in the LGIP, totaling $24,277,010 and $353,700, respectively, are stated at amortized cost and classified as cash and cash equivalents. The LGIP has been assigned an "AAAm" rating by Standard & Poor's (S&P). The maturity of the LGIP is less than one year.

The Virginia Investment Pool (VIP) is a commingled investment program organized as an external local government investment pool with oversight provided by a shareholder elected board of trustees. VIP is designed for the investment of longer-term monies that are not necessary for near term disbursement. VIP has a bond fund rating from S&P of AAf/S1.

The Virginia State Non-Arbitrage Program's (SNAP) SNAP Fund is a commingled investment program that operates in compliance with GASB Statement No. 79 and that was authorized by the Government Non-Arbitrage Act in 1989 (*Code of Virginia* Section 2.2-4700 et seq.). Virginia SNAP and the SNAP Fund are administered by the Treasury Board of the Commonwealth of Virginia. Virginia SNAP offers several investment options, including the SNAP Fund, and arbitrage rebate reporting services that are specifically designed for the investment of tax exempt bond proceeds. Investments are reported at amortized cost.

Investment Policy: The County, School Board, Economic Development Authority, and Broadband Authority have adopted a formal investment policy. The primary investment goals of the County, School Board, Economic Development, and Broadband Authority are the safeguarding of principal, the investment portfolio be managed at all times with sufficient liquidity to meet all daily and seasonal needs, as well as special projects and other operations requirements either known or which might be reasonably anticipated and with the objective of obtaining no worse than a market rate of return over the course of budgetary and economic cycles, taking into account the constraints contained herein and the cash flow patterns of the County, School Board, Economic Development Authority, and Broadband Authority.

Note 3. Deposits and Investments (Continued)

Investment Policy (Continued): As of June 30, 2025, the County, School Board, Economic Development Authority, and Broadband Authority's investment policy establishes investment types and quality levels for use by the County in the investment of its public funds:

Permitted Investment	Sector Limit	Issuer Limit
U.S. Treasury Obligations	100%	100%
Federal Agency Obligations	100%	100%
Municipal Obligations	100%	100%
Repurchase Agreements	100%	100%
Certificates of Deposit	100%	100%
Bankers' Acceptances	40%	100%
Commercial Paper	35%	5%
Corporate Notes and Bonds	100%	100%
Money Market Mutual Funds	100%	100%

Credit Risk: Credit risk is the risk that the County funds, School Board, Economic Development Authority, and Broadband Authority will not recover their investments due to the ability of the counterparty to fulfill its obligation. The County's policy requires commercial paper must be issued by an entity incorporated in the U.S. and rates at least A-1 by S&P or P-1 by Moody's. Corporate notes and bonds have a rating of at least AA by S&P or Aa by Moody's. Municipal obligations must have a rating of at least AA (or its equivalent) by Standard & Poor's or Moody's Investors Service. Bankers' Acceptances issued by a domestic bank or a foreign bank with an agency domiciled in the U.S., must be rated by Thomson Bankwatch at least "B/C" (issuing bank) and "I" (County of origin). Money market mutual funds must trade on a constant net asset value and invest solely in securities otherwise eligible for investment under these guidelines.

The County's investments as of June 30, 2025 are presented in the following table using the Standard & Poor's rating scale.

Rated Debt Investment	Fair Quality Ratings	
	AAAm	Aaf/S1
Local Government Investment Pool	$ 24,277,010	$ -
Virginia Investment Pool	2,726,693	5,440,123
State Non-Arbitrage Pool	2,047,443	-

The School Board's investments as of June 30, 2025 are presented in the following table using the Standard & Poor's rating scale.

Rated Debt Investment	Fair Quality Ratings	
	AAAm	Aaf/S1
Virginia Investment Pool	$ 228,331	$ 455,551

Note 3. Deposits and Investments (Continued)

The Economic Development Authority's investments as of June 30, 2025 are presented in the following table using the Standard & Poor's rating scale.

Rated Debt Investment	Fair Quality Ratings
	AAAm
Local Government Investment Pool	$ 353,700

Custodial Credit Risk (Investments): This is the risk that in the event of the failure of the counterparty, the County, School Board, Economic Development Authority, and Broadband Authority will not be able to recover the value of items investments or collateral securities that are in the possession of an outside party.

Concentration of Credit Risk: Concentration of credit risk is defined as the risk of loss attributed to the magnitude of a government's investment in a single issuer. If certain investments in any one issuer represent five percent of total investments, there must be a disclosure for the amount and issuer. Investments issued or explicitly guaranteed by the U.S. Government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this requirement, therefore, concentration of credit risk does not apply to the LGIP, VIP or SNAP.

Interest Rate Risk: Interest rate risk is defined as the risk that changes of interest rates will adversely affect the fair value of an investment. The County, School Board, Economic Development Authority, and Broadband Authority do not have policies related to interest rate risk. Interest rate risk does not apply to the LGIP and SNAP.

The County's investment maturities are as follows:

		Investment Maturities	
	Fair Value	Less Than 1 Year	1 - 5 Years
Virginia Investment Pool	$ 8,166,816	$ 2,866,373	$ 5,300,443
	$ 8,166,816	$ 2,866,373	$ 5,300,443

The School Board's investment maturities are as follows:

		Investment Maturities	
	Fair Value	Less Than 1 Year	1 - 5 Years
Virginia Investment Pool	$ 683,882	$ 88,651	$ 595,231
	$ 683,882	$ 88,651	$ 595,231

Note 3. Deposits and Investments (Continued)

The Economic Development Authority's investment maturities are as follows:

	Fair Value	Investment Maturities Less Than 1 Year
Certificates of deposit	$ 527,233	$ 527,233
	$ 527,233	$ 527,233

It is recognized that, prior to maturity, the market value of securities in the County, School Board, Economic Development Authority, and Broadband Authority's portfolio may fluctuate due to changes in market conditions. In view of this and the County, School Board, Economic Development Authority, and Broadband Authority's primary investment objectives of liquidity and preservation of principal, every effort shall be made to manage investment maturities to precede or coincide with the expected needs for funds. Accordingly, a minimum of 10 percent of the portfolio must be invested in securities maturing within 30 days and a minimum of 50 percent of the portfolio funds must be invested in securities maturing within 12 months.

The County, School Board, Economic Development Authority, and Broadband Authority categorize their fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs valued using the market approach based on quoted prices for similar assets in inactive markets; and Level 3 inputs are significant unobservable inputs valued using the income approach.

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

- Virginia Investment Pool totaling $8,166,816 is valued using quoted market prices (Level 1 inputs).

The School Board has the following recurring fair value measurement as of June 30, 2025:

- Virginia Investment Pool totaling $683,882 is valued using quoted market prices (Level 1 inputs).

The Economic Development Authority has the following recurring fair value measurement as of June 30, 2025:

- Certificates of deposit of $527,233 are valued using quoted market prices (Level 1 inputs).

The Broadband Authority has the following recurring fair value measurement as of June 30, 2025:

- Money market mutual funds totaling $1,320,472 are valued using quoted market prices (Level 1 inputs).

Note 3. Deposits and Investments (Continued)

At June 30, 2025, the deposits and investments were as follows:

County:	
Deposits:	
Demand deposits	$ 14,086,219
Cash on hand	3,106
Total deposits	14,089,325
Investments:	
Local Government Investment Pool	24,277,010
Virginia Investment Pool	8,166,816
State Non-Arbitrage Pool	2,047,443
Total investments	34,491,269
Total deposits and investments	$ 48,580,594
School Board:	
Deposits:	
Demand deposits	$ 4,151,588
Petty cash	1,200
Total deposits	4,152,788
Investments:	
Virginia Investment Pool	683,882
Total investments	683,882
Total deposits and investments	$ 4,836,670
Economic Development Authority:	
Deposits:	
Demand deposits	$ 311,877
Total deposits	311,877
Investments:	
Certificates of deposit	527,233
Local Government Investment Pool	353,700
Total investments	880,933
Total deposits and investments	$ 1,192,810
Broadband Authority:	
Deposits:	
Demand deposits	$ 1,164,107
Total deposits	1,164,107
Investments:	
Money market mutual funds	1,320,472
Total investments	1,320,472
Total deposits and investments	$ 2,484,579

Note 3. Deposits and Investments (Continued)

Total deposits and investments are composed as follows:

Deposits and investments:	
Cash and cash equivalents:	
Governmental Activities	$ 27,983,739
Business-type Activities	5,896,455
Component Unit - School Board	4,152,788
Component Unit - EDA	665,577
Component Unit - Broadband Authority	1,132,289
Total cash and cash equivalents	39,830,848
Restricted cash:	
Governmental Activities	6,533,584
Component Unit - Broadband Authority	1,352,290
Total restricted cash	7,885,874
Investments:	
Governmental Activities	6,395,959
Business-type Activities	1,770,857
Component Unit - School Board	683,882
Component Unit - EDA	527,233
Total investments	9,377,931
Total deposits and investments	$ 57,094,653

Note 4. Receivables

Receivables consist of the following:

	Governmental Activities	Business-type Activities	Total Primary Government	Component Unit - School Board	Component Unit - Economic Development Authority	Component Unit - Broadband Authority
Receivables:						
Taxes	$ 4,393,621	$ -	$ 4,393,621	$ -	$ -	$ -
Less allowance for uncollectible accounts	(772,942)	-	(772,942)	-	-	-
Net taxes receivable	3,620,679	-	3,620,679	-	-	-
Accounts receivable	3,545,644	167,556	3,713,200	139,172	-	299,570
Less allowance for uncollectible accounts	(316,322)	-	(316,322)	-	-	-
Net accounts receivable	3,229,322	167,556	3,396,878	139,172	-	299,570
Interest	-	-	-	-	8,802	-
Net interest receivable	-	-	-	-	8,802	-
Leases	-	-	-	-	359,272	-
Net leases receivable	-	-	-	-	359,272	-
Total receivables	$ 6,850,001	$ 167,556	$ 7,017,557	$ 139,172	$ 368,074	$ 299,570

Taxes receivable represent the current and past five years of uncollected tax levies for personal property taxes and the current and past 20 years for uncollected tax levies on real property. Governmental activities accounts receivable is comprised of amounts due for EMS billings and other local revenues. The allowances for uncollectible accounts are based on historical collection rates aging of receivable balances, and specific account analysis.

The component units' receivables are considered fully collectible and, therefore, an allowance for uncollectible accounts is not applicable for those receivables.

Note 5. Unavailable Revenue

Governmental funds report unavailable revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At the end of the current fiscal year, the various components of unavailable revenue reported in the governmental funds were as follows:

	Unavailable
Property taxes receivable, net of allowance	$ 2,762,550
EMS transport fees	210,810
Long-term note receivable	9,940,000
Opioid settlement funds	981,498
Other	12,237
	$ 13,907,095

Note 6. Due from Other Governmental Units

Amounts due from other governments consist of the following:

Primary Government:	
Governmental Funds:	
General Fund:	
Other local government:	
Town of Gordonsville	$ 9,500
Commonwealth of Virginia:	
Communications sales and use taxes	148,245
Children's Services Act	1,199,779
Categorical aid:	
Shared costs:	
Commissioner of the Revenue	13,735
Commonwealth Attorney	43,707
Sheriff	158,064
Clerk of Circuit Court	31,039
Treasurer	14,008
Other	59,193
Federal government:	
Public safety	74,091
Total General Fund	1,751,361
Virginia Public Assistance Fund:	
Commonwealth of Virginia:	
Public assistance	90,169
Opioid settlement proceeds	191,985
Total Virginia Public Assistance Fund	282,154
COVID-19 Fund:	
Federal government:	
Miscellaneous	1,678
Total COVID-19 Fund	1,678
Total Primary Government - Governmental Funds	$ 2,035,193
Total Primary Government - Governmental Activities	$ 2,035,193

Note 6. Due from Other Governmental Units (Continued)

Component Unit - School Board:	
School Operating Fund:	
Commonwealth of Virginia:	
State sales tax receipts	$ 1,706,988
Federal government:	
Education grants	1,171,888
Total School Operating Fund	2,878,876
Adult Education Fund:	
Federal government:	
Adult literacy services	115,357
Total Adult Education Fund	115,357
School Cafeteria Fund:	
Federal government:	
School food program	316,608
Total School Cafeteria Fund	316,608
School Capital Projects Fund:	
Commonwealth of Virginia:	
Education grants	3,845
Total Capital Projects Fund	3,845
Head Start Fund:	
Federal government:	
Head Start program	390,558
Total Head Start Fund	390,558
Total Component Unit - School Board	$ 3,705,244
Component Unit- Broadband	
Federal government:	
American Rescue Plan Act- Line Extension Customer Assitance Program	$ 188,240
Total Component Unit - Broadband Authority	$ 188,240

Note 7. Interfund Transfers

Interfund transfers consist of the following:

Fund	Transfer In	Transfer Out
Primary Government:		
Governmental Activities:		
General	$ 144,646	$ 16,116,084
Virginia Public Assistance	1,717,747	-
EMS & Fire	1,439,948	1,804,396
Covid-19	37,877	758,735
Debt Service	9,430,221	-
Capital Projects	2,672,880	343,199
Insurance Internal Service Fund	-	133,150
Total Governmental Activities	15,443,319	19,155,564
Business-type Activities:		
Airport	295,002	-
Landfill	3,417,243	-
Total Business-type Activities	3,712,245	-
Total Primary Government	$ 19,155,564	$ 19,155,564
Component Unit - School Board:		
School Board:		
School Operating	$ -	$ 767,437
School Textbook Adoptions	767,437	-
Total Component Unit - School Board	$ 767,437	$ 767,437

Transfers are used to (1) move revenues from the fund that the statute of budget required to collect them to the fund that the statute or budget required to expend them and (2) use unrestricted revenues collected in the General and School Operating Fund to finance various programs accounted for in other funds and (3) reimburse the General Fund for salaries paid out of the Insurance Internal Service Fund budget

Note 8. Interfund Receivables and Payables

Interfund and due to (from) primary government/component unit balances at June 30, 2025 are as follows:

Fund	Interfund Receivable	Interfund Payable
School Board Component Unit:		
School Operating	$ 402,015	$ -
Adult Education	-	73,081
Head Start	-	328,934
Total Component Unit - School Board	$ 402,015	$ 402,015

The receivables and payables are due to School Operating Fund aid in funding the operations of various School funds.

Note 9. Capital Assets

Capital asset activity for the year consists of the following:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets not being depreciated or amortized:					
Land	$ 2,656,710	$ 390,666	$ -	$ -	$ 3,047,376
Easements	41,990	-	-	-	41,990
Construction in progress	1,650,477	612,384	-	(154,406)	2,108,455
Total capital assets not being depreciated or amortized	4,349,177	1,003,050	-	(154,406)	5,197,821
Capital assets being depreciated or amortized:					
Buildings and improvements	35,067,197	22,779	-	154,406	35,244,382
Infrastructure	3,863,397	-	-	-	3,863,397
Intangible right-to-use lease buildings	1,057,229	-	-	-	1,057,229
Intangible right-to-use lease equipment and vehicles	20,635	443,412	-	-	464,047
School buildings and improvements	12,653,158	-	(2,729,881)	-	9,923,277
Furniture, equipment and vehicles	26,314,819	1,671,315	(185,298)	-	27,800,836
Intangible right-to-use subscription assets	700,093	197,143	(129,617)	-	767,619
Total capital assets being depreciated or amortized	79,676,528	2,334,649	(3,044,796)	154,406	79,120,787
Less accumulated depreciation and amortization:					
Buildings and improvements	9,192,342	842,186	-	-	10,034,528
Infrastructure	982,964	130,011	-	-	1,112,975
Intangible right-to-use lease buildings	495,338	165,113	-	-	660,451
Intangible right-to-use lease equipment and vehicles	2,075	85,491	-	-	87,566
School buildings and improvements	3,431,079	198,466	(786,129)	-	2,843,416
Furniture, equipment and vehicles	15,790,272	3,040,654	(162,584)	-	18,668,342
Intangible right-to-use subscription assets	215,605	222,180	(129,617)	-	308,168
Total accumulated depreciation and amortization	30,109,675	4,684,101	(1,078,330)	-	33,715,446
Total capital assets being depreciated or amortized, net	49,566,853	(2,349,452)	(1,966,466)	154,406	45,405,341
Governmental activities capital assets, net	$ 53,916,030	$ (1,346,402)	$ (1,966,466)	$ -	$ 50,603,162

Note 9. Capital Assets (Continued)

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type activities:					
Capital assets not being depreciated or amortized:					
Land	$ 2,465,164	$ -	$ -	$ -	$ 2,465,164
Construction in progress	284,404	248,866	-	-	533,270
Total capital assets not being depreciated or amortized	2,749,568	248,866	-	-	2,998,434
Capital assets being depreciated or amortized:					
Buildings and improvements	5,011,313	-	-	-	5,011,313
Infrastructure	7,023,455	-	-	-	7,023,455
Landfill development costs	5,751,479	-	-	-	5,751,479
Furniture, equipment and vehicles	1,632,759	735,728	-	-	2,368,487
Total capital assets being depreciated or amortized	19,419,006	735,728	-	-	20,154,734
Less accumulated depreciation and amortization:					
Buildings and improvements	3,308,476	219,890	-	-	3,528,366
Infrastructure	2,845,028	176,585	-	-	3,021,613
Landfill development costs	2,764,642	302,236	-	-	3,066,878
Furniture, equipment and vehicles	1,213,851	219,858	-	-	1,433,709
Total accumulated depreciation and amortization	10,131,997	918,569	-	-	11,050,566
Total capital assets being depreciated or amortized, net	9,287,009	(182,841)	-	-	9,104,168
Business-type activities capital assets, net	$ 12,036,577	$ 66,025	$ -	$ -	$ 12,102,602

Depreciation expense was charged to functions/programs of the primary government as follows:

	Governmental Activities	Business-type Activities	Total Primary Government
General government administration	$ 2,745,424	$ -	$ 2,745,424
Judicial administration	26,759	-	26,759
Public safety	1,413,593	-	1,413,593
Public works	170,421	-	170,421
Health and human services	36,210	-	36,210
Parks, recreation, and cultural	54,299	-	54,299
Community development	38,929	-	38,929
Joint tenancy - education	198,466	-	198,466
Airport	-	419,543	419,543
Landfill	-	499,026	499,026
Total depreciation expense, primary government	$ 4,684,101	$ 918,569	$ 5,602,670

Note 9. Capital Assets (Continued)

Discretely Presented Component Unit – School Board

Capital asset activity for the School Board for the year consists of the following:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Component Unit - School Board:					
Capital assets not being depreciated or amortized:					
Land	$ 1,855,343	$ -	$ -	$ -	$ 1,855,343
Construction in progress	14,277,485	1,593,846	-	(3,369,538)	12,501,793
Total capital assets not being depreciated or amortized	16,132,828	1,593,846	-	(3,369,538)	14,357,136
Capital assets being depreciated or amortized:					
Buildings and improvements	159,575,931	1,549,041	-	3,369,538	164,494,510
Allocated to County	(12,653,158)	2,729,881	-	-	(9,923,277)
Intangible right-to-use subscription assets	58,346	-	-	-	58,346
Furniture, equipment and vehicles	17,226,318	1,972,904	(806,943)	-	18,392,279
Total capital assets being depreciated or amortized	164,207,437	6,251,826	(806,943)	3,369,538	173,021,858
Less accumulated depreciation and amortization:					
Buildings and improvements	82,916,705	4,221,843	-	(786,129)	86,352,419
Allocated to County	(3,431,079)	(198,466)	-	786,129	(2,843,416)
Intangible right-to-use subscription assets	21,517	12,276	-	-	33,793
Furniture, equipment and vehicles	10,435,430	1,206,334	(543,304)	-	11,098,460
Total accumulated depreciation and amortization	89,942,573	5,241,987	(543,304)	-	94,641,256
Total capital assets being depreciated or amortized, net	74,264,864	1,009,839	(263,639)	3,369,538	78,380,602
School Board capital assets, net	$ 90,397,692	$ 2,603,685	$ (263,639)	$ -	$ 92,737,738

Local governments in Virginia and their School Boards hold a tenancy in common with respect to capital assets constructed with long-term debt. Accordingly, school capital assets for which debt is still outstanding are included in the capital assets of the County in an amount equal to the outstanding balance of the debt. As the debt is retired, a proportional amount of the assets is transferred to the Component Unit – School Board.

Note 9. Capital Assets (Continued)

Discretely Presented Component Unit – EDA

Capital asset activity for the EDA for the year consists of the following:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Component Unit - EDA:					
Capital assets not being depreciated:					
Land	$ 1,033,388	$ -	$ (390,666)	$ -	$ 642,722
Construction in progress	33,810	665,403	-	-	699,213
Total capital assets not being depreciated or amortized	1,067,198	665,403	(390,666)	-	1,341,935
Capital assets being depreciated or amortized:					
Land improvements	33,214	-	-	-	33,214
Total capital assets being depreciated or amortized	33,214	-	-	-	33,214
Less accumulated depreciation and amortization:					
Land improvements	138	1,661	-	-	1,799
Total accumulated depreciation and amortization	138	1,661	-	-	1,799
Total capital assets being depreciated or amortized, net	33,076	(1,661)	-	-	31,415
EDA capital assets	$ 1,100,274	$ 663,742	$ (390,666)	$ -	$ 1,373,350

Discretely Presented Component Unit – Broadband Authority

Capital asset activity for the Broadband Authority for the year consists of the following:

	Beginning Balance	Increases	Ending Balance
Component Unit - Broadband Authority:			
Capital assets being depreciated or amortized:			
Buildings and improvements	$ 36,587,583	$ 3,878,131	$ 40,465,714
Intangible right-to-use lease buildings	220,321	13,283	233,604
Furniture, equipment and vehicles	425,922	-	425,922
Intangible right-to-use lease equipment and vehicles	9,060	121,141	130,201
Total capital assets being depreciated or amortized	37,242,886	4,012,555	41,255,441
Less accumulated depreciation and amortization:			
Buildings and improvements	1,744,160	1,863,552	3,607,712
Intangible right-to-use lease buildings	61,102	56,810	117,912
Furniture, equipment and vehicles	220,162	81,685	301,847
Intangible right-to-use lease equipment	1,284	10,628	11,912
Total accumulated depreciation and amortization	2,026,708	2,012,675	4,039,383
Total capital assets being depreciated or amortized, net	35,216,178	1,999,880	37,216,058
Broadband Authority capital assets, net	$ 35,216,178	$ 1,999,880	$ 37,216,058

Note 10. Long-Term Liabilities

Changes in long-term liabilities consist of the following:

	(Restated) Beginning Balance	Increases*	Decreases	Ending Balance	Due Within One Year
Governmental activities:					
General obligation bonds	$ 11,680,394	$ -	$ 2,527,594	$ 9,152,800	$ 2,532,800
Premium on bonds	972,769	-	202,287	770,482	-
	12,653,163	-	2,729,881	9,923,282	2,532,800
Lease revenue/refunding bond	45,855,000	-	4,035,000	41,820,000	4,239,000
Premium on bonds	2,440,690	-	342,110	2,098,580	-
	48,295,690	-	4,377,110	43,918,580	4,239,000
Bonds payable, net	60,948,853	-	7,106,991	53,841,862	6,771,800
Leases payable	578,301	457,620	251,123	784,798	272,490
Private placement notes	587,922	1,350,822	665,430	1,273,314	492,023
Subscriptions payable	386,173	29,975	105,182	310,966	76,528
Compensated absences	2,751,857	169,624	-	2,921,481	2,140,903
	4,304,253	2,008,041	1,021,735	5,290,559	2,981,944
	$ 65,253,106	$ 2,008,041	$ 8,128,726	$ 59,132,421	$ 9,753,744
Business-type activities:					
Private placement notes	$ 184,515	$ 256,658	$ 119,115	$ 322,058	$ 104,655
Compensated absences	77,399	19,699	-	97,098	68,073
Lease revenue/refunding bond	2,578,000	-	624,000	1,954,000	637,000
Landfill obligation	3,799,000	239,000	-	4,038,000	-
	$ 6,638,914	$ 515,357	$ 743,115	$ 6,411,156	$ 809,728

*Compensated Absences is presented as net change

Both compensated absences and other postemployment benefits for governmental activities are expected to be paid out of the General and Virginia Public Assistance Funds.

Discretely Presented Component Unit – School Board

	(Restated) Beginning Balance	Increases	Decreases*	Ending Balance	Due Within One Year
Governmental activities:					
Compensated absences	$ 3,497,534	$ -	$ 384,416	$ 3,113,118	$ 261,528
Private placement notes	9,391,512	1,092,412	1,368,961	9,114,963	1,498,151
Subscriptions payable	30,925	-	10,068	20,857	10,307
	$ 12,919,971	$ 1,092,412	$ 1,763,445	$ 12,248,938	$ 1,769,986

*Compensated Absences is presented as net change

Note 10. Long-Term Liabilities (Continued)

Discretely Presented Component Unit – Broadband Authority

	(Restated) Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Business-Type activities:					
VRA revenue bond	$ 20,875,000	$ -	$ 1,357,000	$ 19,518,000	$ 1,381,000
Discount on bond	(8,436)	-	(649)	(7,787)	-
Leases payable	173,692	133,169	62,275	244,586	77,775
Compensated absences	65,436	31,755	-	97,191	74,593
	$ 21,105,692	$ 164,924	$ 1,418,626	$ 19,851,990	$ 1,533,368

*Compensated Absences is presented as net change

Details of long-term obligations are as follows:

General Obligation Bonds:

School Board Projects:

$13,935,316 school improvement general obligation bond, issued November 2005, due in annual installments of $747,800 through July 2025, plus semi-annual interest at 4.85%. The bond was issued at a premium of $1,064,684 which will be amortized over the life of the bond.	$ 747,800
$5,220,000 VPSA general obligation bond, issued November 2007, due in annual installments of $260,000 through July 2027, plus semi-annual interest at 4.35% to 5.10%. The bond was issued at a premium of $280,267 which will be amortized over the life of the bond.	780,000
$30,550,000 VPSA general obligation bond, issued November 2009, due in annual installments of $1,525,000 through July 2029, plus semi-annual interest at 4.05% to 5.05%. The bond was issued at a premium of $2,700,808 which will be amortized over the life of the bond.	7,625,000
Total General Obligation Bonds	$ 9,152,800

Lease Revenue and Refunding Bond - Governmental:

$48,110,000 lease revenue and refunding bonds for the public safety communications system, consolidated E-911 dispatch and facility, and rural broadband initiative, issued December 2016, due in annual installments of $1,345,000 to $4,035,000 through June 2037, plus interest payable annually at 3.13% to 5.00%. The bond was issued at a premium of $4,398,303 which will be amortized over the life of the bond.	$ 29,071,000
$15,166,000 lease revenue and refunding bonds (split between governmental activities and business-type activities below) for ambulance chassis, landfill expansion cell, capital projects, and rural broadband initiative, issued July 2020, due in annual installments of $1,036,000 to $1,289,000 through November 2028, plus interest payable annually at 2.28%.	12,749,000
Total Lease Revenue and Refunding Bonds for Governmental Activities	$ 41,820,000

Note 10. Long-Term Liabilities (Continued)

Lease Revenue and Refunding Bond - Business-type:

$15,166,000 lease revenue and refunding bonds (split between governmental activities above and business-type activities) for ambulance chassis, landfill expansion cell, capital projects, and rural broadband initiative, issued July 2020, due in annual installments of $1,036,000 to $1,289,000 through November 2028, plus interest payable annually at 2.28%.	$ 1,954,000
Total Lease Revenue and Refunding Bond for Business-Type Activities	$ 1,954,000

$15,830,000 VRA bond, issued May 2021, due in annual installments of $1,040,000 to $1,295,000 commencing October 2023 through October 2036, plus semi-annual interest at 1.077% to 2.596%. The bond was issued at a discount of $9,085 which will be amortized over the life of the bond.	$ 13,780,000
$6,065,000 USBank bond, issued September 2022, due in annual installments of $341,000 to $558,000 commencing November 2024 through November 2037, plus semi-annual interest at 4.100%.	5,738,000
Total Lease Revenue and Refunding Bond for Broadband Authority Component Unit	$ 19,518,000

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

Year(s) Ending June 30,	Governmental Activities General Obligation Bonds Principal	General Obligation Bonds Interest	Lease Revenue and Refunding Bond Principal	Lease Revenue and Refunding Bond Interest	Private Placement Notes Principal	Private Placement Notes Interest
2026	$ 2,532,800	$ 368,312	$ 4,239,000	$ 1,471,363	$ 492,023	$ 48,028
2027	1,785,000	268,465	4,444,000	1,265,277	513,145	26,906
2028	1,785,000	183,911	2,832,000	1,094,610	55,612	9,961
2029	1,525,000	105,988	3,647,000	953,613	57,810	7,762
2030	1,525,000	33,741	3,777,000	824,191	60,096	5,476
2031-2035	-	-	18,957,000	2,132,396	94,628	3,729
2036-2039	-	-	3,924,000	113,765	-	-
	$ 9,152,800	$ 960,417	$ 41,820,000	$ 7,855,215	$ 1,273,314	$ 101,862

Year Ending June 30,	Business-Type Activities Lease Revenue and Refunding Bond Principal	Lease Revenue and Refunding Bond Interest
2026	$ 637,000	$ 35,327
2027	651,000	21,416
2028	666,000	7,193
	$ 1,954,000	$ 63,936

Note 10. Long-Term Liabilities (Continued)

Year(s) Ending June 30,	Broadband Component Unit Lease Revenue and Refunding Bond Principal	Interest
2026	$ 1,381,000	$ 499,052
2027	1,405,000	472,614
2028	1,435,000	442,883
2029	1,471,000	409,593
2030	1,507,000	373,498
2031-2035	8,157,000	1,237,644
2036-2040	4,162,000	166,743
	$ 19,518,000	$ 3,602,027

Private Placement Notes – Governmental:

$548,826 private placement note (payable from the General Fund), issued June 2022, secured by vehicles, semi-annual maturity from $25,481 to $32,157 through June 2032, plus semi-annual interest at 3.916%.	$ 373,105
$1,350,822 private placement note (payable from the Fire & EMS Fund), issued December 2024, secured by vehicles and equipment, semi-annual maturity from $213,372 to $237,239 through June 2027, plus semi-annual interest at 4.287%	900,209
Total private placement notes	$ 1,273,314

Private Placement Notes – Business-type:

$163,600 private placement note, issued July 2018, secured by vehicles, semi-annual maturity from $12,989 through January 2026, plus semi-annual interest at 3.35%.	$ 12,989
$284,750 private placement note, issued June 2022, secured by vehicles, semi-annual maturity from $29,227 to $30,318 through December 2026, plus semi-annual interest at 3.696%.	89,313
$256,658 private placement note, issued December 2024, secured by vehicles, semi-annual maturity from $16,154 to $20,639 through December 2031, plus semi-annual interest at 4.505%.	219,756
Total private placement notes	$ 322,058

Note 10. Long-Term Liabilities (Continued)

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

	Private Placement Notes	
Year Ending June 30,	Principal	Interest
2026	$ 104,655	$ 12,515
2027	64,477	8,608
2028	35,715	6,492
2029	37,343	4,865
2030	39,044	3,163
2031	40,824	1,384
	$ 322,058	$ 37,027

Private Placement Notes – School Board:

$6,198,242 private placement note, issued March 2013, secured by equipment, semi-annual maturity from $317,940 to $605,315 through September 2028, plus semi-annual interest at 2.59%.	$ 2,035,453
$1,259,830 private placement note, issued July 2015, secured by equipment, semi-annual maturity from $92,647 to $123,475 through January 2031, plus semi-annual interest at 2.39%.	645,840
$971,905 private placement note, issued March 2024, secured by vehicles, annual maturity of $325,717 through March 2026, plus annual interest at 7.233%.	325,717
$5,448,149 private placement note, issued October 2023, secured by equipment, annual maturity from $192,593 to $385,526 through April 2043, plus annual interest at 4.167%.	5,015,541
$1,092,412 private placement note, issued August 2024, secured by vehicles, annual maturity from $347,045 to $381,357 through August 2027 plus annual interest at 4.700%.	1,092,412
	$ 9,114,963

Note 10. Long-Term Liabilities (Continued)

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

	Private Placement Notes	
Year(s) Ending June 30,	Principal	Interest
2026	$ 1,498,151	$ 349,720
2027	1,234,993	284,761
2028	1,299,875	241,675
2029	646,008	196,402
2030	343,552	180,576
2031-2035	1,407,122	727,258
2036-2040	1,574,332	433,622
2041-2044	1,110,930	93,844
	$ 9,114,963	$ 2,507,858

The County and School Board's private placement notes contain an event of default that changes the timing of repayment of outstanding amounts to become immediately due if the County or School Board is unable to make payment.

Note 11. Leases

Lease Payable

During the current fiscal year, the County had two agreements as a lessee for buildings, one as a lessee for equipment, and nine as a lessee for vehicles ranging in lease length of five to seven years. As of June 30, 2025, the value of the lease liability was $784,798. The County is required to make principal and interest payments ranging from $4,037 to $125,225. The leases had interest rates ranging from 1.2166% to 3.5110%. The equipment has a five to seven-year estimated useful life. The value of the right-to-use leased assets as of the end of the current fiscal year was $1,521,276 and had accumulated amortization of $748,017.

The future principal and interest lease payments as of June 30, 2025 are as follows:

	Primary Government	
	Leases	
Year Ending June 30,	Principal	Interest
2026	$ 272,490	$ 13,870
2027	225,533	8,826
2028	182,490	4,520
2029	83,264	1,689
2030	21,021	151
	$ 784,798	$ 29,056

Note 11. Leases (Continued)

Component Unit- Economic Development Authority

Lease Receivable

During the current fiscal year, the Authority leased one piece of property to a third party. The property is land that is being leased for ten years ending on May 31, 2033. The Authority will receive yearly payments of $50,000. The County recognized $49,857 in lease revenue during the current fiscal year related to the lease. As of June 30, 2025, the Authority's receivable for lease payments was $359,272. Also, the Authority has deferred inflows of resources associated with this lease that will be recognized as revenue over the lease term. As of June 30, 2025, the balance of the deferred inflows of resources was $394,701.

Component Unit – Broadband Authority

Lease Payable

During the current fiscal year, the Authority had two lease agreements for buildings and two for equipment ranging from three to nine years. One of these agreements had an initial lease liability of $116,807. As of June 30, 2025, the value of the lease liability was $83,517. The Authority is required to make monthly principal and interest payments of $1,156. The lease has an interest rate of 2.84%. The building has a nine-year estimated useful life. The value of the intangible right-to-use lease assets as of the end of the current fiscal year was $116,807 and had accumulated amortization of $40,048. The other building agreement is for three years and requires the Authority to make monthly principal and interest payments of $3,385. It had an initial lease liability of $116,797. This includes $8,968 that was added to the liability calculation in the current fiscal year due to a remeasurement. Also, $13,283 was added to the right-to-use lease asset calculation in the current year. This results in a net impact of remeasurement totaling $4,315. As of June 30, 2025, the value of the lease liability was $39,989. The lease has an interest rate of 2.901%. The building has a three-year estimated useful life. The value of the intangible right-to-use lease asset as of the end of the current fiscal year was $116,797 and had accumulated amortization of $77,864. The equipment agreement is for five years and required the Authority to make monthly principal and interest payments of $178. It had an initial lease liability of $9,060. As of June 30, 2025, the value of the lease liability was $6,710. The lease has an interest rate of 3.511%. The copier has a five-year estimated useful life. The value of the right-to-use lease asset as of the end of the current fiscal year was $9,060 and had accumulated amortization of $3,095. The other equipment agreement is for five years and requires the Authority to make monthly principal and interest payments of $2,196. It had an initial lease liability of $124,201. As of June 30,2025, the value of the lease liability was $114,370. The lease has an interest rate of 2.885%. The equipment has a five-year estimated useful life. The value of the intangible right-to-use lease asset as of the end of the current fiscal year was $121,141 and had accumulated amortization of $8,817. The lease commenced in the current fiscal year.

Note 11. Leases (Continued)

Component Unit – Broadband Authority (Continued)

Lease Payable (Continued)

The future principal and interest lease payments as of June 30, 2025 are as follows:

	Broadband Authority	
	Leases	
Year(s) Ending June 30,	Principal	Interest
2026	$ 77,775	$ 6,041
2027	39,345	4,292
2028	40,963	3,129
2029	41,203	1,933
2030	32,749	782
2031-2035	12,551	149
	$ 244,586	$ 16,326

Note 12. Subscription-based Information Technology Arrangements

During the current fiscal year, the County had thirteen subscription-based information technology arrangements (SBITAs). As of June 30, 2025, the value of the subscription liability was $310,966. The County is required to make annual fixed principal and interest payments ranging from $1,070 to $40,935. The subscriptions have an interest rate ranging from 0.4310% to 3.5310%. The intangible right-to-use subscription assets have a one to twenty year estimated useful life. The value of the intangible right-to-use subscription assets as of the end of the current fiscal year was $767,619 and had accumulated amortization of $308,168.

The future principal and interest lease payments as of June 30, 2025 are as follows:

	Primary Government	
	Subscription Assets	
Year(s) Ending June 30,	Principal	Interest
2026	$ 76,528	$ 10,335
2027	53,870	7,910
2028	47,068	6,119
2029	44,919	4,518
2030	5,559	2,943
2031-2035	30,691	11,817
2036-2040	36,139	6,370
2041-2044	16,192	811
	$ 310,966	$ 50,823

Note 12. Subscription-based Information Technology Arrangements (Continued)

Component Unit – School Board

During the current fiscal year, the School Board had one SBITA. As of June 30, 2025, the value of the subscription liability was $20,857. The School Board is required to make annual principal and interest payments of $10,800. The subscription has an interest rate of 2.366%. The intangible right-to-use subscription asset has a five year estimated useful life. The value of the intangible right-to-use subscription assets as of the end of the current fiscal year was $58,345 and had accumulated amortization of $33,793.

The future principal and interest lease payments as of June 30, 2025 are as follows:

	School Board	
	Subscription Assets	
Year Ending June 30,	Principal	Interest
2026	$ 10,307	$ 493
2027	10,550	250
	$ 20,857	$ 743

Note 13. Pension Plan

Name of Plan: Virginia Retirement System (VRS)

Identification of Plan: Agent and Cost-Sharing Multiple-Employer Pension Plans

Administering Entity: Virginia Retirement System (System)

A. Plan Description

All full-time, salaried permanent employees of the County and its component units, the School Board and Broadband Authority, are automatically covered by the VRS Retirement Plan or the VRS Teacher Retirement Plan upon employment. These plans are 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 Virgini*a, as amended. Eligible prior service that may be purchased includes prior public service, active military service, certain periods of leave, and previously refunded service.

The System administers three different benefit structures for covered employees – Plan 1, Plan 2, and Hybrid. Each of these benefit structures has a different eligibility criteria. The specific information for each plan and the eligibility for covered groups within each plan are available at:

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

Note 13. Pension Plan (Continued)

B. Employees Covered by Benefit Terms

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

County (Agent Plan)

	Number
Inactive members or their beneficiaries currently receiving benefits	162
Inactive members:	
Vested inactive members	63
Non-vested inactive members	142
Inactive members active elsewhere in VRS	133
Active members	257
Total covered employees	757

School Board Non-Professional (Agent Plan)

	Number
Inactive members or their beneficiaries currently receiving benefits	135
Inactive members:	
Vested	39
Non-vested	100
Active elsewhere in VRS	31
Active members	136
Total covered employees	441

Broadband Authority (Agent Plan)

	Number
Inactive members:	
Non-vested	12
Active elsewhere in VRS	1
Total inactive members	13
Active members	13
Total covered employees	26

Note 13. Pension Plan (Continued)

C. Contributions

County (Agent Plan)

The contribution requirement for active employees is governed by Section 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 percent of their compensation toward their retirement.

The County's contractually required contribution rate for the year ended June 30, 2025 was 9.09% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by an employee during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the County were $1,738,164 and $1,471,443 for the years ended June 30, 2025 and 2024, respectively. The defined contributions component of the Hybrid plan includes member and employer mandatory and voluntary contributions. The Hybrid plan member must contribute a mandatory rate of 1% of their covered payroll. The employer must also contribute a mandatory rate of 1% of this covered payroll, which totaled $ 77,832 for the year ended June 30, 2025. Hybrid plan members may also elect to contribute an additional voluntary rate of up to 4% of their covered payroll; which would require the employer a mandatory additional contribution rate of up to 2.5%. This additional employer mandatory contribution totaled $90,967 for the year ended June 30, 2025. The total Hybrid plan participant covered payroll totaled $7,783,175 for the year ended June 30, 2025.

School Board Non-Professional (Agent Plan)

The contribution requirement for active employees is governed by Section 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 School Board non-professional's contractually required contribution rate for the year ended June 30, 2025 was 3.98% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by an employee during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the School Board for the non-professional plan were $183,059 and $66,593 for the years ended June 30, 2025 and 2024, respectively. The defined contributions component of the Hybrid plan includes member and employer mandatory and voluntary contributions. The Hybrid plan member must contribute a mandatory rate of 1% of their covered payroll. The employer must also contribute a mandatory rate of 1% of this covered payroll, which totaled $31,169 for the year ended June 30, 2025. Hybrid plan members may also elect to contribute an additional voluntary rate of up to 4% of their covered payroll; which would require the employer a mandatory additional contribution rate of up to 2.5%. This additional employer mandatory contribution totaled $27,737 for the year ended June 30, 2025. The total Hybrid plan participant covered payroll totaled $128,838 for the year ended June 30, 2025.

Note 13. Pension Plan (Continued)

C. Contributions (Continued)

School Board Professional (Cost-Sharing Plan)

The contribution requirement for active employees is governed by Section 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 School Board Professional's contractually required contribution rate for the year ended June 30, 2025 was 14.21% of covered employee compensation. This was the General Assembly approved rate which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance the costs of any unfunded accrued liability. Contributions to the pension plan from the School Board for the professional plan were $5,205,816 and $5,346,255 for the years ended June 30, 2025 and 2024, respectively.

The defined contributions component of the Hybrid plan includes member and employer mandatory and voluntary contributions. The Hybrid plan member must contribute a mandatory rate of 1% of their covered payroll. The employer must also contribute a mandatory rate of 1% of this covered payroll, which totaled $180,032 for the year ended June 30, 2025. Hybrid plan members may also elect to contribute an additional voluntary rate of up to 4% of their covered payroll; which would require the employer a mandatory additional contribution rate of up to 2.5%. This additional employer mandatory contribution totaled $175,271 for the year ended June 30, 2025. The total Hybrid plan participant covered payroll totaled $2,749,085 for the year ended June 30, 2025.

Broadband Authority (Agent Plan)

The contribution requirement for active employees is governed by Sections 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 Authority's contractually required contribution rate for the year ended June 30, 2024 was 1.60% 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 Authority were $18,646 and $42,688 for the years ended June 30, 2025 and 2024, respectively. The defined contributions component of the Hybrid plan includes member and employer mandatory and voluntary contributions. The Hybrid plan member must contribute a mandatory rate of 1% of their covered payroll. The employer must also contribute a mandatory rate of 1% of this covered payroll, which totaled $11,278 for the year ended June 30, 2025. Hybrid plan members may also elect to contribute an additional voluntary rate of up to 4% of their covered payroll; which would require the employer a mandatory additional contribution rate of up to 2.5%. This additional employer mandatory contribution totaled $9,221 for the year ended June 30, 2025. The total Hybrid plan participant covered payroll totaled $1,127,846 for the year ended June 30, 2025.

Note 13. Pension Plan (Continued)

D. Net Pension Liability (Asset)

County, Broadband Authority, and School Board Non-Professional Plans (Agent Plans)

The County, Broadband Authority, and School Board's non-professional plan net pension liabilities (assets) (NPL) is calculated separately for each employer and represents that particular employer's total pension liability determined in accordance with GASB Statement No. 68, less that employer's fiduciary net position. For the County and the School Board non-professional, the NPL was measured as of June 30, 2024. The total pension liability used to calculate the NPL was determined by an actuarial valuation performed as of June 30, 2023 rolled forward to the measurement date of June 30, 2024.

School Board Professional Plan (Cost-Sharing Plan)

At June 30, 2025, the School Board reported a liability for the professional plan of $29,728,422 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2023, and rolled forward to the measurement date of June 30, 2024. The School Board's proportion of the net pension liability was based on the School Board's actuarially determined employer contributions to the pension plan for the year ended June 30, 2024, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2024, the School Board's proportion was 0.31670% as compared to 0.31447% at June 30, 2023.

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

	Teacher Employee Retirement Plan
Total pension liability	$ 60,622,260
Plan fiduciary net position	51,235,326
Employers' net pension liability	$ 9,386,934
Plan fiduciary net position as a percentage of the total pension liability	84.52%

The total pension liability is calculated by the System's actuary, and each plan's fiduciary net position is reported in the System's financial statements. The net position 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.

Note 13. Pension Plan (Continued)

E. Actuarial Assumptions

County, Broadband Authority, and School Board Non-Professional Plans (Agent Plans)

General Employees

The total pension liability for General Employee's in the County's retirement plan and the total pension liability for the General Employees in the School Board non-professional retirement plan were based on an actuarial valuation as of June 30, 2023, using the Entry Age Normal Actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2024.

Inflation	2.50 %
Salary increases, including inflation	3.50% - 5.35%
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

Mortality Rates:	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.

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

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

Note 13. Pension Plan (Continued)

E. Actuarial Assumptions (Continued)

County Plan (Agent Plan) (Continued)

Public Safety Employees

The total pension liability for Public Safety employees with Hazardous Duty Benefits in the County and the School Board's retirement plan was based on an actuarial valuation as of June 30, 2023, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date as of June 30, 2024.

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

Mortality Rates:	45% of deaths are assumed to be service related.
Pre-retirement:	Pub-2010 Amount Weighted Safety Employee Rates projected generationally with a Modified MP-2020 Improvement Scale; 95% of rates for males; 105% of rates for females set forward 2 years.
Post-retirement:	Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally with a Modified MP-2020 Improvement Scale; 110% of rates for males; 105% of rates for females set forward 3 years.
Post-disablement:	Pub-2010 Amount Weighted General Disabled Rates projected generationally with a Modified MP-2020 Improvement Scale; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years.
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 Improvements	Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

Note 13. Pension Plan (Continued)

E. Actuarial Assumptions (Continued)

County Plan (Agent Plan) (Continued)

***Public Safety Employees* (Continued)**

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

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

School Board Professional Plan (Cost-Sharing Plan)

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

Inflation	2.50%
Salary increases, including inflation	3.50% - 5.95%
Investment rate of return	6.75%, net of pension plan investment expense, 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 Improvements	Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

Note 13. Pension Plan (Continued)

E. Actuarial Assumptions (Continued)

School Board Professional Plan (Cost-Sharing Plan) (Continued)

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

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

Note 13. Pension Plan (Continued)

F. Long-Term Expected Rate of Return

County, Broadband Authority, and School Board Non-Professional Plans (Agent Plans) and School Board Professional Plan (Cost-Sharing Plan)

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 estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

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

*The above allocation provides a one-year expected return of 7.07% (includes 2.50% inflation assumption). However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 7.10%, including expected inflation of 2.50%. On June 15, 2023, the VRS Board elected a long-term rate of 6.75% which is roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.50%.

Note 13. Pension Plan (Continued)

G. Discount Rate

County, Broadband Authority, and School Board Non-Professional Plans (Agent Plans)

The discount rate used to measure the total pension liabilities was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. For the year ended June 30, 2024 the employer contribution rate is 100% of the actuarially determined employer contribution rate from the June 30, 2023 actuarial valuations. From July 1, 2024 on, participating employers are assumed to continue to contribute 100 percent 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 liabilities.

School Board Professional Plan (Cost-Sharing Plan)

The discount rate used to measure the total pension liabilities was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS 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. Through the fiscal year ended June 30, 2024, the rate contributed by the employer for the County and the School Board's retirement plans will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 112 percent of the actuarially determined contribution rate. From July 1, 2024 on, participating employers are assumed to contribute 100 percent 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 liabilities.

Note 13. Pension Plan (Continued)

H. Changes in the Net Pension Liability (Asset)

County (Agent Plan)

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balances at June 30, 2023	$ 50,852,964	$ 51,490,485	$ (637,521)
Changes for the year:			
Service cost	1,878,477	-	1,878,477
Interest	3,465,349	-	3,465,349
Difference between expected and actual experience	1,515,134	-	1,515,134
Contributions – employer	-	1,471,443	(1,471,443)
Contributions – employee	-	816,697	(816,697)
Net investment income	-	4,986,895	(4,986,895)
Benefit payments, including refunds of employee contributions	(2,785,871)	(2,785,871)	-
Administrative expense	-	(31,571)	31,571
Other changes	-	1,100	(1,100)
Net changes	4,073,089	4,458,693	(385,604)
Balances at June 30, 2024	$ 54,926,053	$ 55,949,178	$ (1,023,125)

Note 13. Pension Plan (Continued)

H. Changes in the Net Pension Liability (Asset) (Continued)

School Board Non-Professional (Agent Plan)

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balances at June 30, 2023	$ 12,036,183	$ 12,904,727	$ (868,544)
Changes for the year:			
Service cost	322,727	-	322,727
Interest	806,708	-	806,708
Difference between expected and actual experience	328,385	-	328,385
Contributions – employer	-	66,593	(66,593)
Contributions – employee	-	190,656	(190,656)
Net investment income	-	1,232,666	(1,232,666)
Benefit payments, including refunds of employee contributions	(815,354)	(815,354)	-
Administrative expense	-	(8,568)	8,568
Other changes	-	240	(240)
Net changes	642,466	666,233	(23,767)
Balances at June 30, 2024	$ 12,678,649	$ 13,570,960	$ (892,311)

Broadband Authority (Agent Plan)

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balances at June 30, 2023	$ 132,129	$ 176,607	$ (44,478)
Changes for the year:			
Service cost	46,719	-	46,719
Interest	11,396	-	11,396
Difference between expected and actual experience	(65,458)	-	(65,458)
Contributions – employer	-	42,688	(42,688)
Contributions – employee	-	41,609	(41,609)
Refunds of contributions	(20,035)	(20,035)	-
Net investment income	-	20,364	(20,364)
Administrative expense	-	6	(6)
Other changes	-	10	(10)
Net changes	(27,378)	84,642	(112,020)
Balances at June 30, 2024	$ 104,751	$ 261,249	$ (156,498)

Note 13. Pension Plan (Continued)

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

County, Broadband Authority, and School Board Non-Professional Plans (Agent Plans) and School Board Professional Plan (Cost-Sharing Plan)

The following presents the net pension liabilities (asset) of the County, the Broadband Authority, the School Board non-professional plan and the School Board professional plan, using the discount rate of 6.75%, as well as what the County, the Broadband Authority, the School Board non-professional plan and the School Board professional plan's net pension liabilities would be if they were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
County net pension liability (asset)	$ 6,365,627	$ (1,023,125)	$ (7,016,210)
School Board's non-professional net pension liability (asset)	540,316	(892,311)	(2,086,034)
School Board professional net pension liability	55,229,581	29,728,422	8,843,784
Broadband Authority net pension liability (asset)	(142,090)	(156,498)	(166,694)

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

County (Agent Plan)

For the year ended June 30, 2025, the County recognized pension expense of $547,312. At June 30, 2025, the County also reported deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,104,600	$ (32,170)
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	(1,403,877)
Employer contributions subsequent to the measurement date	1,738,164	-
Total	$ 2,842,764	$ (1,436,047)

Note 13. Pension Plan (Continued)

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

The $1,738,164 reported as deferred outflows of resources related to pensions resulting from the County's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Amount
2026	$ (641,249)
2027	888,722
2028	(273,098)
2029	(305,822)
	$ (331,447)

School Board Non-Professional (Agent Plan)

For the year ended June 30, 2025, School Board recognized pension expense related to its non-professional plan of $396,777. At June 30, 2025, the School Board also reported deferred outflows of resources and deferred inflows of resources related to its non-professional plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 216,561	$ -
Net difference between projected and actual earnings on pension plan investments	-	(367,968)
Employer contributions subsequent to the measurement date	183,059	-
Total	$ 399,620	$ (367,968)

The $183,059 reported as deferred outflows of resources related to pensions resulting from the School Board non-professional plan's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2026. Other amounts reported as deferred inflows of resources related to pensions for the School Board non-professional plan will be recognized in pension expense (benefit) as follows:

Year Ending June 30,	Amount
2026	$ (131,981)
2027	125,653
2028	(68,937)
2029	(76,142)
	$ (151,407)

Note 13. Pension Plan (Continued)

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

School Board Professional (Cost-Sharing Plan)

For the year ended June 30, 2025, the School Board recognized pension expense related to the professional plan of $2,733,578. 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.

At June 30, 2025, the School Board reported deferred outflows of resources and deferred inflows of resources related to pensions for the professional plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in proportion and difference between employer contributions and proportionate share of contributions	$ 521,307	$ (375,903)
Differences between expected and actual experience	5,157,462	(612,129)
Changes in assumptions	539,611	-
Net difference between projected and actual earnings on pension plan investments	-	(4,092,135)
Employer contributions subsequent to the measurement date	5,205,816	-
Total	$ 11,424,196	$ (5,080,167)

The $5,205,816 reported as deferred outflows of resources related to pensions resulting from the School Board contributions for the professional plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Amount
2026	$ (1,867,411)
2027	2,729,613
2028	613,633
2029	(337,622)
	$ 1,138,213

Note 13. Pension Plan (Continued)

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

Broadband Authority (Agent Plan)

For the year ended June 30, 2025, the Authority recognized pension expense of $(17,843). At June 30, 2025, the Authority also reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	$ 1,906	$ (50,954)
Employer contributions subsequent to the measurement date	18,646	-
Total	$ 20,552	$ (50,954)

The $5,477 reported as deferred outflows of resources related to pensions resulting from the Authority's contributions subsequent to the measurement date will be recognized as a reduction of the net pension asset in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Amount
2026	$ (20,243)
2027	(20,243)
2028	(7,308)
2029	(1,254)
	$ (49,048)

K. Pension Plan Data

Detailed information about the pension plans is also available in the separately issued VRS 2024 Annual (ACFR). A copy of the 2024 VRS ACFR may be downloaded from the VRS website at varetire.org/media/shared/pdf/publications/2024-annual-report.pdf or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, Virginia 23218-2500.

Note 14. Other Postemployment Benefits

1. Medical Insurance Program

A. Plan Description

County and the School Board

The County's and the School Board's defined benefit other postemployment benefit (OPEB) – medical insurance plan provides OPEB for all permanent full-time general and public safety employees of the County and the School Board. The plan was established by the County's Board of Supervisors, and any amendments to the plan must be approved by the Board of Supervisors. This plan is a single-employer defined benefit OPEB plan administered by the County and School Board, respectively. No assets are accumulated in a trust that meets the criteria in paragraph four of GASB Statement No. 75. This plan does not issue stand-alone financial reports.

Employees of Orange County and Orange County Public Schools are eligible to participate in the County's OPEB plan. In order to receive plan benefits upon retirement, the employee must retire directly from active service and meet one of the following Virginia Retirement System (VRS) retirement eligibility requirements:

MEDICAL INSURANCE PROGRAM PLAN PROVISIONS
General Employees Plan 1 Plan 1 includes all members vested as of January 1, 2013. • Attain age 50 with at least 10 years of service with VRS for a reduced pension benefit, or • Attain age 55 with at least 5 years of service with VRS for a reduced pension benefit, or • Attain age 65 with at least 5 years of service with VRS for an unreduced pension benefit, or • Attain age 50 with at least 30 years of service with VRS for an unreduced pension benefit.
General Employees Plan 2 and Hybrid Plan Plan 2 includes all members not vested as of January 1, 2013, and members hired on or after July 1, 2010. The Hybrid Plan includes members hired on or after January 1, 2014 or by member election. • Attain age 60 with at least 5 years of service with VRS for a reduced pension benefit, or • Attain 90 points (age plus service) with VRS for an unreduced pension benefit, or • Attain Social Security Normal Retirement Age with at least 5 years of service with VRS for an unreduced pension benefit.
Public Safety Employees Plan 1 and Plan 2 Plan 1 includes members hired prior to January 1, 2014, while Plan 2 includes members hired on or after January 1, 2014. There is no Hybrid Plan for Virginia Law Officers. • Attain age 50 with at least 5 years of service with VRS for a reduced pension benefit, or • Attain age 60 with at least 5 years of service with VRS for an unreduced pension benefit, or • Attain age 50 with at least 25 years of service with VRS for an unreduced pension benefit. Health benefits include medical, dental, and vision. Retirees eligible for Medicare are permitted to continue coverage through one of the County's health plan offerings as a supplement to Medicare benefits.

Note 14. Other Postemployment Benefits (Continued)

1. Medical Insurance Program

A. Plan Description (Continued)

County and the School Board (Continued)

MEDICAL INSURANCE PROGRAM PLAN PROVISIONS (Continued)
Health Plan Benefits Retirees and eligible spouses/dependents are eligible for coverage.
Retiree and Employer Contributions Retirees contribute 100% of the premium for retiree and spouse/dependent coverage.
Disability Retirement Benefit Disabled retirees must meet the same age and service requirements as other retirees in order to be eligible for benefits. Disabled retirees are eligible for the same benefits as other retirees.
Benefit Service Benefit service is credited from the date of hire with the County or School Board.
Line of Duty Act Benefits Public safety employees who become disabled or die in the line of duty are eligible for benefits under the Line of Duty Act. The County insures this benefit through the VACORP Group Self Insurance Program, which pays for all Line of Duty Act benefits. Therefore, there is no GASB 75 liability for the County.

B. Employees Covered by Benefit Terms

At June 30, 2025, the following employees were covered by the benefit terms:

County and School Board

	County	School Board
Inactive employees or beneficiaries currently receiving benefit payments	6	24
Active employees	294	676
Total	300	700

Note 14. Other Postemployment Benefits (Continued)

1. Medical Insurance Program

C. Total Medical Insurance Program OPEB Liability

County and School Board

The County and the School Board's total Medical Insurance OPEB liability of $3,569,102 was measured as of June 30, 2025, and was determined by an actuarial valuation as of July 1, 2024.

The County Medical Insurance OPEB plan includes employees of the Orange County Broadband Authority for the purpose of determining the actuarial valuation for postemployment retirement liability. The actuarial valuation cannot be determined for the Authority's employees separately from the County's employees.

D. Actuarial Assumptions and Other Inputs

County and the School Board

The total Medical Insurance Program OPEB liabilities were based on an actuarial valuation as of July 1, 2024 using the Entry Age Normal actuarial cost method and the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	3.50%-5.95%
Discount rate	5.20%
Healthcare cost trend rates	The healthcare trend assumption used in this valuation (which covers medical, dental, and vision) is based on long-term healthcare trend rates generated by the Getzen Trend Model. Inputs to the model are consistent with other assumptions used in the valuation. These rates ranged from 3.90% to 6.30%.

The discount rate was based on the Bond Buyer 20-Year Bond GO Index as of the measurement date.

Note 14. Other Postemployment Benefits (Continued)

1. Medical Insurance Program

D. Actuarial Assumptions and Other Inputs (Continued)

Mortality Rates

The following mortality assumptions were chosen to match the mortality assumptions used in the June 30, 2020 Annual Financial Statement for the Virginia Retirement System.

Pre-Retirement: For General Employees: Pub-2010 Amount Weighted General Employee Rates projected generationally; females set forward 2 years. Base rates are shown below. Base rates are projected generationally with a Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates. 25% of deaths are assumed to be service-related. For Public Safety Employees: Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years. Base rates are shown below. Base rates are projected generationally with a Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates. 35% of deaths are assumed to be service-related. For Teachers: Pub-2010 Amount Weighted Teachers Employee Rates projected generationally; 110% of rates for males. Base rates are shown below. Base rates are projected generationally with a Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates. 5% of deaths are assumed to be service-related.

Post-Retirement: For General Employees: Pub-2010 Amount Weighted General Healthy Retiree Rates projected generationally; 110% of rates for females. Base rates are shown below. Base rates are projected generationally with a Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates. For Public Safety Employees: Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years. Base rates are shown below. Base rates are projected generationally with a Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates. For Teachers: Pub-2010 Amount Weighted Teachers Healthy Retiree Rates projected generationally; males set forward 1 year; 105% of rates for females. Base rates are shown below. Base rates are projected generationally with a Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

Post-Disablement: For General Employees: Pub-2010 Amount Weighted General Disabled Rates projected generationally; males and females set forward 3 years. Base rates are shown below. Base rates are projected generationally with a Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates. For Public Safety Employees: 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. Base rates are shown below. Base rates are projected generationally with a Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates. For Teachers: Pub-2010 Amount Weighted Teachers Disabled Rates projected generationally; 110% of rates for males and females. Base rates are shown below. Base rates are projected generationally with a Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

Note 14. Other Postemployment Benefits (Continued)

1. Medical Insurance Program

E. Changes in the Total Medical Insurance OPEB Liability

County and the School Board

	County	School Board	Total OPEB Liability
Balance at June 30, 2024	$ 1,533,544	$ 4,197,510	5,731,054
			-
Changes for the year:			-
Service cost	79,106	195,439	274,545
Interest	62,517	169,438	231,955
Economic/demographic gains or losses	(228,218)	(1,781,858)	(2,010,076)
Changes in assumptions or other inputs	(178,684)	(229,238)	(407,922)
Benefit payments	(44,190)	(164,706)	(208,896)
Net changes	(309,469)	(1,810,925)	(2,120,394)
Balance at June 30, 2025	$ 1,224,075	$ 2,386,585	$ 3,610,660

Changes of assumptions and other inputs reflect a change in the discount rate from 3.93% in 2024 to 5.20% in 2025.

F. Sensitivity of the Total Medical Insurance OPEB Liabilities to Changes in the Discount Rate

The following presents the total OPEB liabilities of the County and the School Board calculated using the stated discount rate, as well as what the County and the School Board's total Medical Insurance OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.20%) or 1-percentage-point higher (6.20%) than the current discount rate:

	1% Decrease (4.20%)	Current Discount Rate (5.20%)	1% Increase (6.20%)
County	$ 1,355,102	$ 1,224,075	$ 1,110,012
School Board	2,549,763	2,386,585	2,233,849
Total OPEB liability	$ 3,904,865	$ 3,610,660	$ 3,343,861

Note 14. Other Postemployment Benefits (Continued)

1. Medical Insurance Program

G. Sensitivity of the Total Medical Insurance OPEB Liabilities to Changes in Healthcare Cost Trend Rate

The following represents the total Medical Insurance OPEB liabilities of the County and the District and the School Board calculated using the stated discount rate, as well as what the County and the District's and the School Board's total Medical Insurance OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease	Current Trend Rate	1% Increase
County	$ 1,080,035	$ 1,224,075	$ 1,394,706
School Board	2,152,057	2,386,585	2,657,926
Total OPEB liability	$ 3,232,092	$ 3,610,660	$ 4,052,632

H. Medical Insurance OPEB Expense and Deferred Outflows of Resources and Inflows of Resources Related to Medical Insurance OPEB

For the year ended June 30, 2025, the County and the School Board recognized Medical Insurance OPEB expense of $30,268 and $53,666, respectively.

County and the School Board

At June 30, 2025, the County and the School Board reported deferred outflows of resources and deferred inflows of resources related to the Medical Insurance OPEB from the following sources:

	County		School Board		Total	
	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	$ -	$ (303,596)	$ 316,333	$ (1,872,072)	$ 316,333	$ (2,175,668)
Change in assumptions	102,579	(343,836)	578,405	(603,620)	680,984	(947,456)
Total	$ 102,579	$ (647,432)	$ 894,738	$ (2,475,692)	$ 997,317	$ (3,123,124)

Amounts reported as deferred inflows of resources related to the Medical Insurance OPEB will be recognized in the Medical Insurance OPEB expense in future reporting periods as follows:

Year Ending June 30,	County	School Board	Total Amount
2026	$ (111,355)	$ (311,211)	$ (422,566)
2027	(111,355)	(311,211)	(422,566)
2028	(111,355)	(311,211)	(422,566)
2029	(109,925)	(315,423)	(425,348)
2030	(88,509)	(301,752)	(390,261)
Thereafter	(12,354)	(30,146)	(42,500)
Total	$ (544,853)	$ (1,580,954)	$ (2,125,807)

Note 14. Other Postemployment Benefits (Continued)

2. Group Life Insurance Program

A. Plan Description

All full-time, salaried permanent employees of the County, the Broadband Authority, and the School Board non-professional and the School Board professional employees are automatically covered by the VRS Group Life Insurance Program (GLI) upon employment. This plan is 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. For members who elect the optional GLI coverage, the insurer bills employers directly for the premiums. Employers deduct these premiums from the members' paychecks and pay the premiums to the insurer. Since this is a separate and fully insured program, it is not included as part of the GLI OPEB.

The specific information for GLI OPEB, including eligibility, coverage and benefits is set out in the table below:

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

Benefit Amounts
The benefits payable under the GLI have several components.
• Natural Death Benefit: The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled.
• Accidental Death Benefit: The accidental death benefit is double the natural death benefit.
• Other Benefit Provisions: In addition to the basic natural and accidental death benefits, the program provides additional benefits provided under specific circumstances. These include:
  o Accidental dismemberment benefit
  o Seat belt benefit
  o Repatriation benefit
  o Felonious assault benefit
  o Accelerated death benefit option

Reduction in Benefit Amounts The benefit amounts provided to members covered under the GLI 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.
Minimum Benefit Amount and Cost-of-Living Adjustment (COLA) For covered members with at least 30 years of service credit, there is a minimum benefit payable under GLI. The minimum benefit was set at $8,000 by statute in 2015. This will be increased annually based on the VRS Plan 2 cost-of-living adjustment calculation. The minimum benefit adjusted for the COLA was $9,532 as of June 30, 2025.

Note 14. Other Postemployment Benefits (Continued)

2. Group Life Insurance Program

B. Contributions

The contribution requirements for the GLI are governed by Sections 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 was 1.18% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.71% (1.18% X 60%) and the employer component was 0.47% (1.18% X 40%). Employers may elect to pay all or part of the employee contribution, however, the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2025 was 0.47% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the GLI from the participating employers for the years ended June 30, 2025 and June 30, 2024 were as follows:

	2025	2024
County	**$ 89,872**	$ 93,082
School Board Non-Professional	**21,618**	23,827
School Board Professional	**172,184**	183,520
Broadband Authority	**5,477**	5,668

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

At June 30, 2025, the participating employers' reported liabilities for its proportionate share of the net GLI OPEB liability as follows:

	Amount
County	$ 749,118
School Board Non-Professional	191,715
School Board Professional	1,477,034
Broadband Authority	45,195

Note 14. Other Postemployment Benefits (Continued)

2. Group Life Insurance Program

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

The net GLI OPEB liability was measured as of June 30, 2024 and the total GLI OPEB liability used to calculate the net GLI OPEB liability was determined by an actuarial valuation performed as of June 30, 2023, and rolled forward to the measurement date of June 30, 2024. The covered employers' proportion of the net GLI OPEB liability was based on the covered employer's actuarially determined employer contributions to the GLI for the year ended June 30, 2024, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2024, comparisons of the participating employers' proportions to June 30, 2023 are as follows:

	2024	2023
County	0.06713%	0.06661%
School Board Non-Professional	0.01718%	0.01635%
School Board Professional	0.13236%	0.13382%
Broadband Authority	0.00405%	0.00395%

For the year ended June 30, 2025, the County, Broadband Authority, School Board non-professional, and School Board professional employees recognized GLI OPEB expense of $46,300, $10,535, $6,164, and $14,176, respectively. Since there was a change in the proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

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

County

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 118,153	$ (18,298)
Net difference between projected and actual earnings on GLI OPEB program investments	-	(63,143)
Change in assumptions	4,270	(37,125)
Changes in proportionate share	82,515	(1,594)
Employer contributions subsequent to the measurement date	89,872	-
Total	$ 294,810	$ (120,160)

Note 14. Other Postemployment Benefits (Continued)
2. Group Life Insurance Program

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

The $89,872 reported as deferred outflows of resources related to the GLI OPEB resulting from the employer's contributions subsequent to the measurement date will be recognized as a reduction of the net GLI OPEB liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

Year Ending June 30,	Amount
2026	$ (8,261)
2027	36,800
2028	19,298
2029	24,360
2030	12,581
Total	$ 84,778

School Board Non-Professional Plan

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 30,238	$ (4,683)
Net difference between projected and actual earnings on GLI OPEB program investments	-	(16,160)
Change in assumptions	1,093	(9,501)
Changes in proportionate share	21,402	(8,071)
Employer contributions subsequent to the measurement date	21,618	-
Total	$ 74,351	$ (38,415)

The $21,618 reported as deferred outflows of resources related to the GLI OPEB resulting from the employer's contributions subsequent to the measurement date will be recognized as a reduction of the net GLI OPEB liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

Year Ending June 30,	Amount
2026	$ (6,793)
2027	6,226
2028	6,511
2029	3,893
2030	4,481
Total	$ 14,318

Note 14. Other Postemployment Benefits (Continued)
2. Group Life Insurance Program

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

School Board Professional Plan

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 232,962	$ (36,079)
Net difference between projected and actual earnings on GLI OPEB program investments	-	(124,499)
Change in assumptions	8,419	(73,199)
Changes in proportionate share	24,862	(56,275)
Employer contributions subsequent to the measurement date	172,184	-
Total	$ 438,427	$ (290,052)

The $172,184 reported as deferred outflows of resources related to the GLI OPEB resulting from the employer's contributions subsequent to the measurement date will be recognized as a reduction of the net GLI OPEB liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

Year Ending June 30,	Amount
2026	$ (79,932)
2027	20,496
2028	5,502
2029	9,831
2030	20,294
Total	$ (23,809)

Note 14. Other Postemployment Benefits (Continued)
2. Group Life Insurance Program

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

Broadband Authority

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 7,128	$ (1,104)
Net difference between projected and actual earnings on GLI OPEB program investments	-	(3,809)
Change in assumptions	258	(2,240)
Changes in proportionate share	30,112	(27)
Employer contribution subsequent to the measurement date	5,477	-
Total	$ 42,975	$ (7,180)

The $5,477 reported as deferred outflows of resources related to the GLI OPEB resulting from the employer's contributions subsequent to the measurement date will be recognized as a reduction of the net GLI OPEB Liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

Year Ending June 30,	Amount
2026	$ 7,441
2027	10,253
2028	9,381
2029	2,357
2030	886
Total	$ 30,318

D. Actuarial Assumptions

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

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

Note 14. Other Postemployment Benefits (Continued)
2. Group Life Insurance Program

D. Actuarial Assumptions (Continued)

School Board Professional Plan

Mortality Rates – Teachers

Pre-Retirement: RP-2014 White Collar Employee Rates to age 80, White Collar Healthy Annuitant Rates at ages 81 and older projected with scale BB to 2020.

Post-Retirement: RP-2014 White Collar Employee Rates to age 49, White Collar Health Annuitant Rates at ages 50 and older projected with scale BB to 2020; males 1% increase compounded from ages 70 to 90; females set back three years with 1.5% increase compounded from ages 65 to 70 and 2.0% increase compounded from ages 75 to 90.

Post-Disablement: RP-2014 Disability Mortality Rates projected with Scale BB to 2020; 115% of rates for males and females.

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 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 nine years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

County, Broadband Authority, and School Board Non-Professional Plans

Mortality Rates – General Employees

Pre-retirement: Pub-2010 Amount Weighted General 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.

Note 14. Other Postemployment Benefits (Continued)
2. Group Life Insurance Program

D. Actuarial Assumptions (Continued)

County, Broadband Authority, and School Board Non-Professional Plans (Continued)

***Mortality Rates – General Employees* (Continued)**

Post-disablement:	Pub-2010 Amount Weighted General Disabled Rates projected generationally; 110% of rates for males set forward 3 years; 110% of rates for females set forward 2 years.
Beneficiaries and Survivors	Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally.
Mortality Improvement Scale	Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

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

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

Mortality Rates – Hazardous Duty Employees

Pre-retirement:	Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years.
Post-retirement:	Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years.
Post-disablement:	Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years.

Note 14. Other Postemployment Benefits (Continued)
2. Group Life Insurance Program

D. Actuarial Assumptions (Continued)

County, Broadband Authority, and School Board Non-Professional Plans (Continued)

***Mortality Rates – Hazardous Duty Employees* (Continued)**

Beneficiaries and Survivors	Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years.
Mortality Improvement Scale	Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to PUB-2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates and changed from rates based on age and services 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

E. Net GLI OPEB Liability

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

	Group Life Insurance OPEB Program
Total GLI OPEB liability	$ 4,196,055
Plan fiduciary net position	3,080,133
GLI Net OPEB liability	$ 1,115,922
Plan fiduciary net position as a percentage of the total GLI OPEB liability	73.41%

Note 14. Other Postemployment Benefits (Continued)
2. Group Life Insurance Program

E. Net GLI OPEB Liability (Continued)

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

F. Long-Term Expected Rate of Return

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

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

* The above allocation provides a one-year expected return of 7.07% (includes 2.50% inflation assumption). However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 7.10%, including expected inflation of 2.50%. On June 15, 2023, the VRS Board elected a long-term rate of 6.75% which is roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.50%.

Note 14. Other Postemployment Benefits (Continued)

2. Group Life Insurance Program

G. Discount Rate

County, Broadband Authority, and School Board Non-Professional Plans

The discount rate used to measure the total GLI OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made per the VRS guidance and the employer contributions will be made in accordance with the VRS funding policy and at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ended June 30, 2024, the rate contributed by the participating employers for the GLI OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 100 percent of the actuarially determined contribution rate. From July 1, 2024 on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the GLI OPEB's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total GLI OPEB liability.

School Board Professional Plan

The discount rate used to measure the total GLI OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made per the VRS guidance and the employer contributions will be made in accordance with the VRS funding policy and at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ending June 30, 2024, the rate contributed by the participating employers for the GLI OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly. From July 1, 2024 on, employers are assumed 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.

H. Sensitivity of the Participating Employers' Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following presents the participating employers' proportionate share of the net GLI OPEB liability using the discount rate of 6.75%, as well as what the participating employers' 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:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
County	$ 1,164,977	$ 749,118	$ 413,160
School Board Non-Professional	298,142	191,715	105,736
School Board Professional	2,296,980	1,477,034	814,626
Broadband Authority	70,284	45,195	24,926

Note 14. Other Postemployment Benefits (Continued)

2. Group Life Insurance Program

I. GLI Fiduciary Net Position

Detailed information about the GLI's fiduciary net position is available in the separately issued VRS 2024 Annual Report (ACFR). A copy of the 2024 VRS ACFR may be downloaded from the VRS website at varetire.org/Pdf/Publications/2024-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, Virginia, 23218-2500.

3. Health Insurance Credit Program

A. Plan Description

The County has two types of Health Insurance Credit Program (HIC) OPEB plans. A single-employer plan for political subdivisions (School Board non-professional plan) and a cost-sharing employer plan for VRS teacher employees (School Board professional plan). For the School Board non-professional plan, all full-time, salaried permanent employees of participating political subdivisions are automatically covered by the VRS Political Subdivision Health Insurance Credit Program (HIC) upon employment. For the School Board professional Plan, all full-time, salaried permanent (professional) employees of public school divisions are automatically covered by the VRS Teacher Employee Health Insurance Credit Program. These plans are 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 health insurance credit is a tax-free reimbursement in an amount set by the General Assembly for each year of service credit against qualified health insurance premiums retirees pay for single coverage, excluding any portion covering the spouse or dependents. The credit cannot exceed the amount of the premiums and ends upon the retiree's death.

School Board Non-Professional Plan

The specific information about the School Board non-professional HIC, including eligibility, coverage and benefits is set out in the table below:

POLITICAL SUBDIVISION HIC PLAN PROVISIONS
Eligible Employees The Political Subdivision Retiree HIC was established July 1, 1993 for retired political subdivision employees of employers who elect the benefit and who retire with at least 15 years of service credit. Eligible employees are enrolled automatically upon employment. They include: • Full-time permanent salaried employees of the participating political subdivision who are covered under the VRS pension plan.
Benefit Amounts The political subdivision's Retiree HIC provides the following benefits for eligible employees: • At Retirement – 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. • Disability Retirement – 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.

Note 14. Other Postemployment Benefits (Continued)
3. Health Insurance Credit Program

A. Plan Description (Continued)

Health Insurance Credit Program Notes
- The monthly HIC benefit cannot exceed the individual premium amount
- No HIC for premiums paid and qualified under Line of Duty Act (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.

School Board Professional Plan

The specific information for the Teacher Employee HIC, including eligibility, coverage, and benefits is set out in the table below:

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

Benefit Amounts
The Teacher Employee Retiree HIC provides the following benefits for eligible employees:
• At Retirement – 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.
• Disability Retirement – for teacher and other professional school employees who retire on disability or go on long-term disability under the VLDP, the monthly benefit is either:
  o $4.00 per month, multiplied by twice the amount of service credit, or
  o $4.00 per month, multiplied by the amount of service earned had the employee been active until age 60, whichever is lower.

Health Insurance Credit Program 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.

Employees Covered by Benefit Terms of School Board Non-Professional Plan:

	Number
Inactive members or their beneficiaries currently receiving benefits	26
Inactive members:	
Vested	4
Active elsewhere in VRS	30
Active employees	136
Total covered employees	196

Note 14. Other Postemployment Benefits (Continued)

3. Health Insurance Credit Program

B. Contributions

The contribution requirement for active employees is governed by Section 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. Each school division's contractually required employer contribution rates for the School Board non-professional and School Board professional plans for the year ended June 30, 2025 was 0.94% and 1.21%, respectively, of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the HIC from the participating employers for the years ended June 30, 2025 and June 30, 2024 were as follows:

	2025	2024
School Board Professional	**$ 443,282**	$ 411,221
School Board Non-Professional	**43,235**	41,477

C. Net HIC OPEB Liability

School Board Non-Professional Plan

The School Board Non-Professional plan's net HIC OPEB liability was measured as of June 30, 2024. The total HIC OPEB liability was determined by an actuarial valuation performed as of June 30, 2023, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2024.

School Board Professional Plan

The net OPEB liability (NOL) for the Teacher Employee HIC represents the program's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of June 30, 2024, NOL amounts for the Teacher Employee HIC are as follows:

	Teacher Employee HIC OPEB Plan
Total teacher employee HIC OPEB liability	$ 1,478,105
Plan fiduciary net position	322,457
Teacher employee net HIC OPEB liability	$ 1,155,648
Plan fiduciary net position as a percentage of the total teacher employee HIC OPEB liability	21.82%

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

Note 14. Other Postemployment Benefits (Continued)

3. Health Insurance Credit Program

D. Actuarial Assumptions

School Board Non-Professional and School Board Professional Plans

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

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

School Board Non-Professional and School Board Professional Plans

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

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

School Board Non-Professional Plan

Mortality Rates – 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.

Note 14. Other Postemployment Benefits (Continued)
3. Health Insurance Credit Program

D. Actuarial Assumptions (Continued)

School Board Non-Professional Plan (Continued)

Mortality Rates – General Employees (Continued)

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 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 nine years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

School Board Professional Plan

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.

Note 14. Other Postemployment Benefits (Continued)
3. Health Insurance Credit Program

D. Actuarial Assumptions (Continued)

School Board Professional Plan (Continued)

Mortality Rates – Teachers (Continued)

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 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 year age and service decrement through nine years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

Note 14. Other Postemployment Benefits (Continued)
3. Health Insurance Credit Program

E. Long-Term Expected Rate of Return

School Board Non-Professional and School Board Professional Plans

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

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

* The above allocation provides a one-year expected return of 7.07% (includes 2.50% inflation assumption). However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 7.10%, including expected inflation of 2.50%. On June 15, 2023, the VRS Board elected a long-term rate of 6.75% which is roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.50%.

Note 14. Other Postemployment Benefits (Continued)
3. Health Insurance Credit Program

F. Discount Rate

School Board Non-Professional and School Board Professional Plans

The discount rate used to measure the total HIC OPEB was 6.75%. The projection of cash flows used to determine the discount rate assumed employer contributions will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ending June 30, 2024, the rate contributed by School Board non-professional and School Board professional plans for the HIC OPEB was 100% of the actuarially determined contribution rate. From July 1, 2024 on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the HIC OPEB plan'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.

G. Changes in Net HIC OPEB Liability

	Increase (Decrease)		
	Total HIC OPEB Liability	Plan Fiduciary Net Pension	Net HIC OPEB Liability
Balances at June 30, 2023	$ 184,580	$ 75,393	$ 109,187
Changes for the year:			
Service cost	3,073	-	3,073
Interest	12,341	-	12,341
Difference between expected and actual experience	(7,003)	-	(7,003)
Contributions – employer	-	41,477	(41,477)
Net investment income	-	9,104	(9,104)
Benefit payments, including refunds of employee contributions	(9,640)	(9,640)	-
Administrative expense	-	(137)	137
Net changes	(1,229)	40,804	(42,033)
Balances at June 30, 2024	$ 183,351	$ 116,197	$ 67,154

H. Sensitivity of the HIC Net OPEB Liabilities to Changes in the Discount Rate

School Board Non-Professional and School Board Professional Plans

The following presents the net HIC OPEB liability using the discount rate of 6.75%, as well as what the net HIC OPEB liabilities would be if they 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:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
School Board Professional	$ 4,168,964	$ 3,665,831	$ 3,239,380
School Board Non-Professional	87,066	67,154	50,285

Note 14. Other Postemployment Benefits (Continued)

3. Health Insurance Credit Program

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

School Board Non-Professional Plan

For the year ended June 30, 2024, the School Board non-professional plan recognized HIC OPEB expense of $(21,315). At June 30, 2024, the School Board non-professional plan reported deferred outflows of resources and deferred inflows of resources related to the HIC OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on HIC OPEB program investments	$ -	$ (85,450)
Change in assumptions	3,946	-
Net difference between projected and actual earnings on GLI OPEB program investments	-	(1,686)
Employer contributions subsequent to the measurement date	43,235	-
Total	$ 47,181	$ (87,136)

The $43,235 reported as deferred outflows of resources related to the HIC OPEB resulting from the school Board non-professional plan's contributions subsequent to the measurement date will be recognized as a reduction of the total HIC OPEB liability in the fiscal year ending June 30, 2026. No other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIC OPEB are reported until the second year of participation.

Year Ending June 30,	Amount
2026	$ (30,950)
2027	(31,817)
2028	(18,935)
2029	(1,488)
Total	$ (83,190)

School Board Professional Plan

At June 30, 2025, the School Board professional plan reported a liability of $3,665,831 for its proportionate share of the Teacher Employee HIC total OPEB liability. The total Teacher Employee HIC OPEB liability was measured as of June 30, 2024 and the total Teacher Employee HIC OPEB liability used to calculate the total Teacher Employee HIC OPEB liability was determined by an actuarial valuation performed as of June 30, 2023 and rolled forward to the measurement date of June 30, 2024. The School Board professional plan's proportion of the total Teacher Employee HIC OPEB liability was based on the School Board professional plan's actuarially determined employer contributions to the 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, 2024, the School Board professional plan's proportion of the Teacher Employee HIC was 0.31721% as compared to 0.31556% at June 30, 2023.

Note 14. Other Postemployment Benefits (Continued)

3. Health Insurance Credit Program

I. HIC OPEB Liabilities, HIC OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to HIC OPEB (Continued)

For the year ended June 30, 2025, the School Board professional plan recognized Teacher Employee HIC OPEB expense of $242,936. Since there was a change in proportionate share between measurement dates, a portion of the Teacher Employee HIC net OPEB expense was related to deferred amounts from changes in proportion.

At June 30, 2025, the School Board professional plan reported deferred outflows of resources and deferred inflows of resources related to the Teacher Employee HIC OPEB from the following sources (amounts expressed in the thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ (173,678)
Net difference between projected and actual earnings on HIC OPEB program investments	-	(13,039)
Change in assumptions	63,152	-
Changes in proportionate share	76,895	(102,723)
Employer contributions subsequent to the measurement date	443,282	-
Total	$ 583,329	$ (289,440)

The $443,282 reported as deferred outflows of resources related to the Teacher Employee HIC OPEB resulting from the School Board professional plan's contributions subsequent to the measurement date will be recognized as a reduction of the total Teacher Employee HIC OPEB liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred inflows of resources related to the HIC OPEB will be recognized in the HIC OPEB expense in future reporting periods as follows (amounts expressed in the thousands):

Year Ending June 30,	Amount
2026	$ (54,810)
2027	(33,477)
2028	(31,786)
2029	(15,984)
2030	(9,497)
Thereafter	(3,839)
Total	$ (149,393)

J. HIC Credit Program Plan Data

Information about the VRS Political Subdivision and Teacher Employee Health Insurance Credit Program is available in the separately issued VRS 2024 Annual Comprehensive Financial Report (ACFR). A copy of the 2024 VRS ACFR may be downloaded from the VRS website at varetire.org/Pdf/Publications/2024-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, Virginia, 23218-2500.

Note 15. Pension and Other Postemployment Benefits

Pension and other postemployment benefits (OPEB) are long-term liabilities created by a commitment to provide benefits to employees postemployment. The net pension liability and net OPEB liability are determined by an actuarial assessment and presented on the face of the financial statements. Amounts for deferred inflows and deferred outflows are also presented on the face of the financial statements. Details about the actuarial assessment and inflows and outflows are presented in the pension and OPEB note disclosures. Individual plan expenses are also presented in those notes. Aggregate amounts of the recognized pension expense and OPEB expense for the fiscal year ended June 30, 2025 are presented below.

Aggregate pension expense, liabilities (assets), deferred outflows, and deferred inflows recognized for the fiscal year ended June 30, 2025:

	Primary Government			Component Units			
	Governmental Activities	Business Type Activities	Totals	School Board Professional	School Board Non-Professional	Totals, net	Broadband Authority
Pension Expense	$ 507,006	$ 40,306	$ 547,312	$ 2,733,578	$ 396,777	$ 3,130,355	$ (17,843)
Net Pension Liability (Asset)	(999,400)	(23,725)	(1,023,125)	29,728,422	(892,311)	28,836,111	(156,498)
Deferred Inflows	1,402,747	33,300	1,436,047	5,080,167	367,968	5,448,135	50,954
Deferred Outflows	2,776,843	65,921	2,842,764	11,424,196	399,620	11,823,816	20,552

Aggregate other postemployment benefits expense recognized for the fiscal year ended June 30, 2025:

	Primary Government			Component Units			
	Governmental Activities	Business Type Activities	Totals	School Board Professional	School Board Non-Professional	Totals	Broadband Authority
Medical							
OPEB Expense	$ 29,239	$ 1,029	$ 30,268	$ 53,666	$ -	$ 53,666	$ -
Total OPEB Liability	1,182,517	41,558	1,224,075	2,386,585	-	2,386,585	-
Deferred Inflows	625,451	21,981	647,432	2,475,692	-	2,475,692	-
Deferred Outflows	99,096	3,483	102,579	894,738	-	894,738	-
GLI							
OPEB Expense	$ 46,300	$ 1,187	$ 47,487	$ 14,176	$ 6,164	$ 20,340	$ 10,535
Total OPEB Liability	731,584	17,534	749,118	1,477,034	191,715	1,668,749	45,195
Deferred Inflows	117,349	2,811	120,160	290,052	38,415	328,467	7,180
Deferred Outflows	287,887	6,923	294,810	438,427	74,351	512,778	42,975
HIC							
OPEB Expense	$ -	$ -	$ -	$ 242,936	$ (21,315)	$ 221,621	$ -
Total OPEB Liability	-	-	-	3,665,831	67,154	3,732,985	-
Deferred Inflows	-	-	-	289,440	87,136	376,576	-
Deferred Outflows	-	-	-	583,329	47,181	630,510	-
Total							
OPEB Expense	$ 75,539	$ 2,216	$ 77,755	$ 310,778	$ (15,151)	$ 295,627	$ 10,535
Total OPEB Liability	1,914,101	59,092	1,973,193	7,529,450	258,869	7,788,319	45,195
Deferred Inflows	742,800	24,792	767,592	3,055,184	125,551	3,180,735	7,180
Deferred Outflows	386,983	10,406	397,389	1,916,494	121,532	2,038,026	42,975

Note 16. Landfill Closure and Post-Closure Care Cost

Permit 90 – Closed Landfill

The County closed its former landfill in 2013. State and federal laws and regulations require the County to place a final cover and to perform certain maintenance and monitoring functions at the site for 30 years after closure. The cumulative amount of estimated post-closure care and corrective action costs for this site, less costs paid to date, totals $2,157,000. Actual costs may be higher due to inflation, changes in technology, changes in regulations, or other unforeseen circumstances. The County intends to fund these costs from funds accumulated for this purpose in the Landfill Fund as well as transfers from the General Fund.

Permit 566 – Open Landfill

The County owns and operates a landfill site from which it collects tipping fees based upon the source of the waste. The landfill began accepting waste in January 2013. State and federal laws will require the County to place a final cover on this site when it stops accepting waste and to perform maintenance and monitoring functions for 30 years after closure. Although closure and post-closure care costs are paid only near or after the date the landfill stops accepting waste, the County will report a portion of these closure and post-closure care costs as an operating expense in each period based on landfill capacity used. The $1,881,000 reported as landfill closure and post-closure liability as of June 30, 2025 represents the cumulative amount reported to date based on estimated use of approximately 89% of the estimated capacity of Cell #1 and approximately 29% of the estimated capacity of Cell #2, as well as anticipated future cells for closure costs, and use of approximately 11% of the estimated capacity of the entire landfill site for post-closure costs. The remaining estimated cost of closure and post-closure care of $1,046,315 will be recognized as remaining capacity is filled. Actual future costs may be higher due to inflation, changes in technology, changes in regulations, or other unforeseen circumstances.

Note 17. Commitments and Contingencies

Litigation

The County and School Board are potential defendants in litigation involving claims for damages of various types. Officials estimate that any ultimate liability not covered by insurance will have an immaterial effect on the financial statements.

Federal Grants

Under the terms of federal and state grants, periodic audits are required and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Such audits could lead to reimbursement to the grantor agencies. In the opinion of management, any future disallowances of current grant program expenditures, if any, would be immaterial.

Commitments

The County has entered into various construction contracts. Future amounts due under these agreements are approximately $1,591,612 for the County, $37,675 for the Economic Development Authority, and $309,229 for the Broadband Authority at year end.

Note 18. Risk Management

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

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

The County and School Board carry commercial insurance for all other risks of losses. Settled claims from these risks have not exceeded commercial coverage in any of the last three fiscal years.

The County and School Board are partially self-insured for health and dental insurance coverage for their respective employees, and account for the uninsured risks of loss within the Insurance Internal Service Fund. From the Insurance Internal Service Fund, the County pays up to the annual stop loss limit of $150,000 per person and purchase commercial insurance for claims in excess of such limits. The County makes payments to a claims service provider based on estimates of the amounts needed to pay prior-year and current-year claims in addition to the premiums for the stop loss coverage. Excess amounts accumulated are reserved for the possibility of future catastrophic losses.

Changes in the claims liability amount are shown below:

Fiscal Year Ended	Beginning Liability	Current Year Claims	Claim Payments	Ending Liability
June 30, 2025	$ 817,440	$ 12,203,653	$ 11,769,275	$ 1,251,818
June 30, 2024	737,215	8,755,323	8,675,098	817,440
June 30, 2023	963,970	7,338,628	7,565,383	737,215
June 30, 2022	893,231	7,684,429	7,613,690	963,970

Note 19. Fund Balances

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the County and School Board are bound to observe constraints imposed upon the use of the resources in the governmental funds. The constraints are presented below:

	General	Virginia Public Assistance	EMS & Fire	County Capital Projects	Other	Total
Nonspendable:						
Prepaid items	$ 50,000	$ -	$ -	$ -	$ -	$ 50,000
Total nonspendable	50,000	-	-	-	-	50,000
Restricted for:						
Capital Projects	-	-	-	3,811,708	-	3,811,708
Opioid funds	-	-	-	-	477,423	477,423
Judicial administration	-	-	-	-	27,842	27,842
Public safety	-	-	-	-	79,312	79,312
Public assistance	-	76,841	-	-	-	76,841
Total restricted	-	76,841	-	3,811,708	584,577	4,473,126
Assigned to:						
FY25 Orig Approp	3,310,138	-	-	-	-	3,310,138
Destroyed Livestock	9,364	-	-	-	-	9,364
Broadband	332,850	-	-	-	-	332,850
Capital Projects	-	-	-	5,050,487	-	5,050,487
FY24 Encumbrances	20,602	-	-	-	140,916	161,518
COVID-19	-	-	-	-	861,011	861,011
Total assigned	3,672,954	-	-	5,050,487	1,001,927	9,725,368
Unassigned	26,688,349	-	(216,980)	-	-	26,471,369
Total fund balance	$ 30,411,303	$ 76,841	$ (216,980)	$ 8,862,195	$ 1,586,504	$ 40,719,863

Note 20. Pending GASB Statements

At June 30, 2025, the Governmental Accounting Standards Board (GASB) had issued statements not yet implemented by the County. The statements which might impact the County are as follows:

GASB 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. Statement 103 will be effective for fiscal years beginning after June 15, 2025.

GASB Statement No. 104, *Disclosures of Certain Capital Assets*, objective is to provide users of government financial statements with essential information about certain types of capital assets. This statement requires certain types of capital assets to be disclosed separately in the capital assets not disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnership and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset in capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription-Based Information Technology Arrangements*, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. Statement 104 will be effective for fiscal years beginning after June 15, 2025.

GASB Statement No. 105, *Subsequent Events*, improves the financial reporting requirements for subsequent events by defining subsequent events as transactions or other events that occur after the date of the financial statements but before the date the financial statements are available to be issued. This Statement describes the date the financial statements are available to be issued as the date at which (1) the financial statements are complete in a form and format that complies with generally accepted accounting principles and (2) approvals necessary for issuance have been obtained. That definition modifies the subsequent events time frame throughout the GASB literature. This Statement also requires the date through which subsequent events have been evaluated to be disclosed. Statement 105 will be effective for fiscal years beginning after June 15, 2026.

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

Note 21. Change in Accounting Principle

In fiscal year 2025, the Authority implemented GASB Statement No. 101, *Compensated Absences*, as a change in accounting principle. Statement No. 101 requires recognizing a liability for compensated absences, including certain amounts not previously accrued, and related salary-based payments. The standard has been applied retroactively, resulting in a restatement of beginning net position as of July 1, 2024 as shown below.

	Governmental Activities	Business-Type Activities	School Board Component Unit	Airport Fund	Landfill Fund	Broadband Authority
Net position, as previously reported	$ 49,628,280	12,725,883	49,253,953	9,875,201	2,850,682	15,536,745
Implementation of GASB Statement No. 101, *Compensated Absences*	(873,168)	(32,879)	(1,928,706)	(1,376)	(31,503)	(18,321)
Net position, as restated	$ 48,755,112	$ 12,693,004	$ 47,325,247	$ 9,873,825	$ 2,819,179	$ 15,518,424

REQUIRED SUPPLEMENTARY INFORMATION

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 12

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND
Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Over
	Original	Final	Amounts	(Under)
Revenues:				
General property taxes	$ 48,929,787	$ 48,929,787	$ 47,743,634	$ (1,186,153)
Other local taxes	10,281,382	10,281,382	10,362,426	81,044
Permits, privilege fees and regulatory licenses	807,015	807,015	1,201,814	394,799
Fines and forfeitures	103,242	103,242	109,700	6,458
Use of money and property	1,254,560	1,254,560	1,814,473	559,913
Charges for services	1,004,797	1,014,616	945,927	(68,689)
Miscellaneous	216,000	538,629	922,051	383,422
Recovered costs	2,362,967	2,480,507	2,490,584	10,077
Intergovernmental:				
Commonwealth	9,674,130	14,636,663	11,838,777	(2,797,886)
Federal	170,256	659,767	320,898	(338,869)
Total revenues	74,804,136	80,706,168	77,750,284	(2,955,884)
Expenditures:				
Current:				
General government administration	7,078,918	7,876,035	6,850,835	(1,025,200)
Judicial administration	1,910,619	2,623,071	2,214,622	(408,449)
Public safety	12,312,215	12,839,942	12,055,117	(784,825)
Public works	2,135,943	2,196,097	1,902,242	(293,855)
Health and human services	6,398,075	8,125,021	7,751,199	(373,822)
Education	27,248,882	28,183,680	27,175,692	(1,007,988)
Parks, recreation and cultural	2,328,331	2,380,401	2,206,664	(173,737)
Community development	2,597,449	6,519,813	3,977,314	(2,542,499)
Nondepartmental	75,924	12,924	208,922	195,998
Capital outlay	-	-	29,975	29,975
Debt service:				
Principal	-	-	98,421	98,421
Interest and fiscal charges	-	-	13,107	13,107
Total expenditures	62,086,356	70,756,984	64,484,110	(6,272,874)
Excess of revenues over expenditures	12,717,780	9,949,184	13,266,174	3,316,990
Other financing sources (uses):				
Transfers in	126,178	137,674	144,646	6,972
Transfers out	(16,386,417)	(16,488,777)	(16,116,084)	372,693
Issuance of subscription	-	-	29,975	29,975
Total other financing uses, net	(16,260,239)	(16,351,103)	(15,941,463)	409,640
Net change in fund balance	(3,542,459)	(6,401,919)	(2,675,289)	3,726,630
Fund balance, beginning	33,086,592	33,086,592	33,086,592	-
Fund balance, ending	$ 29,544,133	$ 26,684,673	$ 30,411,303	$ 3,726,630

Note to Schedule:

(1) Budget is adopted each fiscal year on a basis consistent with Generally Accepted Accounting Principles.

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 13

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – VIRGINIA PUBLIC ASSISTANCE FUND
Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Over
	Original	Final	Amounts	(Under)
Revenues:				
Recovered Costs	$ -	$ 345	$ -	$ (345)
Intergovernmental:				
Commonwealth	1,292,477	1,292,477	1,031,955	(260,522)
Federal	2,297,736	2,297,736	2,322,601	24,865
Total revenues	3,590,213	3,590,558	3,354,556	(236,002)
Expenditures:				
Current:				
Health and human services	5,631,950	5,632,295	5,072,303	(559,992)
Total expenditures	5,631,950	5,632,295	5,072,303	(559,992)
Deficiency of revenues under expenditures	(2,041,737)	(2,041,737)	(1,717,747)	323,990
Other financing sources:				
Transfers in	2,041,737	2,041,737	1,717,747	(323,990)
Total other financing sources	2,041,737	2,041,737	1,717,747	(323,990)
Net change in fund balance	-	-	-	-
Fund balance, beginning	76,841	76,841	76,841	-
Fund balance, ending	$ 76,841	$ 76,841	$ 76,841	$ -

Note to Schedule:

(1) Budget is adopted each fiscal year on a basis consistent with Generally Accepted Accounting Principles.

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 14

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – EMS & FIRE FUND
Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Over
	Original	Final	Amounts	(Under)
Revenues:				
General Property Taxes	$ 7,192,964	$ 7,192,964	$ 6,956,867	$ (236,097)
Charges for Services	1,535,274	1,545,474	1,817,144	271,670
Miscellaneous	-	900	1,392	492
Use of Money and Property	2,500	2,500	798	(1,702)
Recovered Costs	-	8,267	9,486	1,219
Intergovernmental:				
Commonwealth	209,578	236,227	226,017	(10,210)
Federal	-	-	(13,163)	(13,163)
Total revenues	8,940,316	8,986,332	8,998,541	12,209
Expenditures:				
Current:				
Public safety	8,547,840	9,351,896	9,060,939	(290,957)
Debt Service:				
Principal	-	-	170,447	170,447
Interest	-	-	6,778	6,778
Total expenditures	8,547,840	9,351,896	9,238,164	(113,732)
Excess (deficiency) of revenues over (under) expenditures	392,476	(365,564)	(239,623)	125,941
Other financing sources (uses):				
Transfers in	1,411,920	2,169,960	1,439,948	(730,012)
Transfers out	(1,804,396)	(1,804,396)	(1,804,396)	-
Total other financing sources (uses), net	(392,476)	365,564	(364,448)	(730,012)
Net change in fund balance	-	-	(604,071)	(604,071)
Fund balance, beginning	1,715,408	387,091	387,091	-
Fund balance, ending	$ 1,715,408	$ 387,091	$ (216,980)	$ (604,071)

Note to Schedule:

(1) Budget is adopted each fiscal year on a basis consistent with Generally Accepted Accounting Principles.

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 15

SCHEDULE OF CHANGES IN THE COUNTY NET PENSION LIABILITY (ASSET) AND RELATED RATIOS – VIRGINIA RETIREMENT SYSTEM

	Fiscal Year June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total pension liability:										
Service cost	$ 1,191,381	$ 1,194,996	$ 1,261,670	$ 1,242,199	$ 1,263,096	$ 1,392,714	$ 1,370,138	$ 1,448,331	$ 1,803,515	$ 1,878,477
Interest	2,101,059	2,153,120	2,284,225	2,422,722	2,567,431	2,644,022	2,800,132	3,128,492	3,261,044	3,465,349
Changes of benefit terms	-	-	-	-	-	-	-	(67,391)	-	-
Differences between expected and actual experience	(1,142,256)	(47,995)	(13,333)	(12,107)	(959,010)	(90,944)	(730,954)	(997,276)	266,488	1,515,134
Changes of assumptions	-	-	(54,821)	-	1,227,975	-	1,743,845	-	-	-
Benefit payments, including refunds of employee contributions	(1,431,783)	(1,381,134)	(1,473,239)	(1,525,194)	(1,645,896)	(1,566,859)	(1,699,248)	(1,834,555)	(1,972,656)	(2,785,871)
Net change in total pension liability	718,401	1,918,987	2,004,502	2,127,620	2,453,596	2,378,933	3,483,913	1,677,601	3,358,391	4,073,089
Total pension liability - beginning	30,731,020	31,449,421	33,368,408	35,372,910	37,500,530	39,954,126	42,333,059	45,816,972	47,494,573	50,852,964
Total pension liability - ending (a)	$ 31,449,421	$ 33,368,408	$ 35,372,910	$ 37,500,530	$ 39,954,126	$ 42,333,059	$ 45,816,972	$ 47,494,573	$ 50,852,964	$ 54,926,053
Plan fiduciary net position:										
Contributions - employer	$ 1,034,535	$ 1,095,456	$ 938,728	$ 947,794	$ 984,987	$ 1,011,610	$ 1,057,737	$ 1,120,316	$ 1,362,814	$ 1,471,443
Contributions - employee	455,835	484,814	495,845	501,229	536,154	630,179	573,664	662,116	737,517	816,697
Net investment income	1,254,114	511,485	3,581,431	2,426,918	2,352,124	710,698	10,475,359	(67,905)	3,146,444	4,986,895
Benefit payments, including refunds of employee contributions	(1,431,783)	(1,381,134)	(1,473,239)	(1,525,194)	(1,645,896)	(1,566,859)	(1,699,248)	(1,834,555)	(1,972,656)	(2,785,871)
Administrative expense	(16,855)	(17,413)	(20,329)	(20,569)	(22,812)	(23,853)	(25,394)	(29,788)	(30,460)	(31,571)
Other	(265)	(214)	(3,202)	(2,178)	(1,489)	(1,576)	994	(42,214)	1,275	1,100
Net change in plan fiduciary net position	1,295,581	692,994	3,519,234	2,328,000	2,203,068	760,199	10,383,112	(192,030)	3,244,934	4,458,693
Plan fiduciary net position - beginning	27,255,393	28,550,974	29,243,968	32,763,202	35,091,202	37,294,270	38,054,469	48,437,581	48,245,551	51,490,485
Plan fiduciary net position - ending (b)	$ 28,550,974	$ 29,243,968	$ 32,763,202	$ 35,091,202	$ 37,294,270	$ 38,054,469	$ 48,437,581	$ 48,245,551	$ 51,490,485	$ 55,949,178
County's net pension liability (asset) - ending (a) - (b)	$ 2,898,447	$ 4,124,440	$ 2,609,708	$ 2,409,328	$ 2,659,856	$ 4,278,590	$ (2,620,609)	$ (750,978)	$ (637,521)	$ (1,023,125)
Plan fiduciary net position as a percentage of the total pension liability (asset)	90.78%	87.64%	92.62%	93.58%	93.34%	89.89%	105.72%	101.58%	101.25%	101.86%
Covered payroll	$ 9,114,846	$ 9,651,595	$ 9,997,103	$ 10,093,653	$ 10,800,296	$ 11,092,215	$ 11,459,772	$ 12,137,768	$ 14,717,214	$ 15,890,313
County's net pension liability (asset) as a percentage of covered payroll	31.80%	42.73%	26.10%	23.87%	24.63%	38.57%	-22.87%	-6.19%	-4.33%	-6.44%

Note to Schedule:

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

See Notes to Required Supplementary Information – Virginia Retirement System.

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 16

SCHEDULE OF CHANGES IN THE SCHOOL BOARD NON-PROFESSIONAL NET PENSION LIABILITY (ASSET) AND RELATED RATIOS – VIRGINIA RETIREMENT SYSTEM

	Fiscal Year June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total pension liability:										
Service cost	$ 310,760	$ 297,799	$ 293,651	$ 307,366	$ 301,285	$ 279,634	$ 256,209	$ 223,493	$ 278,803	$ 322,727
Interest	569,842	605,627	623,212	631,481	655,192	667,748	688,410	714,197	737,535	806,708
Differences between expected and actual experience	97,318	(172,117)	(131,538)	(79,665)	(97,730)	26,501	(393,176)	122,503	761,003	328,385
Changes of assumptions	-	-	(168,965)	-	256,019	-	338,246	-	-	-
Benefit payments, including refunds of employee contributions	(457,861)	(475,557)	(484,627)	(511,853)	(529,037)	(635,147)	(700,402)	(761,925)	(777,586)	(815,354)
Net change in total pension liability	520,059	255,752	131,733	347,329	585,729	338,736	189,287	298,268	999,755	642,466
Total pension liability - beginning	8,369,535	8,889,594	9,145,346	9,277,079	9,624,408	10,210,137	10,548,873	10,738,160	11,036,428	12,036,183
Total pension liability - ending (a)	$ 8,889,594	$ 9,145,346	$ 9,277,079	$ 9,624,408	$ 10,210,137	$ 10,548,873	$ 10,738,160	$ 11,036,428	$ 12,036,183	$ 12,678,649
Plan fiduciary net position:										
Contributions - employer	$ 202,149	$ 203,974	$ 128,161	$ 127,881	$ 126,406	$ 117,847	$ 100,001	$ 115,037	$ 59,551	$ 66,593
Contributions - employee	148,042	150,267	147,157	148,096	150,294	146,340	133,534	155,663	167,716	190,656
Net investment income	401,260	157,666	1,102,587	734,629	692,918	206,331	2,894,718	(7,878)	799,884	1,232,666
Benefit payments, including refunds of employee contributions	(457,861)	(475,557)	(484,627)	(511,853)	(529,037)	(635,147)	(700,402)	(761,925)	(777,586)	(815,354)
Administrative expense	(5,524)	(5,655)	(6,446)	(6,416)	(6,952)	(7,194)	(7,463)	(8,307)	(8,257)	(8,568)
Other	(87)	(67)	(977)	(651)	(436)	(242)	270	298	319	240
Net change in plan fiduciary net position	287,979	30,628	885,855	491,686	433,193	(172,065)	2,420,658	(507,112)	241,627	666,233
Plan fiduciary net position - beginning	8,792,278	9,080,257	9,110,885	9,996,740	10,488,426	10,921,619	10,749,554	13,170,212	12,663,100	12,904,727
Plan fiduciary net position - ending (b)	$ 9,080,257	$ 9,110,885	$ 9,996,740	$ 10,488,426	$ 10,921,619	$ 10,749,554	$ 13,170,212	$ 12,663,100	$ 12,904,727	$ 13,570,960
School Board non-professional net pension liability (asset) - ending (a)-(b)	$ (190,663)	$ 34,461	$ (719,661)	$ (864,018)	$ (711,482)	$ (200,681)	$ (2,432,052)	$ (1,626,672)	$ (868,544)	$ (892,311)
Plan fiduciary net position as a percentage of the total pension liability	102.14%	99.62%	107.76%	108.98%	106.97%	101.90%	122.65%	114.74%	107.22%	107.04%
Employer's covered payroll	$ 2,972,779	$ 2,999,618	$ 2,891,467	$ 2,885,824	$ 2,853,409	$ 2,740,628	$ 2,331,026	$ 2,675,279	$ 1,384,907	$ 1,548,674
School Board's non-professional net pension liability (asset) as a percentage of covered payroll	-6.41%	1.15%	-24.89%	-29.94%	-24.93%	-7.32%	-104.33%	-60.80%	-62.71%	-57.62%

Note to Schedule:

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

See Notes to Required Supplementary Information – Virginia Retirement System.

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 17

SCHEDULE OF SCHOOL BOARD SHARE OF NET PENSION LIABILITY VRS TEACHER RETIREMENT PLAN (COST-SHARING) – VIRGINIA RETIREMENT SYSTEM

	Fiscal Year June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Employer's proportion of the net pension liability	0.34548%	0.34137%	0.33345%	0.33173%	0.32139%	0.31654%	0.30859%	0.31606%	0.31447%	0.31670%
Employer's proportionate share of the net pension liability	$ 43,483,000	$ 47,840,000	$ 41,008,000	$ 39,011,000	$ 42,296,751	$ 46,064,883	$ 23,956,142	$ 30,090,804	$ 31,784,127	$ 29,728,422
Employer's covered payroll	25,600,000	25,238,400	25,886,794	29,254,366	26,984,796	27,733,932	26,247,304	28,221,625	29,887,292	32,167,599
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	169.86%	189.55%	158.41%	133.35%	156.74%	166.10%	91.27%	106.62%	106.35%	92.42%
Plan fiduciary net position as a percentage of the total pension liability	70.68%	68.28%	72.92%	74.81%	73.51%	71.47%	85.46%	82.61%	82.45%	84.52%

Note to Schedule:

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

See Notes to Required Supplementary Information – Virginia Retirement System.

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 18

SCHEDULE OF COUNTY CONTRIBUTIONS – VIRGINIA RETIREMENT SYSTEM

	Fiscal Year June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Contractually required contribution (CRC)	$ 1,095,456	$ 938,728	$ 947,794	$ 984,987	$ 1,011,610	$ 1,057,737	$ 1,120,316	$ 1,362,814	$ 1,471,443	$ 1,738,164
Contributions in relation to the CRC	1,095,456	938,728	947,794	984,987	1,011,610	1,057,737	1,120,316	1,362,814	1,471,443	1,738,164
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employer's covered payroll	$ 9,651,595	$ 9,997,103	$ 10,093,653	$ 10,800,296	$ 11,092,215	$ 11,459,772	$ 12,137,768	$ 14,717,214	$ 15,890,313	$ 19,121,716
Contributions as a percentage of covered payroll	11.35%	9.39%	9.39%	9.12%	9.12%	9.23%	9.23%	9.26%	9.26%	9.09%

Note to Schedule:

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

See Notes to Required Supplementary Information – Virginia Retirement System.

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 19

SCHEDULE OF SCHOOL BOARD NON-PROFESSIONAL CONTRIBUTIONS – VIRGINIA RETIREMENT SYSTEM

	Fiscal Year June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Contractually required contribution (CRC)	$ 203,974	$ 128,161	$ 127,881	$ 126,406	$ 117,847	$ 100,001	$ 115,037	$ 59,551	$ 66,593	$ 183,059
Contributions in relation to the CRC	203,974	128,161	127,881	126,406	117,847	100,001	115,037	59,551	66,593	183,059
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employer's covered payroll	$ 2,999,618	$ 2,891,467	$ 2,885,824	$ 2,853,409	$ 2,740,628	$ 2,331,026	$ 2,675,279	$ 1,384,907	$ 1,548,674	$ 4,599,471
Contributions as a percentage of covered payroll	6.80%	4.43%	4.43%	4.43%	4.30%	4.29%	4.30%	4.30%	4.30%	3.98%

Note to Schedule:

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

See Notes to Required Supplementary Information – Virginia Retirement System.

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 20

SCHEDULE OF SCHOOL BOARD PROFESSIONAL CONTRIBUTIONS – VIRGINIA RETIREMENT SYSTEM

	Fiscal Year June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Contractually required contribution (CRC)	$ 3,659,568	$ 3,795,004	$ 4,288,690	$ 4,231,216	$ 4,348,682	$ 4,362,302	$ 4,690,434	$ 4,967,268	$ 5,346,255	$ 5,205,816
Contributions in relation to the CRC	3,659,568	3,795,004	4,288,690	4,231,216	4,348,682	4,362,302	4,690,434	4,967,268	5,346,255	5,205,816
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employers covered payroll	$ 25,238,400	$ 25,886,794	$ 29,254,366	$ 26,984,796	$ 27,733,932	$ 26,247,304	$ 28,221,625	$ 29,887,292	$ 32,167,599	$ 36,634,874
Contributions as a percentage of covered payroll	14.50%	14.66%	14.66%	15.68%	15.68%	16.62%	16.62%	16.62%	16.62%	14.21%

Note to Schedule:

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

See Notes to Required Supplementary Information – Virginia Retirement System.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – VIRGINIA RETIREMENT SYSTEM
Year Ended June 30, 2025

Note 1. Changes of Benefit Terms

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

Note 2. Changes of Assumptions

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

County, Broadband Authority, and School Board Non-Professional (Agent Plans)

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
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through nine years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Public Safety Employees with Hazardous Duty Benefits

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 changes from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Local's Largest 10 Hazardous Duty
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Note 2. Changes of Assumptions (Continued)

School Board Professional (Cost-Sharing Plan)

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 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 year age and service through nine years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 21

SCHEDULE OF CHANGES IN THE COUNTY'S TOTAL OPEB LIABILITY AND RELATED RATIOS – MEDICAL INSURANCE PROGRAM

	Fiscal Year June 30,							
	2018	2019	2020	2021	2022	2023	2024	2025
Total Medical Insurance OPEB liability:								
Service cost	$ 65,073	$ 74,650	$ 91,450	$ 104,849	$ 127,486	$ 113,027	$ 94,867	$ 79,106
Interest	33,253	36,479	42,911	33,174	36,682	55,395	56,602	62,517
Economic/demographic gains or losses	-	(61,068)	-	(163,084)	-	(66,811)	-	(228,218)
Changes in assumptions or other inputs	(33,680)	176,913	156,780	237,554	(247,345)	(57,748)	(48,941)	(178,684)
Benefit payments	(22,244)	(18,979)	(23,902)	(35,049)	(40,971)	(30,591)	(49,227)	(44,190)
Net change in total OPEB liability	42,402	207,995	267,239	177,444	(124,148)	13,272	53,301	(309,469)
Total Medical Insurance OPEB liability - beginning	896,039	938,441	1,146,436	1,413,675	1,591,119	1,466,971	1,480,243	1,533,544
County Medical Insurance OPEB liability - ending	$ 938,441	$ 1,146,436	$ 1,413,675	$ 1,591,119	$ 1,466,971	$ 1,480,243	$ 1,533,544	$ 1,224,075
Plan fiduciary net position as a percentage of the total Medical Insurance	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered-employee payroll	$ 9,532,600	$ 10,485,965	$ 10,485,965	$ 11,198,388	$ 11,198,388	$ 15,957,508	$ 15,957,508	$ 17,476,985
Total OPEB liability as a percentage of covered-employee payroll	9.84%	10.93%	13.48%	14.21%	13.10%	9.28%	9.61%	7.00%

Note to Schedule:

(1) This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the County and School Board will present information for those years which information is available.

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

See Notes to Required Supplementary Information – Other Postemployment Benefits.

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 22

SCHEDULE OF CHANGES IN THE SCHOOL BOARD'S TOTAL OPEB LIABILITY AND RELATED RATIOS – MEDICAL INSURANCE PROGRAM

	Fiscal Year June 30,							
	2018	2019	2020	2021	2022	2023	2024	2025
Total Medical Insurance OPEB liability:								
Service cost	$ 178,621	$ 202,318	$ 215,293	$ 204,568	$ 336,153	$ 296,847	$ 271,230	$ 195,439
Interest	100,943	97,897	99,980	71,459	85,401	130,724	155,009	169,438
Economic/demographic gains or losses	-	(420,289)	-	(885,382)	-	498,832	-	(1,781,858)
Changes in assumptions or other inputs	(81,050)	180,577	231,119	1,339,470	(482,371)	(156,426)	(102,275)	(229,238)
Benefit payments	(156,966)	(155,911)	(177,816)	(138,920)	(143,930)	(178,572)	(202,291)	(164,706)
Net change in total OPEB liability	41,548	(95,408)	368,576	591,195	(204,747)	591,405	121,673	(1,810,925)
Total Medical Insurance OPEB liability - beginning	2,783,268	2,824,816	2,729,408	3,097,984	3,689,179	3,484,432	4,075,837	4,197,510
School Board total Medical Insurance OPEB liability - ending	$ 2,824,816	$ 2,729,408	$ 3,097,984	$ 3,689,179	$ 3,484,432	$ 4,075,837	$ 4,197,510	$ 2,386,585
Plan fiduciary net position as a percentage of the total Medical Insurance	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered-employee payroll	$ 26,377,500	$ 30,147,565	$ 30,147,565	$ 29,088,770	$ 29,088,770	$ 33,812,854	$ 33,812,854	$ 35,940,331
Total OPEB liability as a percentage of covered-employee payroll	10.71%	9.05%	10.28%	12.68%	11.98%	12.05%	12.41%	6.64%

Note to Schedule:

(1) This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the County and School Board will present information for those years which information is available.

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

See Notes to Required Supplementary Information – Other Postemployment Benefits.

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 23

SCHEDULE OF COUNTY CONTRIBUTIONS – OPEB – MEDICAL INSURANCE PROGRAM

	Fiscal Year June 30,							
	2018	2019	2020	2021	2022	2023	2024	2025
Contractually required contribution (CRC)	$ 22,244	$ 18,979	$ 23,902	$ 35,049	$ 40,971	$ 30,591	$ 49,227	$ 44,190
Contributions in relation to the CRC	22,244	18,979	23,902	35,049	40,971	30,591	49,227	44,190
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered-employee payroll	$ 9,532,600	$ 10,485,965	$ 10,485,965	$ 11,198,388	$ 11,198,388	$ 15,957,508	$ 15,957,508	$ 17,476,985
Contributions as a percentage of covered-employee payroll	0.23%	0.18%	0.23%	0.31%	0.37%	0.19%	0.31%	0.25%

Note to Schedule:

(1) This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the County and the School Board will present information for those years for which information is available.

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

See Notes to Required Supplementary Information – Other Postemployment Benefits.

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 24

SCHEDULE OF SCHOOL BOARD CONTRIBUTIONS – OPEB – MEDICAL INSURANCE PROGRAM

	Fiscal Year June 30,							
	2018	2019	2020	2021	2022	2023	2024	2025
Contractually required contribution (CRC)	$ 156,966	$ 155,911	$ 177,816	$ 138,920	$ 143,930	$ 178,572	$ 202,291	$ 164,706
Contributions in relation to the CRC	156,966	155,911	177,816	138,920	143,930	178,572	202,291	164,706
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered-employee payroll	$ 26,377,500	$ 30,147,565	$ 30,147,565	$ 29,088,770	$ 29,088,770	$ 33,812,854	$ 33,812,854	$ 35,940,331
Contributions as a percentage of covered-employee payroll	0.60%	0.52%	0.59%	0.48%	0.49%	0.53%	0.60%	0.46%

Note to Schedule:

(1) This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the County and the School Board will present information for those years for which information is available.

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

See Notes to Required Supplementary Information – Other Postemployment Benefits.

EXHIBIT 25

SCHEDULE OF EMPLOYER'S SHARE OF NET OPEB LIABILITY – GROUP LIFE INSURANCE PROGRAM

	Fiscal Year June 30,							
	2017	2018	2019	2020	2021	2022	2023	2024
County:								
Employer's proportion of the net GLI OPEB liability	0.05572%	0.05464%	0.05723%	0.05688%	0.05925%	0.05924%	0.06661%	0.06713%
Employer's proportionate share of the net GLI OPEB liability	$ 839,000	$ 830,000	$ 931,284	$ 949,234	$ 689,831	$ 715,474	$ 798,863	$ 749,118
Employer's covered payroll	10,276,923	10,389,931	11,347,308	11,804,423	12,232,963	12,926,296	15,690,185	17,237,407
Employer's proportionate share of the net GLI OPEB liability as a percentage of its covered payroll	8.16%	7.99%	8.21%	8.04%	5.64%	5.54%	5.09%	4.35%
Plan fiduciary net position as a percentage of the total GLI OPEB liability	48.86%	51.22%	52.00%	52.64%	67.45%	67.21%	69.30%	73.41%
School Board Non-Professional:								
Employer's proportion of the net GLI OPEB liability	0.01656%	0.01641%	0.01631%	0.01579%	0.01451%	0.01633%	0.01635%	0.01718%
Employer's proportionate share of the net GLI OPEB liability	$ 249,000	$ 249,000	$ 265,407	$ 263,509	$ 168,936	$ 196,629	$ 196,088	$ 191,715
Employer's covered payroll	3,055,396	3,119,777	3,196,838	3,254,423	2,995,926	3,551,111	3,851,296	4,412,407
Employer's proportionate share of the net GLI OPEB liability as a percentage of its covered payroll	8.15%	7.98%	8.30%	8.10%	5.64%	5.54%	5.09%	4.34%
Plan fiduciary net position as a percentage of the total GLI OPEB liability	48.86%	51.22%	52.00%	52.64%	67.45%	67.21%	69.30%	73.41%
School Board Professional:								
Employer's proportion of the net GLI OPEB liability	0.14254%	0.14121%	0.13784%	0.13481%	0.13197%	0.13550%	0.13382%	0.13236%
Employer's proportionate share of the net GLI OPEB liability	$ 2,145,000	$ 2,145,000	$ 2,243,024	$ 2,249,758	$ 1,536,489	$ 1,631,551	$ 1,604,921	$ 1,477,034
Employer's covered payroll	26,291,898	26,850,508	27,020,860	27,744,038	27,246,667	29,475,000	31,522,407	33,985,185
Employer's proportionate share of the net GLI OPEB liability as a percentage of its covered payroll	8.16%	7.99%	8.30%	8.11%	5.64%	5.54%	5.09%	4.35%
Plan fiduciary net position as a percentage of the total GLI OPEB liability	48.86%	51.22%	52.00%	52.64%	67.45%	67.21%	69.30%	73.41%

Note to Schedule:

(1) This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the County, the School Board non-professional, and the School Board professional will present information for those years for which information is available.

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

See Notes to Required Supplementary Information – Other Postemployment Benefits.

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 26

SCHEDULE OF EMPLOYER CONTRIBUTIONS – OPEB – GROUP LIFE INSURANCE PROGRAM

	Fiscal Year June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
County:										
Contractually required contribution (CRC)	$ 46,874	$ 46,874	$ 54,028	$ 59,006	$ 61,383	$ 66,058	$ 69,802	$ 84,727	$ 93,082	$ 89,872
Contributions in relation to the CRC	46,874	46,874	54,028	59,006	61,383	66,058	69,802	84,727	93,082	89,872
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employer's covered payroll	$ 9,765,434	$ 10,276,923	$ 10,389,931	$ 11,347,308	$ 11,804,423	$ 12,232,963	$ 12,926,296	$ 15,690,185	$ 17,237,407	$ 19,121,702
Contributions as a percentage of covered payroll	0.48%	0.46%	0.52%	0.52%	0.52%	0.54%	0.54%	0.54%	0.54%	0.47%
School Board Non-Professional:										
Contractually required contribution (CRC)	$ 14,785	$ 15,888	$ 16,223	$ 16,624	$ 16,923	$ 16,178	$ 19,176	$ 20,797	$ 23,827	$ 21,618
Contributions in relation to the CRC	14,785	15,888	16,223	16,624	16,923	16,178	19,176	20,797	23,827	21,618
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employer's covered-employee payroll	$ 3,080,256	$ 3,055,396	$ 3,119,777	$ 3,196,838	$ 3,254,423	$ 2,995,926	$ 3,551,111	$ 3,851,296	$ 4,412,407	$ 4,599,574
Contributions as a percentage of covered payroll	0.48%	0.52%	0.52%	0.52%	0.52%	0.54%	0.54%	0.54%	0.54%	0.47%
School Board Professional:										
Contractually required contribution (CRC)	$ 125,334	$ 136,718	$ 139,623	$ 140,509	$ 144,269	$ 147,132	$ 159,165	$ 170,221	$ 183,520	$ 172,184
Contributions in relation to the CRC	125,334	136,718	139,623	140,509	144,269	147,132	159,165	170,221	183,520	172,184
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employer's covered-employee payroll	$ 26,111,292	$ 26,291,898	$ 26,850,508	$ 27,020,860	$ 27,744,038	$ 27,246,667	$ 29,475,000	$ 31,522,407	$ 33,985,185	$ 36,634,894
Contributions as a percentage of covered payroll	0.48%	0.52%	0.52%	0.52%	0.52%	0.54%	0.54%	0.54%	0.54%	0.47%

See Notes to Required Supplementary Information – Other Postemployment Benefits.

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 27

SCHEDULE OF ORANGE COUNTY BROADBAND AUTHORITY (FIBERLYNC) EMPLOYER'S SHARE OF NET OPEB LIABILITY – GROUP LIFE INSURANCE PROGRAM

	2022	2023	2024
Employer's proportion of the net GLI OPEB liability	0.00316%	0.00395%	0.00405%
Employer's proportionate share of the net GLI OPEB liability	$ 38,049	$ 47,373	$45,195
Employer's covered payroll	688,058	931,198	770,542
Employer's proportionate share of the net GLI OPEB liability as a percentage of its covered payroll	5.53%	5.09%	5.87%
Plan fiduciary net position as a percentage of the total GLI OPEB liability	67.21%	69.30%	73.41%

Note to Schedule:

(1) This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Authority will present information for those years for which information is available. Prior to 2022, the Authority was included within the County's GLI plan.

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

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 28

SCHEDULE OF ORANGE COUNTY BROADBAND AUTHORITY (FIBERLYNC) EMPLOYER CONTRIBUTIONS – GROUP LIFE INSURANCE PROGRAM

	Fiscal Year June 30,			
	2022	2023	2024	2025
Contractually required contribution (CRC)	$ 3,716	$ 3,641	$ 5,668	$ 5,477
Contributions in relation to the CRC	3,716	3,641	5,668	5,477
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Employer's covered payroll	$ 688,058	$ 931,198	$ 770,542	$ 1,165,375
Contributions as a percentage of covered payroll	0.54%	0.54%	0.74%	0.47%

Note to Schedule:

(1) This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Authority will present information for those years for which information is available. Prior to 2022, the Authority was included within the County's GLI plan.

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

EXHIBIT 29

SCHEDULE OF CHANGES IN THE SCHOOL BOARD PROFESSIONAL PLAN'S NET OPEB LIABILITY AND RELATED RATIOS – HEALTH INSURANCE CREDIT PROGRAM

	Fiscal Year June 30,							
	2017	2018	2019	2020	2021	2022	2023	2024
Employer's proportion of the net HIC OPEB liability	0.33310%	0.33183%	0.32215%	0.31635%	0.30771%	0.31527%	0.31556%	0.31721%
Employer's proportionate share of the net HIC OPEB liability	$ 4,226,000	$ 4,214,000	$ 4,217,256	$ 4,126,838	$ 3,949,671	$ 3,937,869	$ 3,822,749	$ 3,665,831
Employer's covered payroll	23,723,333	26,836,725	27,020,860	27,733,932	27,213,292	29,383,306	31,465,051	33,985,180
Employer's proportionate share of the net HIC OPEB liability as a percentage of its covered payroll	17.81%	15.70%	15.61%	14.88%	14.51%	13.40%	12.15%	10.79%
Plan fiduciary net position as a percentage of the total HIC OPEB liability	7.04%	8.08%	8.97%	9.95%	13.15%	15.08%	17.90%	21.82%

Note to Schedule:

(1) This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the School Board Professional Plan will present information for those years which information is available.

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

See Notes to Required Supplementary Information – Other Postemployment Benefits.

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 30

SCHEDULE OF SCHOOL BOARD PROFESSIONAL PLAN CONTRIBUTIONS – OPEB – HEALTH INSURANCE CREDIT PROGRAM

	Fiscal Year June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Contractually required contribution (CRC)	$ 275,899	$ 291,797	$ 330,091	$ 324,252	$ 332,810	$ 329,281	$ 355,538	$ 380,727	$ 411,221	$ 443,282
Contributions in relation to the CRC	275,899	291,797	330,091	324,252	332,810	329,281	355,538	380,727	411,221	443,282
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employer's covered payroll	$ 26,028,220	$ 23,723,333	$ 26,836,725	$ 27,020,860	$ 27,733,932	$ 27,213,292	$ 29,383,306	$ 31,465,051	$ 33,985,180	$ 36,634,874
Contributions as a percentage of covered payroll	1.06%	1.23%	1.23%	1.20%	1.20%	1.21%	1.21%	1.21%	1.21%	1.21%

See Notes to Required Supplementary Information – Other Postemployment Benefits.

EXHIBIT 31

SCHEDULE OF CHANGES IN THE SCHOOL BOARD NON PROFESSIONAL PLAN'S TOTAL OPEB LIABILITY AND RELATED RATIOS – HEALTH INSURANCE CREDIT PROGRAM

	Fiscal Year June 30,				
	2020	2021	2022	2023	2024
Total OPEB liability					
Service cost	$ -	$ 5,600	$ 4,338	$ 3,163	$ 3,073
Interest	-	17,676	19,706	20,767	12,341
Change in benefit terms	261,858	-	-	-	-
Changes of assumptions	-	6,869	7,883	-	-
Difference between expected and actual experience	-	-	(5,843)	(139,043)	(7,003)
Benefit payments, including refunds of employee contributions	-	-	(8,796)	(9,598)	(9,640)
Net change in total pension liability	261,858	30,145	17,288	(124,711)	(1,229)
Total OPEB liability, beginning	-	261,858	292,003	309,291	184,580
Total OPEB liability, ending (a)	$ 261,858	$ 292,003	$ 309,291	$ 184,580	$ 183,351
Plan fiduciary net position:					
Contributions - employer	$ -	$ 23,349	$ 27,585	$ 36,133	$ 41,477
Net investment income	-	3,177	(547)	3,992	9,104
Benefit payments, including refunds of employee contributions	-	-	(8,796)	(9,598)	(9,640)
Administrative expense	-	(104)	(85)	(111)	(137)
Other	-	-	378	20	-
Net change in plan fiduciary net position	-	26,422	18,535	30,436	40,804
Plan fiduciary net position - beginning	-	-	26,422	44,957	75,393
Plan fiduciary net position - ending (b)	$ -	$ 26,422	$ 44,957	$ 75,393	$ 116,197
Net OPEB liability - ending (a)-(b)	$ 261,858	$ 265,581	$ 264,334	$ 109,187	$ 67,154
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	9.05%	14.54%	40.85%	63.37%
Employer's Covered payroll	$ 2,993,331	$ 2,993,331	$ 3,536,591	$ 3,843,939	$ 4,412,476
Net OPEB liability as a percentage of covered payroll	8.75%	8.87%	7.47%	2.84%	1.52%

Notes to Schedule:

(1) This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the County, the School Board non-professional, and the School Board professional will present information for those years for which information is available.

(2) School Board Non-professional employees joined the Health Insurance Credit Program Plan effective July 1, 2020.

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

EXHIBIT 32

SCHEDULE OF SCHOOL BOARD NON PROFESSIONAL PLAN CONTRIBUTIONS – OPEB – HEALTH INSURANCE CREDIT PROGRAM

	Fiscal Year June 30,				
	2021	2022	2023	2024	2025
Contractually required contribution (CRC)	$ 23,349	$ 27,585	$ 36,133	$ 41,477	$ 43,235
Contributions in relation to the CRC	23,349	27,585	36,133	41,477	43,235
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Employer's covered payroll	$ 2,993,331	$ 3,536,591	$ 3,843,939	$ 4,412,476	$ 4,599,471
Contributions as a percentage of covered payroll	0.78%	0.78%	0.94%	0.94%	0.94%

Notes to Schedule:

(1) This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the County, the School Board non-professional, and the School Board professional will present information for those years for which information is available.

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

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – OTHER POSTEMPLOYMENT BENEFITS
Year Ended June 30, 2025

Note 1. Medical Insurance Program

There are no assets accumulated in a trust for the Medical Insurance Program.

A. Changes of Benefit Terms

There have been no actuarially material changes to the Medical Insurance Program benefit provisions since the prior actuarial valuation.

B. Changes of Assumptions

Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following is the discount rate used for the period presented:

2025	5.20%
2024	3.93%
2023	3.65%
2022	3.54%
2021	2.16%
2020	2.21%
2019	3.50%

Note 2. Group Life Insurance Program

A. Changes of Benefit Terms

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

B. Changes of Assumptions

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

School Board Professional - *Teachers*

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 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 experienced 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 year age and service decrement through nine years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

Note 2. Group Life Insurance Program (Continued)

B. Changes of Assumptions (Continued)

County, Broadband Authority, and School Board Non-Professional Plans

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 year age and service through nine years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Hazardous Duty Employees

Mortality Rates (pre-retirement, post-retirement healthy, and	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 3. Health Insurance Credit Program

A. Changes of Benefit Terms

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

B. Changes of Assumptions

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

School Board Professional Plan

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 year, age and service decrement through nine years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

School Board Non-Professional Plan

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 year age and service decrement through nine years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

SUPPLEMENTARY INFORMATION

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 33

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
June 30, 2025

	Asset Forfeiture	Law Library	Opioid Abatement	Covid-19	Totals
ASSETS					
Cash and cash equivalents	$ -	$ 26,855	$ -	$ 1,163,475	$ 1,190,330
Restricted cash	94,542	-	473,054	-	567,596
Due from other governments	-	-	-	1,678	1,678
Receivables, net	-	987	989,645	-	990,632
Total assets	$ 94,542	$ 27,842	$ 1,462,699	$ 1,165,153	$ 2,750,236
LIABILITIES					
Accounts payable and accrued expenditures	$ 2,399	$ -	$ 3,778	$ 163,226	$ 169,403
Unearned revenue	12,831	-	-	-	12,831
Total liabilities	15,230	-	3,778	163,226	182,234
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	-	-	981,498	-	981,498
Total deferred inflows of resources	-	-	981,498	-	981,498
FUND BALANCES					
Restricted	79,312	27,842	477,423	-	584,577
Assigned	-	-	-	1,001,927	1,001,927
Total fund balances	79,312	27,842	477,423	1,001,927	1,586,504
Total liabilities and fund balances	$ 94,542	$ 27,842	$ 1,462,699	$ 1,165,153	$ 2,750,236

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 34

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
Year Ended June 30, 2025

	Asset Forfeiture	Law Library	Opioid Abatement	Covid-19	Totals
Revenues:					
Use of money and property	$ 2,831	$ -	$ -	$ -	$ 2,831
Charges for services	-	11,394	-	-	11,394
Miscellaneous	-	-	146,803	-	146,803
Intergovernmental:					
Commonwealth	14,349	-	-	6,520	20,869
Total revenues	17,180	11,394	146,803	6,520	181,897
Expenditures:					
Current:					
Public safety	6,326	-	-	462,869	469,195
Health and welfare	-	-	74,989	-	74,989
Debt Service:					
Principal	-	-	-	10,673	10,673
Interest	-	-	-	252	252
Total expenditures	6,326	-	74,989	473,794	555,109
Excess (deficiency) of revenues over (under) expenditures	10,854	11,394	71,814	(467,274)	(373,212)
Other financing sources (uses):					
Transfers in	-	-	-	37,877	37,877
Transfers out	-	-	-	(758,735)	(758,735)
Total other financing sources (uses), net	-	-	-	(720,858)	(720,858)
Net change in fund balances	10,854	11,394	71,814	(1,188,132)	(1,094,070)
Fund balance, beginning	68,458	16,448	405,609	2,190,059	2,680,574
Fund balance, ending	$ 79,312	$ 27,842	$ 477,423	$ 1,001,927	$ 1,586,504

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 35

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUNDS
Year Ended June 30, 2025

	Asset Forfeiture Fund				Law Library Fund				Opioid Abatement Fund				Covid-19 Fund			
	Budgeted Amounts			Variance with Final Budget Over	Budgeted Amounts			Variance with Final Budget Over	Budgeted Amounts			Variance with Final Budget Over	Budgeted Amounts			Variance with Final Budget Over
	Original	Final	Actual	(Under)	Original	Final	Actual	(Under)	Original	Final	Actual	(Under)	Original	Final	Actual	(Under)
Revenues:																
Use of money and property	$ -	$ -	$ 2,831	$ 2,831	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Charges for services	-	-	-	-	7,000	7,000	11,394	4,394	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	84,118	146,803	62,685	-	-	-	-
Intergovernmental:																
Commonwealth	-	14,358	14,349	(9)	-	-	-	-	-	-	-	-	-	-	6,520	6,520
Federal	-	12,834	-	(12,834)	-	-	-	-	-	-	-	-	-	-	-	-
Total revenues	-	27,192	17,180	(10,012)	7,000	7,000	11,394	4,394	-	84,118	146,803	62,685	-	-	6,520	6,520
Expenditures:																
Current:																
Judicial administration	-	23,990	-	(23,990)	7,000	7,000	-	(7,000)	-	-	-	-	-	-	-	-
Public safety	-	69,107	6,326	(62,781)	-	-	-	-	-	-	-	-	-	1,397,048	462,869	(934,179)
Health and welfare	-	-	-	-	-	-	-	-	-	84,118	74,989	(9,129)	-	-	-	-
Debt Service:																
Principal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10,673	10,673
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	252	252
Total expenditures	-	93,097	6,326	(86,771)	7,000	7,000	-	(7,000)	-	84,118	74,989	(9,129)	-	1,397,048	462,869	(934,179)
Excess (deficiency) of revenues over (under) expenditures	-	(65,905)	10,854	76,759	-	-	11,394	11,394	-	-	71,814	71,814	-	(1,397,048)	(456,349)	940,699
Other financing uses:																
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-	-	37,877	37,877	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-	-	(758,735)	(758,735)	-
Total other financing uses	-	-	-	-	-	-	-	-	-	-	-	-	-	(720,858)	(720,858)	-
Net change in fund balances	$ -	$ (65,905)	$ 10,854	$ 76,759	$ -	$ -	$ 11,394	$ 11,394	$ -	$ -	$ 71,814	$ 71,814	$ -	$ (2,117,906)	$ (1,177,207)	$ 940,699

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 36

COMBINING STATEMENT OF NET POSITION – FIDUCIARY FUNDS
June 30, 2025

	Custodial Funds		
	Special Welfare	Commonwealth	Total
ASSETS			
Restricted cash	$ 68,160	$ 14,190	$ 82,350
Accounts receivable	-	2,280	2,280
Total assets	68,160	16,470	84,630
LIABILITIES			
Accounts payable	-	5,850	5,850
Total liabilities	-	5,850	5,850
NET POSITION			
Restricted for:			
Individuals	68,160	-	68,160
Other governments	-	10,620	10,620
Total net position	$ 68,160	$ 10,620	$ 78,780

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 37

COMBINING STATEMENT OF CHANGES IN NET POSITION – FIDUCIARY FUNDS
Year Ended June 30, 2025

	Custodial Funds		
	Special Welfare	Commonwealth	Total
ADDITIONS			
Benefits collected on behalf of others	$ 153,632	$ 631,829	$ 785,461
Total additions	153,632	631,829	785,461
DEDUCTIONS			
Payments to beneficiaries or other governments	184,106	632,317	816,423
Total deductions	184,106	632,317	816,423
Net decrease in fiduciary net position	(30,474)	(488)	(30,962)
Total net position, beginning	98,634	11,108	109,742
Total net position, ending	$ 68,160	$ 10,620	$ 78,780

DISCRETELY PRESENTED COMPONENT UNIT – SCHOOL BOARD

Major Governmental Funds

School Operating Fund – This fund is a special revenue fund that accounts for the operations of the County's school system. Financing is provided by the State and Federal Governments as well as contributions from the County.

School Textbook Adoptions Fund – This fund is a special revenue fund that accounts for transactions related to the adoption of textbooks to be utilized in the County's school system.

Adult Education Fund – This fund is a special revenue fund that accounts for transactions related to the regional adult education program the County oversees.

School Capital Projects Fund – This fund is a capital projects fund used to account for financial resources to be used for the acquisition or construction of capital assets for Orange County Public Schools.

Nonmajor Governmental Funds

School Cafeteria Fund – This fund is a special revenue fund that accounts for the County's school lunch program. Financing is provided from lunch sales and state and federal reimbursements.

Employee Childcare Fund – This fund is a special revenue fund that accounts for the County's Employee Childcare program. Financing is provided from Tuition daycare fees.

Head Start Fund – This fund is a special revenue fund that accounts for the operations of the County's Head Start program. Financing is provided by the Federal government and through in-kind contributions and a required local match.

School Grants Fund – This fund is a special revenue fund that accounts for the use of the Federal funds.

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 38

COMBINING BALANCE SHEET
DISCRETELY PRESENTED COMPONENT UNIT – SCHOOL BOARD
June 30, 2025

	School Operating Fund	School Textbook Adoptions Fund	Adult Education Fund	School Capital Projects Fund	Total Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	$ 728,073	$ 1,550,259	$ 1,251	$ 896,715	$ 976,490	$ 4,152,788
Investments	218,300	465,582	-	-	-	683,882
Accounts receivable, net	121,242	-	15,285	-	2,645	139,172
Due from other funds	402,015	-	-	-	-	402,015
Due from other governments	2,878,876	-	115,357	3,845	707,166	3,705,244
Total assets	$ 4,348,506	$ 2,015,841	$ 131,893	$ 900,560	$ 1,686,301	$ 9,083,101
LIABILITIES						
Due to other funds	$ -	$ -	$ 73,081	$ -	$ 328,934	$ 402,015
Accounts payable	1,205,937	254,250	11,605	127,272	5,947	1,605,011
Unearned revenue	-	-	-	-	561,911	561,911
Accrued liabilities	3,142,569	-	10,526	-	182,268	3,335,363
Total liabilities	4,348,506	254,250	95,212	127,272	1,079,060	5,904,300
FUND BALANCES						
Assigned	-	1,761,591	36,681	773,288	607,241	3,178,801
Total fund balances	-	1,761,591	36,681	773,288	607,241	3,178,801
Total liabilities and fund balances	$ 4,348,506	$ 2,015,841	$ 131,893	$ 900,560	$ 1,686,301	$ 9,083,101

Total fund balances		$ 3,178,801
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.		
Governmental capital assets	$ 187,378,994	
Less accumulated depreciation	(94,641,256)	
Net capital assets		92,737,738
Long-term assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental fund.		
Net pension asset		892,311
Deferred outflows of resources represents a consumption of net position that applies to a future period and are not recognized as deferred outflows of resources in the governmental funds.		
Pension plan	11,823,816	
Other postemployment benefits	2,038,026	
		13,861,842
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.		
Private placement notes	(9,114,963)	
Compensated absences	(3,113,118)	
Accrued interest payable	(69,155)	
Subscriptions payable	(20,857)	
Other postemployment benefits	(7,788,319)	
Net pension liability	(29,728,422)	
		(49,834,834)
Deferred inflows of resources represents an acquisition of net position that applies applies to a future period and are not recognized as deferred inflows of resources in the governmental funds.		
Pension plan	(5,448,135)	
Other postemployment benefits	(3,180,735)	
		(8,628,870)
Net position of governmental activities		$ 52,206,988

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 39

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
DISCRETELY PRESENTED COMPONENT UNIT – SCHOOL BOARD
Year Ended June 30, 2025

	School Operating Fund	School Textbook Adoptions Fund	Adult Education Fund	School Capital Projects Fund	Total Nonmajor Governmental Funds	Total Governmental Funds
Revenues:						
Charges for services	$ 3,734	$ -	$ 33,390	$ -	$ 112,443	$ 149,567
Miscellaneous	62,158	-	-	-	-	62,158
Appropriation from primary government	23,794,715	-	-	3,337,377	-	27,132,092
Intergovernmental:						
Commonwealth	41,855,002	-	151,139	6,881	129,561	42,142,583
Federal	3,113,910	-	250,308	-	6,528,669	9,892,887
Total revenues	68,829,519	-	434,837	3,344,258	6,770,673	79,379,287
Expenditures:						
Current:						
Education	69,143,694	393,589	431,570	-	7,185,296	77,154,149
Capital outlay	-	-	-	2,471,751	-	2,471,751
Debt service:						
Principal	10,068	-	-	1,368,961	-	1,379,029
Interest	732	-	-	350,951	-	351,683
Total expenditures	69,154,494	393,589	431,570	4,191,663	7,185,296	81,356,612
Excess (deficiency) of revenues over (under) expenditures	(324,975)	(393,589)	3,267	(847,405)	(414,623)	(1,977,325)
Other financing sources (uses):						
Issuance of private placement note	1,092,412	-	-	-	-	1,092,412
Transfers in	-	767,437	-	-	-	767,437
Transfers out	(767,437)	-	-	-	-	(767,437)
Total other financing sources, net	324,975	767,437	-	-	-	1,092,412
Net change in fund balances	-	373,848	3,267	(847,405)	(414,623)	(884,913)
Fund balances, beginning	-	1,387,743	33,414	1,620,693	1,021,864	4,063,714
Fund balances, ending	$ -	$ 1,761,591	$ 36,681	$ 773,288	$ 607,241	$ 3,178,801
Net change in fund balances						$ (884,913)

Reconciliation of amounts reported for governmental activities in the Statement of Activities:

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 and amortization expense. This is the amount by which capital outlays exceeded depreciation and amortization in the current period.		
Expenditure for capital assets	$ 5,115,791	
Less depreciation and amortization expense	(5,241,987)	
Excess of depreciation and amortization over capital outlay		(126,196)
Net transfer of joint tenancy capital assets from Primary Government to the Component Unit		2,729,881
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins and donations) is to decrease net position.		(263,639)
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		
Issuance of private placement note	(1,092,412)	
Principal repayments:		
Private placement notes	1,368,961	
Subscriptions payable	10,068	
		286,617
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.		
Accrued interest	(47,592)	
Compensated absences	384,416	
Changes in OPEB assets, liabilities and related deferred outflows and inflows of resources	549,400	
Changes in pension liabilities and related deferred outflows and inflows of resources	2,253,767	
		3,139,991
Change in net position of governmental activities		$ 4,881,741

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 40
Page 1

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL – GOVERNMENTAL FUNDS
DISCRETELY PRESENTED COMPONENT UNIT – SCHOOL BOARD
Year Ended June 30, 2025

	School Operating Fund				School Textbook Adoptions Fund			
	Budgeted Amounts			Variance with Final Budget Over	Budgeted Amounts			Variance with Final Budget Over
	Original	Final	Actual	(Under)	Original	Final	Actual	(Under)
Revenues:								
Charges for services	$ 9,500	$ 9,500	$ 3,734	$ (5,766)	$ -	$ -	$ -	$ -
Miscellaneous	398,075	398,075	62,158	(335,917)	-	-	-	-
Appropriation from primary government	23,959,216	24,467,188	23,794,715	(672,473)	-	-	-	-
Intergovernmental:								
Commonwealth	40,244,807	41,930,373	41,855,002	(75,371)	-	-	-	-
Federal	3,008,541	3,987,686	3,113,910	(873,776)	-	-	-	-
Total revenues	67,620,139	70,792,822	68,829,519	(1,963,303)	-	-	-	-
Expenditures:								
Current:								
Education	67,862,138	71,118,811	69,143,694	(1,975,117)	772,261	772,261	393,589	(378,672)
Debt service:								
Principal	-	-	10,068	10,068	-	-	-	-
Interest	-	-	732	732	-	-	-	-
Total expenditures	67,862,138	71,118,811	69,154,494	(1,964,317)	772,261	772,261	393,589	(378,672)
Excess (deficiency) of revenues over (under) expenditures	(241,999)	(325,989)	(324,975)	1,014	(772,261)	(772,261)	(393,589)	378,672
Other financing sources (uses):								
Issuance of private placement note	1,014,260	1,092,412	1,092,412	-	-	-	-	-
Transfers in	-	-	-	-	772,261	772,261	767,437	(4,824)
Transfers out	(772,261)	(767,437)	(767,437)	-	-	-	-	-
Total other financing sources (uses), net	241,999	324,975	324,975	-	772,261	772,261	767,437	(4,824)
Net change in fund balances	$ -	$ (1,014)	$ -	$ 1,014	$ -	$ -	$ 373,848	$ 373,848

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 40
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SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL – GOVERNMENTAL FUNDS
DISCRETELY PRESENTED COMPONENT UNIT – SCHOOL BOARD
Year Ended June 30, 2025

	Adult Education Fund			
	Budgeted Amounts			Variance with Final Budget Over
	Original	Final	Actual	(Under)
Revenues:				
Charges for services	$ 30,000	$ 30,000	$ 33,390	$ 3,390
Miscellaneous	-	-	-	-
Appropriation from primary government	-	-	-	-
Intergovernmental:				
Commonwealth	187,939	187,939	151,139	(36,800)
Federal	248,000	248,000	250,308	2,308
Total revenues	465,939	465,939	434,837	(31,102)
Expenditures:				
Current:				
Education	465,939	463,939	431,570	(32,369)
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	465,939	463,939	431,570	(32,369)
Excess (deficiency) of revenues over (under) expenses	-	2,000	3,267	1,267
Other financing sources:				
Issuance of private placement note	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses), net	-	-	-	-
Net change in fund balances	$ -	$ 2,000	$ 3,267	$ 1,267

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 41

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DISCRETELY PRESENTED COMPONENT UNIT – SCHOOL BOARD
June 30, 2025

	School Cafeteria Fund	Employee Childcare Fund	Head Start Fund	School Grants Fund	Total Nonmajor Governmental Funds
ASSETS					
Cash and cash equivalents	$ 379,292	$ 28,809	$ -	$ 568,389	$ 976,490
Accounts receivable, net	2,645	-	-	-	2,645
Due from other governmental units	316,608	-	390,558	-	707,166
Total assets	$ 698,545	$ 28,809	$ 390,558	$ 568,389	$ 1,686,301
LIABILITIES					
Due to other funds	$ -	$ -	$ 328,934	$ -	$ 328,934
Accounts payable	5,422	-	525	-	5,947
Accrued liabilities	127,838	-	51,588	2,842	182,268
Unearned revenue	-	-	-	561,911	561,911
Total liabilities	133,260	-	381,047	564,753	1,079,060
FUND BALANCES					
Assigned	565,285	28,809	9,511	3,636	607,241
Total fund balances	565,285	28,809	9,511	3,636	607,241
Total liabilities and fund balances	$ 698,545	$ 28,809	$ 390,558	$ 568,389	$ 1,686,301

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 42

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – NONMAJOR SPECIAL REVENUE FUNDS DISCRETELY PRESENTED COMPONENT UNIT – SCHOOL BOARD
Year Ended June 30, 2025

	School Cafeteria Fund	Employee Childcare Fund	Head Start Fund	School Grants Fund	Total Nonmajor Governmental Funds
Revenues:					
Charges for services	$ 112,443	$ -	$ -	$ -	$ 112,443
Intergovernmental:					
Commonwealth	129,561	-	-	-	129,561
Federal	3,155,474	-	1,797,278	1,575,917	6,528,669
Total revenues	3,397,478	-	1,797,278	1,575,917	6,770,673
Expenditures:					
Current:					
Education	3,811,041	-	1,797,353	1,576,902	7,185,296
Total expenditures	3,811,041	-	1,797,353	1,576,902	7,185,296
Deficiency of revenues under expenditures	(413,563)	-	(75)	(985)	(414,623)
Net change in fund balances	(413,563)	-	(75)	(985)	(414,623)
Fund balances, beginning	978,848	28,809	9,586	4,621	1,021,864
Fund balances, ending	$ 565,285	$ 28,809	$ 9,511	$ 3,636	$ 607,241

DISCRETELY PRESENTED COMPONENT UNIT – ECONOMIC DEVELOPMENT AUTHORITY

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 43

BALANCE SHEET
DISCRETELY PRESENTED COMPONENT UNIT –
ECONOMIC DEVELOPMENT AUTHORITY
June 30, 2025

ASSETS		
Cash and cash equivalents	$	665,577
Investments		527,233
Interest Receivable		8,802
Lease receivable		359,272
Total assets	$	1,560,884
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable	$	64,959
Due to primary government		645
Total liabilities		65,604
Accrued Expenses and Other Liabilities:		
Deposits held		5,200
Total accrued expenses and other liabilities		5,200
Deferred Inflows of Resources:		
Leases related		394,701
Total deferred inflows of resources		394,701
FUND BALANCE		
Assigned		1,095,379
Total fund balance		1,095,379
Total liabilities and fund balance	$	1,560,884
Fund balance	$	1,095,379
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets, net of accumulated depreciation and amortization, used in governmental activities are not financial resources and, therefore, are not reported in the funds.		1,373,350
Certain obligations are not due and payable in the current period, and therefore, are not reported as liabilities in governmental funds:		
Promissory note		(795,000)
Net position of governmental activities	$	1,673,729

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 44

STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE – DISCRETELY PRESENTED COMPONENT UNIT – ECONOMIC DEVELOPMENT AUTHORITY
Year Ended June 30, 2025

Revenues:		
Revenue from the use of money	$	47,588
Lease revenue		53,257
Intergovernmental:		
Contribution from Orange County		46,767
Total revenues		147,612
Expenditures:		
Current:		
Community development		87,485
Capital outlay		681,416
Total expenditures		768,901
Other Financing Sources:		
Issuance of promissory note		795,000
Net change in fund balance		173,711
Fund balance, beginning		921,668
Fund balance, ending	$	1,095,379
Net change in fund balance	$	173,711

Reconciliation of amounts reported for governmental activities in the Statement of Activities:

Governmental funds report capital outlay as an expenditure. However, in the Statement of Activities, the cost of that asset is allocated over their estimated useful lives and reported as depreciation and amortization expense. This is the amount by which the capital outlays exceed depreciation and amortization in the current period.		273,076
The net effect of transactions involving capital assets (i.e. disposals, donations, and transfers) is to decrease net position		(795,000)
Change in net position of governmental activities	$	(348,213)

DISCRETELY PRESENTED COMPONENT UNIT – BROADBAND AUTHORITY (FIBERLYNC)

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 45
Page 1 of 2

STATEMENT OF NET POSITION
DISCRETELY PRESENTED COMPONENT UNIT –
BROADBAND AUTHORITY(FIBERLYNC)
June 30, 2025

ASSETS	
Current assets:	
Cash and cash equivalents	$ 1,132,289
Restricted cash and cash equivalents	1,352,290
Accounts receivable	299,570
Due from Federal Government	188,240
Prepaid items	20,160
Other current assets	5,425
Total current assets	2,997,974
Noncurrent assets:	
Pension asset	156,498
Capital assets:	
Infrastructure	40,465,714
Intangible right-to-use lease buildings	233,604
Furniture, equipment and vehicles	425,922
Intangible right-to-use lease equipment	130,201
Less accumulated depreciation and amortization	(4,039,383)
Total capital assets, net of accumulated depreciation and amortization	37,216,058
Total noncurrent assets	37,372,556
Total assets	40,370,530
DEFERRED OUTFLOWS OF RESOURCES	
Pension plan	20,552
Other postemployment benefits	42,975
Total deferred outflows of resources	63,527

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 45
Page 2 of 2

STATEMENT OF NET POSITION
DISCRETELY PRESENTED COMPONENT UNIT –
BROADBAND AUTHORITY(FIBERLYNC)
June 30, 2025

LIABILITIES	
Current Liabilities:	
Accounts payable and accrued expenses	$ 552,961
Accrued payroll and payroll taxes	102,511
Accrued interest payable	107,715
Due to primary government	2,177,460
Total current liabilities	2,940,647
Noncurrent Liabilities:	
Due within one year:	
Bonds payable, net	1,381,000
Leases payable	77,775
Compensated absences	74,593
Due in more than one year:	
Bonds payable, net	18,129,213
Leases payable	166,811
Compensated absences	22,598
Other postemployment benefits	45,195
Total noncurrent liabilities	19,897,185
Total liabilities	22,837,832
DEFERRED INFLOWS OF RESOURCES	
Pension plan	50,954
Other postemployment benefits	7,180
Total deferred outflows of resources	58,134
NET POSITION	
Net investment in capital assets	18,278,895
Restricted	1,508,788
Unrestricted	(2,249,592)
Total net position	$ 17,538,091

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 46

STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET POSITION
DISCRETELY PRESENTED COMPONENT UNIT –
BROADBAND AUTHORITY (FIBERLYNC)
Year Ended June 30, 2025

Operating revenues:	
Charges for services	
Subscription revenue	$ 4,265,589
Installation revenue	353,412
Total operating revenues	4,619,001
Operating expenses:	
Professional fees	110,689
Insurance	13,391
Lease	18,368
Office	183,429
Salaries and payroll taxes	1,427,664
Fringe benefits	221,968
Repairs and maintenance	24,069
Depreciation and amortization	2,012,675
Internet service costs	475,201
Total operating expenses	4,487,454
Operating income	131,547
Nonoperating revenues (expenses):	
Contributions from the primary government	1,463,691
Intergovernmental revenue	733,865
Interest income	63,384
Unrealized losses on investments, net	8,811
Other income	141,763
Interest expense	(523,394)
Total nonoperating revenues, net	1,888,120
Change in net position	2,019,667
Net position, beginning as previously stated	15,536,745
Restatement due to implementation of GASB 101	(18,321)
Net position, beginning as restated	15,518,424
Net position, ending	$ 17,538,091

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 47
Page 1 of 2

STATEMENT OF CASH FLOWS
DISCRETELY PRESENTED COMPONENT UNIT –
BROADBAND AUTHORITY (FIBERLYNC)
Year Ended June 30, 2025

Cash flows from operating activities:	
Receipts from customers	$ 4,762,528
Payments to suppliers for goods and services	(960,336)
Payments to employees for services	(1,636,808)
Net cash provided by operating activities	2,165,384
Cash flows from noncapital financing activities:	
Noncapital grant	550,166
Other	141,763
Net cash provided by noncapital financing activities	691,929
Cash flows from capital and related financing activities:	
Contributions from the primary government	2,335,699
Line of credit received from primary government	1,310,390
Principal payment on bonds	(1,357,000)
Acquisition and construction of capital assets	(3,878,131)
Interest payment on bonds	(527,802)
Principal payment on leases	(62,275)
Net cash used in capital and related financing activities	(2,179,119)
Cash flows from investing activities:	
Sale of investments	1,254,074
Interest from investments	63,384
Net cash provided by investing activities	1,317,458
Net increase in cash and cash equivalents	1,995,652
Cash and cash equivalents:	
Beginning	488,927
Ending	$ 2,484,579

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 47
Page 2 of 2

STATEMENT OF CASH FLOWS
DISCRETELY PRESENTED COMPONENT UNIT –
BROADBAND AUTHORITY (FIBERLYNC)
Year Ended June 30, 2025

Reconciliation of operating income to net cash provided by operating activities:		
Operating income	$	131,547
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization		2,012,675
Remeasurement of lease		(1,255)
Increase in pension and OPEB related deferred outflows of resources		31,313
Increase in pension and OPEB related deferred inflows of resources		51,504
Changes in assets and liabilities:		
Decrease (increase) in:		
Accounts receivable		143,527
Prepaid items		(4,455)
Other current assets		(401)
Pension asset		(112,020)
Increase (decrease) in:		
Accounts payable and accrued expenses		(84,873)
OPEB liability		(2,178)
Net cash provided by operating activities	$	2,165,384
Schedule of noncash capital and related financing activities		
Capital assets acquired through incurrence of accounts payable	$	534,654
Unrealized loss on investments		8,811
Intangible right-to-use asset acquired through leases		134,424
Debt acquired through leases		133,169

STATISTICAL SECTION

COUNTY OF ORANGE, VIRGINIA

STATISTICAL SECTION
TABLE OF CONTENTS

The statistical section of the County's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information presented in the financial statements, note disclosures and required supplementary information say about the County's overall financial health. This information has not been audited by the independent auditor.

Contents	Tables
Financial Trends	
These tables contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	1-4
Revenue Capacity	
These tables contain information to help the reader assess the factors affecting the County's ability to generate revenues through property, sales taxes, and other means.	5-8
Debt Capacity	
These tables present information to help the reader assess the affordability of the County's current levels of outstanding debt and the Town's ability to issue additional debt in the future.	9-10
Demographic and Economic Information	
These tables offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place and to help make comparison over time and with other governments.	11-12
Operating Information	
This table contains information about the County's operations and resources to help the reader understand how the County's financial information relates to the services the County provides and the activities it performs.	13

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

COUNTY OF ORANGE, VIRGINIA

TABLE 1

NET POSITION BY COMPONENT
Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)

	Fiscal Year June 30,									
	2025 [2]	2024	2023	2022	2021	2020	2019	2018 [1]	2017	2016
Governmental activities:										
Net investment in capital assets	$ 8,348,725	$ 7,465,453	$ 6,431,880	$ 5,531,857	$ 7,547,559	$ 1,789,523	$ (12,719,256)	$ (18,396,119)	$ (23,720,203)	$ 3,005,800
Restricted	5,468,157	1,028,179	438,675	-	1,016,331	-	23,791,968	25,090,835	27,106,855	534,309
Unrestricted	32,126,674	41,134,648	38,889,698	37,587,636	28,670,137	39,728,100	24,441,542	23,000,595	23,551,304	23,018,630
Total governmental activities net position	45,943,556	49,628,280	45,760,253	43,119,493	37,234,027	41,517,623	35,514,254	29,695,311	26,937,956	26,558,739
Business-type activities:										
Net investment in capital assets	9,811,791	9,257,129	9,236,731	10,038,412	10,281,349	12,135,155	12,629,800	13,346,905	13,314,101	13,779,641
Restricted	23,725	14,951	10,915	-	-	-	-	-	-	-
Unrestricted	3,441,920	3,453,803	3,087,499	2,136,145	1,371,927	434,931	348,326	932,632	1,152,693	710,862
Total business-type activities net position	13,277,436	12,725,883	12,335,145	12,174,557	11,653,276	12,570,086	12,978,126	14,279,537	14,466,794	14,490,503
Primary government:										
Net investment in capital assets	18,160,516	16,722,582	15,668,611	15,570,269	17,828,908	13,924,678	(89,456)	(5,049,214)	(10,406,102)	16,785,441
Restricted	5,491,882	1,043,130	449,590	-	1,016,331	-	23,791,968	25,090,835	27,106,855	534,309
Unrestricted	35,568,594	44,588,451	41,977,197	39,723,781	30,042,064	40,163,031	24,789,868	23,933,227	24,703,997	23,729,492
Total primary government net position	$ 59,220,992	$ 62,354,163	$ 58,095,398	$ 55,294,050	$ 48,887,303	$ 54,087,709	$ 48,492,380	$ 43,974,848	$ 41,404,750	$ 41,049,242

Note:

[1] GASB Statement No. 75 was adopted in fiscal year 2018.

[2] GASB Statement No. 101 was adopted in fiscal year 2025.

COUNTY OF ORANGE, VIRGINIA

TABLE 2
Page 1

CHANGES IN NET POSITION
Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)

	Fiscal Year June 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Primary government:										
Expenses:										
Governmental activities:										
General government	$ 10,218,829	$ 8,946,132	$ 6,093,696	$ 5,235,472	$ 9,685,629	$ 4,671,367	$ 3,660,923	$ 3,692,202	$ 4,364,352	$ 3,697,143
Judicial administration	2,256,281	2,701,048	2,366,409	2,284,473	2,288,774	1,965,160	1,971,178	1,825,881	1,718,583	1,650,036
Public safety	23,324,031	19,828,564	18,138,848	16,514,769	16,170,472	14,947,275	13,533,501	13,133,990	12,337,219	11,957,728
Public works	1,961,453	1,614,339	1,774,744	3,590,009	1,559,100	1,295,981	1,354,514	1,210,318	1,103,311	878,661
Health and welfare	13,115,814	11,561,514	10,041,448	8,609,225	8,424,107	7,632,171	7,434,957	7,569,465	7,489,593	6,060,296
Education	29,393,039	28,375,448	31,243,752	27,559,351	27,037,876	25,486,468	25,502,543	26,525,191	26,245,512	26,187,147
Parks, recreation, and cultural	2,307,660	1,961,726	1,910,573	1,584,918	2,568,205	1,426,483	1,374,658	1,331,700	1,301,536	1,285,193
Community development	4,129,438	2,889,575	4,967,592	3,949,626	7,428,897	1,424,703	1,432,368	1,088,595	1,200,104	1,432,001
Interest	1,618,720	2,025,713	2,293,755	2,445,323	2,820,774	2,821,969	3,301,671	3,571,815	3,045,826	3,139,207
Total governmental activities expense	88,325,265	79,904,059	78,830,817	71,773,166	77,983,834	61,671,577	59,566,313	59,949,157	58,806,036	56,287,412
Business-type activities:										
Airport	906,890	1,166,075	1,338,371	1,225,657	1,522,777	894,673	905,899	808,725	764,063	777,557
Landfill	3,711,320	3,704,252	2,666,200	3,480,468	4,340,547	2,920,260	3,015,769	2,663,521	2,533,327	2,410,358
Total business-type activities expense	4,618,210	4,870,327	4,004,571	4,706,125	5,863,324	3,814,933	3,921,668	3,472,246	3,297,390	3,187,915
Total primary government expense	92,943,475	84,774,386	82,835,388	76,479,291	83,847,158	65,486,510	63,487,981	63,421,403	62,103,426	59,475,327
Program revenue:										
Governmental activities:										
Charges for services:										
General government	1,585,701	936,853	1,000,619	943,606	991,491	1,208,631	972,575	888,615	1,074,534	918,897
Judicial administration	222,368	150,840	178,430	146,503	101,808	91,681	96,034	108,811	126,036	349,355
Public safety	2,683,228	2,548,200	2,379,681	2,445,147	2,240,500	2,194,511	1,852,313	1,848,484	1,853,647	1,580,451
Public works	12,708	9,417	8,210	8,075	7,697	10,779	12,497	11,369	12,469	-
Health and welfare	611,587	574,271	537,162	364,100	184,500	294,429	354,490	400,199	401,912	27,950
Education	-	-	-	-	-	-	-	-	-	346,051
Parks, recreation, and cultural	65,003	65,260	75,923	61,862	31,412	78,313	104,872	110,268	111,628	122,294
Community development	121,288	127,176	97,622	104,492	232,662	62,708	103,780	87,786	50,548	344,197
Operating grants and contributions	11,896,377	11,375,134	11,037,785	13,464,979	14,576,622	10,051,960	7,377,472	7,366,901	6,848,749	6,500,636
Capital grants and contributions	43,314	38,500	-	214,871	150,000	25,255	846,000	1,499,023	122,036	88,320
Total governmental activities program revenue	17,241,574	15,825,651	15,315,432	17,753,635	18,516,692	14,018,267	11,720,033	12,321,456	10,601,559	10,278,151
Business-type activities:										
Charges for services:										
Airport	328,141	391,431	395,912	351,672	317,851	316,666	335,377	294,252	276,484	306,299
Landfill	895,427	724,381	853,320	691,227	616,423	564,273	494,686	465,082	502,233	386,607
Operating grants and contributions	30,389	62,149	26,696	241,174	8,447	146,361	14,768	281,678	75,300	9,207
Capital grants and contributions	236,012	255,399	-	-	999,256	-	-	-	-	30,865
Total business-type activities program revenue	1,489,969	1,433,360	1,275,928	1,284,073	1,941,977	1,027,300	844,831	1,041,012	854,017	732,978
Total primary government program revenue	18,731,543	17,259,011	16,591,360	19,037,708	20,458,669	15,045,567	12,564,864	13,362,468	11,455,576	11,011,129

COUNTY OF ORANGE, VIRGINIA

TABLE 2
Page 2

CHANGES IN NET POSITION
Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)

	Fiscal Year June 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Primary government:										
Net expense:										
Governmental activities	$ (71,083,691)	$ (64,078,408)	$ (63,515,385)	$ (54,019,531)	$ (59,467,142)	$ (47,653,310)	$ (47,846,280)	$ (47,627,701)	$ (48,204,477)	$ (46,009,261)
Business-type activities	(3,128,241)	(3,436,967)	(2,728,643)	(3,422,052)	(3,921,347)	(2,787,633)	(3,076,837)	(2,431,234)	(2,443,373)	(2,454,937)
Total primary government net expense	(74,211,932)	(67,515,375)	(66,244,028)	(57,441,583)	(63,388,489)	(50,440,943)	(50,923,117)	(50,058,935)	(50,647,850)	(48,464,198)
General revenues and other changes in net position:										
Governmental activities:										
Taxes										
Property taxes	54,678,961	53,748,984	51,932,616	48,430,839	45,022,564	43,648,242	42,849,380	41,316,740	40,829,686	39,853,041
Local sales and use	5,415,734	5,493,097	5,539,952	5,243,821	4,647,589	3,647,384	3,373,649	3,358,475	3,304,851	2,795,044
Consumers' utility taxes	694,204	619,763	662,478	651,458	730,786	542,186	656,583	598,492	591,472	573,344
Consumption taxes	109,413	95,967	100,790	101,747	116,370	86,473	111,957	102,257	96,060	94,162
Motor vehicle license taxes	1,146,756	1,106,067	1,120,255	1,099,823	998,849	1,011,268	1,053,305	1,051,297	1,093,406	1,002,943
Taxes on recordation and wills	29,773	795,736	757,662	1,126,347	1,033,497	681,011	542,503	538,195	549,880	450,282
Restaurant food taxes	1,338,713	1,303,286	1,158,678	1,099,713	966,098	791,214	789,063	766,423	759,517	769,294
Other local taxes	1,618,333	827,030	459,793	327,517	268,272	211,993	247,714	228,175	211,802	204,363
Use of money and property	1,970,291	2,138,968	1,611,304	14,796	173,976	850,237	1,223,203	746,102	352,115	203,645
Miscellaneous	1,130,625	1,810,866	1,670,067	474,986	271,546	407,782	478,372	473,033	483,069	558,478
Grants and contributions not restricted to specific programs	3,851,577	3,833,905	3,923,018	3,921,889	3,958,536	4,154,877	4,114,920	4,004,036	4,249,440	4,265,161
Special items	-	-	-	-	-	-	-	-	(1,540,000)	-
Transfers	(3,712,245)	(3,827,234)	(2,888,027)	(2,813,091)	(3,004,537)	(2,375,988)	(1,775,426)	(2,217,721)	(2,397,604)	(2,114,011)
Total governmental activities	68,272,135	67,946,435	66,048,586	59,679,845	55,183,546	53,656,679	53,665,223	50,965,504	48,583,694	48,655,746
Business-type activities:										
Miscellaneous	428	471	1,204	11,883	-	3,605	-	34,700	22,060	7,771
Transfers	3,712,245	3,827,234	2,888,027	2,813,091	3,004,537	2,375,988	1,775,426	2,217,721	2,397,604	2,114,011
Total business-type activities	3,712,673	3,827,705	2,889,231	2,824,974	3,004,537	2,379,593	1,775,426	2,252,421	2,419,664	2,121,782
Total primary government	71,984,808	71,774,140	68,937,817	62,504,819	58,188,083	56,036,272	55,440,649	53,217,925	51,003,358	50,777,528
Changes in net position:										
Governmental activities	(2,811,556)	3,868,027	2,533,201	5,660,314	(4,283,596)	6,003,369	5,818,943	3,337,803	379,217	2,646,485
Business-type activities	584,432	390,738	160,588	(597,078)	(916,810)	(408,040)	(1,301,411)	(178,813)	(23,709)	(333,155)
Total primary government	$ (2,227,124)	$ 4,258,765	$ 2,693,789	$ 5,063,236	$ (5,200,406)	$ 5,595,329	$ 4,517,532	$ 3,158,990	$ 355,508	$ 2,313,330

COUNTY OF ORANGE, VIRGINIA

TABLE 3

FUND BALANCES – GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(modified accrual basis of accounting)
(Unaudited)

	Fiscal Year June 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General Fund:										
Nonspendable	$ 50,000	$ 50,000	$ 50,000	$ 50,000	$ 50,000	$ 50,000	$ 65,000	$ 15,000	$ 15,000	$ 15,000
Restricted	-	-	-	-	1,016,331	-	-	-	-	379,309
Committed	-	-	-	-	-	-	-	-	-	71,125
Assigned	3,672,954	4,145,475	3,047,475	4,236,256	2,794,557	5,960,987	1,774,084	964,081	906,601	412,102
Unassigned	26,688,349	28,891,117	27,194,081	27,593,883	25,371,111	22,258,923	21,807,728	20,732,710	19,383,577	22,153,299
Total general fund	$ 30,411,303	$ 33,086,592	$ 30,291,556	$ 31,880,139	$ 29,231,999	$ 28,269,910	$ 23,646,812	$ 21,711,791	$ 20,305,178	$ 23,030,835
All other governmental funds:										
Nonspendable	$ -	$ 71,737	$ -	$ -	$ 219	$ 7,620	$ -	$ -	$ -	$ -
Restricted	4,473,126	4,213,543	-	-	-	-	23,791,968	25,090,835	27,106,855	155,000
Committed	-	161,747	148,054	99,628	157,331	205,896	241,172	187,469	861,954	602,287
Assigned	6,052,414	6,847,078	16,234,368	20,751,174	17,003,251	13,482,574	2,391,492	3,549,394	5,463,478	2,787,947
Unassigned	(216,980)	-	-	-	1,495,714	(7,620)	-	-	-	-
Total all other governmental funds	$ 10,308,560	$ 11,294,105	$ 16,382,422	$ 20,850,802	$ 18,656,515	$ 13,688,470	$ 26,424,632	$ 28,827,698	$ 33,432,287	$ 3,545,234

COUNTY OF ORANGE, VIRGINIA

TABLE 4

CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(modified accrual basis of accounting)
(Unaudited)

	Fiscal Year June 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Revenues:										
General property taxes	$ 54,700,501	$ 53,536,823	$ 51,662,273	$ 48,149,408	$ 44,731,508	$ 43,475,665	$ 43,179,633	$ 41,243,180	$ 40,875,523	$ 40,315,480
Other local taxes	10,362,426	10,250,446	9,809,108	9,659,926	8,770,961	7,125,925	6,802,386	6,499,306	6,511,988	5,889,432
Permits, privilege fees, and regulatory licenses	1,201,814	1,237,643	674,847	710,396	814,452	521,670	524,438	489,088	439,084	359,171
Fines and forfeitures	109,700	101,340	99,849	108,845	93,572	175,828	177,630	188,953	223,539	219,125
Use of money and property	1,970,291	2,138,968	1,611,304	14,796	173,976	850,237	1,223,203	746,102	352,115	203,645
Charges for services	2,774,465	1,747,492	2,379,599	2,234,354	1,803,853	1,924,518	1,837,905	1,979,135	1,993,508	1,991,804
Miscellaneous	1,160,879	799,416	1,319,494	488,598	261,765	409,291	479,734	474,439	485,784	557,947
Recovered costs	2,535,267	1,846,216	1,867,945	1,737,836	1,718,725	1,909,978	1,634,171	1,537,172	1,082,720	1,602,324
Payments from the component unit	-	-	341,019	-	-	-	-	-	-	-
Intergovernmental:										
Commonwealth	13,117,618	12,336,932	10,598,965	9,612,131	10,660,237	9,633,639	9,703,664	9,665,292	9,559,478	9,343,625
Federal	2,673,650	2,904,009	4,361,838	7,989,608	8,024,922	4,598,457	2,634,728	1,705,645	1,660,747	1,510,492
Total revenues	90,606,611	86,899,285	84,726,241	80,705,898	77,053,971	70,625,208	68,197,492	64,528,312	63,184,486	61,993,045
Expenditures:										
General government	6,850,835	6,110,991	4,987,671	4,476,101	3,745,491	3,790,172	3,363,367	3,035,247	2,921,052	2,944,001
Judicial administration	2,214,622	2,801,855	2,592,461	2,313,867	2,137,008	1,921,487	2,057,006	1,912,674	1,700,103	1,744,265
Public safety	21,585,251	18,913,626	17,890,401	15,210,487	14,919,515	13,434,668	12,876,484	12,668,077	11,445,541	11,227,370
Public works	1,902,242	1,839,663	2,096,997	3,385,023	1,163,705	1,051,376	1,020,608	1,165,691	995,174	813,924
Health and welfare	12,898,491	11,764,365	10,501,461	8,466,032	8,052,152	7,498,498	7,616,443	7,720,929	7,338,687	6,303,720
Education	27,175,692	23,865,935	23,721,386	23,037,270	22,844,150	21,249,334	21,139,840	22,279,641	22,598,168	21,512,600
Parks, recreation, and cultural	2,206,664	1,987,173	1,828,009	1,536,039	2,405,523	1,340,692	1,351,343	1,341,683	1,248,154	1,295,954
Community development	3,977,314	2,935,605	1,955,417	1,843,144	4,046,561	1,347,334	1,433,319	907,785	1,129,139	1,440,771
Nondepartmental	208,922	214,633	102,712	120,264	1,128,621	124,638	104,580	131,692	102,214	82,990
Capital outlay	3,691,476	5,685,193	12,146,391	4,476,677	10,662,045	15,258,835	6,376,833	4,274,367	2,781,039	1,690,138
Debt service:										
Principal	7,584,329	7,172,824	7,279,237	6,597,842	6,048,046	5,937,825	5,874,021	6,122,307	5,920,047	5,618,697
Interest and fiscal charges	2,230,929	2,522,002	2,841,573	3,103,543	3,331,393	3,407,425	3,676,267	3,948,474	3,999,097	3,438,826
Total expenditures	92,526,767	85,813,865	87,943,716	74,566,289	80,484,210	76,362,284	66,890,111	65,508,567	62,178,415	58,113,256
Excess of revenues over (under) expenditures	(1,920,156)	1,085,420	(3,217,475)	6,139,609	(3,430,239)	(5,737,076)	1,307,381	(980,255)	1,006,071	3,879,789
Other financing sources (uses):										
Transfers in	15,443,319	12,838,580	17,905,533	14,447,818	14,319,371	12,345,639	12,782,756	11,031,214	16,415,157	13,632,337
Transfers out	(19,022,414)	(16,541,964)	(20,745,021)	(17,260,909)	(17,323,908)	(14,721,627)	(14,558,182)	(13,248,935)	(18,812,761)	(15,746,348)
Bond proceeds	-	-	-	1,515,909	12,364,910	-	-	-	-	-
Issuance of subscription	29,975	304,048	-	-	-	-	-	-	-	-
Issuance of lease	457,620	20,635	-	-	-	-	-	-	-	-
Issuance of private placement note	1,350,822	-	-	-	-	-	-	-	514,626	-
Refunding of bonds	-	-	-	-	-	-	-	-	48,110,000	-
Premium on lease revenue refunding bonds issued	-	-	-	-	-	-	-	-	4,398,303	-
Payment to bond escrow agent	-	-	-	-	-	-	-	-	(24,470,000)	-
Total other financing sources (uses), net	(1,740,678)	(3,378,701)	(2,839,488)	(1,297,182)	9,360,373	(2,375,988)	(1,775,426)	(2,217,721)	26,155,325	(2,114,011)
Net change in fund balances	$ (3,660,834)	$ (2,293,281)	$ (6,056,963)	$ 4,842,427	$ 5,930,134	$ (8,113,064)	$ (468,045)	$ (3,197,976)	$ 27,161,396	$ 1,765,778
Debt service as a percentage of noncapital expenditures	10.96%	11.76%	12.07%	13.25%	12.80%	15.20%	15.90%	16.44%	16.29%	15.93%

COUNTY OF ORANGE, VIRGINIA

TABLE 5
Page 1

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Fiscal Years
(Unaudited)

	Real Estate (1)						Personal Property									
Tax Year	Residential	Commercial	Agricultural	Land Use Deferment	Public Service Companies (2)	Nominal Tax Rate per $100	Personal Property	Nominal Tax Rate per $100	Tractor Trailers and Trailers (4)	Nominal Tax Rate per $100	Mobile Homes	Nominal Tax Rate per $100	Machinery and Tools	Nominal Tax Rate per $100	Merchants' Capital	Nominal Tax Rate per $100
2025	$ 4,005,212,100	$ 314,051,800	$ 1,113,318,600	$ (460,562,400)	$ 311,364,766	$ 0.750	$ 474,007,513	$ 3.600	$ 17,033,604	$ 3.750	$ 5,107,619	$ 0.750	$ 72,593,936	$ 1.830	$ 70,472,680	$ 0.400
2024	3,876,451,000	314,868,500	1,091,067,400	(469,378,300)	207,673,216	0.750	461,162,497	3.600	14,487,829	3.750	4,733,339	0.750	62,819,815	1.831	67,462,559	0.400
2023	3,788,655,300	300,698,200	1,098,210,300	(478,098,100)	206,611,288	0.750	448,247,375	3.600	13,768,424	3.750	4,842,149	0.750	70,068,613	1.831	60,872,680	0.400
2022	3,705,960,000	300,373,000	1,091,643,400	(475,948,400)	194,120,645	0.750	470,393,350	3.250	12,932,988	3.750	4,836,334	0.750	60,661,664	1.831	51,187,822	0.400
2021	3,621,153,700	297,053,600	1,090,137,500	(470,733,800)	218,747,531	0.720	351,334,193	3.750			4,797,611	0.720	66,582,608	1.831	52,880,141	0.400
2020	3,578,434,100	292,553,700	1,088,444,600	(468,948,000)	219,281,025	0.720	299,155,915	3.750			4,582,644	0.610	52,135,727	1.831	58,507,493	0.400
2019	3,006,921,500	279,182,200	887,432,500	(326,688,400)	174,879,322	0.804	295,619,326	3.750			4,864,360	0.804	54,050,685	1.831	52,409,004	0.400
2018	2,965,725,700	273,571,300	887,244,800	(331,746,500)	184,617,337	0.804	300,747,945	3.750			4,873,755	0.804	51,293,875	1.831	51,476,767	0.400
2017	2,928,737,200	268,322,200	885,052,200	(336,737,200)	172,586,718	0.804	292,472,233	3.750			4,586,870	0.804	38,343,323	1.831	53,393,121	0.400
2016	2,891,574,450	269,842,800	885,356,900	(335,949,129)	169,705,328	0.804	279,172,792	3.750			4,778,250	0.804	37,843,645	1.831	47,096,280	0.400

(1) Real estate is assessed at 100% of fair market value.
(2) Assessed values are established by the State Corporation Commission.
(3) Tax Rates are listed as a sum of General Tax Rates and Fire & EMS District Tax Rates
(4) Property was included in personal property prior to 2022.
Source: Commissioner of Revenue

*** Direct rates are derived by calculating a weighted average that multiplies each rate by the proportion of the revenue base to which it applies. (See Table 6)**

COUNTY OF ORANGE, VIRGINIA

TABLE 5
Page 2

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Fiscal Years
(Unaudited)

	Personal Property (Continued)												
Tax Year	Business and Heavy Equipment	Nominal Tax Rate per $100	RVs and Campers	Nominal Tax Rate per $100	Airplanes	Nominal Tax Rate per $100	Boats	Nominal Tax Rate per $100	Logging Equipment	Public Service Companies	Nominal Tax Rate per $100	Total Taxable Assessed Value	Direct* Tax Rate per $100
2025	$ 49,820,648	$ 2.200	$ 15,489,618	$ 2.620	$ 5,126,410	$ 0.500	$ 12,050,976	$ 2.090	$ 625,460	$ 42,601	$ 3.600	$ 6,005,755,931	$ 1.010
2024	52,453,595	2.200	15,848,764	2.620	5,586,175	0.500	12,116,603	2.090	896,250	42,601	3.600	5,718,291,843	1.016
2023	51,753,084	2.200	14,188,165	2.620	5,233,500	-	12,019,356	2.090	792,920	55,211	3.600	5,597,918,465	1.016
2022	46,672,366	2.200	12,541,715	2.620	5,794,890	-	12,788,640	2.090	792,920	52,384	3.250	5,494,803,718	0.999
2021	47,554,693	2.200	10,291,541	2.620	4,196,875	-	9,821,175	2.090	475,575	55,118	3.750	5,304,348,061	0.950
2020	39,027,941	2.200	9,518,508	2.620	3,884,925	-	8,109,109	2.090	638,220	77,206	3.750	5,185,403,113	0.919
2019	39,694,201	2.200	9,827,520	2.620	3,162,983	-	8,929,420	2.090	618,720	101,886	3.750	4,491,005,227	1.024
2018	39,616,822	2.200	8,961,060	2.620	3,093,863	-	10,134,630	2.090	553,565	106,159	3.750	4,450,271,078	1.029
2017	40,433,625	2.200	7,386,181	2.620	3,042,695	-	9,500,382	2.090	501,085	119,557	3.750	4,367,740,190	1.023
2016	36,712,415	2.200	6,121,182	2.620	2,659,380	-	9,731,932	2.090	436,220	129,819	3.750	4,305,212,264	1.017

(1) Real estate is assessed at 100% of fair market value.
(2) Assessed values are established by the State Corporation Commission.
(3) Tax Rates are listed as a sum of General Tax Rates and Fire & EMS District Tax Rates
(4) Property was included in personal property prior to 2022.
Source: Commissioner of Revenue

*** Direct rates are derived by calculating a weighted average that multiplies each rate by the proportion of the revenue base to which it applies. (See Table 6)**

COUNTY OF ORANGE, VIRGINIA

TABLE 6

DIRECT AND OVERLAPPING PROPERTY TAX RATES [1]
Last Ten Fiscal Years
(Unaudited)

	Direct Rates*									
Tax Year	Real Estate (2)	Personal Property (2)	Tractor Trailers and Trailers (3)	Mobile Homes	Machinery and Tools (2)	Merchants' Capital	Business Equipment	RVs and Campers	Airplanes	Boats
2025	$ 0.660	$ 0.284	$ 0.010	$ 0.001	$ 0.022	$ 0.005	$ 0.018	$ 0.007	$ 0.000	$ 0.004
2024	1.351	0.290	0.010	0.001	0.020	0.005	0.020	0.007	0.000	0.004
2023	0.659	0.288	0.009	0.001	0.023	0.004	0.020	0.007	-	0.004
2022	0.657	0.278	0.009	0.001	0.020	0.004	0.019	0.006	-	0.005
2021	0.646	0.248		0.001	0.023	0.004	0.020	0.005	-	0.004
2020	0.655	0.216		0.001	0.018	0.005	0.017	0.005	-	0.003
2019	0.720	0.247		0.001	0.022	0.005	0.019	0.006	-	0.004
2018	0.719	0.253		0.001	0.021	0.005	0.020	0.005	-	0.005
2017	0.721	0.251		0.001	0.016	0.005	0.020	0.004	-	0.005
2016	0.726	0.243		0.001	0.016	0.004	0.019	0.004	-	0.005

	Overlapping Rates					
	Town of Orange			Town of Gordonsville		
Tax Year	Real Estate (2)	Personal Property (2)	Machinery and Tools	Real Estate	Personal Property	Machinery and Tools
2025	$ 0.157	$ 0.830	$ 0.066	$ 0.117	$ 0.720	$ 0.240
2024	0.157	0.830	0.066	0.117	0.720	0.240
2023	0.157	0.830	0.066	0.117	0.990	0.240
2022	0.157	0.830	0.066	0.117	0.990	0.240
2021	0.157	0.830	0.066	0.117	0.990	0.240
2020	0.157	0.830	0.066	0.117	0.990	0.240
2019	0.175	0.830	0.066	0.130	0.990	0.240
2018	0.175	0.830	0.066	0.100	0.990	0.240
2017	0.175	0.830	0.066	0.100	0.990	0.240
2016	0.175	0.830	0.066	0.100	0.990	0.240

(1) Per $100 of assessed value
(2) Includes Public Service Companies
(3) Property was included in personal property prior to 2022.

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

COUNTY OF ORANGE, VIRGINIA

TABLE 7

PRINCIPAL PROPERTY TAXPAYERS [1]
Current Year and Nine Years Ago
(Unaudited)

		2025			2016		
Taxpayer	Type of Business	Assessed Value (1)	Rank	Percentage of Total Taxable Assessed Value	Assessed Value (1)	Rank	Percentage of Total Taxable Assessed Value
VanHoven Enterprises, LLC	Horticulture	$ 61,374,500	1	1.16%	$ 51,291,500	1	1.32%
Aerojet General Corp	Manufacturing	27,137,000	2	0.51%	17,282,500	2	0.45%
Holtzbrinck Publishers	Book Distributor	21,725,500	3	0.41%	16,729,900	3	0.43%
Wal-Mart	Retail	12,793,800	4	0.24%	9,802,400	5	0.25%
Rocklands LLC	Agriculture	12,561,300	5	0.24%	10,681,000	4	0.28%
Lohman Corporation	Manufacturing	12,069,500	6	0.23%	-	-	0.00%
PMC Distribution	Manufacturing	11,864,200	7	0.22%	-	-	0.00%
American Woodmark	Manufacturing	8,929,900	8	0.17%	7,093,100	7	0.18%
P.W. Hiden LLC	Agriculture	8,398,900	9	0.16%	6,669,600	8	0.17%
Orange Village	Shopping Center	8,250,300	10	0.16%	6,175,400	10	0.16%
Somerset Plantation Inc.	Agriculture	-	-	0.00%	6,617,700	9	0.17%
Howell Taylor LTD	Agriculture	-	-	0.00%	7,446,700	6	0.19%
Total Principal Property Tax Payers' Assessed Values		185,104,900		3.50%	139,789,800		3.60%
All Other Tax Payers' Assessed Values		5,098,279,966		96.50%	3,740,740,549		96.40%
Total Annual Assessed Values		$ 5,283,384,866		100.00%	$ 3,880,530,349		100.00%

Note: Companies/entities with no amounts were not in the top ten for that year.

Source: Commissioner of Revenue

(1) Amounts provided for real estate assessments only.

COUNTY OF ORANGE, VIRGINIA

TABLE 8

PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years
(Unaudited)

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy*
2025	$ 53,896,163	$ 52,100,676	96.67%	$ 1,067,831	$ 53,168,507	98.65%
2024	52,617,854	51,022,792	96.97%	822,653	51,845,445	98.53%
2023	51,039,058	49,408,892	96.81%	1,261,217	50,670,109	99.28%
2022	48,411,906	46,087,006	95.20%	2,119,052	48,206,058	99.57%
2021	44,382,003	43,204,319	97.35%	1,002,797	44,207,116	99.61%
2020	43,267,492	41,880,733	96.79%	1,350,669	43,231,402	99.92%
2019	42,348,667	41,082,386	97.01%	1,256,483	42,338,869	99.98%
2018	42,301,139	39,582,898	93.57%	2,714,810	42,297,708	99.99%
2017	40,601,127	39,208,461	96.57%	1,388,252	40,596,713	99.99%
2016	41,032,097	39,513,123	96.30%	1,514,563	41,027,686	99.99%

Source: Commissioner of Revenue, County Treasurer's Office

COUNTY OF ORANGE, VIRGINIA

TABLE 9

RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years
(Unaudited)

	Governmental Activities					Business-Type Activities				
Fiscal Year	General Obligation Bonds	Lease Revenue/ Refunding Bonds	Leases	Subscriptions	Private Placement Notes	Lease Revenue/ Refunding Bonds	Private Placement Notes	Total Primary Government	Percentage of Personal Income (1)	Debt Per Capita (1)
2025	$ 9,923,282	$ 43,918,580	$ 784,798	$ 310,966	$ 1,273,314	$ 1,954,000	$ 322,058	$ 58,486,998	N/A	$ 1,500
2024	12,653,163	48,295,690	578,301	386,173	587,922	2,578,000	184,515	65,263,764	N/A	1,718
2023	15,378,070	52,530,800	727,777	234,471	1,034,967	3,028,000	263,855	73,197,940	3.02%	1,927
2022	18,222,347	56,788,181	893,767	-	1,468,008	3,028,729	340,423	80,741,455	3.61%	2,171
2021	23,019,688	58,709,291	-	-	227,639	3,028,729	109,486	85,094,833	3.96%	2,347
2020	27,885,237	48,314,130	-	-	-	-	131,672	76,331,039	3.81%	2,060
2019	32,644,328	50,001,240	-	-	51,235	-	153,134	82,849,937	4.42%	2,261
2018	37,297,285	51,274,772	-	-	339,800	-	-	88,911,857	4.95%	2,465
2017	41,974,253	52,508,303	-	-	892,640	-	-	95,375,196	5.71%	2,661
2016	46,551,005	24,900,000	-	-	998,813	-	-	72,449,818	4.47%	2,039

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

(1) See the Schedule of Demographic and Economic Statistics – Table 11

COUNTY OF ORANGE, VIRGINIA

TABLE 10

RATIOS OF NET GENERAL BONDED DEBT TO ASSESSED VALUE AND NET BONDED DEBT PER CAPITA
Last Ten Fiscal Years
(Unaudited)

Fiscal Year Ended June 30	Gross Bonded Debt	Less: Amounts Reserved for Debt Service	Net Bonded Debt	Ratio of Net General Obligation Debt to Assessed Value	Net Bonded Debt per Capita (1)
2025	$ 9,923,282	$ -	$ 9,923,282	0.17%	$ 255
2024	12,653,163	-	12,653,163	0.22%	333
2023	15,378,070	-	15,378,070	0.27%	405
2022	18,222,347	-	18,222,347	0.33%	490
2021	23,019,688	-	23,019,688	0.43%	635
2020	27,885,237	-	27,885,237	0.54%	753
2019	32,644,328	-	32,644,328	0.73%	891
2018	37,297,285	160,014	37,137,271	0.83%	1,030
2017	41,974,253	1,094,182	40,880,071	0.94%	1,141
2016	46,551,005	-	46,551,005	1.08%	1,310

(1) Population data can be found in the Schedule of Demographic and Economic Statistics - Table 11
(2) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property - Table 5
(3) Includes all long-term general obligation bonded debt, Literary Fund Loans, excludes revenue bonds, capital leases, and compensated absences.

COUNTY OF ORANGE, VIRGINIA

TABLE 11

DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Fiscal Years
(Unaudited)

Fiscal Year Ended June 30	Population (2)	Personal Income (1)	Per Capita Personal Income (1)	Median Age (2)	Public School Average Daily Membership (3)	Unemployment Rate (4)
2025	38,986	N/A	N/A	N/A	4,788	3.80%
2024	38,574	N/A	N/A	42.0	4,804	3.10%
2023	37,991	$ 2,425,767,000	$ 62,886	42.8	4,784	2.90%
2022	37,188	2,239,270,000	58,942	42.5	4,722	3.00%
2021	36,254	2,151,278,000	57,849	42.8	4,660	4.20%
2020	37,051	2,006,018,000	53,217	42.1	4,782	7.20%
2019	36,644	1,876,329,000	50,642	42.1	4,725	3.20%
2018	36,073	1,795,932,000	49,010	42.9	4,746	3.30%
2017	35,836	1,669,934,000	46,293	41.9	4,781	3.90%
2016	35,533	1,619,025,612	45,564	42.1	4,840	4.00%

(1) Souce: Bureau of Economic Analysis (BEARFACTS), https://apps.bea.gov
(2) Source: U.S. Census Bureau
(3) Source: Virginia Department of Education (Annual Superintendent's Report)
(4) Source: Virginia Workforce Connection

COUNTY OF ORANGE, VIRGINIA

TABLE 12

PRINCIPAL PRIVATE EMPLOYERS
Current Year and Nine Years Ago
(Unaudited)

	2025**			2016		
Employer	**Employees**	**Rank**	**Percentage of Total Employment**	**Employees**	**Rank**	**Percentage of Total Employment**
Aerojet	367	1	3.98%	161	9	1.80%
MPS	333	2	3.61%	302	2	3.38%
Walmart	289	3	3.13%	215	5	2.40%
Dogwood Village	249	4	2.70%	248	4	2.77%
Food Lion	236	5	2.56%	189	8	2.11%
Germanna Community College*	200	6	2.17%	300	3	3.35%
Battlefield Farms	189	7	2.05%	210	7	2.35%
American Woodmark	161	8	1.75%	322	1	3.60%
RIGID (Ridge Tool Manufacturing)	158	9	1.71%			
Green Applications	135	10	1.46%	151	10	1.69%
Zamma Corporation				212	6	2.37%
	2,317		25.12%	2,310		25.82%
Total County Employment	9,225			8,948		

Source: Virginia Employment Commisssion,Q1 Quarter 2021

** quasi private employer*
*** 2025 data was not available. 2024 data is shown.*

COUNTY OF ORANGE, VIRGINIA

TABLE 13
Page 1

OPERATING INDICATORS BY FUNCTION
Last Ten Fiscal Years
(Unaudited)

Function	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Public safety										
Sheriffs department: (1)										
Calls for service	18,776	21080	20,352	16,209	17,556	18,776	N/A	23,468	28,545	28357
Traffic violations	1,862	1850	1,750	1,235	1,377	2,157	2,755	1,755	3,498	2719
Civil papers	9,387	9680	8,864	6,604	7,052	8,673	8,778	9,319	9,559	8979
Fire and rescue:										
Number of calls answered	7,494	7417	6,740	6,768	10,427	10,427	7,715	7,108	9,048	6475
Building inspections:										
Permits issued	1,466	1458	1,442	2,455	2,973	1,164	1,129	965	902	880
Animal control:										
Number of calls answered (1)	1,483	1982	2,094	2,146	2,155	2,225	2,195	1478	693	640
Public works										
General maintenance:										
Trucks/vehicles	6	6	6	4	4	4	4	4	4	4
Landfill:										
Refuse collected (total tons per year)	30,089	29106	32,600	27,371	28,555	31,017	25,529	23,431	24,623	24225
Recycling (total tons per year)	3,537	3938	1,894	1,548	1,065	857	712	917	1,042	2909
Health and welfare										
Office on Youth Childcare Enrollment:										
Gordon Barbour Elementary School	59	48	43	45	38	51	56	52	48	51
Locust Grove Primary School	67	73	59	45	32	91	107	96	94	87
Orange Elementary School	33	47	48	38	37	48	68	64	48	43
Lightfoot Elementary School	40	45	41	22	18	site closed	site closed	site closed	site closed	site closed
Culture and recreation										
Parks and recreation:										
Youth sports participants	532	450	300	257	143	234	397	396	372	425
Community development										
Planning:										
Zoning permits issued	656	646	526	569	638	405	440	440	364	301
Component Unit – School Board										
Education:										
Average Daily Membership (ADM)	4,788	4804	4,784	4,722	4,660	4,782	4,727	4,746	4,781	4840
Number of teachers	446	450	368	356	351	370	363	385	380	360
Local expenditures per pupil	4,567	4113	4,522	4,257	3,727	3,845	4,161	4,075	3,850	4109

COUNTY OF ORANGE, VIRGINIA

TABLE 13
Page 2

OPERATING INDICATORS BY FUNCTION
Last Ten Fiscal Years
(Unaudited)

Full-Time Employee Population										
General administration	43	41	33	33	31	29	30	26	26	25
Judicial administration	26	25	25	24	23	22	24	22	22	22
Public safety	119	124	122	106	104	103	111	104	99	97
Public works	17	16	14	12	8	8	10	8	8	8
Health and welfare	11	10	10	9	7	7	7	7	6	5
Parks, recreation, and cultural	13	11	11	9	9	9	10	9	9	9
Community development	15	15	15	15	12	9	13	8	8	8
Non-departmental	0	0	0	0	0	0	0	1	1	0
Airport	2	2	2	2	2	2	2	1	1	1
Landfill	6	6	6	7	7	7	7	8	8	8
Capital Assets (net of accumulated depreciation)										
General administration	$ 8,383,692	$ 10,308,072	$ 12,253,718	$ 12,978,293	$ 13,814,876	$ 14,168,492	$ 13,978,977	$ 14,204,893	$ 13,762,660	$ 14,234,451
Judicial administration	534,413	570,681	364,932	248,904	17,622	27,298	36,581	356,103	7,704	12,801
Public safety	31,153,899	31,184,158	30,182,334	2,919,812	3,311,180	3,738,324	5,156,982	3,604,189	3,021,193	2,626,968
Public works	1,383,059	1,472,115	1,191,015	2,149,560	1,551,742	1,587,287	1,158,333	1,372,904	1,513,787	1,492,201
Health and welfare	80,391	116,601	137,438	35,183	63,386	62,690	105,956	100,687	90,917	71,277
Education	87,315,806	85,342,286	77,941,438	80,315,840	83,299,701	84,580,361	88,223,847	88,811,909	88,180,196	91,159,498
Parks, recreation and cultural	463,021	388,764	344,361	195,400	216,674	284,456	365,776	444,308	353,651	411,656
Community development	90,508	141,286	1,140,026	1,121,243	457,011	356,588	100,523	435,944	318,561	61,519
Airport	7,902,222	8,321,765	8,697,041	8,442,980	8,810,942	9,231,086	9,642,252	10,053,419	10,182,877	11,004,347
Landfill	3,667,110	3,430,408	3,831,545	1,610,434	1,741,605	2,102,788	2,415,492	2,589,872	2,501,973	2,355,044
Orange County VA Broadband	37,216,058	35,216,178	32,505,432	343,316	182,600	-	-	-	-	-
Total	$ 178,190,179	$ 176,492,314	$ 168,589,280	$ 110,360,965	$ 113,467,339	$ 116,139,370	$ 121,184,719	$ 121,974,228	$ 119,933,519	$ 123,429,762

Source: Individual County departments

(1) Statistics available on calendar year, rather than fiscal year.

COMPLIANCE SECTION

PBMares SM
CPAs and Consultants

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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

We have audited, in accordance with auditing standards generally accepted in the United States of America; and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Orange, Virginia (County), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated January 20, 2026.

Report on Internal Control over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying Schedule of Findings and Responses, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies described in the accompanying Schedule of Findings and Responses as items 2025-001, 2025-002, and 2025-003 to be material weaknesses.

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. We consider the deficiency described in the accompanying Schedule of Findings and Responses as item 2025-004 to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free 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*.

The County's Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the County's responses to the findings identified in our audit and described in the accompanying Schedule of Findings and Responses. The County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

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

PBMares, LLP

Harrisonburg, Virginia
January 20, 2026

SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2025

Section I. FINANCIAL STATEMENT FINDINGS

A. Material Weaknesses in Internal Control

2025-001: Material Weakness Due to Significant Audit Adjustments

Criteria: The year-end financial statements obtained from the School Board should be free of significant misstatements.

Condition: Upon auditing the year-end balances of the School Board, there were instances of material adjustments identified.

Context: Audit entries were required to properly record due from other governments, capital assets and debt in the School Board Component Unit. Additionally, reconciliation of construction in progress and other capital asset accounts was not performed on a timely basis for the School Board Component Unit prior to audit fieldwork commencing. Capital asset accounts should be reconciled as part of the year end review of account balances.

Cause: There was a lack of sufficient review to ensure items noted above were accurately recorded.

Repeat Finding: This is a repeat finding for the School Board Component Unit capital asset accounts, as the prior year finding was identified as 2024-001.

Effect: As noted above, the effect of these transactions was to misstate general ledger balances for the School Board Component Unit. The necessary entries above were material to the financial statements and were included as adjustments in order to more accurately represent the financial position of the above. Failure to record the items noted above is a departure from accounting principles generally accepted in the United States of America.

Recommendation: We recommend the School Board increase levels of due diligence in maintaining accurate account balances. We also recommend a thorough review of the general ledger and supporting schedules as of year end.

Views of Responsible Officials: The auditee agrees with this finding and has taken the necessary steps to prevent a recurrence.

2025-002: Material Weakness Due to Significant Audit Adjustments

Criteria: The year-end financial statements obtained from the Economic Development Authority should be free of significant misstatements.

Condition: Upon auditing the year-end balances of the Authority, there were instances of material adjustments identified.

Context: Audit entries were required to properly record land and debt proceeds in the Economic Development Authority.

Cause: There was a lack of sufficient review to ensure items noted above were accurately recorded.

Section I. FINANCIAL STATEMENT FINDINGS (Continued)

A. Material Weaknesses in Internal Control (Continued)

2025-002: Material Weakness Due to Significant Audit Adjustments (Continued)

Effect: As noted above, the effect of these transactions was to misstate general ledger balances for the Economic Development Authority. The necessary entries above were material to the financial statements and were included as adjustments in order to more accurately represent the financial position of the above. Failure to record the items noted above is a departure from accounting principles generally accepted in the United States of America.

Recommendation: We recommend a more thorough review of the general ledger and supporting schedules prior to the audit.

Views of Responsible Officials: The auditee agrees with this finding and has taken the necessary steps to prevent a recurrence.

2025-003: Material Weakness in Preparation of the Schedule of Expenditures of Federal Awards

Criteria: The schedule of expenditures of federal awards (SEFA) obtained from the School Board Component Unit should be free of significant misstatements and reconcile with the financial statements for the Component Unit.

Condition: Upon auditing the SEFA of the School Board Component Unit, there were instances of material adjustments identified.

Context: Audit adjustments to the SEFA were required to properly capture all federal grant amounts.

Cause: There was a lack of sufficient review to ensure the SEFA was properly prepared.

Effect: As noted above, the effect of these transactions was to misstate SEFA amounts for the School Board Component Unit. The necessary corrections above were material to the financial statements and were included as adjustments to the SEFA in order to more accurately represent the federal revenues in the report. Failure to record the items noted above is a departure from accounting principles generally accepted in the United States of America.

Recommendation: We recommend a more thorough review of the SEFA prior to the audit.

Views of Responsible Officials: The auditee agrees with this finding and has taken the necessary steps to prevent a recurrence.

Section I. FINANCIAL STATEMENT FINDINGS (Continued)

B. Significant Deficiency in Internal Control

2025-004: Significant Deficiency Due to Significant Audit Adjustments

Criteria: The year-end financial statements obtained from the Primary Government (County) should be free of significant misstatements.

Condition: Upon auditing the year-end balances of the County, there were instances of significant adjustments identified.

Context: Audit entries were required to properly record Capital Assets in the County.

Cause: There was a lack of sufficient review to ensure items noted above were accurately recorded and reconciled timely.

Effect: As noted above, the effect of these transactions was to misstate year-end general ledger balances for the County. The necessary entries above were significant to the financial statements and were included as adjustments in order to more accurately represent the financial position of the above. Failure to record the items noted above is a departure from accounting principles generally accepted in the United States of America.

Recommendation: We recommend the County increase levels of due diligence in maintaining accurate account balances.

Views of Responsible Officials: The auditee agrees with this finding and has taken the necessary steps to prevent a recurrence.