

COUNTY OF CAMPBELL, VIRGINIA



ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2024

PREPARED BY:
MANAGEMENT SERVICES DEPARTMENT

COUNTY OF CAMPBELL, VIRGINIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

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Board of Supervisors

Kenny Brown

Justin Carwile

Matt Cline

Paul Dowdy

Jon Hardie

Tom Lawton

Charlie Watts, II

47 Courthouse Lane Suite 1, Rustburg, VA 24588

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Phone: 434-332-9525; 283-9525

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December 16, 2024

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

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

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

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

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

As a recipient of federal and state financial assistance, the County is also responsible for ensuring that adequate internal controls are in place to ensure and document compliance with applicable laws and regulations.

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

When necessary, the Board of Supervisors approves amendments to the adopted budget in accordance with §15.2-2507, Code of Virginia of 1950, as amended. Budgetary compliance is monitored and reported at the department level. The budget is implemented through appropriations that the Board makes annually, with supplemental appropriations made as required.

THE REPORTING ENTITY AND ITS SERVICES

The County of Campbell report includes all funds of the “primary government.” In Virginia, cities and counties are distinct units of government; therefore, the County is responsible for providing all services normally provided by a local government. These services include public safety, public works, libraries, economic development, law enforcement, social services, recreation and cultural activities, and community development. Additionally, the County is responsible for funding primary and secondary education and appoints a separate board to handle utilities. For financial reporting purposes and in accordance with the Governmental Accounting Standards Board (GASB), Statement 14, “The Financial Reporting Entity,” the County has identified two discrete component units. The GASB statement establishes the criteria used in making this determination and identifies each as a blended component unit or discretely presented component unit. Blended component units, although legally separate entities, are, in substance, part of the primary government’s operations and therefore are included as part of the primary government. Discretely presented component units are reported in a separate column in the combined financial statements to emphasize that they are legally separate from the primary government and to differentiate their financial position and results of operations from those of this primary government. There, the County School Board and the Industrial Development Authority (IDA) are reported in a discrete presentation. Based on GASB Statement 14 criteria, the School Board is a legally separate organization providing educational services to the public whose board is elected and is fiscally dependent on the local government. The IDA is a legally separate organization providing economic development services to the County whose board is appointed by the County Board of Supervisors.

CAMPBELL COUNTY DEMOGRAPHIC & ECONOMIC DEVELOPMENT INFORMATION

Campbell County’s existing industrial sectors include, but are not limited to, advanced manufacturing, agriculture, automotive, banking/finance, call/customer service centers, forest/ wood products, furniture, metal fabrication, nuclear engineering/fabrication, pharmaceutical, plastics, printing, textile and trucking.

In FY 2024 Campbell County’s unemployment rate ranged from 2.6% to 3.4% with an average of 3.2%. Campbell County’s unemployment rates followed the same trends as the Commonwealth of Virginia and the United States as a whole. The Weldon Cooper Center reports that Campbell County’s population estimate continues to rise from the 2020 Census count of 55,696 to the 2023 estimate of 56,028.

FY 2024 MAJOR ECONOMIC DEVELOPMENT DEPARTMENT ACCOMPLISHMENTS/INITIATIVES

- **Marketing** - The Economic Development Department continues to expand relationships with area Commercial Real Estate groups. This will ensure that all available property in Campbell County is promoted to prospects looking to relocate anywhere in Virginia by feeding into the Virginia Economic Development Partnership database for all available commercial and industrial property.
- **Incentive Awards** - The County has awarded several financial incentives during the past year to expand existing businesses.
- **Grant Awards** - Economic Development staff applied for, and successfully secured two grants during FY24 from the Tobacco Commission. One for agricultural improvements and one for industrial site grading. We received other grant applications for site grading and the art mural project.
- **Shell Building** - The Board of Supervisors approved financing for a 100,000 sq. ft. shell building in Seneca Park to enhance our inventory of industrial buildings.

FY 2024 OTHER ACCOMPLISHMENTS/INITIATIVES

- CEQL improved recreation and playground equipment at a number of sites and added a substantive amount of Rec programs, Library programs, and community events once these departments were fully staffed,
- The County continues implementation efforts with several companies to provide high speed Internet to residents in the rural area of Campbell County.
- Public Works has provided staffing at all of our convenience centers to provide waste management services.
- County Administration continues to work with Campbell County Schools on a major \$50 million renovation of Brookville High School through the Public-Private Education and Infrastructure Act (PPEA).

PROPERTY TAX RATES

The Personal Property Tax rate of \$4.31 decreased by \$0.20 to \$4.11 per \$100 of assessed value. Machinery & Tools Tax rate remained at \$3.20 per \$100 of assessed value. Business, Professional and Occupational License (BPOL) rates decreased by 5% as follows:

- \$0.1520 to \$0.1444 per \$100 of gross receipts for contractors;
- \$0.1900 to \$0.1805 per \$100 of gross receipts for retail sales;
- \$0.3325 to \$0.3159 per \$100 of gross receipts for personal service & repair;
- \$0.4750 to \$0.4513 per \$100 of gross receipts for professional service;
- \$0.4750 to \$0.4513 per \$100 of gross receipts for public service; and
- \$0.0475 to \$0.0451 per \$100 of gross receipts for wholesalers

The Real Estate Tax rate of \$0.52 cents decreased by \$0.07 to \$0.45 per \$100 of assessed value.

GOVERNMENT'S FINANCIAL POLICIES AND LONG TERM FINANCIAL PLANNING

Campbell County's Financial Policy has established a target Unassigned General Fund Balance of 15% of the combined budgets of the General Fund and School Operating Fund, less the local funding share to the Schools. For the FY 2024 budget year, this totals 15% of \$174.5 million or \$26.2 million. The target of \$26.2 million represents approximately 60 days of operating reserve, and additionally serves to meet required financial assurance measures for solid waste activities, and demonstrates the County's fiscal soundness for borrowing capacity. As of June 30, 2024, there is a total of \$17.2 million assigned by the Board for future needs of school maintenance, economic development, community & economic investment fund, and debt service.

The County utilizes an annual comprehensive planning process to look at long-term capital and operational needs. This process leads to the development of a formal Strategic Plan and Timeline that identifies future funding requirements of up to five years for Strategic Planning. This plan is adopted by the Board of Supervisors in February of each year and used to develop the annual operating budget. Additionally, this same process yields a five-year Capital Improvement Plan (CIP) for the primary government and schools that is formally adopted by the Board in the spring of each year in conjunction with the annual operating budget.

OTHER INFORMATION

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

Independent Audit: The Commonwealth of Virginia requires an annual audit of the financial records and transactions of all departments of the County by independent certified public accountants selected by the Board of Supervisors. The County is required to undergo an annual single audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Information related to this single audit, including the findings and recommendations, and auditors' reports on the internal control structure and compliance with laws and regulations, is contained in this report. These requirements have been complied with and the auditor's opinion is included in this report.

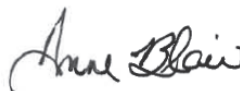
Certificate of Achievement: In order to be awarded a Certificate of Achievement from the Government Finance Officers Association (GFOA), a government must publish an easily readable and efficiently organized Annual Comprehensive Financial Report (ACFR). This report must satisfy both generally accepted accounting principles and applicable legal requirements. The County has been the recipient of this prestigious award for the last eighteen successive years.

Acknowledgments: The preparation of this report on a timely basis could not have been accomplished without the dedicated services of the entire Management Services Department. We would also like to thank the Board of Supervisors for their interest and support in planning and conducting the financial operation of the County in a responsible and progressive manner. In addition, we would like to thank the Commissioner of the Revenue, Real Estate Office, Community Development, Economic Development and other employees for their assistance in the preparation of this report.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read 'FR' followed by a stylized flourish.

Frank Rogers
County Administrator

A handwritten signature in black ink, appearing to read 'Anne Blair' in a cursive script.

Anne Blair
Director of Management Services



Government Finance Officers Association

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

Presented to

**County of Campbell
Virginia**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morrell

Executive Director/CEO

COUNTY OF CAMPBELL, VIRGINIA
DIRECTORY OF PRINCIPAL OFFICIALS
JUNE 30, 2024

BOARD OF SUPERVISORS

Kenny Brown, Chairman
Justin Carwile, Vice-Chairman

Tom Lawton
Charlie A. Watts, II
Matt Cline

Jon Hardie
Paul E. Dowdy

COUNTY SCHOOL BOARD

Barry A. Jones, Chairman
Dr. Scott A. Miller, Vice-Chairman

Gary R. Mattox
Ann M. Parker
David W. Phillips

Karen K. Tanner
Kristen E. Vaughan

COUNTY LIBRARY BOARD

Vacant – Chairman
Kim Martin, Vice-Chairman

Tanita Anthony
Rachel Cartwright
Matt Cline

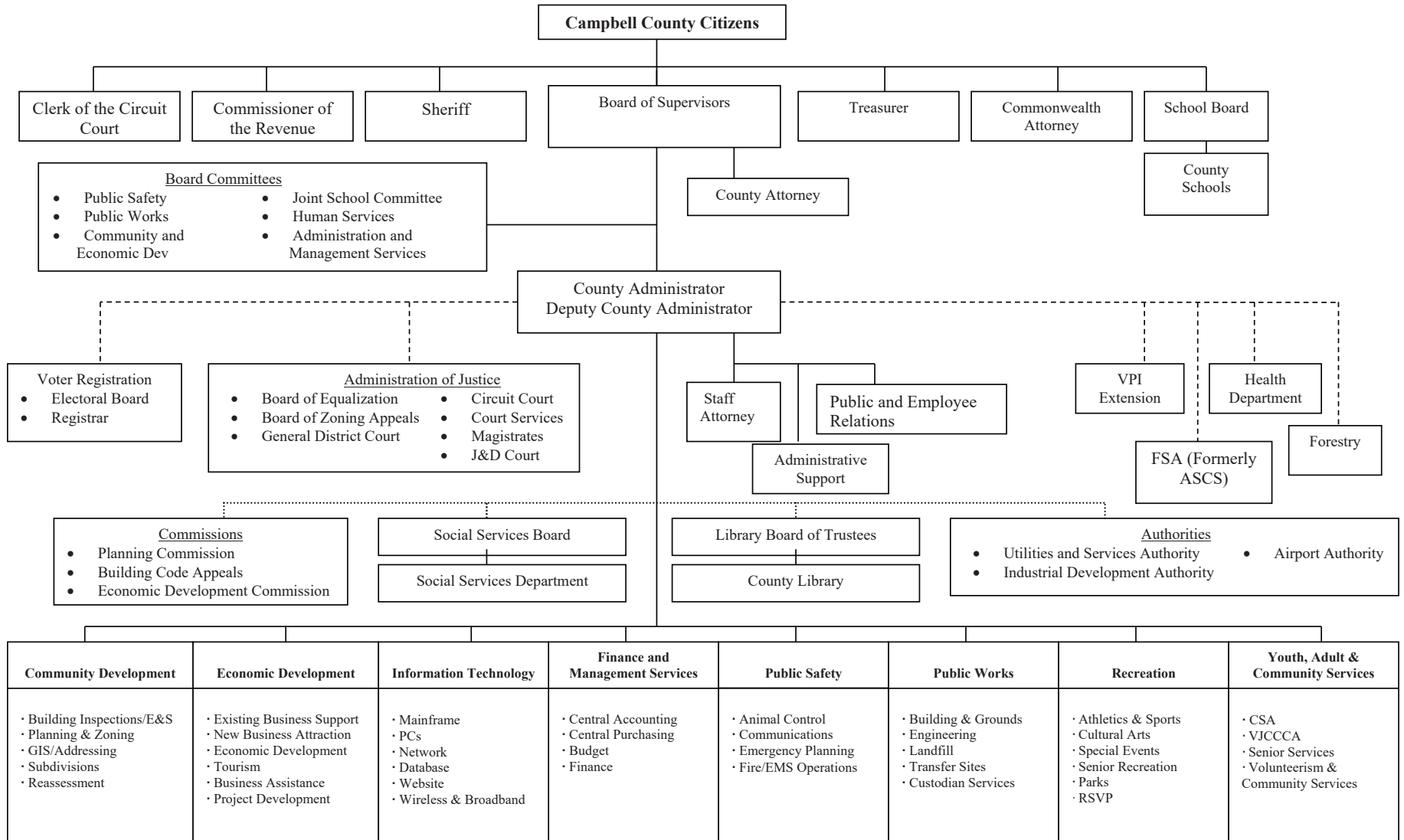
Christel E. Coman
Bill van Opstal
Donna Roberts

OTHER OFFICIALS

Chief Judge of the Circuit Court
Presiding Judge of the Circuit Court
Clerk of the Circuit Court
Chief Judge of the General District Court
Presiding Judge of the General District Court
Judge of the Juvenile & Domestic Relations Circuit Court
Commonwealth's Attorney
County Attorney
Commissioner of the Revenue
Treasurer
Sheriff
Superintendent of Schools
Social Services Director
County Administrator

Hon. James F. Watson
Hon. John T. Cook
Hon. Valerie P. Young
Hon. Sam D. Eggleston, III
Hon. Stephanie S. Maddox
Hon. Brooke Taylor Willse Gaddy
Paul A. McAndrews
F.E. "Tripp" Eisenhower
Michele L. Roakes
Manda R. Witkowski
Winston Whitfield Clark, III
Dr. Clayton Stanley
Lisa C. Linthicum
Frank J. Rogers

CAMPBELL COUNTY, VIRGINIA – ORGANIZATIONAL CHART



Revised 11/20/18



ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

Independent Auditors' Report

**To the Honorable Members of
The Board of Supervisors
County of Campbell, Virginia**

Report on the Audit of the Financial Statements

Opinions

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

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

We did not audit the school activity fund of the Component Unit School Board which represent 7 percent, 16 percent, and 3 percent, respectively, of the assets, fund balances, and revenues of the Component Unit School Board as of and for the year ended June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for school activity fund, is based solely on the report of the other auditors.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2024, on our consideration of County of Campbell, Virginia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of County of Campbell, Virginia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County of Campbell, Virginia's internal control over financial reporting and compliance.

Robinson, Farmer, Cox Associates

Charlottesville, Virginia

December 9, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the County of Campbell, Virginia, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2024. In some areas, references to where the information is found in the Financial Report is bracketed [] to provide location of data.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflow of resources at the close of fiscal year 2024 by \$107,426,798 (net position) [Exhibit 1]. During the current fiscal year, the County's net position increased by \$14,443,258 [Exhibit 2].
- \$5,330,384 was received in FY 2022 from The American Rescue Plan Act (ARPA) approved by the Federal Government. The U.S. Department of Treasury has stipulated that these funds must be used for specific purposes, one of which is to make necessary infrastructure investments in water, sewer, or broadband. Campbell County will be using these funds, along with the additional \$5,330,384 received in FY 2021 for a regional broadband project. The majority of these funds remain unspent. The companies have mostly completed the design and are beginning construction activities.
- The County's combined funds reported year-ending fund balances totaling \$113,743,578 [Exhibit 3] and reflected an increase of \$27,168,495 or 31% over FY 2023. This unusually large increase is driven mostly by unspent bond proceeds to be used for construction.
- At the end of the current fiscal year 2024, the unassigned fund balance for the General Fund of \$48,795,811 [Exhibit 3] represented 50.8% of the total General Fund expenditures and transfers for the year. Separately, \$27,599,651 of the total general fund balance is committed by the Board for educational - school maintenance needs, Board of Supervisors' projects, economic development, community and economic development investment fund, debt service, and operations - reassessment [Exhibit 3].
- The Campbell County Financial Policy established a target unassigned General Fund balance of 15% of the General Fund budget [Exhibit 11] and School Operating Fund budget [Exhibit 33], less the County's local share contribution to the School Operating Fund. For the FY 2024 budget year, this totals 15% of \$174.5 million, or \$26.2 million. The County has exceeded that target of \$26.2 million with an Unassigned Fund Balance at year-end by \$22.6 million.
- The 15% target represents approximately 60 days of operating reserve, required financial assurance measures for solid waste activities and demonstrates the County's fiscal soundness for borrowing capacity.

Overview of the Financial Statements

The discussion and analysis serves as an introduction to the County's basic financial statements and is comprised of the following three components:

- Government-wide financial statements
- Fund financial statements
- Notes to the financial statement

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

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

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

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

Overview of the Financial Statements (Continued)

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

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

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the County include general government administration, public safety, administration of justice, education, health and welfare, planning and community development and parks, recreation, and cultural activities.

The government-wide financial statements include not only the County of Campbell, Virginia itself (known as the primary government), but also a legally separate school district and an Industrial Development Authority (IDA) for which the County of Campbell, Virginia has incurred a moral obligation to provide funding for the payment of debt. Financial information for these component units is reported separately from the financial information present for the primary government itself.

Fund financial statements - A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County of Campbell, Virginia, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the County's near-term financing decisions. Both the governmental fund balance sheet and the governmental statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Solid Waste Management Fund, the General Capital Projects Fund, the School Construction Capital Projects Fund, Debt Service Fund and Road Construction Fund all of which are considered to be major funds [Exhibit 3 & 4].

The County adopts an annual appropriated budget for its governmental funds. A budgetary comparison statement has been provided for the General Fund [Exhibit 11], the Solid Waste Fund [Exhibit 12], the Capital Projects Fund, the School Construction Projects Fund and Road Construction Fund [Exhibit 27], and the Debt Service Fund [Exhibit 28].

Proprietary funds - The County maintains one proprietary fund – the Health Insurance Fund [Exhibit 6]. The Health Insurance Fund is an internal service fund and is used to account for costs of providing health and dental insurance to county and school employees as well as employees of Campbell County Utilities and Service Authority (CCUSA) along with a Health Savings Account (HSA). Proprietary funds use the accrual basis of accounting, similar to a private sector business. These funds are restricted in their use for current and future health related costs only, including a reserve to meet future retiree obligations.

Overview of the Financial Statements (Continued)

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

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

Other information - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information for budgetary comparison schedules and presentation of combining financial statements for two discretely presented component units consisting of the School Board and the IDA. Neither the School Board, or IDA, issue separate financial statements.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a County's financial position. In the case of the County, assets exceeded liabilities by \$107,426,798 at the close of fiscal year 2024. The summary of Net Position below is based on accrual accounting method with data collected from [Exhibit 1].

Summary of Net Position		
	Governmental Activities	
	2024	2023
Assets		
Current and Other assets	\$ 168,504,248	\$ 139,218,414
Capital assets	91,894,802	86,955,630
Total assets	260,399,050	226,174,044
Deferred outflows of resources	\$ 4,930,948	\$ 5,092,534
Liabilities		
Long-term liabilities	\$ 105,090,493	\$ 84,953,223
Current liabilities	17,614,201	16,493,751
Total liabilities	\$ 122,704,694	\$ 101,446,974
Deferred inflows of resources	\$ 36,836,064	\$ 36,836,064
Net position:		
Net investment in capital assets	\$ 27,013,893	\$ 24,465,998
Restricted	5,260,072	1,916,411
Unrestricted	75,152,833	66,601,131
Total net position	\$ 107,426,798	\$ 92,983,540

The largest portion of the County's net position, Restricted and Unrestricted, of \$80,412,905 (74.8% of total net position) [Exhibit 1], primarily consists of cash, cash equivalents and investments. At the end of the current fiscal year, the County is able to report positive balances in all categories of net position.

The remaining portion of the County's net position, Net Investment in Capital Assets, is \$27,013,893 (25.2% of total net position) and reflects its investment in capital assets (e.g., land, buildings and improvements, vehicles, machinery, and equipment) less any related debt used to acquire those assets that are still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The county's net position increased in the amount of \$14,443,258.

Government-wide Financial Analysis (Continued)

Health Insurance Fund: Health Insurance Fund net position of \$3,411,179 [Exhibit 6] increased by \$658,526 over FY 2023 primarily as a result of higher insurance claims paid versus total premiums collected.

The County's policy is to maintain a targeted fund balance in the Health Insurance Fund of 15% for the upcoming year. The targeted net position for the Health Insurance Fund in FY 2024 was \$2.4 million based on projected self-insured medical insurance claims and administration costs anticipated for next year. Additionally, the Health Insurance Fund balance as reported in the Statement of Net Position of \$3.4 million also reflects an increase in net position of \$658,526 representing estimated costs for claims incurred but not reported (IBNR) for year-end FY 2024. The purpose of the targeted net position is to provide funding for the short-term self-insured liability of the Fund. Funds above this amount are used to stabilize premium contribution rates over a longer period of time and pay for the continuation of the contributions to the Health Savings Accounts.

HSA contributions for the year totaled \$3,730,724 on a combined basis for employer and employee contributions for County, Schools and CCUSA employees. The employees contributed \$1,251,588 of this amount.

The County and School system implemented a high deductible plan coupled with an IRS HSA on January 1, 2012 and this has resulted in significantly lower claims and administrative costs than would be expected with a traditional guaranteed-cost health insurance program.

Governmental Activities: As stated earlier Governmental Activities resulted in an increase in the County's net position of \$14,443,258 or 15.5%. Elements of the changes in net position of the Primary Government are summarized as follows from [Exhibit 2]:

Changes in Net Position - Statement of Activities			
	Governmental Activities		
	2024	2023	
Program Revenues:			
Charges for services	\$ 3,719,020	\$ 4,054,990	
Operating grants and contributions	19,316,089	16,113,220	
Capital grants and contributions	6,192,112	841,326	
General Revenues:			
General property taxes	51,139,668	62,742,629	
Other local taxes	18,745,006	18,664,424	
Use of money and property	4,432,969	2,400,620	
Grants and contributions not restricted	5,044,500	5,055,594	
Miscellaneous revenue	507,035	641,335	
Total revenues	\$ 109,096,399	\$ 110,514,138	
Expenses			
General government administration	\$ 7,070,909	\$ 6,830,750	
Judicial administration	2,543,301	2,121,838	
Public safety	21,946,565	19,817,253	
Public works	8,051,842	5,298,675	
Health and welfare	16,544,088	13,924,604	
Education	29,879,991	35,033,894	
Parks, recreation and cultural	2,496,536	2,438,298	
Community development	2,937,354	2,239,130	
Interest and other fiscal charges	3,182,555	1,950,110	
Total expenses	\$ 94,653,141	\$ 89,654,552	
Change in net position	\$ 14,443,258	\$ 20,859,586	
Net position, beginning	92,983,540	72,123,954	
Net position, ending	\$ 107,426,798	\$ 92,983,540	

Government-wide Financial Analysis (Continued)

As seen in the above table, actual revenues for governmental activities for all primary government funds for the year on a combined basis exceeded actual expenses in the amount of \$14,443,258 including current year depreciation on capital assets. Current year depreciation expense for capital assets for the primary government totaled \$4,515,047 [Exhibit 5]. General Revenues for governmental activities decreased by \$9,635,424 or 12.1% primarily due to the implementation of twice a year tax collection in FY 2023, that resulted in a one-time \$16 million windfall, which was not repeated in FY 2024.

Governmental-Wide expenses, including current year depreciation on capital assets, increased by \$4,998,589 or 5.6% with significant variations below.

EXPENSES - PRIMARY GOVERNMENT SIGNIFICANT CHANGES

Expenses for Governmental Activities increased by \$4,998,589 or 5.6% (see table above). Below are some noteworthy changes in Expenditures:

- Social Services Administration increased \$659,992 or 13.1%
- Children's Services Act expenditures increased \$1,220,841 or 24.8%
- Interest and other fiscal charges increased \$1,532,445 or 92.9%

PROGRAM/GENERAL REVENUES - PRIMARY GOVERNMENT

Revenue for Governmental Activities decreased by \$2,835,108 or 2.5% (see table above). It should be noted that the decrease is primarily seen in General Property Taxes due to a normal flow of revenue returning after the one-time windfall of twice a year billing in FY 2023. Below are some noteworthy changes in revenue:

- Real Estate Tax down \$13,181,886 or 20.5%
- Local Sales Tax up \$300,008 or 3.6%
- Interest on Investments increased \$2,032,349 or 84.7%
- Operating Grants and Contributions increased \$8,553,655 or 50.5%

Financial Analysis of the County's Funds

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

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

Approximately 43% percent of the combined governmental fund balance or \$48,795,811 [Exhibit 3] comprises the unassigned fund balance, which is available for spending at the County's discretion. The remainder of fund balance is Committed, Assigned or Non-spendable to indicate that it is not available for new spending because it has already been committed for:

- Capital improvement projects
- Education encumbrances and carryovers for expenditures
- Other encumbrances and carryovers for expenditures
- Prepaid Items

Financial Analysis of the County's Funds (Continued)

GENERAL FUND: The total General Fund balance experienced an increase in the amount of \$7,140,258 or 10.2% from FY 2023. The General Unassigned Fund balance increased in the amount of \$4,968,456 or 11.3%. In addition, \$27,599,651 [Exhibit 3] of the year end unassigned fund balance was committed by the Board for use in FY 2024 for future needs of education, operations, school maintenance, economic development, debt service, and reassessment.

Actual General Fund revenues and transfers in from other funds combined increased by \$7,140,258 or 10.2% from the previous year.

Tax rate changes that occurred during FY 2024 are as follows:

- Personal Property Tax – rate decreased by \$.05 to \$4.05 per \$100 of assessed value (with the exception that motor homes and all non-motorized pull behind recreational trailers will have an effective rate of \$3.80 per \$100 of assessed value by adjusting the assessment ratio).
- BPOL tax rates decreased \$.01 in each classification.

SOLID WASTE MANAGEMENT FUND: Expenditures for the Solid Waste Management Fund (SWMF) for FY 2024 totaled \$2,504,031 [Exhibit 4]. The transfer in from the General Fund decreased \$22,766 from the previous fiscal year. For the sixth year in a row, members of the Region 2000 Services Authority were not able to reach a majority vote to release the annual payment for the County's portion of the excess of actual revenues versus actual expenses for airspace provided. From fiscal years FY 2014 to FY 2018, the average yearly revenue received from The Region 2000 Services Authority was \$802,235.

Tipping fees of \$572,354, down by 6.5% from FY 2023, were paid to the Region 2000 Services Authority for solid waste received at the regional landfill generated from County citizens. Transfer site operations throughout the County cost \$1,207,149 for the year which included delivery costs of trash from transfer sites to the regional landfill. In-house construction for small projects cost \$173,746.

There exists a year-end fund balance of \$2,934,409 residing in the SWMF. The year-end fund balance is up \$120,722 from the previous year. The remaining funds will be needed to pay for anticipated future environmental requirements.

COUNTY CAPITAL IMPROVEMENT PROJECT FUND & SCHOOL CONSTRUCTION FUND: The Capital Improvement Project (CIP) Fund balance reported an increase of fund balance of \$11,294,018 from the previous year [Exhibit 4]. This increase in fund balance is due to the issuance of bonds to be intended for construction of an industrial building. The fund balance in the CIP is either reserved or designated in its entirety for capital projects already under construction or for future capital projects included in the adopted five-year Capital Improvement Plan. The School Construction Fund reported an increase of \$9,108,844 due to the issuance of bonds. The unspent bond funds will be used for school construction.

General Fund Budgetary Highlights

Differences between the General Fund opening expenditure and transfer budget of \$91,263,709 [Exhibit 11] and the final amended budget of \$111,127,575 amounted to an increase of \$19,863,866 in budgeted expenditure appropriations with highlights as follows:

- \$7,778,045 increase in final expenditure budget for the transfer to the Schools for additional funding consisting of budget encumbrances and carryovers approved from FY 2023 to FY 2024.
- \$2,197,444 increase in the final expenditure budgets for Public Safety, mostly due to anticipated cost increases in Sheriff, E-911, and Paid EMT services.
- \$592,683 increase in final expenditure budget for Children's Services Act (CSA), requested to cover the anticipated rising costs of children and youth requiring community services.
- \$2,510,846 increase in final expenditure budget for the Economic Development Department, mostly due to Grant Awards received and Incentive Payments to County businesses.

General Fund Budgetary Highlights (Continued)

Differences between the General Fund original revenue budget of \$91,375,891 and the final revenue budget of \$103,708,458 amounted to an increase of \$12,332,567 [Exhibit 11] in budgeted revenues with highlights as follows:

- \$528,000 increase in final revenue budget for Children's Services Act (CSA) to help offset the rising costs of children and youth requiring community services.
- \$10,660,768 increase in Federal ARPA (American Rescue Plan Act) grant funds.
- The majority of the remaining increases in budgeted revenues resulted from Public Safety, Law Enforcement and Judicial Administration related grants approved throughout the year.

During the year, General Fund actual revenues of \$101,735,358 exceeded original budget of \$91,375,891 by \$10,359,467 [Exhibit 11] and was below the final budget of \$103,708,458 in the amount of \$1,973,100. Actual expenditures of \$78,167,317 were less than opening budget of \$78,786,113 by \$618,796 and actual expenditures were less than final budget of \$92,923,160 by \$14,755,843 primarily because of contributions to the School Board being significantly less than final budgeted amount.

Actual transfers out from the General Fund to funds other than the School Operating Fund totaled \$17,790,179 versus \$12,810,433 for FY 2023. The transfer into the Health Insurance Fund increases to \$4,128,422 [Exhibit 7] in FY 2024 compared to \$806,386 in FY 2023, to assist with health insurance benefit payments and in the continuing funding of contributions to employee-owned HSA accounts. There was a \$486,992 increase in transfer to the CIP Fund to \$3,859,799 versus \$3,372,807 in FY 2023. A decrease of \$22,766 in Solid Waste Fund to \$2,482,651 versus \$2,505,417 in FY 2023. The Debt Service Fund transfer increased to \$7,319,307 in FY 2024 from \$5,780,097 in FY 2023. The net increase in transfers out from the General Fund to other funds equaled \$4,128,422.

Revenues & Expenditures General Fund - Budget to Actual				
	General Fund Budget to Actual			
	Final Budget	Actual	Variance	
Revenues:				
Local revenue sources	\$ 71,170,057	\$ 78,486,486	\$ 7,316,429	
Intergovernmental	32,538,401	23,248,872	(9,289,529)	
Total Revenue	<u>\$ 103,708,458</u>	<u>\$ 101,735,358</u>	<u>\$ (1,973,100)</u>	
Expenditures:				
General government administration	\$ 6,859,565	\$ 6,034,344	\$ 825,221	
Judicial administration	2,376,366	2,242,518	133,848	
Public safety	22,420,179	20,565,954	1,854,225	
Public works	2,354,392	2,107,366	247,026	
Health and welfare	15,944,425	16,404,903	(460,478)	
Education	36,739,505	26,202,568	10,536,937	
Parks, recreation and cultural	2,432,232	2,261,316	170,916	
Community development	4,503,813	2,347,581	2,156,232	
Nondepartmental	(500,000)	767	(500,767)	
Total expenditures	<u>\$ 93,130,477</u>	<u>\$ 78,167,317</u>	<u>\$ 14,963,160</u>	

Revenues: As reported above [Exhibit 11], total actual revenues were less than final budget by \$1,973,100 or 1.9%. Total actual local revenue comprised 77.1% of total actual General Fund revenue while Intergovernmental Revenue (State/Federal) comprised the remaining 22.9% of total actual General Fund revenue. Intergovernmental actual revenue was \$9,289,529 less than final budget or 40%. Actual local revenue exceeded final budget by \$7,316,429 or 9.3%.

General Fund Budgetary Highlights (Continued)

Final budgeted intergovernmental revenue totaling \$215,222 not actually received during the year will be carried over into next fiscal year as these earned revenues are expected to be received in FY 2024. These approved carryover revenues were for grant funded programs and purchases.

Expenditures: Total General Fund actual expenditures and transfers out of \$95,957,496 [Exhibit 11] on a combined basis were \$15,170,079 less than the final budget of \$111,127,575. The largest component of this difference in the level of actual expenditures verses amended budget is for Education. Actual education expenditures transferred from the General Fund were \$10,536,937 less than the final budget. The Board of Supervisors subsequently re-appropriated \$7,187,929 of this amount to the schools as encumbrances for FY 2025 covering school contracts and obligations not completed as of June 30, 2024.

Strong expense control throughout the government organization contributed substantially to overall expenditure savings for the fund. This was particularly true for vacancy position hiring savings in compensation and fringe benefits until vacant positions could be filled with qualified personnel. Year-end expenditure reversion savings are becoming increasingly difficult to achieve on top of very frugal budgeting processes when the budget is submitted each year to the Board.

Capital Asset and Debt Administration

Capital assets – The County’s capital assets for governmental funds as of June 30, 2024 totals \$91,894,802 (net of accumulated depreciation) [Exhibit 1] for an increase of \$4,939,271 from FY 2023. Depreciation expense for the year for all capital assets for all primary government funds totaled \$4,515,047. The investment in County capital assets includes land and land improvements, buildings and improvements, vehicles and machinery and equipment. Readers interested in additional information relating to capital assets should refer to Note #6 to the financial statements.

Capital Assets - Condensed At June 30, 2024

Governmental Activities	Ending Balance Original Cost	Accumulated Depreciation	Net Capital Assets
Capital assets, not being depreciated:			
Land	\$ 4,003,434	\$ -	\$ 4,003,434
Construction in progress	6,047,914	-	6,047,914
Total capital assets, not being depreciated	\$ 10,051,348	\$ -	\$ 10,051,348
Other capital assets:			
Buildings and improvements	\$ 23,551,503	\$ 11,056,069	\$ 12,495,434
Other improvements	20,082,425	11,345,261	8,737,164
School buildings	67,110,900	10,238,098	56,872,802
Equipment	20,788,679	17,050,625	3,738,054
Total other capital assets	\$ 131,533,507	\$ 49,690,053	\$ 81,843,454
Total capital assets	\$ 141,584,855	\$ 49,690,053	\$ 91,894,802

School Board capital assets are jointly owned by the County (primary government) and the component unit School Board. The County reports depreciation on these assets as an element of its share of the costs of the public school system.

DEBT SCHEDULES

Of the \$80,190,000 total principal balance of outstanding bonds at the end of the year; \$13,190,000 was for General Obligation Bonds, and \$67,000,000 for Lease Revenue Bonds. General Obligation Bonds amounted to less than 0.5% [Table 9] of the County's actual value of taxable property, well below the maximum limit set by the County's Fiscal Policy Guidelines of 1.75%.

Debt service paid during the year amounted to \$3,208,826 for interest and bank service charges for the reporting period. There are no obligations for capitalized lease payments. Readers interested in additional information should refer to Note 7 to the financial statements. The County's total outstanding debt principle was paid down by \$3,385,000 [Exhibit 28].

Annual requirements to amortize all remaining long-term debt and related interest expense are as follows:

Future Debt Service Obligations			
At June 30, 2024			
Year Ending			
June 30,	Principal	Interest	Total
2025	\$ 4,017,000	\$ 3,208,826	\$ 7,225,826
2026	4,150,000	3,063,589	7,213,589
2027	3,594,000	2,931,800	6,525,800
2028	4,472,000	2,810,284	7,282,284
2029	4,711,000	2,627,002	7,338,002
2030-2034	12,572,000	11,222,696	23,794,696
2035-2039	15,386,000	8,398,004	23,784,004
2040-2044	18,683,000	4,661,636	23,344,636
2045-2048	12,605,000	1,128,375	13,733,375
	<u>\$ 80,190,000</u>	<u>\$ 40,052,212</u>	<u>\$ 120,242,212</u>

In FY 2020, a new Fund was created for Debt Service. Revenue collected from the Meals Tax as well as annual debt service payments will be managed in this fund to offset debt costs incurred. The collected funds will accumulate in this fund to be used for current and future debt service as needed.

The County provides Other Postemployment Benefits (OPEB) as described in Note 13 and reported in Note 7. The County has elected not to fund the outstanding OPEB liability and has instead reduced the benefits provided to employees hired after 2010.

CONTACT THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide interested parties with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. If you have questions concerning any information provided in this report or need additional financial information, contact:

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Website: www.campbellcountyva.gov

BASIC FINANCIAL STATEMENTS

Government-wide Financial Statements

Statement of Net Position

June 30, 2024

	Primary Government	Component Units	
	Governmental Activities	School Board	Industrial Development Authority
ASSETS			
Cash and cash equivalents	\$ 98,132,036	\$ 17,858,897	\$ 365,710
Receivables (net of allowance for uncollectibles):			
Taxes receivable	32,254,571	-	-
Accounts receivable	1,286,505	368,617	-
Leases receivable	280,123	-	76,949
Advance to primary government	-	-	257,813
Due from component unit	4,783,009	-	-
Due from other governmental units	8,809,604	4,365,088	-
Prepaid items	187,657	1,337,555	2,976
Restricted assets:			
Cash and cash equivalents	22,770,743	821,466	-
Industrial assets held for industry	-	-	1,291,665
Capital assets (net of accumulated depreciation):			
Land	4,003,434	324,233	-
Buildings and improvements	12,495,434	22,596,535	-
Other improvements	8,737,164	4,805,521	-
Equipment	3,738,054	9,630,617	-
School buildings	56,872,802	-	-
Construction in progress	6,047,914	-	-
Total assets	<u>\$ 260,399,050</u>	<u>\$ 62,108,529</u>	<u>\$ 1,995,113</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension related items	\$ 3,709,135	\$ 15,744,310	\$ -
OPEB related items	1,221,813	3,379,464	-
Total deferred outflows of resources	<u>\$ 4,930,948</u>	<u>\$ 19,123,774</u>	<u>\$ -</u>
LIABILITIES			
Accounts payable	\$ 4,302,363	\$ 1,830,640	\$ -
Retainage payable	316,737	-	-
Accrued liabilities	2,030,767	6,803,573	-
Accrued interest payable	462,419	-	-
Due to primary government	-	4,783,008	-
Advance from component unit	257,813	-	-
Unearned revenue	10,244,102	-	-
Long-term liabilities:			
Due within one year	4,502,553	-	257,813
Due in more than one year	100,587,940	76,911,919	-
Total liabilities	<u>\$ 122,704,694</u>	<u>\$ 90,329,140</u>	<u>\$ 257,813</u>
DEFERRED INFLOWS OF RESOURCES			
Pension related items	\$ 1,406,390	\$ 5,525,035	\$ -
OPEB related items	1,535,637	5,511,789	-
Deferred property taxes	31,992,622	-	-
Leases related	263,857	-	75,148
Total deferred inflows of resources	<u>\$ 35,198,506</u>	<u>\$ 11,036,824</u>	<u>\$ 75,148</u>
NET POSITION			
Net investment in capital assets	\$ 27,013,893	\$ 37,356,906	\$ -
Restricted:			
Donations to school board	-	821,466	-
Capital projects - school construction grant	4,948,120	3,063,333	-
Capital improvements - road construction, pass-through	96,352	-	-
Public safety - drug enforcement	132,643	-	-
Opioid settlement funds-opioid abuse mitigation	82,957	-	-
Unrestricted (deficit)	75,152,833	(61,375,366)	1,662,152
Total net position	<u>\$ 107,426,798</u>	<u>\$ (20,133,661)</u>	<u>\$ 1,662,152</u>

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

Statement of Activities
For the Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT:				
Governmental activities:				
General government administration	\$ 7,070,909	\$ 562,204	\$ 1,030,469	\$ -
Judicial administration	2,543,301	64,446	776,463	-
Public safety	21,946,565	2,850,440	4,299,866	285,652
Public works	8,051,842	-	1,040,496	-
Health and welfare	16,544,088	-	11,822,324	-
Education	29,879,991	-	-	5,545,747
Parks, recreation, and cultural	2,496,536	133,587	248,673	-
Community development	2,937,354	108,343	97,798	360,713
Interest on long-term debt	3,182,555	-	-	-
Total governmental activities	\$ 94,653,141	\$ 3,719,020	\$ 19,316,089	\$ 6,192,112
Total primary government	\$ 94,653,141	\$ 3,719,020	\$ 19,316,089	\$ 6,192,112
COMPONENT UNITS:				
School Board	\$ 111,373,778	\$ 328,781	\$ 85,477,900	\$ -
Industrial Development Authority	367,560	-	-	-
Total component units	\$ 111,741,338	\$ 328,781	\$ 85,477,900	\$ -

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

Statement of Activities
For the Year Ended June 30, 2024

Functions/Programs	Net (Expense) Revenue and Changes in Net Position		
	Primary Government	Component Units	
	Governmental Activities	School Board	Industrial Development Authority
PRIMARY GOVERNMENT:			
Governmental activities:			
General government administration	\$ (5,478,236)	\$ -	\$ -
Judicial administration	(1,702,392)	-	-
Public safety	(14,510,607)	-	-
Public works	(7,011,346)	-	-
Health and welfare	(4,721,764)	-	-
Education	(24,334,244)	-	-
Parks, recreation, and cultural	(2,114,276)	-	-
Community development	(2,370,500)	-	-
Interest on long-term debt	(3,182,555)	-	-
Total governmental activities	\$ (65,425,920)	\$ -	\$ -
Total primary government	\$ (65,425,920)	\$ -	\$ -
COMPONENT UNITS:			
School Board	\$ -	\$ (25,567,097)	\$ -
Industrial Development Authority	-	-	(367,560)
Total component units	\$ -	\$ (25,567,097)	\$ (367,560)
General revenues:			
General property taxes	\$ 51,139,668	\$ -	\$ -
Other local taxes:			
Local sales and use tax	8,524,066	-	-
Consumer utility taxes	916,855	-	-
Business license tax	2,835,695	-	-
Motor vehicle licenses	2,013,208	-	-
Other local taxes	4,455,182	-	-
Unrestricted revenues from use of money	4,432,969	55,888	105,969
Contributions from Campbell County	-	26,202,568	353,132
Miscellaneous	507,035	3,858,073	-
Grants and contributions not restricted to specific programs	5,044,500	-	-
Total general revenues	\$ 79,869,178	\$ 30,116,529	\$ 459,101
Change in net position	\$ 14,443,258	\$ 4,549,432	\$ 91,541
Net position - beginning	92,983,540	(24,683,093)	1,570,611
Net position - ending	\$ 107,426,798	\$ (20,133,661)	\$ 1,662,152

Fund Financial Statements

Balance Sheet
Governmental Funds
June 30, 2024

	General	Special Revenue (Solid Waste)	Capital Projects	Road Construction	School Construction	County Debt Service	Total
ASSETS							
Cash and cash equivalents	\$ 79,752,755	\$ 3,174,312	\$ 4,736,963	\$ -	\$ -	\$ 4,463,176	\$ 92,127,206
Receivables (net of allowance for uncollectibles):							
Taxes receivable	32,254,571	-	-	-	-	-	32,254,571
Accounts receivable	1,283,630	2,314	-	-	-	-	1,285,944
Leases receivable	280,123	-	-	-	-	-	280,123
Due from component units	4,783,009	-	-	-	-	-	4,783,009
Due from other governmental units	3,861,484	-	-	-	4,948,120	-	8,809,604
Prepaid items	185,077	2,580	-	-	-	-	187,657
Restricted assets:							
Cash and cash equivalents	132,643	-	11,933,491	96,352	10,608,257	-	22,770,743
Total assets	\$ 122,533,292	\$ 3,179,206	\$ 16,670,454	\$ 96,352	\$ 15,556,377	\$ 4,463,176	\$ 162,498,857
LIABILITIES							
Accounts payable	\$ 1,571,700	\$ 182,385	\$ 70,569	\$ -	\$ 2,402,289	\$ -	\$ 4,226,943
Accrued liabilities	546,022	62,412	-	-	-	-	608,434
Retainage payable	-	-	-	-	316,737	-	316,737
Unearned revenue	9,147,643	-	-	-	-	-	9,147,643
Total liabilities	\$ 11,265,365	\$ 244,797	\$ 70,569	\$ -	\$ 2,719,026	\$ -	\$ 14,299,757
DEFERRED INFLOWS OF RESOURCES							
Unavailable property taxes	\$ 33,445,406	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 33,445,406
Other unavailable revenue - opioid settlement	746,259	-	-	-	-	-	746,259
Leases related	263,857	-	-	-	-	-	263,857
Total deferred inflows of resources	\$ 34,455,522	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 34,455,522
FUND BALANCES							
Nonspendable							
Prepaid items	\$ 185,077	\$ 2,580	\$ -	\$ -	\$ -	\$ -	\$ 187,657
Net leases receivable	16,266	-	-	-	-	-	16,266
Restricted for:							
Capital improvements - road construction, pass-through	-	-	-	96,352	-	-	96,352
Public safety - drug enforcement	132,643	-	-	-	-	-	132,643
County projects - unspent bond proceeds	-	-	11,933,491	-	-	-	11,933,491
School construction	-	-	-	-	12,837,351	-	12,837,351
Opioid settlement funds-opioid abuse mitigation	82,957	-	-	-	-	-	82,957
Committed to:							
Education	7,187,929	-	-	-	-	-	7,187,929
Operations	3,177,185	207,809	-	-	-	-	3,384,994
Education - school maintenance	7,168,317	-	-	-	-	-	7,168,317
Board of Supervisors projects	35,000	-	-	-	-	-	35,000
Economic development incentives	1,020,405	-	-	-	-	-	1,020,405
Community and economic development investment fund	1,318,802	-	-	-	-	-	1,318,802
Debt service	7,554,013	-	-	-	-	-	7,554,013
Operations - reassessment	138,000	-	-	-	-	-	138,000
Assigned to:							
Public works	-	2,724,020	-	-	-	-	2,724,020
Capital improvements	-	-	4,666,394	-	-	-	4,666,394
Debt service	-	-	-	-	-	4,463,176	4,463,176
Unassigned	48,795,811	-	-	-	-	-	48,795,811
Total fund balances	\$ 76,812,405	\$ 2,934,409	\$ 16,599,885	\$ 96,352	\$ 12,837,351	\$ 4,463,176	\$ 113,743,578
Total liabilities, deferred inflows and fund balances	\$ 122,533,292	\$ 3,179,206	\$ 16,670,454	\$ 96,352	\$ 15,556,377	\$ 4,463,176	\$ 162,498,857

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

Total fund balances - governmental funds - per above	\$ 113,743,578
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds (Cost of \$141,584,855 less accumulated depreciation of \$49,690,053)	91,894,802
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds	
Unavailable revenue - property taxes	1,452,784
Other unavailable revenues - Opioid settlement funds	746,259
Items related to measurement of the net pension and OPEB liabilities are considered deferred outflows or deferred inflows and will be amortized and recognized in pension and OPEB expense over future years.	
Deferred outflows - pension related	3,709,135
Deferred outflows - OPEB related	1,221,813
Deferred inflows - pension related	(1,406,390)
Deferred inflows - OPEB related	(1,535,637)
An internal service fund is used by management to charge the costs of health insurance to individual funds. The assets and liabilities of the self insurance internal service fund are included in the governmental activities in the Statement of Net Position	3,411,179
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds	
Accrued interest payable	(462,419)
Long term commitments to IDA	(257,813)
General obligation bonds and lease revenue bonds	(80,190,000)
Bond premiums	(4,513,631)
Landfill closure/postclosure	(3,166,452)
Net/total OPEB liabilities	(9,085,530)
Compensated absences	(1,544,664)
Net pension liability	(6,590,216)
Net position of governmental activities	\$ 107,426,798

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

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

	General	Special Revenue (Solid Waste)	County Capital Projects	Road Construction	School Construction	County Debt Service	Total
REVENUES							
General property taxes	\$ 51,436,916	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 51,436,916
Other local taxes	18,745,006	-	-	-	-	-	18,745,006
Permits, privilege fees, and regulatory licenses	439,613	-	-	-	-	-	439,613
Fines and forfeitures	98,132	-	-	-	-	-	98,132
Revenue from the use of money and property	3,586,574	71,892	412,362	-	362,141	-	4,432,969
Charges for services	3,181,275	-	-	-	-	-	3,181,275
Miscellaneous	73,548	45,315	66,480	5,925	-	-	191,268
Recovered costs	925,422	-	-	-	-	-	925,422
Intergovernmental:							
Local government	-	-	-	-	597,627	-	597,627
Commonwealth	17,672,545	24,895	285,652	-	5,545,747	-	23,528,839
Federal	5,576,327	-	1,439,865	-	-	-	7,016,192
Total revenues	\$ 101,735,358	\$ 142,102	\$ 2,204,359	\$ 5,925	\$ 6,505,515	\$ -	\$ 110,593,259
EXPENDITURES							
Current:							
General government administration	\$ 6,034,344	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,034,344
Judicial administration	2,242,518	-	-	-	-	-	2,242,518
Public safety	20,565,954	-	-	-	-	-	20,565,954
Public works	2,107,366	2,504,031	-	-	-	-	4,611,397
Health and welfare	16,404,903	-	-	-	-	-	16,404,903
Education	26,202,568	-	-	-	-	-	26,202,568
Parks, recreation, and cultural	2,261,316	-	-	-	-	-	2,261,316
Community development	2,347,581	-	-	-	-	-	2,347,581
Nondepartmental	767	-	-	-	-	-	767
Capital projects	-	-	4,928,873	1,647,644	7,417,926	-	13,994,443
Debt service:							
Principal retirement	-	-	-	-	-	3,385,000	3,385,000
Interest and other fiscal charges	-	-	353,871	-	303,170	2,787,935	3,444,976
Total expenditures	\$ 78,167,317	\$ 2,504,031	\$ 5,282,744	\$ 1,647,644	\$ 7,721,096	\$ 6,172,935	\$ 101,495,767
Excess (deficiency) of revenues over (under) expenditures	\$ 23,568,041	\$ (2,361,929)	\$ (3,078,385)	\$ (1,641,719)	\$ (1,215,581)	\$ (6,172,935)	\$ 9,097,492
OTHER FINANCING SOURCES (USES)							
Transfers in	\$ 1,362,396	\$ 2,482,651	\$ 3,859,799	\$ -	\$ -	\$ 7,319,307	\$ 15,024,153
Transfers out	(17,790,179)	-	(1,362,396)	-	-	-	(19,152,575)
Issuance of lease revenue bonds	-	-	11,875,000	-	10,125,000	-	22,000,000
Premium from bond issuance	-	-	-	-	199,425	-	199,425
Total other financing sources (uses)	\$ (16,427,783)	\$ 2,482,651	\$ 14,372,403	\$ -	\$ 10,324,425	\$ 7,319,307	\$ 18,071,003
Net change in fund balances	\$ 7,140,258	\$ 120,722	\$ 11,294,018	\$ (1,641,719)	\$ 9,108,844	\$ 1,146,372	\$ 27,168,495
Fund balances - beginning	69,672,147	2,813,687	5,305,867	1,738,071	3,728,507	3,316,804	86,575,083
Fund balances - ending	\$ 76,812,405	\$ 2,934,409	\$ 16,599,885	\$ 96,352	\$ 12,837,351	\$ 4,463,176	\$ 113,743,578

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

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

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

Net change in fund balances - total governmental funds	\$	27,168,495
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capitalized expenditures exceeded depreciation expense in the current period.

Capital outlays	\$	9,454,219	
Depreciation expense		<u>(4,515,047)</u>	4,939,172

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Property taxes	\$	(297,248)	
Other revenues-Opioid settlement funds		<u>315,767</u>	18,519

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

Deferred outflows of resources - pension related items	\$	(198,781)	
Deferred outflows of resources - OPEB related items		<u>37,195</u>	(161,586)

Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. The net revenue (expense) of certain activities of internal service funds is reported with governmental activities.

658,526

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Issuance of lease revenue bonds	\$	(22,000,000)	
Principal retired on long-term debt		3,385,000	
(Increase)/decrease in landfill closure, postclosure liability		<u>(101,155)</u>	(18,716,155)

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.

(Increase)/decrease in premium on bond issuance	\$	129,508	
(Increase)/decrease in accrued interest payable		(66,512)	
(Increase)/decrease in compensated absences		79,846	
(Increase)/decrease in long term commitments to IDA		(104,325)	
(Increase)/decrease in net pension liability		(1,284,102)	
(Increase)/decrease in net OPEB liabilities		(346,367)	
(Increase) decrease in deferred inflows related to the measurement of the net pension liability		1,609,601	
(Increase) decrease in deferred inflows related to the measurement of OPEB liabilities		<u>518,638</u>	536,287

Change in net position of governmental activities	\$	<u><u>14,443,258</u></u>
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The notes to the financial statements are an integral part of this statement.

Statement of Net Position
Health Insurance Fund
June 30, 2024

		Health Insurance Fund
ASSETS		
Current assets:		
Cash and cash equivalents	\$	6,004,830
Accounts receivable		561
Total assets	\$	<u>6,005,391</u>
LIABILITIES		
Current liabilities:		
Accounts payable and other accrued liabilities	\$	75,420
Claims incurred but not reported		1,422,333
Unearned revenue		1,096,459
Total liabilities	\$	<u>2,594,212</u>
NET POSITION		
Unrestricted	\$	<u>3,411,179</u>
Total net position	\$	<u>3,411,179</u>

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

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

	Health Insurance Fund
	<hr/>
OPERATING REVENUES	
Charges for services:	
Insurance premiums	\$ 16,011,751
Total operating revenues	\$ 16,011,751
	<hr/>
OPERATING EXPENSES	
Insurance claims and employer provided insurance expenses	\$ 19,481,647
Total operating expenses	\$ 19,481,647
	<hr/>
Operating income (loss)	\$ (3,469,896)
	<hr/>
Income before transfers	\$ (3,469,896)
	<hr/>
Transfers in	4,128,422
	<hr/>
Change in net position	\$ 658,526
	<hr/>
Total net position - beginning	2,752,653
Total net position - ending	\$ 3,411,179
	<hr/> <hr/>

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

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

	Health Insurance Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts for insurance premiums and other operating revenues	\$ 16,059,161
Payments for premiums	(19,266,944)
Net cash provided by (used for) operating activities	<u>\$ (3,207,783)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers from other funds	\$ 4,128,422
Net cash provided by (used for) noncapital financing activities	<u>\$ 4,128,422</u>
Net increase (decrease) in cash and cash equivalents	\$ 920,639
Cash and cash equivalents - beginning	5,084,191
Cash and cash equivalents - ending	<u><u>\$ 6,004,830</u></u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:	
Operating income (loss)	\$ (3,469,896)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:	
(Increase) decrease in accounts receivable	\$ 9,497
(Increase) decrease prepaid claims expense	14,508
Increase (decrease) in accounts payable	2,000
Increase (decrease) in claims incurred but not reported	198,195
Increase (decrease) in unearned revenue	37,913
Total adjustments	<u>\$ 262,113</u>
Net cash provided by (used for) operating activities	<u><u>\$ (3,207,783)</u></u>

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

Statement of Fiduciary Net Position
 Custodial Funds
 June 30, 2024

	Custodial Funds
ASSETS	
Cash and cash equivalents	\$ 109,199
Receivables:	
Accounts receivable	2,160
Total assets	\$ <u>111,359</u>
NET POSITION	
Restricted:	
Restricted for special welfare	\$ 95,805
Restricted for employees	15,554
Total net position	\$ <u>111,359</u>
 Total liabilities and net position	 \$ <u>111,359</u>

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

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

		<u>Custodial Funds</u>
ADDITIONS		
Special welfare collections	\$	140,792
Employee deferrals		<u>3,839,409</u>
Total additions	\$	<u>3,980,201</u>
DEDUCTIONS		
Welfare costs	\$	126,315
Flexible spending account benefits		<u>3,841,067</u>
Total deductions	\$	<u>3,967,382</u>
Net increase (decrease) in fiduciary net position	\$	<u>12,819</u>
Net position, beginning of year	\$	<u>98,540</u>
Net position, end of year	\$	<u><u>111,359</u></u>

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

COUNTY OF CAMPBELL, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2024

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A. Financial Reporting Entity

Campbell County, Virginia (the “County”) is a political subdivision of the Commonwealth of Virginia governed under the County Administrator – Board of Supervisors form of government. The County engages in a comprehensive range of municipal services, including general government administration, public safety and administration of justice, education, health, welfare, human service programs, planning, community development and recreation, and cultural activities.

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

Discretely Presented Component Units: Discretely presented component units are entities that are legally separate from the County, but for which the County is financially accountable, or whose relationship with the County is such that exclusion would cause the County’s financial statements to be misleading or incomplete. They are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the County.

Campbell County School Board

The Campbell County School Board (the “School Board”) is responsible for elementary and secondary education within the County’s jurisdiction. The School Board is comprised of seven members elected by County voters. The School Board is fiscally dependent upon the County because the County Board of Supervisors approves the School Board budget, levies the necessary taxes to finance operations, and approves the borrowing of money and issuance of debt. The School Board does not issue separate financial statements.

Campbell County Industrial Development Authority

The Campbell County Industrial Development Authority (the “IDA”) was created to encourage and provide financing for economic development in the County. The IDA’s directors are appointed by the Board of Supervisors and the County is financially accountable for the IDA in that it provides local funding for the IDA’s activities. It is authorized to acquire, own, lease, and dispose of properties to the extent that such activities foster and stimulate economic development. The IDA is presented as a proprietary fund type and does not issue separate financial statements.

Related Organizations: The following entities are excluded from the accompanying financial statements:

Campbell County Utilities and Service Authority

The Campbell County Utilities and Service Authority was created by the Board of Supervisors to operate the County’s water and sewer systems. This Authority is excluded from the accompanying financial statements as the County neither exercises oversight responsibility nor has accountability for the fiscal affairs of the Authority. All obligations of the Authority are payable from and secured by revenues derived from the operation of the water and sewer systems.

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2024 (CONTINUED)

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

A. Financial Reporting Entity (Continued)

Horizon Behavioral Health

The County, in conjunction with the Counties of Amherst, Appomattox, and Bedford, and the City of Lynchburg, supports Horizon Behavioral Health, which is composed of two members from each of the participating localities. The County contributed \$215,760 to Horizon Behavioral Health for the current year.

Blue Ridge Regional Jail Authority

The County, in conjunction with the Counties of Amherst, Halifax and Bedford, and the Cities of Bedford and Lynchburg, participates in the Blue Ridge Regional Jail Authority (the “Authority”). Each member jurisdiction pays a per-diem charge for each day that one of its prisoners is at any regional jail facility. In accordance with the service agreement, the Authority has divided the per-diem charge into an operating component and a debt service component. The per-diem charge is based upon an assumed number of prisoner days and is subject to adjustment at the end of each fiscal year. The County paid the Authority \$3,432,011 for the current year.

Region 2000 Services Authority

The County, in conjunction with the Cities of Lynchburg and Bedford, and the Counties of Appomattox and Nelson, participates in the Region 2000 Services Authority for solid waste disposal. The County paid the Authority tipping fees of \$572,354 for solid waste transferred to the Authority and received \$0 in distributions from the Authority for 2024 profits as a host fee.

B. Government-Wide and Fund Financial Statements

Government-wide financial statements consist of a Statement of Net Position and a Statement of Activities that report information on all of the non-fiduciary activities of the primary government and its component units. *Governmental activities*, which normally are supported by taxes and inter-governmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. The County reports no business-type activities. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

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

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

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2024 (CONTINUED)

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

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

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

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

Budgetary comparison schedules - Demonstrating compliance with the adopted budget is an important component of a government's accountability to the public. Many citizens participate in one way or another in the process of establishing the annual operating budgets of state and local governments and have a keen interest in following the actual financial progress of their governments over the course of the year. Many governments revise their original budgets over the course of the year for a variety of reasons. Under the GASB 34 reporting model, governments provide budgetary comparison information in their annual reports, including the original budget and a comparison of final budget and actual results.

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 proprietary 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.

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

Custodial funds, a type of fiduciary fund uses the accrual basis of accounting, an economic measurement focus.

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2024 (CONTINUED)

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

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

Governmental fund financial statements use the *current financial resources measurement focus* and the *modified accrual basis of accounting*. This is the manner in which these funds are normally budgeted. Revenues are recognized when they become both measurable and available. Accordingly, real and personal property taxes are recorded as deferred inflows of resources and receivables when levied, net of allowances for uncollectible amounts. Real and personal property taxes recorded at June 30 and received within the first 60 days after year end are included in tax revenues, with the related amount reduced from deferred inflows of resources. Sales and utility taxes, which are collected by the State or utility companies and subsequently remitted to the County, are recognized as revenues and amounts receivable when the underlying exchange transaction occurs, which is generally one or two months preceding receipt by the County. Licenses, permits, fines and rents are recorded as revenues when received. Intergovernmental revenues, consisting primarily of Federal, State and other grants for the purpose of specific funding are recognized when earned or at the time of the specific reimbursable expenditure. Revenues from general-purpose grants are recognized in the period in which the grant applies. All other revenue items are considered to be measurable and available only when the government receives cash.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. However, debt service expenditures as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due.

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

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

The County reports the following major governmental funds:

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

Special Revenue Fund – Special revenue funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Solid Waste Fund is a special revenue fund which accounts for revenues from landfill operations and related expenditures.

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2024 (CONTINUED)

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

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

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

Debt Service Fund – The County Debt Service Fund accounts for and reports financial resources that are restricted, committed or assigned to expenditure for principal and interest. Debt service funds are also used to report financial resources being accumulated for future debt service. The County Debt Service Fund is considered a major fund.

Proprietary Funds are used to account for the reporting entity's activities similar to those often found in the private sector. The County reports the following major proprietary fund:

Internal Service Fund – Health Insurance Fund – Internal service funds account for the financing of goods or services provided by one department or agency to other departments or agencies of the County government. The County's internal service fund is the Health Insurance Fund, through which the County self-insures the costs of providing health insurance to employees.

In addition to its major funds, the County reports the following fund category:

Fiduciary Funds – Fiduciary funds are used to account for assets held by the County in a purely custodial capacity. The County's only fiduciary type funds are custodial funds which consist of the following: Special Welfare and Flexible Benefits Fund.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's health insurance fund and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Operating revenues and expenses in the proprietary fund result from providing services in connection with its principal ongoing operations. The principal operating revenues of the County's proprietary fund are charges for health investment services. Nonoperating revenues consist of interest income. Operating expenses include the costs of claims and administrative expenses.

D. Budgetary Information

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

- Prior to April 15, the County Administrator submits to the Board of Supervisors a proposed operating and capital budget for the fiscal year commencing the following July 1. The operating and capital budget includes proposed expenditures and the related financing.
- Public hearings are conducted to obtain citizen comments.

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2024 (CONTINUED)

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

D. Budgetary Information (Continued)

- Prior to June 30, the budget is legally enacted through passage of an Appropriations Resolution.
- The Appropriations Resolution places legal restrictions on expenditures at the department level. The appropriation for each department can be revised only by the Board of Supervisors. The School Board is authorized to transfer budgeted amounts within the school system's categories. The Board of Supervisors approved supplemental appropriations in the General Fund totaling \$19,656,549 for additional requests from various departments including contribution to the School Board and transfers to other funds. The Board of Supervisors also approved additional appropriations to the Solid Waste Fund of \$791,792, the County Capital Projects fund of \$16,027,480, the Road Construction fund of \$2,335,108, School Construction Fund of \$54,747,481 and the County Debt Service Fund of \$0.
- Formal budgetary integration is employed as a management control device during the year and budgets are legally adopted for all governmental funds.
- All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
- Appropriations lapse on June 30 for all County and School Board units.
- All budgetary data presented in the accompanying financial statements includes the original and revised budgets as of June 30.

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

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, demand deposits, and investments with a maturity date within three months of the date acquired.

Investments

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

Receivables

All trade and property tax receivables are shown net of an allowance for uncollectibles. The allowance for uncollectible accounts is calculated using historical collection data, specific account analysis, and management's judgment. The allowance for uncollectibles was comprised of property taxes in the amount of \$314,210.

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

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

Inventories

Inventories for resale generally are recorded at the lower of cost (first-in/first-out (FIFO) method) or market except for any commodities received from the U.S. Department of Agriculture, which are valued at market. Supplies inventory is reported at cost. Inventories of the County’s governmental funds are recorded as expenditures when consumed rather than when purchased. Inventories consist of expendable supplies in the General Fund and USDA commodities in the Component Unit – School Board.

Prepaid Items

Payments made for services that will benefit periods beyond June 30 are reported as prepaid items using the consumption method by recording a current asset for the prepaid amount at the time of purchase and reflecting the expenditure/expense in the year in which the services are consumed.

Capital Assets

Capital assets are tangible and intangible assets which include property, plant, and equipment and are reported in the government-wide financial statements. The County does not own infrastructure assets. Capital assets are defined as items with an initial individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset’s life are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is recognized as an expense when incurred and accordingly is not capitalized as part of the asset.

Land and construction in progress are not depreciated. All other capital assets are depreciated using the straight-line method over the following estimated useful lives:

Buildings and improvements	10-40 years
Other improvements	2-40 years
Equipment	5-10 years

Compensated Absences

County and School Board employees are granted a specified number of days of leave with pay each year. The statements reflect, as of June 30, the amount payable for all unused vacation, sick and compensatory leave, payable upon termination. Employer related taxes are also included. The cost of accumulated leave is accounted for as a liability in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only when the amounts have become due and payable.

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2024 (CONTINUED)

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

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

Deferred/Unearned Revenue

Deferred/Unavailable revenue consists primarily of property taxes receivable not collected within 60 days of year end, as well as property taxes, either receivable or already collected, intended to finance a future fiscal period. Unearned revenue includes grants which have been advanced to the County but have not yet been earned.

Unearned revenue in the internal service fund represents advances by other funds, component units, and outside entities for the cost of insurance for periods after June 30.

Economic Incentive Grants Payable

Economic incentive grants payable are recorded when, in management’s opinion, failure by the grantee to meet the performance criteria is unlikely, generally amounts expected to be paid within one year. Refunds of these incentives are reflected as revenues when collection is determined to be likely.

Long-Term Obligations

Long-term debt obligations are reported as liabilities in the government-wide statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method or bonds outstanding method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period but no long-term liabilities. 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. Repayments are reported as debt service expenditures.

Encumbrances

The County uses encumbrance accounting, wherein purchase orders, contracts, and other commitments for the expenditure of funds are recorded to reserve that portion of fund balance.

Use of Estimates

Management uses estimates and assumptions in preparing its financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities, and reported revenues, expenditures, and expenses. Actual results could differ from those estimates.

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2024 (CONTINUED)

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

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

Net Position

Net position is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources. Net investment in capital assets represents capital assets, less accumulated depreciation, less any outstanding debt related to the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position.

Net Position Flow Assumption

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

Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the statement of financial position includes a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has multiple items that qualify for reporting in this category. Under a modified accrual basis of accounting, unavailable revenue representing property taxes receivable is reported in the governmental funds balance sheet. This amount is comprised of uncollected property taxes due prior to June 30, 2nd half installments levied during the fiscal year but due after June 30th, and amounts prepaid on the 2nd half installments and is deferred and recognized as an inflow of resources in the period that the amount becomes available. Under the accrual basis, 2nd half installments levied during the fiscal year but due after June 30th and amounts prepaid on the 2nd half installments are reported as deferred inflows of resources. In addition, certain items related to pension, OPEB and leases are reported as deferred inflows of resources. For fiscal year 2024 the County reported a deferred inflow related to settlement funds (opioid settlement) to be received in a future period. For more detailed information on these items, reference the related notes.

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2024 (CONTINUED)

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

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

Fund Balance

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

- Nonspendable fund balance – amounts that are not in spendable form (such as inventory and prepaids) or are required to be maintained intact (corpus of a permanent fund);
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- Committed fund balance – amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- Unassigned fund balance – amounts that are available for any purpose; positive amounts are only reported in the general fund.

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

The County’s policy establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. Assigned fund balance is established by the Board of Supervisors through adoption or amendment of the budget as intended for specific purpose (such as the purchase of capital assets, construction, debt service, or for other purposes).

IDA Transactions and Conduit Obligations

In addition to disbursing incentives to promote the expansion of business initiatives in the County, the IDA may also structure ownership of properties through lease purchase arrangements or issue Industrial Revenue Bonds for the purpose of obtaining and constructing facilities deemed to be in the public interest. However, all rights to payments on these bonds have been assigned to the trustees, agents, or the holders of the bonds, and purchasers have assumed responsibility for all operating costs such as utilities, repairs and property taxes. In such cases the IDA neither receives nor disburses funds. Deeds of trust or letters of credit secure outstanding bond obligations; although the IDA provides a conduit to execute such transactions, it does not retain either the benefits of asset ownership or the liability for bond liquidation. Accordingly, the IDA does not recognize associated assets, liabilities, income or interest expense in its financial statements.

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2024 (CONTINUED)

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

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

Pensions

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

Other Postemployment Benefits (OPEB)

Group Life Insurance

The Virginia Retirement System (VRS) Group Life Insurance (GLI) Plan provides coverage to state employees, teachers, and employees of participating political subdivisions. The GLI Program was established pursuant to §51.1-500 et seq. of the Code of Virginia, as amended, and which provides the authority under which benefit terms are established or may be amended. The GLI Plan is a defined benefit plan that provides a basic group life insurance benefit for employees of participating employers. For purposes of measuring the net GLI Plan 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 Plan OPEB and the additions to/deductions from the VRS GLI OPEB's net fiduciary position have been determined on the same basis as they were reported by VRS. In addition, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Political Subdivision and Teacher Employee Health Insurance Credit Plan

The County and Virginia Retirement System (VRS) Teacher Employee Health Insurance Credit (HIC) Programs were established pursuant to §51.1-1400 et seq. of the Code of Virginia, as amended, and which provides the authority under which benefit terms are established or may be amended. The Teacher Employee HIC Plan is a defined benefit plan that provides a credit toward the cost of health insurance coverage for retired teachers. For purposes of measuring the net OPEB liabilities, deferred outflows of resources and deferred inflows of resources related to the Programs' OPEB, and the related OPEB expenses, information about the fiduciary net position of the County and VRS Teacher Employee HIC Plans; and the additions to/deductions from the County and VRS Teacher Employee 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.

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2024 (CONTINUED)

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

F. Leases

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

Lessor

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

Key Estimates and Judgments

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

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

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

NOTE 2–DEPOSITS AND INVESTMENTS:

Deposits

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

Investments

Investment Policy

In accordance with the Code of Virginia and other applicable law, including regulations, the County’s investment policy (Policy) permits investments in U.S. Treasury Securities, U.S. agency securities, prime quality commercial paper, non-negotiable certificates of deposit and time deposits of Virginia banks, negotiable certificates of deposit of domestic banks, banker’s acceptances with domestic banks, Commonwealth of Virginia and Virginia Local Government Obligations, repurchase agreements collateralized by the U. S. Treasury/Agency securities, the Virginia State Non-Arbitrage Program or other authorized Arbitrage Investment Management programs, and the State Treasurer’s Local Government Investment Pool.

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

Credit Risk of Debt Securities

As required by state statute or by the County, the Policy requires that commercial paper have a short-term debt rating of no less than “A-1” (or its equivalent) from at least two of the following: Moody’s Investors Service, Standard & Poor’s, and Fitch Investor’s Service, provided that the issuing corporation has a net worth of at least \$50 million and its long term debt is rated “A” or better by Moody’s and Standard & Poor’s. Banker’s acceptances and certificates of deposit maturing in less than one year must have a short-term debt rating of at least “A-1” by Standard & Poor’s and “P-1” by Moody’s Investor Service.

County's Rated Debt Investments' Values - Standard & Poor's Rating		
Rated Debt Investments	Fair Quality Ratings	Amount at June 30
LGIP	AAAm	\$ 58,268,585
State Non-Arbitrage Pool	AAAm	10,388,616

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2024 (CONTINUED)

NOTE 2–DEPOSITS AND INVESTMENTS: (CONTINUED)

Concentration of Credit Risk

The County’s current Policy places restrictions on the diversification by type of investments. The Policy provides the following restrictions on diversification as a percentage of the County’s total investments. The maximum allowable concentration by investment type is as follows:

US Treasury Bills, Notes and Bonds	50%
Certificates of Deposit	70%
LGIP	50%
Bankers Acceptances	35%
Prime Quality Commercial Paper	35%
High Quality Commercial Notes	35%
Overnight Repurchase Agreement	50%

Interest Rate Risk

The County’s current Policy limits investment maturities to five years maximum maturity for any negotiable certificate of deposit or any sovereign government obligation excluding those of the United States; to fifteen years for any single corporate security; and five years for any single asset-backed security.

The carrying values and weighted average maturity were as follows:

Investment Type	Investment Maturity*		
	Fair Value	Less than 1	1 - 5
State Non-Arbitrage Pool	\$ 10,388,616	\$ 10,388,616	-
LGIP	58,268,585	58,268,585	-
Total investments	\$ 68,657,201	\$ 68,657,201	-

* Weighted average maturity in years.

Custodial Credit Risk

The Policy requires that all investment securities be held in safekeeping by a third party and evidenced by safekeeping receipts. As required by the *Code of Virginia*, all security holdings with maturities over 30 days may not be held in safekeeping with the “counterparty” to the investment transaction. As of June 30, all investments are held in a bank’s trust department in the County’s name.

COUNTY OF CAMPBELL, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2024 (CONTINUED)

NOTE 2—DEPOSITS AND INVESTMENTS: (CONTINUED)

Custodial Credit Risk (Continued)

Cash and investments are reflected in the financial statements as follows:

		Component Units	
	Primary Government	School Board	IDA
Deposits and investments:			
Cash on hand	\$ 3,150	\$ -	\$ -
Deposits	120,899,629	18,680,363	365,710
Total	<u>\$ 120,902,779</u>	<u>\$ 18,680,363</u>	<u>\$ 365,710</u>
Statement of Net Position:			
Cash and cash equivalents	\$ 98,132,036	\$ 17,858,897	\$ 365,710
Restricted cash and equivalents	22,770,743	821,466	-
Total	<u>\$ 120,902,779</u>	<u>\$ 18,680,363</u>	<u>\$ 365,710</u>

NOTE 3—RECEIVABLES AND DEFERRED/UNAVAILABLE/UNEARNED REVENUE:

Receivables consist of the following:

	General Fund	Solid Waste	Capital Projects	Health Insurance	Total
Receivables:					
Taxes	\$ 32,568,781	\$ -	\$ -	\$ -	\$ 32,568,781
Accounts	1,283,630	2,314	-	561	1,286,505
Leases	<u>280,123</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>280,123</u>
Gross receivables	<u>\$ 34,132,534</u>	<u>\$ 2,314</u>	<u>\$ -</u>	<u>\$ 561</u>	<u>\$ 34,135,409</u>
Less:					
Allowance for uncollectible amounts	<u>\$ 314,210</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 314,210</u>
Net receivables	<u>\$ 33,818,324</u>	<u>\$ 2,314</u>	<u>\$ -</u>	<u>\$ 561</u>	<u>\$ 33,821,199</u>

The taxes receivable account represents the current and past four years of uncollected tax levies on personal property taxes and the current and past nineteen years of uncollected tax levies on real property. Real estate taxes are recorded as receivable when they attach as an enforceable lien, therefore, real estate taxes based on the January 1, 2024, assessment date are included in taxes receivable at June 30, 2024, even though taxpayers had not yet been billed. Additionally, personal property taxes are assessed on January 1, 2024 and the County does not prorate assessments, therefore the assessment is included in taxes receivable. However, since the January 1, 2024 levy is intended to finance a future period, these amounts have been included in unavailable revenue as discussed below.

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2024 (CONTINUED)

NOTE 3—RECEIVABLES AND DEFERRED/UNAVAILABLE/UNEARNED REVENUE: (CONTINUED)

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, as well as for receivables which are considered unearned in that they are intended to finance a future period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At June 30, the components of unavailable/unearned revenue were as follows:

Exhibit 3 Reconciliation	
Advance payments of state and federal grants – unearned	\$ 9,147,643
Total unearned revenue – governmental funds (Exhibit 3)	\$ 9,147,643
Other unavailable revenues	
Opioid settlement funds	\$ 746,259
Lease receivable	263,857
Property taxes receivable – due after June 30	\$ 29,768,177
Property taxes receivable – due prior to June 30	2,486,394
Advance collection of 2024-2025 property taxes	2,224,445
Less amounts collected within 60 days	(1,033,610)
Unavailable property taxes - Deferred Inflows of Resources - Balance Sheet (Exhibit 3)	\$ 33,445,406
Exhibit 1 Reconciliation	
Unavailable property taxes - Deferred Inflows of Resources - Balance Sheet (Exhibit 3)	\$ 33,445,406
Less property taxes due prior to June 30 (net of 60 day collections)	(1,452,784)
Deferred property taxes - Deferred Inflows of Resources - Statement of Net Position (Exhibit 1)	\$ 31,992,622
Other unavailable revenues - Deferred Inflows of Resources - Balance Sheet (Exhibit 3)	\$ 1,010,116
Less revenues recognized to be received 60 days after June 30	(746,259)
Other unavailable revenues - Deferred Inflows of Resources - Statement of Net Position (Exhibit 1)	\$ 263,857
Advance payments of state and federal grants – unearned	\$ 9,147,643
Internal service fund deferrals related to discretely presented component units and outside entities	1,096,459
Unearned revenue – Statement of Net Position (Exhibit 1)	\$ 10,244,102

COUNTY OF CAMPBELL, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2024 (CONTINUED)

NOTE 4—DUE FROM OTHER GOVERNMENTS:

Amounts due from other governments consist of the following:

	Primary Government	Component Unit- School Board
<u>Commonwealth of Virginia:</u>		
Local sales tax	\$ 1,481,259	\$ -
State sales tax	-	1,792,247
Comprehensive Services Act	802,118	-
Public assistance	234,090	-
Motor vehicle rental tax	59,595	-
Mobile home titling tax	37,791	-
Shared expenses and grants	396,786	-
Railroad rolling stock	146,129	-
Communications tax	159,714	-
School construction grant	4,948,120	-
VPSA technology grant	-	595,321
Other state funds	143,493	10,821
<u>Federal Government</u>		
Public assistance	371,545	-
Title I	-	441,724
Title II, Part A	-	28,159
Title VI-B special education cluster	-	466,580
School nutrition program - SFSP	-	110,499
CARES Act - ESSEER	-	707,855
Career and technical education	-	127,729
Other federal grants	28,964	84,153
Total	\$ 8,809,604	\$ 4,365,088

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2024 (CONTINUED)

NOTE 5--INTERFUND AND INTRA-ENTITY TRANSACTIONS AND BALANCES:

Interfund and Intra-Entity transfers are as follows:

Transfer Out Fund	Transfer In Fund	Amount
General Fund	Capital Projects Fund	\$ 3,859,799
General Fund	Solid Waste Fund	2,482,651
General Fund	County Debt Service Fund	7,319,307
General Fund	Health Insurance Fund	4,128,422
Capital Projects Fund	General Fund	1,362,396

The transfer from the General Fund to the Capital Projects Fund was to support general government capital projects. Transfers from the General Fund to the Solid Waste Fund were to offset shortfalls in operating revenues. Transfers between the Solid Waste Fund and the General Fund were to offset operating costs. Transfers from the General Fund to the Health Insurance Fund are to provide funding for health benefits. Transfers from the General Fund to the County Debt Service Fund were to accumulate resources to pay future debt service costs.

Balances due to and from the primary government and its component units consist of the following:

The Component Unit--School Board owed \$4,783,009 to the General Fund at year end as a result of appropriated local funds in excess of actual school expenditures in the current and previous years.

The primary government owed the Component Unit--IDA \$257,813 for economic incentive grants awarded by the IDA for which the County is ultimately responsible.

COUNTY OF CAMPBELL, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2024 (CONTINUED)

NOTE 6—CAPITAL ASSETS:

Primary Government

Capital asset activity for the year was as follows:

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfer</u>	<u>Ending Balance</u>
Capital assets, nondepreciable:					
Land	\$ 4,003,434	\$ -	\$ -	\$ -	\$ 4,003,434
Construction in progress	<u>41,387,729</u>	<u>7,411,467</u>	<u>42,751,282</u>	<u>-</u>	<u>6,047,914</u>
Total capital assets, nondepreciable	<u>\$ 45,391,163</u>	<u>\$ 7,411,467</u>	<u>\$ 42,751,282</u>	<u>\$ -</u>	<u>\$ 10,051,348</u>
Capital assets, depreciable:					
Buildings and improvements	\$ 23,334,118	\$ 217,385	\$ -	\$ -	\$ 23,551,503
Other improvements	20,082,425	-	-	-	20,082,425
Equipment	18,963,312	1,825,367	-	-	20,788,679
School buildings	<u>24,359,618</u>	<u>42,751,282</u>	<u>-</u>	<u>-</u>	<u>67,110,900</u>
Total capital assets, depreciable	<u>\$ 86,739,473</u>	<u>\$ 44,794,034</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 131,533,507</u>
Accumulated depreciation:					
Buildings and improvements	\$ 10,453,585	\$ 602,484	\$ -	\$ -	\$ 11,056,069
Other improvements	10,187,700	1,157,561	-	-	11,345,261
Equipment	15,973,396	1,077,229	-	-	17,050,625
School buildings	<u>8,560,325</u>	<u>1,677,773</u>	<u>-</u>	<u>-</u>	<u>10,238,098</u>
Total accumulated depreciation	<u>\$ 45,175,006</u>	<u>\$ 4,515,047</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 49,690,053</u>
Capital assets, depreciable, net	<u>\$ 41,564,467</u>	<u>\$ 40,278,987</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 81,843,454</u>
Governmental activities capital assets, net	<u>\$ 86,955,630</u>	<u>\$ 47,690,454</u>	<u>\$ 42,751,282</u>	<u>\$ -</u>	<u>\$ 91,894,802</u>

- 1) Legislation enacted during the year ended June 30, 2002, Section 15.2-1800.1 of the Code of Virginia 1950, as amended, has changed the reporting of local capital assets and related debt for financial statement purposes. Historically, debt incurred by local governments "on-behalf" of school boards was reported in the school board's discrete column along with the related capital assets. Under the law, local governments have a "tenancy in common" with the school board whenever the locality incurs any financial obligation for any school property which is payable over more than one year. For financial reporting purposes, the legislation permits the locality to report the portion of school property related to any outstanding financial obligation eliminating any potential deficit from capitalizing assets financed with debt. The effect on the County of Campbell for the year ended June 30, 2024, is that school financed assets in the amount of \$73,158,814 are reported in the Primary Government for financial reporting purposes.

COUNTY OF CAMPBELL, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2024 (CONTINUED)

NOTE 6—CAPITAL ASSETS: (CONTINUED)

Primary Government: (Continued)

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General government administration	\$ 882,606
Judicial administration	79,009
Public safety	1,266,313
Public works	433,182
Health and welfare	66,114
Education	1,679,530
Parks, recreation, and cultural	69,429
Community development	<u>38,864</u>
Total depreciation	<u>\$ 4,515,047</u>

Discretely Presented Component Unit—School Board

Capital asset activity for the year was as follows:

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfer</u>	<u>Ending Balance</u>
Capital assets, nondepreciable:					
Land	\$ <u>324,233</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>324,233</u>
Total capital assets, nondepreciable	\$ <u>324,233</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>324,233</u>
Capital assets, depreciable:					
Buildings and improvements	\$ 71,520,809	\$ 549,141	\$ -	\$ -	\$ 72,069,950
Other improvements	9,167,176	9,995	-	-	9,177,171
Equipment	<u>23,973,632</u>	<u>1,861,781</u>	<u>-</u>	<u>-</u>	<u>25,835,413</u>
Total capital assets, depreciable	\$ <u>104,661,617</u>	\$ <u>2,420,917</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>107,082,534</u>
Accumulated depreciation:					
Buildings and improvements	\$ 47,752,819	\$ 1,720,596	\$ -	\$ -	\$ 49,473,415
Other improvements	3,831,191	540,459	-	-	4,371,650
Equipment	<u>14,589,940</u>	<u>1,614,856</u>	<u>-</u>	<u>-</u>	<u>16,204,796</u>
Total accumulated depreciation	\$ <u>66,173,950</u>	\$ <u>3,875,911</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>70,049,861</u>
Capital assets, depreciable, net	\$ <u>38,487,667</u>	\$ <u>(1,454,994)</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>37,032,673</u>
Governmental activities capital assets, net	<u>\$ 38,811,900</u>	<u>\$ (1,454,994)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 37,356,906</u>

All depreciation expense in the School Board was charged to the Education function.

COUNTY OF CAMPBELL, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2024 (CONTINUED)

NOTE 7—LONG-TERM LIABILITIES:

The following is a summary of changes in long-term liabilities:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Primary Government:					
Governmental Activities:					
Direct Borrowings and Placements:					
General obligation bonds	\$ 15,990,000	\$ -	\$ 2,800,000	\$ 13,190,000	\$ 2,890,000
Lease revenue bonds	45,585,000	22,000,000	585,000	67,000,000	1,127,000
Bond premiums	<u>4,643,139</u>	<u>199,425</u>	<u>328,933</u>	<u>4,513,631</u>	<u>331,087</u>
Total bonds payable	\$ 66,218,139	\$ 22,199,425	\$ 3,713,933	\$ 84,703,631	\$ 4,348,087
Landfill closure/postclosure (Note 8)	3,065,297	101,155	-	3,166,452	-
Compensated absences	1,624,510	1,819,776	1,899,622	1,544,664	154,466
Net pension liability (Note 12)	5,306,114	6,598,411	5,314,309	6,590,216	-
Net/total OPEB liabilities (Note 13)	<u>8,739,163</u>	<u>3,599,361</u>	<u>3,252,994</u>	<u>9,085,530</u>	<u>-</u>
Total Primary Government	\$ <u>84,953,223</u>	\$ <u>34,318,128</u>	\$ <u>14,180,858</u>	\$ <u>105,090,493</u>	\$ <u>4,502,553</u>
Component Unit-School Board:					
Net pension liability (Note 12)*	\$ 45,692,478	\$ 22,897,286	\$ 19,383,519	\$ 49,206,245	\$ -
Net/total OPEB liabilities (Note 13)	<u>27,368,121</u>	<u>10,015,298</u>	<u>9,677,745</u>	<u>27,705,674</u>	<u>-</u>
Total Component Unit- School Board	\$ <u>73,060,599</u>	\$ <u>32,912,584</u>	\$ <u>29,061,264</u>	\$ <u>76,911,919</u>	\$ <u>-</u>
Component Unit-IDA:					
Economic incentive grants payable (Note 9)	\$ <u>153,488</u>	\$ <u>323,523</u>	\$ <u>219,198</u>	\$ <u>257,813</u>	\$ <u>257,813</u>
Total Component Unit - IDA	\$ <u>153,488</u>	\$ <u>323,523</u>	\$ <u>219,198</u>	\$ <u>257,813</u>	\$ <u>257,813</u>

* The previously reported net pension liability reported as a net pension asset as of June 30, 2023 (Note 12).

Debt service requirements of general obligation bonds, bond anticipation note, lease revenue bonds and literary fund loans are paid by the General Fund through a transfer to the County Debt Service Fund. Costs related to landfill closure/postclosure are paid by the General Capital Projects Fund or the Solid Waste Fund. Requirements of the compensated absences, net pension liability and other postemployment benefits are paid by the General Fund for the primary government and the school operating and school cafeteria fund for the component unit-school board.

COUNTY OF CAMPBELL, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2024 (CONTINUED)

NOTE 7—LONG-TERM LIABILITIES: (CONTINUED)

The primary governments and component unit IDA annual debt service requirements to maturity are as follows:

Year Ended June 30	Direct Borrowings and Placements			
	Governmental Activities			
	General Obligation Bonds		Lease Revenue Bonds	
	Principal	Interest	Principal	Interest
2025	\$ 2,890,000	\$ 342,053	\$ 1,127,000	\$ 2,866,773
2026	2,975,000	251,879	1,175,000	2,811,710
2027	2,365,000	176,523	1,229,000	2,755,277
2028	2,415,000	114,232	2,057,000	2,696,052
2029	2,545,000	33,340	2,166,000	2,593,662
2030-2034	-	-	12,572,000	11,222,696
2035-2039	-	-	15,386,000	8,398,004
2040-2044	-	-	18,683,000	4,661,636
2045-2048	-	-	12,605,000	1,128,375
Total	\$ 13,190,000	\$ 918,027	\$ 67,000,000	\$ 39,134,185

Details of long-term indebtedness are as follows:

Direct Borrowings and Placements	Interest Rates	Date Issued	Final Maturity Date	Amount of Original Issue	Governmental Activities
<u>General Obligation Bonds:</u>					
School Construction	4.35-5.10%	April 2005	July 2030	\$ 8,685,000	\$ 1,305,000
Refunding Bonds - School and County	2.62%	Sept 2015	July 2028	29,095,000	11,885,000
Total General Obligation Bonds					\$ 13,190,000
<u>Lease Revenue Bonds:</u>					
School Construction	5.00-2.00%	July 2020	June 2048	\$ 35,265,000	\$ 35,180,000
County Capital Projects	5.00-2.00%	July 2020	June 2048	4,380,000	3,555,000
School Construction	3.25%	Sept 2022	Sept 2042	6,500,000	6,265,000
School Construction	5.00%	Nov 2023	Dec 2048	10,125,000	10,125,000
County Capital Projects	5.68-6.65%	Nov 2023	Dec 2043	11,875,000	11,875,000
Total Lease Revenue Bonds					\$ 67,000,000

During fiscal year 2016 the County issued Series 2015 refunding bonds to refund the outstanding VML/VACo Bonds issued June 2008. The refunding bonds issued September 29, 2015 in the amount of \$29,095,000 refunded the aforementioned bonds in the amount of \$26,170,000. The present value of the economic gain was \$1,084,046.

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2024 (CONTINUED)

NOTE 8—LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS:

The County's landfill consists of four phases described as follows: Phase I of the landfill has never been intended to be used for actual waste disposal and serves only as a storage area. Phase II of the landfill was closed in 1995. Phase III opened in 1995 and Phase IV was never opened. The remaining capacity of Phase III and all of Phase IV were sold to the regional landfill authority, Region 2000 Services Authority, during fiscal year 2012.

In accordance with state and Federal laws, the County placed a final cover on Phase II of the landfill in 1995 and is required to perform certain maintenance and monitoring functions at this site for a minimum of thirty years after closure. The cumulative amount of estimated postclosure care costs and corrective action costs for this site, less amounts expended for such costs to date were \$1,027,518 and \$2,138,934, respectively. The liability for Phase II reported is equal to 100% of the estimated liability.

The closure and postclosure care costs for Phase III were assumed by the Region 2000 Services Authority as part of the purchase of Phase III and IV. The cumulative amount reported as postclosure care costs and corrective action liability is \$3,166,452 as of June 30, 2024, all of which is for Phase II. The liability reported is based on what it would cost to perform all postclosure care in 2024. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The County demonstrates financial assurance requirements for closure and postclosure care through the submission of a Local Government Financial Test to the Virginia Department of Environmental Quality in accordance with Section 9VAC-20-70 of the Virginia Administrative Code.

NOTE 9—IDA ECONOMIC INCENTIVE GRANTS PAYABLE:

As discussed in Note 11, the IDA has awarded certain economic incentive grants to businesses within the County; typically the grants are paid over a 1-5 year period. Outstanding grants approved by the governing body as of June 30, 2024 that have been substantially earned by the business and expected to be paid are recorded as a liability.

NOTE 10—SIGNIFICANT TRANSACTIONS OF THE COUNTY AND COMPONENT UNIT – SCHOOL BOARD:

Certain transactions between the County and School Board component unit are explained here in detail to provide a more informed understanding of the operational relationship of the two entities and how such transactions are presented in the financial statements.

- A. The School Board can neither levy taxes nor incur debt under Virginia law. Therefore, the County issues debt "on behalf" of the School Board. The debt obligation is recorded as a liability of the County's governmental activities. The proceeds from the debt issued "on behalf" of the School Board and related capital expenditures are recorded in the County's funds.
- B. Debt service payments for school bonded debt are reported as part of the primary government in the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds.

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2024 (CONTINUED)

NOTE 10–SIGNIFICANT TRANSACTIONS OF THE COUNTY AND COMPONENT UNIT – SCHOOL BOARD: (CONTINUED)

- C. Local governments in Virginia have a “tenancy in common” with the School Board whenever the locality incurs a financial obligation for school property which is payable over more than one year. In order to match the capital assets with the related debt, the legislation permits the primary government to report the portion of the school property related to the financial obligation as “jointly owned” assets. When the debt related to a particular capital asset is completely retired, the related capital asset, net of accumulated depreciation, is removed from the primary government’s financial statements and reported in the School Board’s financial statements. The School Board retains authority and responsibility over the operation and control of this property.
- D. If all economic resources associated with school activities were reported with the School Board, its total expenditures would be as follows:

Expenditures of School Board - Component Unit (Exhibit 32)	\$ 114,359,556
School-related principal and other debt service expenditures included in primary government (Exhibit 4)	<u>2,698,717</u>
Total expenditures for school activities	<u>\$ 117,058,273</u>

NOTE 11–SIGNIFICANT TRANSACTIONS OF THE COUNTY AND COMPONENT UNIT – IDA:

The IDA was created to encourage economic development in the County. To that end, the County appropriates periodic contributions to the IDA. In addition, the County provides certain economic incentive grants to encourage development in the County. These grants pass through the IDA but ultimately are long-term obligations reported in the County’s government-wide statement of net position. When the underlying requirements have been substantially met, these amounts are recorded by the IDA as payable to the grant recipient and as receivable from the County. At year end the IDA reported economic incentive grants payable of \$257,813 and an equal amount was reported as receivable from the County.

Amounts reported as payable to the IDA by the County consist of the following:

Long-term commitments to IDA, reported in the government-wide Statement of Net Position	\$ <u>257,813</u>
Total payable to IDA	<u>\$ 257,813</u>

The County also provides personnel and office space to the IDA at no charge.

NOTE 12—PENSION PLAN:

Plan Description

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

Benefit Structures

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

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

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2024 (CONTINUED)

NOTE 12—PENSION PLAN: (CONTINUED)

Average Final Compensation and Service Retirement Multiplier

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

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

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

Employees Covered by Benefit Terms

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

	Primary Government	Component Unit School Board Nonprofessional
Inactive members or their beneficiaries currently receiving benefits	298	184
Inactive members:		
Vested inactive members	79	23
Non-vested inactive members	124	109
Inactive members active elsewhere in VRS	172	28
Total inactive members	375	160
Active members	348	162
Total covered employees	1,021	506

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2024 (CONTINUED)

NOTE 12—PENSION PLAN: (CONTINUED)

Contributions

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

The County's contractually required employer contribution rate for the year ended June 30, 2024 was 12.68% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the County were \$2,304,504 and \$2,142,807 for the years ended June 30, 2024 and June 30, 2023, respectively.

The Component Unit School Board's contractually required employer contribution rate for nonprofessional employees for the year ended June 30, 2024 was 5.55% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Component Unit School Board's nonprofessional employees were \$201,493 and \$189,653 for the years ended June 30, 2024 and June 30, 2023, respectively.

Net Pension Liability (Asset)

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

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2024 (CONTINUED)

NOTE 12–PENSION PLAN: (CONTINUED)

Actuarial Assumptions – General Employees

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

Inflation	2.50%
Salary increases, including inflation	3.50% – 5.35%
Investment rate of return	6.75%, net of pension plan investment expenses, including inflation*

Mortality rates:

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement:

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

COUNTY OF CAMPBELL, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2024 (CONTINUED)

NOTE 12—PENSION PLAN: (CONTINUED)

Mortality rates: (Continued)

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

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

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

Actuarial Assumptions – Public Safety Employees with Hazardous Duty Benefits

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

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

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

Pre-Retirement:

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

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2024 (CONTINUED)

NOTE 12—PENSION PLAN: (CONTINUED)

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

Mortality rates:

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement:

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

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

All Others (Non 10 Largest) – Hazardous Duty:

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

COUNTY OF CAMPBELL, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2024 (CONTINUED)

NOTE 12—PENSION PLAN: (CONTINUED)

Long-Term Expected Rate of Return

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

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

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

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

Discount Rate

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

COUNTY OF CAMPBELL, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2024 (CONTINUED)

NOTE 12—PENSION PLAN: (CONTINUED)

Discount Rate: (Continued)

rate. For the year ended June 30, 2023, the alternate rate was the employer contribution rate used in FY 2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2022 actuarial valuations, whichever was greater. Through the fiscal year ended June 30, 2023, the rate contributed by the school division for the VRS Teacher Retirement Plan was subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 100% of the actuarially determined contribution rate. From July 1, 2023 on, participating employers and school divisions are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability (Asset)

	Primary Government		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at June 30, 2022	\$ 87,488,624	\$ 82,182,510	\$ 5,306,114
Changes for the year:			
Service cost	\$ 2,176,108	\$ -	\$ 2,176,108
Interest	5,889,625	-	5,889,625
Differences between expected and actual experience	1,412,997	-	1,412,997
Changes of assumptions	-	-	-
Contributions - employer	-	2,142,749	(2,142,749)
Contributions - employee	-	833,534	(833,534)
Net investment income	-	5,269,139	(5,269,139)
Benefit payments, including refunds	(4,822,062)	(4,822,062)	-
Administrative expenses	-	(52,912)	52,912
Other changes	-	2,118	(2,118)
Net changes	\$ 4,656,668	\$ 3,372,566	\$ 1,284,102
Balances at June 30, 2023	\$ 92,145,292	\$ 85,555,076	\$ 6,590,216

COUNTY OF CAMPBELL, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2024 (CONTINUED)

NOTE 12—PENSION PLAN: (CONTINUED)

Changes in Net Pension Liability (Asset)

	Component School Board (nonprofessional)		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at June 30, 2022	\$ 14,999,362	\$ 15,472,267	\$ (472,905)
Changes for the year:			
Service cost	\$ 338,402	\$ -	\$ 338,402
Interest	999,165	-	999,165
Benefit changes	-	-	-
Differences between expected and actual experience	492,096	-	492,096
Changes of assumptions	-	-	-
Contributions - employer	-	188,366	(188,366)
Contributions - employee	-	183,947	(183,947)
Net investment income	-	975,632	(975,632)
Benefit payments, including refunds	(1,070,625)	(1,070,625)	-
Administrative expenses	-	(10,098)	10,098
Other changes	-	389	(389)
Net changes	\$ 759,038	\$ 267,611	\$ 491,427
Balances at June 30, 2023	\$ 15,758,400	\$ 15,739,878	\$ 18,522

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

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

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
County Net Pension Liability (Asset)	\$ 18,896,632	\$ 6,590,216	\$ (3,485,675)
Component Unit School Board (nonprofessional) Net Pension Liability (Asset)	1,639,191	18,522	(1,364,009)

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2024 (CONTINUED)

NOTE 12—PENSION PLAN: (CONTINUED)

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

For the year ended June 30, 2024, the County and Component Unit School Board (nonprofessional) recognized pension expense of \$2,177,731 and \$152,787, respectively. At June 30, 2024, the County and Component Unit School Board (nonprofessional) reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Primary Government		Component Unit School Board (nonprofessional)	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,224,722	\$ 86,760	\$ 246,048	\$ 14,478
Change in assumptions	179,909	-	-	-
Net difference between projected and actual earnings on pension plan investments	-	1,319,630	-	268,187
Employer contributions subsequent to the measurement date	2,304,504	-	201,493	-
Total	\$ 3,709,135	\$ 1,406,390	\$ 447,541	\$ 282,665

\$2,304,504 and \$201,493 reported as deferred outflows of resources related to pensions resulting from the County's and Component Unit School Board's (nonprofessional) contributions, respectively, subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Year Ended June 30	Primary Government	Component Unit School Board (nonprofessional)
2025	\$ (102,047)	\$ 45,653
2026	(1,123,072)	(315,282)
2027	1,180,525	224,042
2028	42,835	8,970
2029	-	-
Thereafter	-	-

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2024 (CONTINUED)

NOTE 12—PENSION PLAN: (CONTINUED)

Pension Plan Data

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

Component Unit School Board (professional)

Plan Description

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

Contributions

The contribution requirement for active employees is governed by §51.1-145 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement. Each school division's contractually required employer contribution rate for the year ended June 30, 2023 was 16.62% of covered employee compensation. This was the General Assembly approved rate which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the school division were \$8,101,566 and \$7,682,134 for the years ended June 30, 2024 and June 30, 2023, respectively.

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

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

At June 30, 2024, the school division reported a liability of \$49,187,723 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2023 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation performed as of June 30, 2022, and rolled forward to the measurement date of June 30, 2023. The school division's proportion of the Net Pension Liability was based on the school division's actuarially determined employer contributions to the pension plan for the year ended June 30, 2023 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2023, the school division's proportion was .4866% as compared to .48490% at June 30, 2022.

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2024 (CONTINUED)

NOTE 12—PENSION PLAN: (CONTINUED)

Component Unit School Board (professional) (Continued)

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

For the year ended June 30, 2024, the school division recognized pension expense of \$5,293,297. Since there was a change in proportionate share between measurement dates, a portion of the pension expense was related to deferred amounts from changes in proportion and from differences between employer contributions and the proportionate share of employer contributions. Beginning with the June 30, 2024 measurement date, the difference between expected and actual contributions is included with the pension expense calculation.

At June 30, 2024, the school division reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 4,225,267	\$ 1,919,525
Change in assumptions	2,229,852	-
Net difference between projected and actual earnings on pension plan investments	-	3,198,194
Changes in proportion and differences between employer contributions and proportionate share of contributions	740,084	124,651
Employer contributions subsequent to the measurement date	<u>8,101,566</u>	<u>-</u>
Total	<u>\$ 15,296,769</u>	<u>\$ 5,242,370</u>

\$8,101,566 reported as deferred outflows of resources related to pensions resulting from the school division's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

<u>Year Ended June 30</u>	
2025	\$ (582,519)
2026	(2,600,202)
2027	4,147,428
2028	988,126
2029	-

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2024 (CONTINUED)

NOTE 12–PENSION PLAN: (CONTINUED)

Component Unit School Board (professional) (Continued)

Actuarial Assumptions

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

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

Mortality rates:

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

Mortality Improvement:

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

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2024 (CONTINUED)

NOTE 12–PENSION PLAN: (CONTINUED)

Component Unit School Board (professional) (Continued)

Actuarial Assumptions (Continued)

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

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

Net Pension Liability

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

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

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

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

COUNTY OF CAMPBELL, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2024 (CONTINUED)

NOTE 12—PENSION PLAN: (CONTINUED)

Component Unit School Board (professional) (Continued)

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

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

	Rate		
	1% Decrease	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
School division's proportionate share of the VRS Teacher Employee Retirement Plan Net Pension Liability (Asset)	\$ 87,192,289	\$ 49,187,723	\$ 17,944,844

Pension Plan Fiduciary Net Position

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

Primary Government and Component Unit School Board

Aggregate Pension Information

	Primary Government			
	Deferred Outflows	Deferred Inflows	Net Pension Liability (Asset)	Pension Expense
VRS Pension Plans:				
Primary Government	\$ 3,709,135	\$ 1,406,390	\$ 6,590,216	\$ 2,177,731
Totals	\$ 3,709,135	\$ 1,406,390	\$ 6,590,216	\$ 2,177,731

COUNTY OF CAMPBELL, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2024 (CONTINUED)

NOTE 12—PENSION PLAN: (CONTINUED)

Primary Government and Component Unit School Board (Continued)

Aggregate Pension Information (Continued)

	Component Unit School Board			
	Deferred Outflows	Deferred Inflows	Net Pension Liability (Asset)	Pension Expense
VRS Pension Plans:				
School Board Nonprofessional	\$ 447,541	\$ 282,665	\$ 18,522	\$ 152,787
School Board Professional	15,296,769	5,242,370	49,187,723	5,293,297
Totals	<u>\$ 15,744,310</u>	<u>\$ 5,525,035</u>	<u>\$ 49,206,245</u>	<u>\$ 5,446,084</u>

NOTE 13—OTHER POSTEMPLOYMENT BENEFITS:

Health Insurance (Single-employer Defined Benefit Plan)

Plan Description

The County and School Board provide postemployment medical coverage for retired employees through a single-employer defined benefit plan. The County and School Board may change, add or delete coverage as they deem appropriate and with the approval of the Board of Supervisors. The plan does not grant retirees vested health benefits. The Plan does not issue separate financial statements.

Benefits Provided

A Campbell County retiree, eligible for postretirement medical coverage, is defined as a full-time employee who retires directly from the County or Schools and is eligible to receive an early or regular retirement benefit from the VRS. Employees applying for early or regular retirement are eligible to continue participation in the Retiree Health Plans sponsored by the County and Schools. County employees hired prior to July 1, 2006 and School employees hired for the 2006-2007 school year and before must have 10 years of service with Campbell County in order to be eligible for postretirement medical coverage. All subsequently hired employees must have 20 years of service with Campbell County to be eligible. Retired employees, hired on or after July 1, 2010, eligible for VRS retirement benefits with at least 20 years of consecutive County service may continue their health insurance under the County insurance plan until age 65 if they elect to pay the entire insurance premium established for regular employees in that classification. The School Board allow dependents to be covered if eligible employees are hired on or after July 1, 2010; employees hired prior to July 1, 2010 are also provided dependent coverage if they meet the previously stated eligibility requirements. Coverage for County employees will be limited to the retired employee and will not include dependents for those hired on/after July 1, 2010.

NOTE 13–OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

Health Insurance (Single-employer Defined Benefit Plan) (Continued)

Benefits Provided (Continued)

Retirees not yet eligible for Medicare coverage have one coverage choice, just as active employees have. Retirees eligible for Medicare coverage have access to plans that supplement Medicare, however, the retiree is responsible for the full cost of the plan.

Plan Membership

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

	County	School Board
Total active employees with coverage	273	1,134
Total retirees with coverage	28	75
Total	301	1,209

Contributions

The County and School Board do not pre-fund benefits; therefore, no assets are accumulated in a trust fund. The current funding policy is to pay benefits directly from general assets on a pay-as-you-go basis. The funding requirements are established and may be amended by the County and School Board. The amount paid by the County and School Board for OPEB as the benefits came due during the year ended June 30, 2024 was \$525,068 and \$1,366,445, and \$564,015 and \$1,366,445 for fiscal year ended June 30, 2023.

Total OPEB Liability

The County and School Board’s total OPEB liabilities were measured as of June 30, 2024. The total OPEB liabilities were determined by an actuarial valuation as of that date.

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2024 (CONTINUED)

NOTE 13–OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

Health Insurance (Single-employer Defined Benefit Plan): (Continued)

Actuarial Assumptions

The total OPEB liability in the June 30, 2024 actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

County	
Inflation	2.50% per year as of June 30, 2024
Payroll Growth	County - The payroll growth rate starts at 1.85% increase for 1 year of service and gradually declines to 0.0% for 20 or more years of service for non-law enforcement and 1.25% to 0.0% for law enforcement.
Discount Rate	4.13% as of June 30, 2023 4.21% as of June 30, 2024
School Board	
Inflation	2.50% per year as of June 30, 2024
Salary Increases	School Board - The payroll growth rate starts at 2.45% salary increase for 1 year of service and gradually declines to 0.0% salary increase for 20 or more years of service.
Discount Rate	4.13% as of June 30, 2023 4.21% as of June 30, 2024

The mortality rates for general and public safety employees and retirees - SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using scale MP-2021. Teacher employees and retirees - SOA Pub-2010 Teacher Headcount Weighted Mortality Table fully generational using Scale MP-2021.

COUNTY OF CAMPBELL, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2024 (CONTINUED)

NOTE 13—OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

Health Insurance (Single-employer Defined Benefit Plan): (Continued)

Discount Rate

The discount rate used when OPEB plan investments are insufficient to pay for future benefit payments is selected from a range of 20-Year Municipal Bond Indices and include the Bond Buyer 11-Bond GO Index, the S&P Municipal Bond 20-Year High Grade Rate Index, and the Fidelity 20-Year GO Municipal Bond Index. The final equivalent single discount rate used for this year's valuation is 4.21% as of the end of the fiscal year with the expectation that the County and School Board will continue contributing the Actuarially Determined Contribution and paying the pay-go cost from the OPEB Trust.

Changes in Total OPEB Liability

	Changes in Net OPEB Liability	
	Primary Government County Total OPEB Liability	Component Unit School Board Total OPEB Liability
Balances at June 30, 2023	\$ 7,837,415	\$ 18,415,491
Changes for the year:		
Service cost	289,982	778,170
Interest	324,929	766,713
Change in benefit terms	64,349	307,917
Difference between expected and actual experience	(238,599)	(1,093,389)
Changes in assumptions	425,841	1,018,461
Benefit payments	(525,068)	(1,271,204)
Net changes	341,434	506,668
Balances at June 30, 2024	\$ 8,178,849	\$ 18,922,159

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2024 (CONTINUED)

NOTE 13—OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

Health Insurance (Single-employer Defined Benefit Plan): (Continued)

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

The following amounts present the total OPEB liability of the County and School Board, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.21%) or one percentage point higher (5.21%) than the current discount rate:

County Rate			School Board Rate		
1% Decrease (3.21%)	Current Discount Rate (4.21%)	1% Increase (5.21%)	1% Decrease (3.21%)	Current Discount Rate (4.21%)	1% Increase (5.21%)
\$ 8,805,884	\$ 8,178,849	\$ 7,605,049	\$ 20,112,445	\$ 18,922,159	\$ 17,775,307

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

The following presents the total OPEB liabilities of the County and School Board, as well as what the total OPEB liabilities would be if it were calculated using healthcare cost trend rates that are one percentage point lower (7.00% decreasing annually to an ultimate rate of 9.00%) or one percentage point higher (8.50% decreasing annually to an ultimate rate of 5.50%) than the current healthcare cost trend rates:

County Rates			School Board Rates		
1% Decrease (7.00% decreasing to 3.50%)	Healthcare Cost Trend (8.00% decreasing to 4.50%)	1% Increase (9.00% decreasing to 5.50%)	1% Decrease (7.00% decreasing to 3.50%)	Healthcare Cost Trend (8.00% decreasing to 4.50%)	1% Increase (9.00% decreasing to 5.50%)
\$ 7,485,784	\$ 8,178,849	\$ 8,972,901	\$ 17,232,589	\$ 18,922,159	\$ 20,847,343

COUNTY OF CAMPBELL, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2024 (CONTINUED)

NOTE 13—OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

Health Insurance (Single-employer Defined Benefit Plan): (Continued)

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

For the year ended June 30, 2024, the County and School Board recognized OPEB expense in the amount of \$377,737 and (\$41,409), respectively. At June 30, 2024, the County and School Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
County:		
Differences between expected and actual experience	\$ 434,817	\$ (899,245)
Changes in assumptions	547,172	(505,956)
Total	<u>\$ 981,989</u>	<u>\$ (1,405,201)</u>
School Board:		
Differences between expected and actual experience	\$ 634,830	\$ (3,446,678)
Changes in assumptions	1,166,397	(1,371,837)
Total	<u>\$ 1,801,227</u>	<u>\$ (4,818,515)</u>

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

<u>Year Ended June 30</u>	<u>County</u>	<u>School Board</u>
2025	\$ (198,985)	\$ (1,190,474)
2026	(142,000)	(961,820)
2027	(66,019)	(431,217)
2028	(47,415)	(262,815)
2029	31,207	(170,962)
Thereafter	-	-

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

NOTE 13—OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

Group Life Insurance:

Plan Description

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

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

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

Eligible Employees

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

Benefit Amounts

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

NOTE 13—OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

Group Life Insurance: (Continued)

Contributions

The contribution requirements for the GLI Plan are governed by §51.1-506 and §51.1-508 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the GLI Plan was 1.34% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.80% (1.34% x 60%) and the employer component was 0.54% (1.34% x 40%). Employers may elect to pay all or part of the employee contribution; however, the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2024, was 0.54% of covered employee compensation. This rate was the final approved General Assembly rate which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the Group Life Insurance Plan from the County were \$103,478 and \$96,168 for the years ended June 30, 2024 and June 30, 2023, respectively, and \$24,468 and \$22,622 from the School Board (Nonprofessional) and \$276,185 and \$261,525 from the School Board (Professional).

In June 2023, the Commonwealth made a special contribution of approximately \$30.4 million to the Group Life Insurance Plan. This special payment was authorized by a budget amendment included in Chapter 1 of the 2022 Appropriation Act, and is classified as a non-employer contribution.

GLI OPEB Liabilities, GLI OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the GLI Program OPEB

At June 30, 2024, the County reported a liability of \$906,681 and the School Board in the amounts of \$213,238 and \$2,465,788 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2022 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation performed as of June 30, 2022, and rolled forward to the measurement date of June 30, 2023. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the GLI Plan for the year ended June 30, 2023 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2023, the participating employer's proportion was .07560% as compared to .07490% at June 30, 2021 and .01778% and .01770% for School Board (Nonprofessional) and .20560% and .20690% for the School Board (Professional).

For the year ended June 30, 2024, the County recognized GLI OPEB expense of \$49,014, the School Board (Professional) recognized \$110,979 and School Board (Nonprofessional) recognized expense of \$11,972. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

COUNTY OF CAMPBELL, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2024 (CONTINUED)

NOTE 13—OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

Group Life Insurance: (Continued)

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
County		
Differences between expected and actual experience	\$ 90,555	\$ 27,522
Net difference between projected and actual earnings on GLI OPEB program investments	-	36,436
Change in assumptions	19,381	62,818
Changes in proportion	26,410	3,660
Employer contributions subsequent to the measurement date	103,478	-
Total	<u>\$ 239,824</u>	<u>\$ 130,436</u>
School Board - Nonprofessional		
Differences between expected and actual experience	\$ 21,297	\$ 6,473
Net difference between projected and actual earnings on GLI OPEB program investments	-	8,569
Change in assumptions	4,558	14,774
Changes in proportion	7,353	53
Employer contributions subsequent to the measurement date	24,468	-
Total	<u>\$ 57,676</u>	<u>\$ 29,869</u>
School Board - Professional		
Differences between expected and actual experience	\$ 246,272	\$ 74,849
Net difference between projected and actual earnings on GLI OPEB program investments	-	99,089
Change in assumptions	52,707	170,839
Changes in proportion	36,039	16,106
Employer contributions subsequent to the measurement date	276,185	-
Total	<u>\$ 611,203</u>	<u>\$ 360,883</u>

COUNTY OF CAMPBELL, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2024 (CONTINUED)

NOTE 13—OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

Group Life Insurance: (Continued)

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

\$103,478, \$24,468 and \$276,185 (County, School Board Nonprofessional and School Board Professional) 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, 2024. 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 Ended June 30	County	School Board	
		Professional	Nonprofessional
2025	\$ 3,315	\$ (8,511)	\$ 860
2026	(32,512)	(93,692)	(6,700)
2027	18,844	46,421	5,146
2028	5,834	8,241	1,738
2029	10,429	21,676	2,295

Actuarial Assumptions

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2022, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2023. The assumptions include several employer groups as noted below. Salary increases and mortality rates included herein are for relevant employer groups. Information for other groups can be referenced in the VRS ACFR.

Inflation	2.50%
Salary increases, including inflation:	
Teachers	3.50%-5.95%
Locality - General employees	3.50%-5.35%
Locality - Hazardous Duty employees	3.50%-4.75%
Investment rate of return	6.75%, net of investment expenses, including inflation

Mortality Rates – Teachers

Pre-Retirement:

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

Post-Retirement:

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

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2024 (CONTINUED)

NOTE 13—OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

Group Life Insurance: (Continued)

Actuarial Assumptions: (Continued)

Mortality Rates – Teachers

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:

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

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

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

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2024 (CONTINUED)

NOTE 13—OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

Group Life Insurance: (Continued)

Actuarial Assumptions: (Continued)

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:

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

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

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

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2024 (CONTINUED)

NOTE 13–OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

Group Life Insurance: (Continued)

Actuarial Assumptions: (Continued)

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

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

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

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

NET GLI OPEB Liability

The net OPEB liability (NOL) for the GLI Plan represents the 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 Plan are as follows (amounts expressed in thousands):

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

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2024 (CONTINUED)

NOTE 13—OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

Group Life Insurance: (Continued)

NET GLI OPEB Liability: (Continued)

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

Long-Term Expected Rate of Return

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

Asset Class (Strategy)	Long-Term Target Asset Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-term Expected Rate of Return*
Public Equity	34.00%	6.14%	2.09%
Fixed Income	15.00%	2.56%	0.38%
Credit Strategies	14.00%	5.60%	0.78%
Real Assets	14.00%	5.20%	0.70%
Private Equity	16.00%	9.17%	1.47%
MAPS - Multi-Asset Public Strategies	4.00%	4.50%	0.18%
PIP - Private Investment Partnership	2.00%	7.18%	0.14%
Cash	1.00%	1.20%	0.01%
Total	100.00%		5.75%
		Inflation	2.50%
		Expected arithmetic nominal return**	8.25%

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

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

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2024 (CONTINUED)

NOTE 13—OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

Group Life Insurance: (Continued)

Discount Rate

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

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

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

	Rate		
	1% Decrease	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
County's proportionate share of the Group Life Insurance Program			
Net OPEB Liability	\$ 1,343,984	\$ 906,681	\$ 553,118
School Board - Professional employees proportionate share of the Group Life Insurance Program			
Net OPEB Liability	\$ 3,655,069	\$ 2,465,788	\$ 1,504,247
School Board - Nonprofessional employees proportionate share of the Group Life Insurance Program			
Net OPEB Liability	\$ 316,085	\$ 213,238	\$ 130,085

GLI Program Fiduciary Net Position

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

NOTE 13—OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

Health Insurance Credit (HIC) Plan – School Board (Nonprofessional):

Plan Description

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

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

Eligible Employees

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

Benefit Amounts

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

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2024 (CONTINUED)

NOTE 13–OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

Health Insurance Credit (HIC) Plan – School Board (Nonprofessional): (Continued)

HIC Plan Notes

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

Employees Covered by Benefit Terms

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

	<u>Number</u>
Inactive members or their beneficiaries currently receiving benefits	99
Inactive members:	
Vested inactive members	6
Non-vested inactive members	-
Inactive members active elsewhere in VRS	<u>-</u>
Total inactive members	<u>105</u>
Active Elsewhere in VRS	28
Active members	<u>162</u>
Total covered employees	<u><u>295</u></u>

Contributions

The contribution requirements for active employees is governed by §51.1-1402(E) of the Code of Virginia, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. The School Board’s contractually required employer contribution rate for the year ended June 30, 2024 was .68% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the School Board to the HIC Plan were \$30,785 and \$28,405 for the years ended June 30, 2024 and June 30, 2023, respectively.

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2024 (CONTINUED)

NOTE 13–OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

Health Insurance Credit (HIC) Plan – School Board (Nonprofessional): (Continued)

Net HIC OPEB Liability

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

Actuarial Assumptions

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

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

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

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

NOTE 13–OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

Health Insurance Credit (HIC) Plan – School Board (Nonprofessional): (Continued)

Actuarial Assumptions: (Continued)

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2024 (CONTINUED)

NOTE 13—OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

Health Insurance Credit (HIC) Plan – School Board (Nonprofessional): (Continued)

Long-Term Expected Rate of Return

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

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

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

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

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2024 (CONTINUED)

NOTE 13—OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

Health Insurance Credit (HIC) Plan – School Board (Nonprofessional): (Continued)

Discount Rate

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

Changes in Net HIC OPEB Liability

	Increase (Decrease)		
	Total HIC OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net HIC OPEB Liability (Asset) (a) - (b)
Balances at June 30, 2022	\$ 420,961	\$ 196,772	\$ 224,189
Changes for the year:			
Service cost	\$ 3,729	\$ -	\$ 3,729
Interest	27,375	-	27,375
Benefit changes	-	-	-
Differences between expected and actual experience	15,487	-	15,487
Changes of assumptions	-	-	-
Contributions - employer	-	28,407	(28,407)
Net investment income	-	11,222	(11,222)
Benefit payments	(38,256)	(38,256)	-
Administrative expenses	-	(258)	258
Other changes	-	356	(356)
Net changes	\$ 8,335	\$ 1,471	\$ 6,864
Balances at June 30, 2023	\$ 429,296	\$ 198,243	\$ 231,053

COUNTY OF CAMPBELL, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2024 (CONTINUED)

NOTE 13—OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

Health Insurance Credit (HIC) Plan – School Board (Nonprofessional): (Continued)

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

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

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
School Board's Net HIC OPEB Liability	\$ 269,288	\$ 231,053	\$ 198,042

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

For the year ended June 30, 2024, the School Board recognized HIC Plan OPEB expense of \$26,400. At June 30, 2024, the School Board reported deferred outflows of resources and deferred inflows of resources related to the School Board's HIC Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 10,979	\$ 2,592
Net difference between projected and actual earnings on HIC OPEB plan investments	-	2,049
Change in assumptions	4,186	-
Employer contributions subsequent to the measurement date	30,785	-
Total	\$ 45,950	\$ 4,641

NOTE 13–OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

Health Insurance Credit (HIC) Plan – School Board (Nonprofessional): (Continued)

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

\$30,785 reported as deferred outflows of resources related to the HIC OPEB resulting from the School Board’s contributions subsequent to the measurement date will be recognized as a reduction of the Net HIC OPEB Liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIC OPEB will be recognized in the HIC OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>		
2025	\$	4,088
2026		1,637
2027		4,452
2028		347
2029		-
Thereafter		-

HIC Plan Data

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

Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan):

Plan Description

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

NOTE 13—OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

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

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

Eligible Employees

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

Benefit Amounts

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

HIC Plan Notes

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

Contributions

The contribution requirements for active employees is governed by §51.1-1401(E) of the Code of Virginia, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Each school division's contractually required employer contribution rate for the year ended June 30, 2024 was 1.21% of covered employee compensation for employees in the VRS Teacher Employee HIC Plan. This rate was the final approved General Assembly rate, which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the school division to the VRS Teacher Employee HIC Plan were \$618,628 and \$584,955 for the years ended June 30, 2024 and June 30, 2023, respectively.

In June 2023, the Commonwealth made a special contribution of approximately \$124 million to the VRS Teacher HIC Plan. This special payment was authorized by a budget amendment included in Chapter 1 2 of the 2022 Appropriation Act, Acts of Assembly of 2022, Special Session I, as amended by Chapter 769, 2023 Acts of Assembly Reconvened Session, and is classified as a non-special employer contribution. The school division's proportionate share is reflected in the statement of activities.

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2024 (CONTINUED)

NOTE 13—OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

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

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

At June 30, 2024, the school division reported a liability of \$5,873,436 for its proportionate share of the VRS Teacher Employee HIC Plan Net OPEB Liability. The Net VRS Teacher Employee HIC Plan OPEB Liability was measured as of June 30, 2023 and the total VRS Teacher Employee HIC OPEB liability used to calculate the Net VRS Teacher Employee HIC OPEB Liability was determined by an actuarial valuation performed as of June 30, 2022 and rolled forward to the measurement date of June 30, 2023. The school division's proportion of the Net VRS Teacher Employee HIC OPEB Liability was based on the school division's actuarially determined employer contributions to the VRS Teacher Employee HIC OPEB plan for the year ended June 30, 2023, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2023, the school division's proportion of the VRS Teacher Employee HIC Plan was .4848% as compared .48232% at June 30, 2022.

For the year ended June 30, 2023, the school division recognized VRS Teacher Employee HIC Plan OPEB expense of \$445,419. Since there was a change in proportionate share between measurement dates a portion of the VRS Teacher Employee HIC Plan Net OPEB expense was related to deferred amounts from changes in proportion.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 258,519
Net difference between projected and actual earnings on Teacher HIC OPEB plan investments	2,947	-
Change in assumptions	136,724	5,919
Change in proportion	105,109	33,443
Employer contributions subsequent to the measurement date	618,628	-
Total	\$ <u>863,408</u>	\$ <u>297,881</u>

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2024 (CONTINUED)

NOTE 13–OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

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

\$618,628 reported as deferred outflows of resources related to the Teacher Employee HIC OPEB resulting from the school division’s contributions subsequent to the measurement date will be recognized as a reduction of the Net Teacher Employee HIC OPEB Liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Teacher Employee HIC OPEB will be recognized in the Teacher Employee HIC OPEB expense in future reporting periods as follows:

Year Ended June 30	
2025	\$ (25,678)
2026	(6,761)
2027	12,094
2028	(12,650)
2029	(14,178)
Thereafter	(5,928)

Actuarial Assumptions

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

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

Mortality Rates – Teachers

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

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2024 (CONTINUED)

NOTE 13–OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

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

Actuarial Assumptions: (Continued)

Mortality Rates – Teachers (Continued)

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

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

Net Teacher Employee HIC OPEB Liability

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

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

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

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2024 (CONTINUED)

NOTE 13—OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

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

Long-Term Expected Rate of Return

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

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

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

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

NOTE 13–OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

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

Discount Rate

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

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

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

		Rate		
		1% Decrease	Current Discount	1% Increase
		(5.75%)	(6.75%)	(7.75%)
School division's proportionate share of the VRS Teacher Employee HIC OPEB Plan				
Net HIC OPEB Liability	\$	6,643,512	\$ 5,873,436	\$ 5,220,864

Teacher Employee HIC OPEB Fiduciary Net Position

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

COUNTY OF CAMPBELL, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2024 (CONTINUED)

NOTE 13—OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

Aggregate OPEB Information

	Deferred Outflows	Deferred Inflows	Net OPEB Liability	OPEB Expense
Primary Government				
VRS OPEB Plans:				
Group Life Insurance Program:				
County	\$ 239,824	\$ 130,436	\$ 906,681	\$ 49,014
County Stand-Alone Plan	981,989	1,405,201	8,178,849	377,737
Totals	<u>\$ 1,221,813</u>	<u>\$ 1,535,637</u>	<u>\$ 9,085,530</u>	<u>\$ 426,751</u>
Component Unit School Board				
VRS OPEB Plans:				
Group Life Insurance Program:				
School Board Nonprofessional	\$ 57,676	\$ 29,869	\$ 213,238	\$ 11,972
School Board Professional	611,203	360,883	2,465,788	110,979
Health Insurance Credit Program:				
School Board Health Insurance Credit Program	45,950	4,641	231,053	26,400
Teacher Health Insurance Credit Program	863,408	297,881	5,873,436	445,419
School Stand-Alone Plan	1,801,227	4,818,515	18,922,159	41,409
Totals	<u>\$ 3,379,464</u>	<u>\$ 5,511,789</u>	<u>\$ 27,705,674</u>	<u>\$ 636,179</u>

Line of Duty Act (LODA) (OPEB Benefits)

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

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

The current-year OPEB expense/expenditure for the insured benefits is defined as the amount of premiums or other payments required for the insured benefits for the reporting period in accordance with the agreement with the insurance company for LODA and a change in liability to the insurer equal to the difference between amounts recognized as OPEB expense and amounts paid by the employer to the insurer. The County's LODA coverage is fully covered or "insured" through VACORP. This is built into the LODA coverage cost presented in the annual renewals. The County's LODA premium for the year ended June 30, 2024 was \$87,522.

COUNTY OF CAMPBELL, VIRGINIA

**NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2024 (CONTINUED)**

NOTE 14—PROPERTY TAXES:

The County levies real estate taxes on all real property within its boundaries, except that exempted by statute, at a rate enacted by the Board of Supervisors on the assessed value of property (except public utility property) as determined by the Commissioner of Revenue. Public utility property is assessed by the Commonwealth. All real property is assessed at 100 percent of fair market value and reassessed every four years as of January 1. The Commissioner of Revenue, by authority of County ordinance, prorates billings for property incomplete as of January 1, but completed during the year.

Real estate taxes are billed in semi-annual installments due June 5 and December 5. The taxes receivable balance at June 30, 2024 includes amounts not yet received from the January 1, 2024 levy. Property taxes attach as an enforceable lien on property as of January 1.

In addition, any uncollected amounts from previous years' levies are incorporated in the taxes receivable balance. The real estate tax rate was \$.45 and \$.45 per \$100 of assessed value for calendar years 2024 and 2023, respectively.

Personal property tax assessments on all motor vehicles is \$4.10 per \$100 assessed value. Personal property tax on business machinery and tools is \$3.20 per \$100 of assessed value. Personal property taxes are billed in semi-annual installments due on June 5 and December 5. Personal property tax assessments are not prorated. Property is assessed as of January 1st of each year.

NOTE 15—RISK MANAGEMENT:

The County and its component units are exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; error and omissions; workers' compensation claims; and natural disasters.

The County contracts with VACorp to provide insurance coverage for these risks of loss. In the event of a loss deficit and depletion of all assets and available insurance of the League, the League 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 property coverage is for specific amounts based on values assigned to the insured properties. Liability coverage consists of \$2 million primary and \$4 million excess coverage.

The School Board contracts with private insurers for property and liability coverage.

Unemployment Insurance

The County and School Board are fully self-insured for unemployment claims. The Virginia Employment Commission bills the County for all unemployment claims.

COUNTY OF CAMPBELL, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2024 (CONTINUED)

NOTE 15–RISK MANAGEMENT: (CONTINUED)

Employee Health Insurance

The County is self-insured for medical coverage for County and School employees. Anthem serves as the administrator of a group medical insurance program in which the County and School Board’s participating employees are combined into one overall funding program. The program includes a specific stop loss of \$150,000 for the program year ending September 30, 2024, and a maximum aggregate liability of 115% of Anthem’s estimate of the expected liability.

Liabilities for unpaid claims and claims incurred but not reported (IBNR) are estimated based on the estimated ultimate costs of settling the claims. Changes in the balances of claim liabilities are as follows:

<u>Fiscal Year Ending</u>	<u>Beginning of Year</u>	<u>Insured Claims (Including IBNR)</u>	<u>Claim Payments</u>	<u>End of Year</u>
June 30, 2024	\$ 1,224,138	\$ 19,481,647	\$ 19,283,452	\$ 1,422,333
June 30, 2023	1,228,173	17,478,432	17,482,467	1,224,138
June 30, 2022	960,000	19,104,298	18,836,125	1,228,173
June 30, 2021	1,139,601	14,714,309	14,893,910	960,000
June 30, 2020	1,067,714	14,428,917	14,357,030	1,139,601
June 30, 2019	988,056	13,420,362	13,340,704	1,067,714

In fiscal year 2012 the County started offering health benefits with a health savings account. The County has provided an annual contribution to each employee’s health savings account.

NOTE 16–COMMITMENTS AND CONTINGENCIES:

Special Purpose Grants

Special purpose grants are subject to audit to determine compliance with their requirements. County officials believe that if any refunds are required, they will be immaterial.

Revenue Bonds of Campbell County Utilities and Service Authority

The County Board of Supervisors has issued expressions of intent to provide the debt service payments on certain revenue bonds issued by the Campbell County Utilities and Service Authority (CCUSA). This support agreement is a non-binding obligation to appropriate to the CCUSA such funds as may be requested from time to time to pay these debt service costs for the life of the bonds, or 20 years. The County paid CCUSA \$92,415 for debt service in fiscal year 2024. In turn, the County receives water and sewer access fees related to these projects. In 2024, the County received approximately \$0 in such fees.

Leesville Road Waterline

The County financed the construction of the Leesville Road waterline. Campbell County Utility Service (CCUSA) will own and operate the assets. All connection fees received as a result of the waterline will be remitted to the County until the costs are recovered. If the total costs are not recovered, CCUSA is not responsible for the difference.

COUNTY OF CAMPBELL, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2024 (CONTINUED)

NOTE 16–COMMITMENTS AND CONTINGENCIES: (CONTINUED)

Construction Contract Commitments

The County has outstanding construction contract commitments as follows:

<u>Project</u>		<u>Amount Outstanding</u>
Brookville High School Renovations	\$	41,551,996
Rustburg Middle School		70,000
Total commitments	\$	<u>41,621,996</u>

Encumbrances

The County reports encumbrances by fund as follows:

Encumbrances By Fund

General Fund:		
Education	\$	7,187,929
Other general government operations		3,177,185
Total encumbrances	\$	<u>10,365,114</u>

NOTE 17–RESTRICTED ASSETS:

The County and School Board reports the following restricted assets:

Primary Government - School construction	\$	10,769,813
Primary Government - County projects		11,933,491
Primary Government - Drug enforcement & other		132,643
Primary Government - Cash: Contributions - Road construction project		96,352
Total Restricted Assets	\$	<u>22,932,299</u>

NOTE 18–LEASES RECEIVABLE:

The County leases office space and/or building(s) to third parties, mainly to state and Federal governmental agencies. The leases have varying terms. The County recognized lease revenue and interest revenue in the amounts of \$106,256 and \$6,282, respectively under these lease agreements.

The Component Unit Industrial Development Authority (IDA) leases property to an local business. The IDA recognized lease and interest revenue in the amounts of \$81,979 and \$5,037 under this lease.

COUNTY OF CAMPBELL, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2024 (CONTINUED)

NOTE 18—LEASES RECEIVABLE: (CONTINUED)

A description of the lease arrangements is as follows:

Lease Description	End Date	Discount Rate	Lease Receivable June 30, 2024	Deferred Inflow of Resources June 30, 2024
County:				
Lease of County office/building to Virginia Department of Health	8/31/2024	1.00%	\$ 12,824	\$ 12,634
Lease of County office/building to USDA	9/30/2032	2.07%	267,299	251,223
Total County Lease Receivables			\$ 280,123	\$ 263,857
Component Unit - Industrial Development Authority:				
Component Unit IDA - lease of building to industry	12/31/2024	1.00%	\$ 76,949	\$ 75,148

NOTE 19—UPCOMING PRONOUNCEMENTS:

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

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

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

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

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2024 (CONTINUED)

NOTE 20-COVID-19 FUNDING

ARPA Funding

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

In fiscal year 2021, the County received its share of the first half of the CSLFRF funds in the amount of \$5,330,384. The County received a second tranche in the amount of \$5,330,384 in fiscal year 2022. As a condition of receiving CSLFRF funds, any funds unobligated by December 31, 2024, and unexpended by December 31, 2026, will be returned to the federal government. Unspent funds in the amount of \$9,098,578 is reported as unearned revenue as of June 30.

REQUIRED SUPPLEMENTARY INFORMATION

Note to Required Supplementary Information:

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

General Fund

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

For the Year Ended June 30, 2024

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
General property taxes	\$ 49,449,368	49,522,914	\$ 51,436,916	\$ 1,914,002
Other local taxes	16,356,685	16,356,685	18,745,006	2,388,321
Permits, privilege fees, and regulatory licenses	350,800	353,500	439,613	86,113
Fines and forfeitures	125,450	125,450	98,132	(27,318)
Revenue from the use of money and property	200,000	200,000	3,586,574	3,386,574
Charges for services	3,316,234	3,322,842	3,181,275	(141,567)
Miscellaneous	229,020	333,733	73,548	(260,185)
Recovered costs	954,933	954,933	925,422	(29,511)
Intergovernmental:				
Commonwealth	15,895,506	16,408,491	17,672,545	1,264,054
Federal	4,497,895	16,129,910	5,576,327	(10,553,583)
Total revenues	\$ 91,375,891	\$ 103,708,458	\$ 101,735,358	\$ (1,973,100)
EXPENDITURES				
Current:				
General government administration				
Board of supervisors	\$ 122,653	\$ 127,653	\$ 89,688	\$ 37,965
County administrator	631,584	852,994	662,943	190,051
Independent auditor	70,400	78,400	70,000	8,400
Business auditor	156,675	159,139	153,380	5,759
Commissioner of the revenue	442,747	454,302	432,997	21,305
Reassessment	300,176	616,588	222,830	393,758
Central purchasing	78,206	94,629	89,062	5,567
Legal services	350,902	367,224	353,154	14,070
Treasurer	776,986	783,887	708,756	75,131
Information systems	1,114,461	1,239,647	1,188,746	50,901
Management services	475,669	539,598	535,454	4,144
Finance & Strategic Initiatives	-	-	-	-
Vehicle licensing	53,900	60,707	60,572	135
Public & employee relations	275,567	279,856	274,934	4,922
Other	2,026,600	717,145	699,631	17,514
Registrar	373,707	487,796	492,197	(4,401)
Total general government administration	\$ 7,250,233	\$ 6,859,565	\$ 6,034,344	\$ 825,221
Judicial administration				
Circuit court	\$ 102,160	\$ 124,773	\$ 124,638	\$ 135
General district court	10,484	10,484	8,905	1,579
Magistrates	1,150	1,150	626	524
Juvenile and domestic relations court	14,392	14,392	8,413	5,979
Clerk of the circuit court	675,181	843,433	750,444	92,989
Victim witness program	270,781	285,066	283,100	1,966
Commissioner of accounts	1,084	1,084	858	226
Commonwealth attorney	1,030,835	1,095,984	1,065,534	30,450
Total judicial administration	\$ 2,106,067	\$ 2,376,366	\$ 2,242,518	\$ 133,848

General Fund

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

For the Year Ended June 30, 2024 (Continued)

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
EXPENDITURES (CONTINUED)				
Public safety				
Sheriff	\$ 7,802,164	\$ 9,084,232	\$ 8,610,510	\$ 473,722
Drug enforcement funds	-	13,006	-	13,006
E - 911 system	1,682,859	2,038,920	1,537,360	501,560
Fire departments	832,936	856,113	761,727	94,386
Ambulance and rescue services	442,508	437,311	311,396	125,915
Paid EMT services	4,193,290	4,580,062	4,336,549	243,513
Forest fire extinction service	20,329	20,329	20,329	-
Jail	3,600,000	3,600,000	3,432,011	167,989
Probation office	4,480	4,480	4,428	52
Local corrections	510,878	510,878	373,966	136,912
Building inspections	376,311	393,723	387,594	6,129
Animal control	330,622	344,144	311,653	32,491
Medical examiner	640	640	140	500
Emergency services	425,718	536,341	478,291	58,050
Total public safety	\$ 20,222,735	\$ 22,420,179	\$ 20,565,954	\$ 1,854,225
Public works				
Highway services	\$ 25,000	\$ 25,000	\$ 18,313	\$ 6,687
Street lights	13,000	13,138	13,138	-
Maintenance of buildings and grounds	1,943,647	2,115,989	1,882,539	233,450
Public works administration	187,550	200,265	193,376	6,889
Total public works	\$ 2,169,197	\$ 2,354,392	\$ 2,107,366	\$ 247,026
Health and welfare				
Health department	\$ 409,181	\$ 477,763	\$ 477,763	\$ -
Horizon Behavior Health	215,760	215,760	215,760	-
Welfare assistance and administration	8,654,026	9,261,532	8,809,206	452,326
Children Services Act Program	4,871,539	5,671,539	6,147,839	(476,300)
Property tax relief for elderly/handicapped	-	-	465,327	(465,327)
Housing assistance	152,021	152,021	125,247	26,774
Youth services	130,901	147,324	145,275	2,049
Other health and welfare	18,486	18,486	18,486	-
Total health and welfare	\$ 14,451,914	\$ 15,944,425	\$ 16,404,903	\$ (460,478)
Education				
Contribution to School Board				
Component unit	\$ 28,961,460	\$ 36,739,505	\$ 26,202,568	\$ 10,536,937
Total education	\$ 28,961,460	\$ 36,739,505	\$ 26,202,568	\$ 10,536,937

General Fund

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

For the Year Ended June 30, 2024 (Continued)

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
EXPENDITURES (CONTINUED)				
Parks, recreation, and cultural				
Citizen engagement & quality of life / Parks and recreation	\$ 664,957	\$ 674,260	\$ 613,384	\$ 60,876
Community recreation	154,626	154,626	89,489	65,137
Historic landmarks	5,000	5,000	2,500	2,500
Historic preservation - Rosenwald grant	-	-	-	-
Library	1,462,784	1,553,981	1,514,250	39,731
Literacy	44,365	44,365	41,693	2,672
Total parks, recreation, and cultural	\$ 2,331,732	\$ 2,432,232	\$ 2,261,316	\$ 170,916
Community Development				
Zoning	\$ 543,058	\$ 616,479	\$ 536,722	\$ 79,757
Economic development	682,015	3,192,861	1,283,526	1,909,335
Planning	51,000	51,000	51,000	-
Campbell County Utility Service Authority	97,960	97,960	92,415	5,545
Environmental management program	175,595	187,375	179,081	8,294
Soil and water conservation district	14,690	14,690	14,690	-
Cooperation extension program	147,908	147,908	75,156	72,752
Payment to TWID Special Tax District	80,549	195,540	114,991	80,549
Total community development	\$ 1,792,775	\$ 4,503,813	\$ 2,347,581	\$ 2,156,232
Nondepartmental	\$ (500,000)	\$ (500,000)	\$ 767	\$ (500,767)
Total expenditures	\$ 78,786,113	\$ 93,130,477	\$ 78,167,317	\$ 14,963,160
Excess (deficiency) of revenues over (under) expenditures	\$ 12,589,778	\$ 10,577,981	\$ 23,568,041	\$ 12,990,060
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ -	\$ 1,362,396	\$ 1,362,396
Transfers out	(12,477,596)	(17,997,098)	(17,790,179)	(206,919)
Total other financing sources (uses)	\$ (12,477,596)	\$ (17,997,098)	\$ (16,427,783)	\$ 1,155,477
Net change in fund balances	\$ 112,182	\$ (7,419,117)	\$ 7,140,258	\$ 14,145,537
Fund balance - beginning	(112,182)	7,419,117	69,672,147	62,253,030
Fund balance - ending	\$ -	\$ -	\$ 76,812,405	\$ 76,398,567

Note: All budgeted amounts are prepared in accordance with accounting principles generally accepted in the United States of America.

Solid Waste Fund

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

For the Year Ended June 30, 2024

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Revenue from the use of money and property	\$ -	\$ -	\$ 71,892	\$ 71,892
Miscellaneous	50,000	50,000	45,315	(4,685)
Intergovernmental:				
Commonwealth	20,000	44,895	24,895	(20,000)
Total revenues	\$ 70,000	\$ 94,895	\$ 142,102	\$ 47,207
EXPENDITURES				
Current:				
Public Works - Solid Waste	\$ 2,552,651	\$ 3,344,443	\$ 2,504,031	\$ 840,412
Total expenditures	\$ 2,552,651	\$ 3,344,443	\$ 2,504,031	\$ 840,412
Excess (deficiency) of revenues over (under) expenditures	\$ (2,482,651)	\$ (3,249,548)	\$ (2,361,929)	\$ 887,619
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 2,482,651	\$ 2,682,651	\$ 2,482,651	\$ (200,000)
Total other financing sources (uses)	\$ 2,482,651	\$ 2,682,651	\$ 2,482,651	\$ (200,000)
Net change in fund balances	\$ -	\$ (566,897)	\$ 120,722	\$ 687,619
Fund balance - beginning	-	566,897	2,813,687	2,246,790
Fund balance - ending	\$ -	\$ -	\$ 2,934,409	\$ 2,934,409

Note: All budgeted amounts are prepared in accordance with accounting principles generally accepted in the United States of America.

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

	2023	2022	2021	2020	2019	2018
Total pension liability						
Service cost	\$ 2,176,108	\$ 1,948,980	\$ 1,809,538	\$ 1,811,383	\$ 1,591,339	\$ 1,545,609
Interest	5,889,625	5,617,899	5,185,392	4,944,396	4,784,393	4,612,240
Changes in benefit terms	-	-	-	-	2,192,088	-
Differences between expected and actual experience	1,412,997	845,698	(1,532,784)	656,096	(206,618)	(396,573)
Changes of assumptions	-	-	3,178,412	-	-	-
Benefit payments	(4,822,062)	(4,406,205)	(3,957,869)	(3,725,244)	(3,193,479)	(3,410,433)
Net change in total pension liability	\$ 4,656,668	\$ 4,006,372	\$ 4,682,689	\$ 3,686,631	\$ 5,167,723	\$ 2,350,843
Total pension liability - beginning	87,488,624	83,482,252	78,799,563	75,112,932	69,945,209	67,594,366
Total pension liability - ending (a)	\$ 92,145,292	\$ 87,488,624	\$ 83,482,252	\$ 78,799,563	\$ 75,112,932	\$ 69,945,209
Plan fiduciary net position						
Contributions - employer	\$ 2,142,749	\$ 1,766,984	\$ 1,665,636	\$ 1,482,938	\$ 1,439,426	\$ 1,434,362
Contributions - employee	833,534	777,227	723,484	726,195	707,444	669,563
Net investment income	5,269,139	(71,743)	18,363,460	1,301,151	4,291,994	4,514,736
Benefit payments	(4,822,062)	(4,406,205)	(3,957,869)	(3,725,244)	(3,193,479)	(3,410,433)
Administrator charges	(52,912)	(52,654)	(45,997)	(44,372)	(42,516)	(39,308)
Other	2,118	1,931	1,727	(1,520)	(2,702)	(4,002)
Net change in plan fiduciary net position	\$ 3,372,566	\$ (1,984,460)	\$ 16,750,441	\$ (260,852)	\$ 3,200,167	\$ 3,164,918
Plan fiduciary net position - beginning	82,182,510	84,166,970	67,416,529	67,677,381	64,477,214	61,312,296
Plan fiduciary net position - ending (b)	\$ 85,555,076	\$ 82,182,510	\$ 84,166,970	\$ 67,416,529	\$ 67,677,381	\$ 64,477,214
County's net pension liability - ending (a) - (b)	\$ 6,590,216	\$ 5,306,114	\$ (684,718)	\$ 11,383,034	\$ 7,435,551	\$ 5,467,995
Plan fiduciary net position as a percentage of the total pension liability	92.85%	93.94%	100.82%	85.55%	90.10%	92.18%
Covered payroll	\$ 17,736,713	\$ 16,224,683	\$ 15,237,726	\$ 15,212,134	\$ 14,601,082	\$ 13,662,885
County's net pension liability (asset) as a percentage of covered payroll	37.16%	32.70%	-4.49%	74.83%	50.92%	40.02%

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

	2017	2016	2015	2014
Total pension liability				
Service cost	\$ 1,549,866	\$ 1,594,596	\$ 1,568,032	\$ 1,506,011
Interest	4,516,824	4,347,229	4,089,845	3,900,665
Changes in benefit terms	-	-	-	-
Differences between expected and actual experience	(1,162,819)	(575,564)	824,419	-
Changes of assumptions	(337,699)	-	-	-
Benefit payments	(2,995,720)	(2,891,247)	(2,719,500)	(2,688,703)
Net change in total pension liability	\$ 1,570,452	\$ 2,475,014	\$ 3,762,796	\$ 2,717,973
Total pension liability - beginning	66,023,914	63,548,900	59,786,104	57,068,131
Total pension liability - ending (a)	\$ 67,594,366	\$ 66,023,914	\$ 63,548,900	\$ 59,786,104
Plan fiduciary net position				
Contributions - employer	\$ 1,393,354	\$ 1,644,686	\$ 1,654,904	\$ 1,640,441
Contributions - employee	683,119	658,971	675,034	637,244
Net investment income	6,732,850	953,652	2,435,302	7,297,446
Benefit payments	(2,995,720)	(2,891,247)	(2,719,500)	(2,688,703)
Administrator charges	(38,991)	(34,332)	(33,239)	(39,389)
Other	(5,992)	(407)	(514)	384
Net change in plan fiduciary net position	\$ 5,768,620	\$ 331,323	\$ 2,011,987	\$ 6,847,423
Plan fiduciary net position - beginning	55,543,676	55,212,353	53,200,366	46,352,943
Plan fiduciary net position - ending (b)	\$ 61,312,296	\$ 55,543,676	\$ 55,212,353	\$ 53,200,366
County's net pension liability - ending (a) - (b)	\$ 6,282,070	\$ 10,480,238	\$ 8,336,547	\$ 6,585,738
Plan fiduciary net position as a percentage of the total pension liability	90.71%	84.13%	86.88%	88.98%
Covered payroll	\$ 13,165,736	\$ 13,136,288	\$ 13,173,333	\$ 12,703,891
County's net pension liability (asset) as a percentage of covered payroll	47.72%	79.78%	63.28%	51.84%

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

	2023	2022	2021	2020	2019
Total pension liability					
Service cost	\$ 338,402	\$ 316,886	\$ 321,358	\$ 317,176	\$ 296,913
Interest	999,165	998,880	949,102	948,721	936,872
Differences between expected and actual experience	492,096	(207,518)	(112,338)	(249,070)	125,542
Changes of assumptions	-	-	359,708	-	328,372
Benefit payments	(1,070,625)	(1,180,459)	(1,014,044)	(1,008,333)	(1,024,578)
Net change in total pension liability	\$ 759,038	\$ (72,211)	\$ 503,786	\$ 8,494	\$ 663,121
Total pension liability - beginning	14,999,362	15,071,573	14,567,787	14,559,293	13,896,172
Total pension liability - ending (a)	\$ 15,758,400	\$ 14,999,362	\$ 15,071,573	\$ 14,567,787	\$ 14,559,293
Plan fiduciary net position					
Contributions - employer	\$ 188,366	\$ 218,638	\$ 205,151	\$ 231,908	\$ 224,042
Contributions - employee	183,947	170,629	160,584	160,638	153,123
Net investment income	975,632	(3,686)	3,576,117	258,491	875,067
Benefit payments	(1,070,625)	(1,180,459)	(1,014,044)	(1,008,333)	(1,024,578)
Administrator charges	(10,098)	(10,312)	(9,279)	(9,149)	(9,130)
Other	389	364	334	(301)	(548)
Net change in plan fiduciary net position	\$ 267,611	\$ (804,826)	\$ 2,918,863	\$ (366,746)	\$ 217,976
Plan fiduciary net position - beginning	15,472,267	16,277,093	13,358,230	13,724,976	13,507,000
Plan fiduciary net position - ending (b)	\$ 15,739,878	\$ 15,472,267	\$ 16,277,093	\$ 13,358,230	\$ 13,724,976
School Board's net pension liability (asset) - ending (a) - (b)	\$ 18,522	\$ (472,905)	\$ (1,205,520)	\$ 1,209,557	\$ 834,317
Plan fiduciary net position as a percentage of the total pension liability	99.88%	103.15%	108.00%	91.70%	94.27%
Covered payroll	\$ 4,177,141	\$ 3,821,557	\$ 3,546,928	\$ 3,524,184	\$ 3,326,525
School Board's net pension liability (asset) as a percentage of covered payroll	0.44%	-12.37%	-33.99%	34.32%	25.08%

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

	2018	2017	2016	2015	2014
Total pension liability					
Service cost	\$ 308,804	\$ 302,578	\$ 304,674	\$ 322,594	\$ 347,629
Interest	946,190	956,515	945,293	926,451	903,387
Differences between expected and actual experience	(392,164)	(311,278)	(132,039)	(10,314)	-
Changes of assumptions	-	(134,155)	-	-	-
Benefit payments	(967,321)	(954,989)	(960,237)	(978,898)	(864,159)
Net change in total pension liability	\$ (104,491)	\$ (141,329)	\$ 157,691	\$ 259,833	\$ 386,857
Total pension liability - beginning	14,000,663	14,141,992	13,984,301	13,724,468	13,337,611
Total pension liability - ending (a)	\$ 13,896,172	\$ 14,000,663	\$ 14,141,992	\$ 13,984,301	\$ 13,724,468
Plan fiduciary net position					
Contributions - employer	\$ 254,944	\$ 248,253	\$ 318,293	\$ 310,596	\$ 318,487
Contributions - employee	148,622	144,771	144,031	142,393	147,336
Net investment income	955,281	1,458,220	205,910	558,443	1,732,436
Benefit payments	(967,321)	(954,989)	(960,237)	(978,898)	(864,159)
Administrator charges	(8,550)	(8,793)	(7,927)	(8,065)	(9,589)
Other	(838)	(1,283)	(90)	(117)	91
Net change in plan fiduciary net position	\$ 382,138	\$ 886,179	\$ (300,020)	\$ 24,352	\$ 1,324,602
Plan fiduciary net position - beginning	13,124,862	12,238,683	12,538,748	12,514,396	11,189,794
Plan fiduciary net position - ending (b)	\$ 13,507,000	\$ 13,124,862	\$ 12,238,728	\$ 12,538,748	\$ 12,514,396
School Board's net pension liability (asset) - ending (a) - (b)	\$ 389,172	\$ 875,801	\$ 1,903,264	\$ 1,445,553	\$ 1,210,072
Plan fiduciary net position as a percentage of the total pension liability	97.20%	93.74%	86.54%	89.66%	91.18%
Covered payroll	\$ 3,198,309	\$ 3,083,237	\$ 3,014,909	\$ 2,910,102	\$ 2,950,955
School Board's net pension liability (asset) as a percentage of covered payroll	12.17%	28.41%	63.13%	49.67%	41.01%

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

Date (1)	Employer's Proportion of the Net Pension Liability (Asset) (2)	Employer's Proportionate Share of the Net Pension Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (6)
2023	0.49%	\$ 49,187,723	\$ 48,343,426	102%	82.45%
2022	0.48%	46,165,383	44,953,178	103%	82.61%
2021	0.48%	37,169,710	42,162,432	88%	85.46%
2020	0.48%	70,012,685	41,958,174	167%	71.47%
2019	0.48%	62,641,672	39,791,832	157%	73.51%
2018	0.48%	55,996,000	38,345,750	146%	74.81%
2017	0.48%	58,563,000	37,477,663	156%	72.92%
2016	0.49%	68,881,000	37,475,983	184%	68.28%
2015	0.51%	64,322,000	38,004,120	169%	70.68%
2014	0.52%	62,577,000	37,818,503	165%	70.88%

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

Date	Contractually Required Contribution (1)*	Contributions in Relation to Contractually Required Contribution (2)*	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
County:					
2024	\$ 2,304,504	\$ 2,304,504	\$ -	\$ 19,158,939	12%
2023	2,142,807	2,142,807	-	17,736,713	12%
2022	1,771,913	1,771,913	-	16,224,683	11%
2021	1,667,200	1,667,200	-	15,237,726	11%
2020	1,485,261	1,485,261	-	15,212,134	10%
2019	1,442,124	1,442,124	-	14,601,082	10%
2018	1,434,362	1,434,362	-	13,662,885	10%
2017	1,392,485	1,392,485	-	13,165,736	11%
2016	1,645,469	1,645,469	-	13,136,288	13%
2015	1,654,811	1,654,811	-	13,173,333	13%
School Board - Nonprofessionals:					
2024	\$ 201,493	\$ 201,493	\$ -	\$ 4,527,247	4%
2023	189,653	189,653	-	4,177,141	5%
2022	219,446	219,446	-	3,821,557	6%
2021	206,967	206,967	-	3,546,928	6%
2020	233,489	233,489	-	3,524,184	7%
2019	225,305	225,305	-	3,326,525	7%
2018	254,944	254,944	-	3,198,309	8%
2017	248,239	248,239	-	3,083,237	8%
2016	318,400	318,400	-	3,014,909	11%
2015	310,595	310,595	-	2,910,102	11%
School Board - Professionals**:					
2024	\$ 8,101,566	\$ 8,101,566	\$ -	\$ 51,126,316	16%
2023	7,682,134	7,682,134	-	48,343,426	16%
2022	7,471,218	7,471,218	-	44,953,178	17%
2021	6,773,781	6,773,781	-	42,162,432	16%
2020	6,392,959	6,392,959	-	41,958,174	15%
2019	6,096,601	6,096,601	-	39,791,832	15%
2018	6,155,222	6,155,222	-	38,345,750	16%
2017	5,415,854	5,415,854	-	37,477,663	14%
2016	5,232,865	5,232,865	-	37,475,983	14%
2015	5,491,770	5,491,770	-	38,004,120	14%

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

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

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

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

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

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

All Others (Non 10 Largest) – Hazardous Duty:

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

Component Unit School Board - Professional Employees

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

OPEB - Health Insurance Plan
 Required Supplementary Information
 Schedule of OPEB Funding Progress

	2024	2023	2022	2021	2020	2019	2018
County:							
Total OPEB liability							
Service cost	\$ 289,982	\$ 290,146	\$ 444,689	\$ 398,164	\$ 360,268	\$ 339,383	\$ 394,699
Interest	324,929	337,683	184,059	229,926	308,621	359,240	318,362
Change of benefit terms	64,349	-	-	-	-	-	-
Changes in assumptions	425,841	(23,001)	(981,246)	277,753	598,315	220,265	52,672
Differences between expected and actual experience	(238,599)	(448,741)	869,634	(733,659)	(940,221)	(835,454)	206,085
Benefit payments	(525,068)	(564,015)	(460,764)	(454,800)	(570,575)	(617,249)	(437,968)
Net change in total OPEB liability	\$ 341,434	\$ (407,928)	\$ 56,372	\$ (282,616)	\$ (243,592)	\$ (533,815)	\$ 533,850
Total OPEB liability - beginning	7,837,415	8,245,343	8,188,971	8,471,587	8,715,179	9,248,994	8,715,144
Total OPEB liability - ending	\$ 8,178,849	\$ 7,837,415	\$ 8,245,343	\$ 8,188,971	\$ 8,471,587	\$ 8,715,179	\$ 9,248,994
Covered employee payroll	\$ 15,502,709	\$ 15,502,709	\$ 12,089,886	\$ 17,411,108	\$ 11,873,221	\$ 11,416,648	\$ 11,057,286
County's total OPEB liability (asset) as a percentage of covered employee payroll	52.8%	50.6%	68.2%	47.0%	71.4%	76.3%	83.6%
School Board:							
Total OPEB liability							
Service cost	\$ 778,170	\$ 778,679	\$ 1,170,642	\$ 1,073,661	\$ 1,133,929	\$ 1,086,510	\$ 1,216,156
Interest	766,713	794,300	441,399	556,927	846,900	973,510	1,052,082
Change of benefit terms	307,917	-	-	-	-	-	-
Changes in assumptions	1,018,461	(45,244)	(1,753,994)	538,893	(1,180,328)	607,107	178,321
Differences between expected and actual experience	(1,093,389)	(1,064,038)	1,110,951	(1,717,666)	(2,533,900)	(2,207,655)	(4,524,781)
Benefit payments	(1,271,204)	(1,366,445)	(1,263,825)	(1,395,210)	(1,396,766)	(1,663,591)	(2,384,173)
Net change in total OPEB liability	\$ 506,668	\$ (902,748)	\$ (294,827)	\$ (943,395)	\$ (3,130,165)	\$ (1,204,119)	\$ (4,462,395)
Total OPEB liability - beginning	18,415,491	19,318,239	19,613,066	20,556,461	23,686,626	24,890,817	29,353,212
Total OPEB liability - ending	\$ 18,922,159	\$ 18,415,491	\$ 19,318,239	\$ 19,613,066	\$ 20,556,461	\$ 23,686,698	\$ 24,890,817
Covered employee payroll	\$ 61,270,408	\$ 50,850,552	\$ 46,824,884	\$ 50,552,259	\$ 45,251,012	\$ 41,170,822	\$ 39,874,888
School Board's total OPEB liability (asset) as a percentage of covered employee payroll	30.9%	36.2%	41.3%	38.8%	45.4%	57.5%	62.4%

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

OPEB - Health Insurance Plan
Notes to Required Supplementary Information - Health Insurance OPEB
For the Year Ended June 30, 2024

Valuation Date: June 30, 2024
Measurement Date: June 30, 2024

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

Methods and assumptions used to determine OPEB liability:

Actuarial Cost Method	Entry age normal level % of salary
Discount Rate	4.13% as of June 30, 2023; 4.21% as of June 30, 2024
Inflation	2.50% per year as of July 1, 2024
Healthcare Trend Rate	The healthcare trend rate assumption starts at 8.0% and gradually declines to 4.5%
Payroll Growth Rates	County - The payroll growth rate starts at 1.85% increase for 1 year of service and gradually declines to 0.0% for 20 or more years of service for non-law enforcement and 1.25% to 0.0% for law enforcement. School Board - The payroll growth rate starts at 2.45% salary increase for 1 year of service and gradually declines to 0.0% salary increase for 20 or more years of service.
Retirement Age	The average age at retirement is 63
Mortality Rates	The mortality rates for general and public safety employees and retirees - SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using scale MP-2021. Teacher employees and retirees - SOA Pub-2010 Teacher Headcount Weighted Mortality Table fully generational using Scale MP-2021.

Schedule of Share of Net OPEB Liability

Group Life Insurance (GLI) Plan

For the Measurement Dates of June 30, 2017 through June 30, 2023

Date (1)	Employer's Proportion of the Net GLI OPEB Liability (Asset) (2)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total GLI OPEB Liability (6)
County:					
2023	0.07560% \$	906,681 \$	17,808,825	5.09%	69.30%
2022	0.07489%	901,748	16,289,679	5.54%	67.21%
2021	0.07390%	860,047	15,251,251	5.64%	67.45%
2020	0.07390%	1,233,604	15,212,134	8.11%	52.64%
2019	0.07448%	1,211,988	14,601,082	8.30%	52.00%
2018	0.07185%	1,091,000	13,662,885	7.99%	51.22%
2017	0.07150%	1,076,000	13,165,736	8.17%	48.86%
School Board - Professional Employees:					
2023	0.20560% \$	2,465,788 \$	48,430,612	5.09%	69.30%
2022	0.20688%	2,491,035	45,002,322	5.54%	67.21%
2021	0.20440%	2,379,305	42,191,888	5.64%	67.45%
2020	0.20390%	3,402,423	41,958,174	8.11%	52.64%
2019	0.20309%	3,304,815	39,791,832	8.31%	52.00%
2018	0.20174%	3,064,000	38,345,750	7.99%	51.22%
2017	0.20326%	3,059,000	37,477,663	8.16%	48.86%
School Board - Nonprofessional Employees:					
2023	0.01778% \$	213,238 \$	4,189,318	5.09%	69.30%
2022	0.01769%	213,005	3,847,257	5.54%	67.21%
2021	0.01720%	200,488	3,554,990	5.64%	67.45%
2020	0.01720%	286,539	3,533,154	8.11%	52.64%
2019	0.01697%	276,147	3,326,525	8.30%	52.00%
2018	0.01682%	256,000	3,198,309	8.00%	51.22%
2017	0.01672%	252,000	3,083,237	8.17%	48.86%

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

Schedule of Employer Contributions

Group Life Insurance (GLI) Plan

For the Years Ended June 30, 2017 through June 30, 2024

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
County:					
2024	\$ 103,478	\$ 103,478	\$ -	\$ 19,162,549	0.54%
2023	96,168	96,168	-	17,808,825	0.54%
2022	87,964	87,964	-	16,289,679	0.54%
2021	82,357	82,357	-	15,251,251	0.54%
2020	79,103	79,103	-	15,212,134	0.52%
2019	75,926	75,926	-	14,601,082	0.52%
2018	71,047	71,047	-	13,662,885	0.52%
2017	68,576	68,576	-	13,165,736	0.52%
School Board - Professional Employees:					
2024	\$ 276,185	\$ 276,185	\$ -	\$ 51,145,414	0.54%
2023	261,525	261,525	-	48,430,612	0.54%
2022	243,013	243,013	-	45,002,322	0.54%
2021	227,836	227,836	-	42,191,888	0.54%
2020	218,183	218,183	-	41,958,174	0.52%
2019	207,021	207,021	-	39,791,832	0.52%
2018	201,014	201,014	-	38,345,750	0.52%
2017	194,956	194,956	-	37,477,663	0.52%
School Board - Nonprofessional Employees:					
2024	\$ 24,468	\$ 24,468	\$ -	\$ 4,531,200	0.54%
2023	22,622	22,622	-	4,189,318	0.54%
2022	20,775	20,775	-	3,847,257	0.54%
2021	19,197	19,197	-	3,554,990	0.54%
2020	18,372	18,372	-	3,533,154	0.52%
2019	17,298	17,298	-	3,326,525	0.52%
2018	16,631	16,631	-	3,198,309	0.52%
2017	16,033	16,033	-	3,083,237	0.52%

Schedule is intended to show information for 10 years. Additional information will be reported in future years when available.

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

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

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

Teachers

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

Non-Largest Ten Locality Employers - General Employees

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

Non-Largest Ten Locality Employers - Hazardous Duty Employees

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

Schedule of Changes in the School Board's Net OPEB Liability and Related Ratios
Health Insurance Credit (HIC) Plan - School Board - Nonprofessional
For the Measurement Dates June 30, 2017 through 2023

	2023	2022	2021	2020
Total HIC OPEB Liability				
Service cost	\$ 3,729	\$ 4,915	\$ 6,927	\$ 6,305
Interest	27,375	27,810	27,432	25,774
Changes of benefit terms	-	-	-	12,744
Differences between expected and actual experience	15,487	(2,340)	(4,589)	15,889
Changes in assumptions	-	3,082	8,578	-
Benefit payments	(38,256)	(39,170)	(36,168)	(36,127)
Net change in total HIC OPEB liability	\$ 8,335	\$ (5,703)	\$ 2,180	\$ 24,585
Total HIC OPEB Liability - beginning	420,961	426,664	424,484	399,899
Total HIC OPEB Liability - ending (a)	<u>\$ 429,296</u>	<u>\$ 420,961</u>	<u>\$ 426,664</u>	<u>\$ 424,484</u>
Plan fiduciary net position				
Contributions - employer	\$ 28,407	\$ 25,986	\$ 24,120	\$ 22,910
Net investment income	11,222	497	43,414	3,547
Benefit payments	(38,256)	(39,170)	(36,168)	(36,127)
Administrative expense	(258)	(328)	(484)	(325)
Other	356	6,636	-	(2)
Net change in plan fiduciary net position	\$ 1,471	\$ (6,379)	\$ 30,882	\$ (9,997)
Plan fiduciary net position - beginning	196,772	203,151	172,269	182,266
Plan fiduciary net position - ending (b)	<u>\$ 198,243</u>	<u>\$ 196,772</u>	<u>\$ 203,151</u>	<u>\$ 172,269</u>
School Board's net HIC OPEB liability - ending (a) - (b)	\$ 231,053	\$ 224,189	\$ 223,513	\$ 252,215
Plan fiduciary net position as a percentage of the total HIC OPEB liability	46.18%	46.74%	47.61%	40.58%
Covered payroll	\$ 4,177,141	\$ 3,821,557	\$ 3,546,928	\$ 3,524,184
School Board's net HIC OPEB liability as a percentage of covered payroll	5.53%	5.87%	6.30%	7.16%

Schedule is intended to show information for 10 years. Information prior to the 2018 valuation is not available. However, additional years will be included as they become available.

Schedule of Changes in the School Board's Net OPEB Liability and Related Ratios
Health Insurance Credit (HIC) Plan - School Board - Nonprofessional
For the Measurement Dates June 30, 2017 through 2023

	2019	2018	2017
Total HIC OPEB Liability			
Service cost	\$ 5,919	\$ 6,041	\$ 5,955
Interest	26,041	26,924	27,017
Changes of benefit terms	-	-	-
Differences between expected and actual experience	4,582	(11,748)	-
Changes in assumptions	8,003	-	(2,953)
Benefit payments	(33,307)	(34,373)	(28,342)
Net change in total HIC OPEB liability	\$ 11,238	\$ (13,156)	\$ 1,677
Total HIC OPEB Liability - beginning	388,661	401,817	400,140
Total HIC OPEB Liability - ending (a)	<u>\$ 399,899</u>	<u>\$ 388,661</u>	<u>\$ 401,817</u>
Plan fiduciary net position			
Contributions - employer	\$ 21,624	\$ 20,469	\$ 19,733
Net investment income	11,207	12,722	19,471
Benefit payments	(33,307)	(34,373)	(28,342)
Administrative expense	(239)	(285)	(302)
Other	(13)	(1,027)	1,027
Net change in plan fiduciary net position	\$ (728)	\$ (2,494)	\$ 11,587
Plan fiduciary net position - beginning	182,994	185,488	173,901
Plan fiduciary net position - ending (b)	<u>\$ 182,266</u>	<u>\$ 182,994</u>	<u>\$ 185,488</u>
School Board's net HIC OPEB liability - ending (a) - (b)	\$ 217,633	\$ 205,667	\$ 216,329
Plan fiduciary net position as a percentage of the total HIC OPEB liability	45.58%	47.08%	46.16%
Covered payroll	\$ 3,326,525	\$ 3,198,309	\$ 3,083,237
School Board's net HIC OPEB liability as a percentage of covered payroll	6.54%	6.43%	7.02%

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

Date (1)	Employer's Proportion of the Net HIC OPEB Liability (Asset) (2)	Employer's Proportionate Share of the Net HIC OPEB Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net HIC OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total HIC OPEB Liability (6)
School Board - Professional:					
2023	0.4848%	\$ 5,873,436	\$ 48,343,426	12.15%	17.90%
2022	0.4823%	6,024,401	44,953,178	13.40%	15.08%
2021	0.4767%	6,119,287	42,162,432	14.51%	13.15%
2020	0.4786%	6,243,546	41,958,174	14.88%	9.95%
2019	0.4745%	6,211,667	39,791,832	15.61%	8.97%
2018	0.4742%	6,021,000	38,345,750	15.70%	8.08%
2017	0.4750%	6,026,000	37,477,663	16.08%	7.04%

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

Schedule of Employer Contributions
Health Insurance Credit (HIC) Plan - School Board
For the Years Ended June 30, 2017 through June 30, 2024

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
School Board - Nonprofessional:					
2024	\$ 30,785	\$ 30,785	\$ -	\$ 4,527,247	0.68%
2023	28,405	28,405	-	4,177,141	0.68%
2022	25,987	25,987	-	3,821,557	0.68%
2021	24,119	24,119	-	3,546,928	0.68%
2020	22,907	22,907	-	3,524,184	0.65%
2019	21,622	21,622	-	3,326,525	0.65%
2018	20,469	20,469	-	3,198,309	0.64%
2017	19,733	19,733	-	3,083,237	0.64%
School Board - Professional:					
2024	\$ 618,628	\$ 618,628	\$ -	\$ 51,126,316	1.21%
2023	584,955	584,955	-	48,343,426	1.21%
2022	543,933	543,933	-	44,953,178	1.21%
2021	510,165	510,165	-	42,162,432	1.21%
2020	503,498	503,498	-	41,958,174	1.20%
2019	477,502	477,502	-	39,791,832	1.20%
2018	471,701	471,701	-	38,345,750	1.23%
2017	416,066	416,066	-	37,477,663	1.11%

Schedule is intended to show information for 10 years. Additional information will be reported in future years when available.

Notes to Required Supplementary Information
Health Insurance Credit (HIC) Plan - School Board - Nonprofessional and Professional
For the Year Ended June 30, 2024

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

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

Nonprofessional:

Non-Largest Ten Locality Employers - General Employees

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

Professional:

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

OTHER SUPPLEMENTARY INFORMATION

Combining and Individual Fund Financial Statements and Schedules

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

	County Capital Projects			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ -	\$ -	\$ 412,362	\$ 412,362
Miscellaneous	-	77,048	66,480	(10,568)
Intergovernmental:				
Local government	-	-	-	-
Commonwealth	344,480	399,480	285,652	(113,828)
Federal	-	-	1,439,865	1,439,865
Total revenues	\$ 344,480	\$ 476,528	\$ 2,204,359	\$ 1,727,831
EXPENDITURES				
Current:				
Capital projects	\$ 3,291,654	\$ 19,319,134	\$ 4,928,873	\$ 14,390,261
Debt service:				
Interest and other fiscal charges	-	-	353,871	(353,871)
Total expenditures	\$ 3,291,654	\$ 19,319,134	\$ 5,282,744	\$ 14,036,390
Excess (deficiency) of revenues over (under) expenditures	\$ (2,947,174)	\$ (18,842,606)	\$ (3,078,385)	\$ 15,764,221
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 2,947,174	3,866,718	\$ 3,859,799	\$ (6,919)
Transfers out	-	-	(1,362,396)	(1,362,396)
Issuance of lease revenue bonds	-	-	11,875,000	11,875,000
Premium from bond issuance	-	-	-	-
Total other financing sources (uses)	\$ 2,947,174	\$ 3,866,718	\$ 14,372,403	\$ 10,505,685
Net change in fund balances	\$ -	\$ (14,975,888)	\$ 11,294,018	\$ 26,269,906
Fund balance - beginning, restated	-	14,975,888	5,305,867	(9,670,021)
Fund balance - ending	\$ -	\$ -	\$ 16,599,885	\$ 16,599,885

Note: All budgeted amounts are prepared in accordance with accounting principles generally accepted in the United States of America.

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

	Road Construction				School Construction			
	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
REVENUES								
Revenue from the use of money and property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 362,141	\$ 362,141
Miscellaneous	-	-	5,925	5,925	-	-	-	-
Intergovernmental:								
Local government	-	-	-	-	-	-	597,627	597,627
Commonwealth	-	-	-	-	-	-	5,545,747	5,545,747
Federal	-	-	-	-	-	-	-	-
Total revenues	\$ -	\$ -	\$ 5,925	\$ 5,925	\$ -	\$ -	\$ 6,505,515	\$ 6,505,515
EXPENDITURES								
Current:								
Capital projects	\$ -	\$ 2,335,108	\$ 1,647,644	\$ 687,464	\$ -	\$ 54,747,481	\$ 7,417,926	\$ 47,329,555
Debt service:								
Interest and other fiscal charges	-	-	-	-	-	-	303,170	(303,170)
Total expenditures	\$ -	\$ 2,335,108	\$ 1,647,644	\$ 687,464	\$ -	\$ 54,747,481	\$ 7,721,096	\$ 47,026,385
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ (2,335,108)	\$ (1,641,719)	\$ 693,389	\$ -	\$ (54,747,481)	\$ (1,215,581)	\$ 53,531,900
OTHER FINANCING SOURCES (USES)								
Transfers in	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,000,000	\$ -	\$ (15,000,000)
Transfers out	-	-	-	-	-	-	-	-
Issuance of lease revenue bonds	-	-	-	-	-	35,021,255	10,125,000	(24,896,255)
Premium from bond issuance	-	-	-	-	-	-	199,425	199,425
Total other financing sources (uses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,021,255	\$ 10,324,425	\$ (39,696,830)
Net change in fund balances	\$ -	\$ (2,335,108)	\$ (1,641,719)	\$ 693,389	\$ -	\$ (4,726,226)	\$ 9,108,844	\$ 13,835,070
Fund balance - beginning, restated	-	2,335,108	1,738,071	(597,037)	-	4,726,226	3,728,507	(997,719)
Fund balance - ending	\$ -	\$ -	\$ 96,352	\$ 96,352	\$ -	\$ -	\$ 12,837,351	\$ 12,837,351

Not All budgeted amounts are prepared in accordance with accounting principles generally accepted in the United States of America.

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
County Debt Service Fund
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ -	\$ -	\$ -	\$ -
Total revenues	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Current:				
Debt Service				
Principal	\$ 3,690,000	\$ 3,690,000	\$ 3,385,000	\$ 305,000
Interest and fiscal charges	2,272,187	2,472,187	2,787,935	(315,748)
Total expenditures	\$ 5,962,187	\$ 6,162,187	\$ 6,172,935	\$ (10,748)
Excess (deficiency) of revenues over (under) expenditures	\$ (5,962,187)	\$ (6,162,187)	\$ (6,172,935)	\$ (10,748)
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 7,027,771	\$ 7,319,307	\$ 7,319,307	\$ -
Total other financing sources (uses)	\$ 7,027,771	\$ 7,319,307	\$ 7,319,307	\$ -
Net change in fund balances	\$ 1,065,584	\$ 1,157,120	\$ 1,146,372	\$ (10,748)
Fund balance - beginning	-	-	3,316,804	3,316,804
Fund balance - ending	\$ 1,065,584	\$ 1,157,120	\$ 4,463,176	\$ 3,306,056

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

	<u>Special Welfare</u>	<u>Flexible Benefits</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 93,645	\$ 15,554	\$ 109,199
Investments			
Receivables:			
Accounts receivable	<u>2,160</u>	<u>-</u>	<u>2,160</u>
Total assets	<u>\$ 95,805</u>	<u>\$ 15,554</u>	<u>\$ 111,359</u>
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ -
Total liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
NET POSITION			
Restricted:			
Restricted for special welfare	\$ 95,805	\$ -	\$ 95,805
Restricted for employees	<u>-</u>	<u>15,554</u>	<u>15,554</u>
Total net position	<u>\$ 95,805</u>	<u>\$ 15,554</u>	<u>\$ 111,359</u>
Total liabilities and net position	<u>\$ 95,805</u>	<u>\$ 15,554</u>	<u>\$ 111,359</u>

Custodial Funds

Combining Statement of Changes in Fiduciary Net Position - Custodial Funds

For the Year Ended June 30, 2024

	Custodial Funds		
	Special Welfare	Flexible Benefits	Total
ADDITIONS			
Special welfare collections	\$ 140,792	\$ -	\$ 140,792
Employee deferrals	-	3,839,409	3,839,409
Total additions	\$ 140,792	\$ 3,839,409	\$ 3,980,201
DEDUCTIONS			
Welfare costs	\$ 126,315	\$ -	\$ 126,315
Flexible spending account benefits	-	3,841,067	3,841,067
Total deductions	\$ 126,315	\$ 3,841,067	\$ 3,967,382
Net increase (decrease) in fiduciary net position	\$ 14,477	(1,658)	12,819
Net position, beginning of year	\$ 81,328	\$ 17,212	\$ 98,540
Net position, end of year	\$ 95,805	\$ 15,554	\$ 111,359

Discretely Presented Component Units

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

	School Operating Fund	School Cafeteria Fund	School Activity Fund	School Capital Projects Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 11,757,160	\$ 4,351,934	\$ 1,635,237	\$ 114,566	\$ 17,858,897
Receivables (net of allowance for uncollectibles):	173,809	22	194,786	-	368,617
Due from other governmental units	4,254,589	110,499	-	-	4,365,088
Prepaid items	1,317,792	19,763	-	-	1,337,555
Restricted assets:					
Temporarily restricted:					
Cash and cash equivalents	821,466	-	-	-	821,466
Total assets	<u>\$ 18,324,816</u>	<u>\$ 4,482,218</u>	<u>\$ 1,830,023</u>	<u>\$ 114,566</u>	<u>\$ 24,751,623</u>
LIABILITIES					
Accounts payable	\$ 1,717,368	\$ 38,825	\$ 38,805	\$ 35,642	\$ 1,830,640
Accrued liabilities	6,621,849	181,724	-	-	6,803,573
Due to primary government	4,783,008	-	-	-	4,783,008
Total liabilities	<u>\$ 13,122,225</u>	<u>\$ 220,549</u>	<u>\$ 38,805</u>	<u>\$ 35,642</u>	<u>\$ 13,417,221</u>
FUND BALANCE					
Nonspendable:					
Prepaid items	\$ 1,317,792	\$ 19,763	\$ -	\$ -	\$ 1,337,555
Restricted:					
Donations	821,466	-	-	-	821,466
Capital projects - School construction grant	3,063,333	-	-	-	3,063,333
Assigned:					
Education	-	4,241,906	1,791,218	-	6,033,124
Education - capital projects	-	-	-	78,924	78,924
Total fund balances	<u>\$ 5,202,591</u>	<u>\$ 4,261,669</u>	<u>\$ 1,791,218</u>	<u>\$ 78,924</u>	<u>\$ 11,334,402</u>
Total liabilities and fund balances	<u>\$ 18,324,816</u>	<u>\$ 4,482,218</u>	<u>\$ 1,830,023</u>	<u>\$ 114,566</u>	<u>\$ 24,751,623</u>

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

Total fund balances per above	\$ 11,334,402
Capital assets used in governmental activities are not financial resources and, therefore are not reported in the funds (Cost of \$107,406,767 and accumulated depreciation of \$70,049,861)	37,356,906
Items related to measurement of the net pension and OPEB liabilities are considered deferred outflows or deferred inflows and will be amortized and recognized in pension and OPEB expense over future years.	
Deferred outflows - pension related	\$ 15,744,310
Deferred outflows - OPEB related	3,379,464
Deferred inflows - pension related	(5,525,035)
Deferred inflows - OPEB related	<u>(5,511,789)</u>
	8,086,950
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds	
Net/total OPEB liabilities	\$ (27,705,674)
Net pension liability	<u>(49,206,245)</u>
	(76,911,919)
Net position of governmental activities	<u>\$ (20,133,661)</u>

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

	School Operating Fund	School Cafeteria Fund	School Activity Fund	School Capital Projects Fund	Total Governmental Funds
REVENUES					
Revenue from the use of money and property	\$ 55,004	\$ 375	\$ -	\$ 509	\$ 55,888
Charges for services	145,339	183,442	-	-	328,781
Miscellaneous	902,842	6,988	2,948,243	-	3,858,073
Intergovernmental:					
Local government	25,752,568	-	-	450,000	26,202,568
Commonwealth	72,278,757	108,406	-	-	72,387,163
Federal	7,578,438	4,752,606	-	-	12,331,044
Total revenues	<u>\$ 106,712,948</u>	<u>\$ 5,051,817</u>	<u>\$ 2,948,243</u>	<u>\$ 450,509</u>	<u>\$ 115,163,517</u>
EXPENDITURES					
Current:					
Education	\$ 106,221,391	\$ 4,757,907	\$ 2,746,989	\$ -	\$ 113,726,287
Capital projects	-	-	-	633,269	633,269
Total expenditures	<u>\$ 106,221,391</u>	<u>\$ 4,757,907</u>	<u>\$ 2,746,989</u>	<u>\$ 633,269</u>	<u>\$ 114,359,556</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 491,557</u>	<u>\$ 293,910</u>	<u>\$ 201,254</u>	<u>\$ (182,760)</u>	<u>\$ 803,961</u>
Net change in fund balances	\$ 491,557	\$ 293,910	\$ 201,254	\$ (182,760)	\$ 803,961
Fund balances - beginning	4,711,034	3,967,759	1,589,964	261,684	10,530,441
Fund balances - ending	<u>\$ 5,202,591</u>	<u>\$ 4,261,669</u>	<u>\$ 1,791,218</u>	<u>\$ 78,924</u>	<u>\$ 11,334,402</u>
Amounts reported for governmental activities in the statement of activities (Exhibit 2) are different because:					
Net change in fund balances - total governmental funds - per above				\$	803,961
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of the assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capitalized expenditures exceeded depreciation expense in the current period					
Capital outlay				\$ 2,420,917	
Depreciation expense				<u>(3,875,911)</u>	(1,454,994)
Deferred outflows of resources and net pension asset are not available to pay for current-period expenditures and, therefore, are not reported in the funds.					
Deferred outflows of resources - pension related items				\$ 2,602,143	
Deferred outflows of resources - OPEB related items				526,794	
Increase/(decrease) net pension asset				<u>(472,905)</u>	2,656,032
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					
(Increase)/decrease in net pension liability				\$ (3,040,862)	
(Increase)/decrease in net OPEB liabilities				(337,553)	
(Increase) decrease in deferred inflows related to the measurement of the net pension liability				4,484,916	
(Increase) decrease in deferred inflows related to the measurement of the OPEB liabilities				<u>1,437,932</u>	2,544,433
Change in net position of governmental activities				\$	<u>4,549,432</u>

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

	School Operating Fund			Variance with Final Budget Positive Negative
	Budgeted Amounts			
	Original	Final	Actual	
REVENUES				
Revenue from the use of money and property	\$ 50,000	\$ 50,000	\$ 55,004	\$ 5,004
Charges for services	136,000	136,000	145,339	9,339
Miscellaneous	151,250	1,274,441	902,842	(371,599)
Recovered costs	-	-	-	-
Intergovernmental:				
Local government	29,135,984	36,739,505	25,752,568	(10,986,937)
Commonwealth	67,669,454	71,463,758	72,278,757	814,999
Federal	8,385,464	8,967,302	7,578,438	(1,388,864)
Total revenues	\$ 105,528,152	\$ 118,631,006	\$ 106,712,948	\$ (11,918,058)
EXPENDITURES				
Current:				
Education:				
Instruction	\$ 77,477,123	\$ 84,562,764	\$ 77,272,460	\$ 7,290,304
Administration, attendance and health	6,832,020	7,315,041	7,088,677	226,364
Pupil transportation	6,388,187	6,994,286	6,148,474	845,812
Operation and maintenance services	10,039,972	13,972,562	10,134,687	3,837,875
Technology	4,790,850	5,786,353	5,577,093	209,260
Total expenditures	\$ 105,528,152	\$ 118,631,006	\$ 106,221,391	\$ 12,409,615
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ 491,557	\$ 491,557
Net change in fund balances	\$ -	\$ -	\$ 491,557	\$ 491,557
Fund balance - beginning	-	-	4,711,034	4,711,034
Fund balance - ending	\$ -	\$ -	\$ 5,202,591	\$ 5,202,591

Note: All budgeted amounts are prepared in accordance with accounting principles generally accepted in the United States of America.

Statement of Net Position
Discretely Presented Component Unit - Industrial Development Authority
June 30, 2024

	Enterprise Fund
	<hr/>
ASSETS	
Cash and cash equivalents	\$ 365,710
Lease receivable	76,949
Prepaid items	2,976
Due from primary government	257,813
Industrial assets held for industry - real property	1,291,665
Total assets	\$ <u>1,995,113</u>
LIABILITIES	
Long-term liabilities:	
Due within one year	\$ <u>257,813</u>
Total liabilities	\$ <u>257,813</u>
DEFERRED INFLOWS OF RESOURCES	
Lease related	\$ <u>75,148</u>
NET POSITION	
Unrestricted	\$ <u><u>1,662,152</u></u>

Schedule of Revenues, Expenses, and Changes in Net Position
Discretely Presented Component Unit - Industrial Development Authority
For the Year Ended June 30, 2024

	Enterprise Fund
	<u> </u>
OPERATING REVENUES	
Revenue from the use of property	\$ 95,239
Total operating revenues	\$ <u>95,239</u>
OPERATING EXPENSES	
Economic incentive grants	\$ 338,694
Other operating costs	28,866
Total operating expenses	\$ <u>367,560</u>
Operating income (loss)	\$ <u>(272,321)</u>
NONOPERATING REVENUES (EXPENSES)	
Contributions from Campbell County	\$ 353,132
Interest income	<u>10,730</u>
Nonoperating revenues (expenses)	\$ <u>363,862</u>
Change in net position	\$ 91,541
Net position - beginning	1,570,611
Net position - ending	\$ <u><u>1,662,152</u></u>

Statement of Cash Flows
Discretely Presented Component Unit - Industrial Development Authority
For the Year Ended June 30, 2024

	Enterprise Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from grantors and customers	\$ 93,723
Payments to grantees and suppliers	(263,434)
Net cash provided by (used for) operating activities	\$ (169,711)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Contributions from Campbell County	\$ 248,807
Interest Income	10,730
Net cash provided by (used for) noncapital financing activities	\$ 259,537
CASH AND CASH EQUIVALENTS	
Cash and cash equivalents - beginning	275,884
Cash and cash equivalents - ending	\$ 365,710
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	
Operating income (loss)	\$ (272,321)
Adjustments to reconcile operating loss to net cash provided by (used for) operating activities:	
Change in assets and liabilities:	
(Increase) decrease in prepaid items	(199)
(Increase) decrease in lease receivable	80,463
Increase (decrease) in deferred inflow of resources - lease related	(81,979)
Increase (decrease) in liabilities payable to industries	104,325
Net cash provided by (used for) operating activities	\$ (169,711)

Other Statistical Information

Contents

Tables

Financial Trends

These tables contain trend information to help the reader understand how the 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 its property and sales taxes.

5 - 7

Debt Capacity

These tables present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue debt in the future.

8 - 9

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 comparisons over time and with other governments.

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

Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	2015 (1)	2016	2017	2018	2019	2020	2021	2022	2023	2024
Primary government										
Governmental activities										
Net investment in capital assets	\$ 22,853,751	\$ 24,885,321	\$ 24,156,518	\$ 23,202,885	\$ 17,846,292	\$ 18,762,186	\$ 23,398,528	\$ 23,221,652	\$ 24,465,998	\$ 27,013,893
Restricted	2,702,314	1,923,436	4,434,798	2,710,417	4,048,160	2,443,911	2,227,449	3,078,661	1,916,411	5,260,072
Unrestricted	<u>20,276,672</u>	<u>19,932,586</u>	<u>20,919,378</u>	<u>18,456,486</u>	<u>20,941,466</u>	<u>30,320,220</u>	<u>39,044,715</u>	<u>45,823,641</u>	<u>66,601,131</u>	<u>75,152,833</u>
Total governmental activities										
net position	<u>\$ 45,832,737</u>	<u>\$ 46,741,343</u>	<u>\$ 49,510,694</u>	<u>\$ 44,369,788</u>	<u>\$ 42,835,918</u>	<u>\$ 51,526,317</u>	<u>\$ 64,670,692</u>	<u>\$ 72,123,954</u>	<u>\$ 92,983,540</u>	<u>\$ 107,426,798</u>

(1) - The County implemented GASB Statement Nos. 68 and 71, effective fiscal year 2015

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses										
Governmental activities:										
General government administration	\$ 4,886,285	\$ 5,024,792	\$ 4,945,114	\$ 5,026,267	\$ 5,027,183	\$ 5,321,990	\$ 7,137,580	\$ 6,507,385	\$ 6,830,750	\$ 7,070,909
Judicial administration	1,672,627	1,664,229	1,844,547	1,729,746	1,682,837	1,871,624	2,036,059	1,961,327	2,121,838	2,543,301
Public safety	13,887,466	14,452,365	15,096,746	15,949,008	15,021,086	16,633,428	18,353,672	18,281,963	19,817,253	21,946,565
Public works	3,441,597	3,666,489	3,874,059	3,511,124	3,780,812	3,905,578	4,480,841	4,573,670	5,298,675	8,051,842
Health and welfare	10,090,691	10,467,241	10,908,973	11,069,783	11,555,463	13,273,896	13,613,290	13,528,794	13,924,604	16,544,088
Education	28,493,461	28,073,483	31,018,186	29,425,403	37,240,159	27,218,833	25,255,986	30,583,627	35,033,894	29,879,991
Parks, recreation and cultural	1,935,595	1,833,900	1,877,096	1,673,236	1,830,140	1,612,361	1,770,665	2,123,403	2,438,298	2,496,536
Community development	1,942,194	2,997,625	4,340,246	5,307,490	4,030,088	5,198,467	3,578,797	2,005,954	2,239,130	2,937,354
Interest on long-term debt	1,825,883	3,896,145	1,051,261	947,069	829,479	969,333	2,183,504	1,703,023	1,950,110	3,182,555
Total governmental activities expenses	\$ 68,175,799	\$ 72,076,269	\$ 74,956,228	\$ 74,639,126	\$ 80,997,247	\$ 76,005,510	\$ 78,410,394	\$ 81,269,146	\$ 89,654,552	\$ 94,653,141
Total primary government expenses	\$ 68,175,799	\$ 72,076,269	\$ 74,956,228	\$ 74,639,126	\$ 80,997,247	\$ 76,005,510	\$ 78,410,394	\$ 81,269,146	\$ 89,654,552	\$ 94,653,141
Program Revenues										
Governmental activities:										
Charges for services:										
General government administration	\$ 394,421	\$ 524,302	\$ 413,371	\$ 391,810	\$ 369,160	\$ 316,075	\$ 417,336	\$ 643,210	\$ 609,756	\$ 562,204
Judicial administration	7,358	24,531	6,784	6,614	7,692	20,726	17,165	18,416	62,176	64,446
Public safety	2,044,946	2,116,815	2,227,336	2,816,049	2,570,387	2,921,231	2,810,471	3,038,577	3,124,841	2,850,440
Public works	923,792	804,902	669,989	838,033	22	-	52,344	85,697	-	-
Health and welfare	-	1,700	-	-	-	-	-	-	-	-
Parks, recreation and cultural	190,557	204,666	199,587	173,124	137,960	89,483	40,839	134,204	113,978	133,587
Community development	196,360	92,397	111,284	133,000	130,155	120,955	103,985	120,882	144,239	108,343
Operating grants and contributions	11,310,942	11,881,220	12,227,418	12,775,294	13,107,422	16,958,658	20,651,392	15,736,041	16,113,220	19,316,089
Capital grants and contributions	508,650	1,179,300	1,451,825	1,765,564	1,161,564	1,361,198	1,914,587	833,826	841,326	6,192,112
Total governmental activities program revenues	\$ 15,577,026	\$ 16,829,833	\$ 17,307,594	\$ 18,899,488	\$ 17,484,362	\$ 21,788,326	\$ 26,008,119	\$ 20,610,853	\$ 21,009,536	\$ 29,227,221
Total primary government program revenues	\$ 15,577,026	\$ 16,829,833	\$ 17,307,594	\$ 18,899,488	\$ 17,484,362	\$ 21,788,326	\$ 26,008,119	\$ 20,610,853	\$ 21,009,536	\$ 29,227,221
Net (expense) / revenue										
Governmental activities	\$ (52,598,773)	\$ (55,246,436)	\$ (57,648,634)	\$ (55,739,638)	\$ (63,512,885)	\$ (54,217,184)	\$ (52,402,275)	\$ (60,658,293)	\$ (68,645,016)	\$ (65,425,920)
Total primary government net expense	\$ (52,598,773)	\$ (55,246,436)	\$ (57,648,634)	\$ (55,739,638)	\$ (63,512,885)	\$ (54,217,184)	\$ (52,402,275)	\$ (60,658,293)	\$ (68,645,016)	\$ (65,425,920)

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	\$ 37,430,288	\$ 38,165,723	\$ 39,533,657	\$ 39,960,346	\$ 41,124,934	\$ 43,539,699	\$ 43,541,400	\$ 45,523,319	\$ 62,742,629	\$ 51,139,668
Other local taxes **	10,160,937	10,819,564	11,048,948	11,272,113	11,589,019	13,049,588	15,543,164	16,517,283	18,664,424	18,745,006
Unrestricted revenues from use of money and property	347,551	442,270	284,381	397,601	822,780	603,734	177,825	283,986	2,400,620	4,432,969
Unrestricted grants and contributions	5,426,764	5,292,660	5,277,881	5,310,860	5,152,503	5,100,490	4,977,638	5,056,917	5,055,594	5,044,500
Other	3,397,589	1,434,825	4,273,118	213,205	3,289,779	279,897	1,065,881	1,110,801	641,335	507,035
Gain (loss) on sale of capital assets *	-	-	-	-	-	334,175	11,427	-	-	-
Total governmental activities	\$ 56,763,129	\$ 56,155,042	\$ 60,417,985	\$ 57,154,125	\$ 61,979,015	\$ 62,907,583	\$ 65,317,335	\$ 68,492,306	\$ 89,504,602	\$ 79,869,178
Total primary government	\$ 56,763,129	\$ 56,155,042	\$ 60,417,985	\$ 57,154,125	\$ 61,979,015	\$ 62,907,583	\$ 65,317,335	\$ 68,492,306	\$ 89,504,602	\$ 79,869,178
Change in Net Position										
Governmental activities	\$ 4,164,356	\$ 908,606	\$ 2,769,351	\$ 1,414,487	\$ (1,533,870)	\$ 8,690,399	\$ 12,915,060	\$ 7,834,013	\$ 20,859,586	\$ 14,443,258
Total primary government	\$ 4,164,356	\$ 908,606	\$ 2,769,351	\$ 1,414,487	\$ (1,533,870)	\$ 8,690,399	\$ 12,915,060	\$ 7,834,013	\$ 20,859,586	\$ 14,443,258

COUNTY OF CAMPBELL, VIRGINIA

Table 3

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General fund										
Nonspendable	\$ 192,102	\$ 182,523	\$ 212,949	\$ 236,518	\$ 179,735	\$ 217,499	\$ 215,787	\$ 262,840	\$ 252,339	\$ 201,343
Restricted	-	826	26,437	-	-	-	146,192	147,576	178,340	215,600
Committed	7,575,891	11,070,586	8,609,914	10,936,010	11,091,846	12,629,852	16,851,194	18,774,695	25,414,113	27,599,651
Unassigned	16,346,608	15,104,713	20,106,540	18,891,737	17,679,701	22,244,265	27,246,329	31,581,937	43,827,355	48,795,811
Total general fund	\$ 24,114,601	\$ 26,358,648	\$ 28,955,840	\$ 30,064,265	\$ 28,951,282	\$ 35,091,616	\$ 44,459,502	\$ 50,767,048	\$ 69,672,147	\$ 76,812,405
All other governmental funds										
Nonspendable	\$ 1,100	\$ 1,220	\$ 1,616	\$ 1,473	\$ 25,649	\$ 1,473	\$ 1,107	\$ 1,669	\$ 1,927,310	\$ 2,580
Restricted	2,702,314	1,922,610	4,408,361	2,710,417	4,048,160	2,810,388	34,072,084	7,038,978	5,466,578	24,867,194
Committed	3,762,857	2,273,289	2,066,082	-	-	-	-	-	-	207,809
Assigned	2,203,451	2,214,234	1,575,575	4,426,316	4,682,276	6,257,450	10,615,659	10,183,899	9,509,048	11,853,590
Total all other governmental funds	\$ 8,669,722	\$ 6,411,353	\$ 8,051,634	\$ 7,138,206	\$ 8,756,085	\$ 9,069,311	\$ 44,688,850	\$ 17,224,546	\$ 16,902,936	\$ 36,931,173
Total fund balance, governmental funds	\$ 32,784,323	\$ 32,770,001	\$ 37,007,474	\$ 37,202,471	\$ 37,707,367	\$ 44,160,927	\$ 89,148,352	\$ 67,991,594	\$ 86,575,083	\$ 113,743,578

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues										
General property taxes	\$ 37,439,459	\$ 38,312,800	\$ 39,590,867	\$ 40,201,666	\$ 41,064,815	\$ 43,034,658	\$ 43,968,450	\$ 45,585,878	\$ 61,821,000	\$ 51,436,916
Other local taxes	10,160,937	10,819,564	11,048,948	11,272,113	11,589,019	13,049,588	15,543,164	16,517,283	18,664,424	18,745,006
Permits, privilege fees and regulatory licenses	459,415	267,432	305,707	369,494	325,824	368,220	379,995	368,264	384,449	439,613
Fines and forfeitures	141,950	139,765	136,360	130,934	104,526	130,615	130,646	92,228	97,695	98,132
Revenue from use of money and property	323,486	402,506	268,913	370,710	753,773	591,110	243,320	283,986	2,400,620	4,432,969
Charges for services	3,156,089	3,362,116	3,186,284	3,858,202	2,785,026	2,969,635	2,931,499	3,580,493	3,572,846	3,181,275
Miscellaneous	3,397,589	664,067	4,221,108	380,147	3,313,989	1,301,040	1,077,308	595,520	726,124	191,268
Recovered costs	318,685	331,594	346,180	371,420	699,299	739,101	808,513	813,019	899,513	925,422
Intergovernmental	17,246,356	18,353,180	18,957,124	19,851,718	19,421,489	23,420,346	27,543,617	21,626,784	21,987,345	31,142,658
Total revenues	\$ 72,643,966	\$ 72,653,024	\$ 78,061,491	\$ 76,806,404	\$ 80,057,760	\$ 85,604,313	\$ 92,626,512	\$ 89,463,455	\$ 110,554,016	\$ 110,593,259
Expenditures										
General government administration	\$ 4,471,685	\$ 4,299,115	\$ 4,299,196	\$ 4,650,890	\$ 4,679,513	\$ 4,558,321	\$ 6,460,251	\$ 5,844,121	\$ 5,998,589	\$ 6,034,344
Judicial administration	1,632,723	1,659,763	1,784,349	1,715,366	1,731,596	1,787,938	1,842,429	1,949,014	2,092,558	2,242,518
Public safety	12,940,855	13,689,044	13,423,134	14,374,483	15,020,685	15,504,318	17,257,829	17,942,329	19,484,783	20,565,954
Public works	3,220,854	3,316,317	3,407,386	3,350,777	3,390,511	3,523,258	3,971,705	3,971,073	4,070,333	4,611,397
Health and welfare	10,049,547	10,404,776	10,657,726	11,233,276	11,856,442	13,247,951	13,354,786	13,587,841	14,021,796	16,404,903
Education	25,787,723	25,841,800	27,149,039	27,070,626	30,048,792	26,919,132	24,773,237	26,922,780	29,571,276	26,202,568
Parks, recreation and cultural	1,731,715	1,759,831	1,708,977	1,660,728	1,756,064	1,587,758	1,617,253	1,837,225	2,287,269	2,261,316
Community development	1,567,334	1,747,378	1,693,451	1,986,208	1,601,829	2,398,166	1,586,422	1,562,942	2,443,941	2,347,581
Non-departmental	219	430	769	41	83	427	310	333	786	767
Capital projects	3,126,173	4,913,720	4,665,234	5,498,535	5,027,153	6,719,505	15,084,556	31,026,111	12,023,361	13,994,443
Debt service										
Principal	3,159,124	4,260,390	3,737,540	3,600,876	3,508,566	3,117,234	4,529,481	3,487,233	3,407,233	3,385,000
Interest and other fiscal charges	1,883,785	3,616,966	1,137,218	1,021,044	911,630	1,029,551	2,388,652	2,088,460	2,262,216	3,444,976
Total expenditures	\$ 69,571,737	\$ 75,509,530	\$ 73,664,019	\$ 76,162,850	\$ 79,532,864	\$ 80,393,559	\$ 92,866,911	\$ 110,219,462	\$ 97,664,141	\$ 101,495,767
Excess (deficiency) of revenues over (under) expenditures	\$ 3,072,229	\$ (2,856,506)	\$ 4,397,472	\$ 643,554	\$ 524,896	\$ 5,210,754	\$ (240,399)	\$ (20,756,007)	\$ 12,889,875	\$ 9,097,492
Other financing sources (uses)										
Transfers in	\$ 3,344,897	\$ 2,443,015	\$ 2,468,808	\$ 3,716,092	\$ 4,020,642	\$ 6,257,161	\$ 12,514,665	\$ 11,786,690	\$ 12,219,047	\$ 15,024,153
Transfers out	(4,464,897)	(2,525,831)	(2,628,807)	(4,164,649)	(4,039,792)	(6,356,603)	(12,534,665)	(11,806,690)	(13,025,433)	(19,152,575)
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Payments to refund bonds	-	(26,170,000)	-	-	-	-	-	-	-	-
Issuance of long-term debt	-	29,095,000	-	-	-	1,342,248	39,645,000	-	6,500,000	22,000,000
Premium on bonds issued	-	-	-	-	-	-	5,373,509	-	-	199,425
Total other financing sources (uses)	\$ (1,120,000)	\$ 2,842,184	\$ (159,999)	\$ (448,557)	\$ (19,150)	\$ 1,242,806	\$ 44,998,509	\$ (20,000)	\$ 5,693,614	\$ 18,071,003
Net change in fund balances	\$ 1,952,229	\$ (14,322)	\$ 4,237,473	\$ 194,997	\$ 505,746	\$ 6,453,560	\$ 44,758,110	\$ (20,776,007)	\$ 18,583,489	\$ 27,168,495
Debt service as a percentage of noncapital expenditures	7.49%	10.92%	6.74%	6.18%	5.68%	5.34%	8.66%	7.00%	6.56%	7.42%

Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year	Real Estate (1)	Personal Property (5)	Mobile Homes	Machinery and Tools	Public Service	Total Taxable Assessed Value	Total Direct Tax Rate (4)	Overlapping Tax Rates Town of		Estimated Actual Taxable Value (3)	Assessed Value as a Percentage of Actual Value
								Brookneal	Altavista		
2015	\$ 3,948,966,754	\$ 322,558,248	\$ 34,559,213	\$ 164,892,424	\$ 331,742,101	\$ 4,802,718,740	0.82	\$ N/A	\$ N/A	\$ 5,125,276,988	93.71%
2016	3,987,197,968	332,321,336	30,671,382	164,892,424	349,605,154	4,864,688,264	0.82	N/A	N/A	5,197,009,600	93.61%
2017	4,034,203,537	337,261,573	31,630,947	186,943,782	354,102,476	4,944,142,315	0.82	N/A	N/A	5,281,403,888	93.61%
2018	4,091,083,881	344,171,598	31,729,101	182,735,007	381,288,691	5,031,008,278	0.83	N/A	N/A	5,375,179,876	93.60%
2019	4,149,072,478	357,948,433	31,863,173	180,874,193	399,205,478	5,118,963,755	0.83	N/A	N/A	5,476,912,188	93.46%
2020	4,420,544,457	374,454,522	29,702,871	189,522,060	442,420,557	5,456,644,467	0.80	N/A	N/A	5,831,098,989	93.58%
2021	4,444,658,630	390,964,288	30,204,710	201,974,946	449,894,208	5,517,696,782	0.80	N/A	N/A	5,908,661,070	93.38%
2022	4,551,419,808	394,589,956	30,763,851	205,796,226	430,956,704	5,613,526,545	0.80	N/A	N/A	6,008,116,501	93.43%
2023	5,122,425,135	337,248,937	32,164,143	207,739,434	430,900,240	6,130,477,889	0.80	N/A	N/A	6,467,726,826	94.79%
2024	5,887,275,238	354,681,481	33,271,609	210,330,717	512,673,712	6,998,232,757	0.80	N/A	N/A	7,352,914,238	95.18%

(1) Assessed value is as of January 1 of the previous fiscal year; does not include tax exempt property; excludes land use reduced valuation; includes mineral values

(2) Merchants' capital is no longer assessed as of fiscal year 2004

(3) Real estate, mobile homes, and machinery and tools taxes are assessed on a taxable property value which is 100% of estimated fair market value
Personal property taxes are assessed on a taxable property value which is 50% of fair market.

(4) Per \$100 of assessed value.

(5) Includes recreational and apportioned vehicles

(6) Starting in 2023, the County bills most property tax types biannually.

Source: Commissioner of Revenue

Principal Property Taxpayers
Current Year and the Nine Years Prior

FY 2024 Taxable				FY 2014 Taxable			
Assessed Value				Assessed			
(2023 Book Values)				(2013 Book Values)			
Taxpayer		Rank	% of Total Assessed Valuation	Taxpayer		Rank	% of Total Assessed Valuation
Babcock & Wilcox Company	164,337,995	1	2.36%	Babcock & Wilcox Company	83,946,369	1	1.90%
Abbott Laboratories (Ross)	74,867,081	2	1.08%	Abbott Laboratories (Ross)	65,965,786	2	1.49%
BGF Industries Inc.	48,445,718	3	0.70%	BGF Industries Inc.	25,947,282	3	0.59%
Georgia Pacific Wood Prod LLC	31,224,631	4	0.45%	Georgia Pacific Wood Prod LLC	23,943,776	4	0.54%
Graham Packaging Plastic Products	30,169,868	5	0.43%	Progress Printing Company	17,898,700	5	0.41%
Boxley Materials Company Inc.	17,196,627	6	0.25%	Schrader-Bridgeport International	12,742,830	6	0.29%
Schrader-Bridgeport International	18,761,011	7	0.27%	Graham Packaging Plastic Products	9,605,501	7	0.22%
Progress Printing Company	16,075,949	8	0.23%	Boxley Materials Company Inc.	9,445,857	8	0.21%
Long Island Lumber Inc.	3,580,534	9	0.05%	Long Island Lumber Inc.	731,714	na	0.02%
Mid Atlantic Printers	1,172,006	10	0.02%	Mid Atlantic Printers	2,806,461	na	0.06%
Total	405,831,420		5.84%	Total	253,034,276		5.73%
TOTAL 2023 REAL ESTATE ASSESSED VALUE				TOTAL 2013 REAL ESTATE ASSESSED VALUE			
5,846,757,308				3,616,346,530			
TOTAL 2023 MINERALS ASSESSED				TOTAL 2013 MINERALS ASSESSED			
5,984,211				9,173,348			
TOTAL 2023 PUBLIC SERVICE (TAXABLE)				TOTAL 2013 PUBLIC SERVICE (TAXABLE)			
511,402,726				522,687,204			
TOTAL 2023 PERSONAL PROP ASSESSED VALUE				TOTAL 2013 PERSONAL PROP ASSESSED VALUE			
588,637,728				269,437,638			
TOTAL 2023 TAXABLE ASSESSED VALUE				TOTAL 2013 TAXABLE ASSESSED VALUE			
6,952,781,973				4,417,644,720			

Source: Commissioner of the Revenue

COUNTY OF CAMPBELL, VIRGINIA

Table 7

Property Tax Levies and Collections
Last Ten Fiscal Years

Year Ended June 30	Current Tax Levy (1)	Collections in Year of Levy		Collections in Subsequent Years	Total Collections to Date	
		Current Tax Amount	Percent of Levy Collected		Total Tax Collections	Percent of Levy Collected
2015	\$ 40,359,558	\$ 39,551,215	98.00%	\$ 805,363	\$ 40,356,578	99.99%
2016	41,440,549	40,302,698	97.25%	763,984	41,066,682	99.10%
2017	42,286,750	41,717,667	98.65%	415,982	42,133,649	99.64%
2018	42,907,217	42,363,903	98.73%	537,343	42,901,246	99.99%
2019	43,936,922	43,007,056	97.88%	450,913	43,457,969	98.91%
2020	46,139,952	45,192,683	97.95%	842,286	46,034,969	99.77%
2021	47,342,153	45,811,773	96.77%	764,580	46,576,353	98.38%
2022	48,839,978	47,564,515	97.39%	1,144,091	48,708,606	99.73%
2023	65,888,975	64,267,430	97.54%	1,154,614	65,422,044	99.29%
2024	49,778,502	49,336,404	99.11%	-	49,336,404	99.11%

(1) Exclusive of penalties and interest.

Ratios of Total Outstanding Debt
Last Ten Fiscal Years

Fiscal Year	Governmental Activities					Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Literary Fund Loans	Lease Revenue Bonds	Bond Anticipation Note	Bond Premiums			
2015	\$ 35,108,439	\$ 5,702,869	\$ -	\$ -	\$ 308,747	\$ 41,120,055	2.4%	727
2016	34,645,283	4,830,635	-	-	288,239	39,764,157	2.4%	703
2017	31,779,976	3,958,402	-	-	267,731	36,006,109	2.1%	648
2018	29,051,333	3,086,168	-	-	247,223	32,384,724	1.9%	583
2019	26,415,000	2,213,936	-	-	226,715	28,855,651	1.7%	521
2020	23,920,000	1,591,702	400,000	942,248	206,207	27,060,157	1.6%	493
2021	21,355,000	969,469	39,645,000	-	5,295,135	67,264,604	4.0%	1,208
2022	18,715,000	347,235	39,420,000	-	4,967,960	63,450,195	3.8%	1,146
2023	15,990,000	-	45,585,000	-	4,643,139	66,218,139	3.9%	1,201
2024	13,190,000	-	67,000,000	-	4,513,631	84,703,631	5.0%	#DIV/0!

Note: All of the County's debt is a direct obligation of the County; the County has no overlapping debt.

Debt is net of premiums and discounts

(1) Source - Census.gov; U.S. Department of Commerce, Bureau of Economic Analysis; Commencing 2008, data for Campbell County is combined with Lynchburg City. Separate data is no longer available.

Personal income was last updated for calendar year 2008.

(2) Lease revenue bonds are backed by lease agreements as ratified by the bond documents.

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

Fiscal Year	Net General Bonded Debt					Percentage of Actual Value of Taxable Property (2)	Total Net General Bonded Debt Per Capita (1)
	General Obligation Bonds	Literary Fund Loans	Bond Anticipation Note	Bond Premiums	Total		
2015	\$ 35,108,439	\$ 5,702,869	\$ -	\$ 308,747	\$ 41,120,055	0.80%	\$ 727
2016	34,645,283	4,830,635	-	288,239	39,764,157	0.77%	703
2017	31,779,976	3,958,402	-	267,731	36,006,109	0.68%	648
2018	29,051,333	3,086,168	-	247,223	32,384,724	0.60%	583
2019	26,415,000	2,213,936	-	226,715	28,855,651	0.53%	521
2020	23,920,000	1,591,702	942,248	206,207	26,660,157	0.46%	486
2021	21,355,000	969,469	-	185,699	22,510,168	0.38%	393
2022	18,715,000	347,235	-	165,191	19,227,426	0.32%	345
2023	15,990,000	-	-	144,683	16,134,683	0.25%	290
2024	13,190,000	-	-	124,175	13,314,175	0.18%	239

(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 and Literary Fund Loans; excludes leases and compensated absences. Debt is net of premiums and discounts.

Principal Employers

Employer	2024	Rank
	Industry	
Babcock & Wilcox Nuclear	Nuclear	1
Campbell County Schools	Education	2
Abbott Laboratories	Pharmaceuticals	3
Campbell County	Government	4
BGF Industries	Fiberglass Textile Manufacturing	5
Moore's Electrical & Mechanical	Electric/Mechanical Services	6
Wal Mart	General Merchandise	7
Food Lion	Grocery	8
Foster Fuels	Fuel Distribution	9
YMCA Inc Altavista Area	Fitness/Health/Education	10
The Babcox & Wilcox Co	Nuclear	11
Schrader-Bridgeport Intl Inc.	Electrical Manufacturing	12
Thompson Trucking Inc	Transportation	13
Standard Insurance Co	Insurance	14
Sonny Merryman Inc	Truck/Bus Sales	15
Harvest Outreach Center	Mental Health Services	16
Care Advantage	Healthcare	17
Georgia Pacific Wood Products	Wood Product Manufacturing	18
Autumn Care of Altavista LLC	Nursing/Residential Care	19
Liberty Ridge Health and Rehabilitation Center	Nursing/Residential Care	20

Source: Virginia Employment Commission, Economic Information Analytics,
Quarterly Census of Employment and Wages (QCEW), 2nd Quarter 2024

Demographic and Economic Statistics
Last Ten Calendar Years

Calendar Year	Population (1)	Personal Income (in thousands) (2)	Per Capita Income (3)	School Enrollment(4)	Unemployment Rate (5)
2014	56,232	\$ 4,721,107	\$ 23,801	8,138	5.30%
2015	56,167	4,804,431	24,192	7,939	4.80%
2016	55,562	4,812,824	25,219	8,020	4.40%
2017	55,503	4,962,495	26,417	7,895	4.20%
2018	55,137	5,161,257	27,842	7,891	3.40%
2019	54,885	5,285,450	27,739	7,921	3.10%
2020	55,693	n/a*	28,173	7,787	5.90%
2021	55,682	n/a*	29,143	7,854	3.80%
2022	55,955	n/a*	31,877	7,873	3.10%
2023	55,270	n/a*	not yet available	7,896	3.30%
2024				7,777	

(1) Population is based on American Community Survey 2023: ACS 1-year Supplemental Estimates. Retrieved from data.census.gov.
(2) Source - U.S. Department of Commerce, Bureau of Economic Analysis; Commencing 2008, data for Campbell County is combined with Lynchburg City. *Separate data is no longer available. Campbell + Lynchburg MSA data provided.
(3) Source - Chmura JobsEQ Economics and Analytics Database.
(4) Source - Virginia Department of Education - Fall Membership (Student Enrollment on Sept 30th).
(5) Source - Virginia Works, Economic Information & Analytics, Local Area Unemployment Statistics. Retrieved from Community Profile (VLMI).

* Updated information not available

Full-Time Equivalent County Government Employees By Function
Last Ten Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Primary Government										
Function:										
General government	52	52	46	42	37	42	41	43	41	47
Judicial administration	21	22	22	22	22	23	22	22	22	22
Public safety - No. Includes Sheriff's Office	122	123	128	142	144	144	154	155	161	147
Public works	26	26	25	25	24	24	24	25	27	25
Health and welfare	78	79	69	78	79	80	90	88	87	79
Culture and recreation	22	22	19	18	20	16	21	20	21	22
Community development	12	12	12	11	12	13	10	10	10	11
Totals	<u>333</u>	<u>336</u>	<u>321</u>	<u>338</u>	<u>338</u>	<u>342</u>	<u>362</u>	<u>363</u>	<u>369</u>	<u>353</u>
Component Unit - School Board										
Function:										
Education - full and part-time	<u>1,232</u>	<u>1,234</u>	<u>1,238</u>	<u>1,320</u>	<u>1,331</u>	<u>1,312</u>	<u>1,295</u>	<u>1,342</u>	<u>1,376</u>	<u>1,377</u>

Operating Indicators By Function
Last Ten Fiscal Years

Function	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Public safety										
Sheriffs department:										
Physical arrests	3,673	2,652	3,188	3,936	3,532	2,502	2,622	1,784	1,703	1,652
Parking violations	20	18	13	12	25	10	15	3	3	3
Traffic violations	1,058	1,097	933	1,063	874	1,531	1,824	1,350	956	1,086
Court security manhours worked *	6,482	6,562	9,455	10,489	11,787	8,953	10,681	11,536	12,768	12,580
Prisoner transports	348	363	444	297	246	156	165	128	104	261
Code enforcement violations	48	51	60	80	59	47	50	101	152	71
DUIs	105	54	57	44	36	63	68	41	36	35
Culture and recreation										
Parks and recreation attendees/participants:										
Youth sports participants	2,535	2,506	2,570	2,180	2,370	1,753	1,787	1,972	2,054	1,126
Dance and crafts - youth and adult	398	194	75	178	50	16	15	10	48	25
Trips	-	-	-	-	-	-	-	-	-	-
Senior centers	989	380	289	218	264	275	282	300	149	179
Playground programs	-	-	-	-	-	-	-	-	-	-
Registered special events	504	575	762	842	642	430	466	*	383	517
Open special events	2,519	1,700	1,600	1,387	1,279	1,222	1,252	*	4,272	240
Cooperative events	4,370	4,327	12,548	11,672	13,687	7,038	7,993	27,102	1,520	1,187
Ticket sales	2,340	2,765	2,692	1,839	1,045	657	722	839	585	332
Library:										
Volumes and eCollections *	160,990	153,837	219,068	282,957	260,036	136,767	136,752	130,959	129,963	131,505
Total volumes borrowed	267,089	178,605	218,217	222,184	217,134	180,322	196,872	224,078	239,370	204,897
Number of borrowers	17,178	19,065	21,534	22,430	19,359	19,655	19,931	21,332	20,962	18,976
Number of new borrowers added	7,236	3,086	2,478	2,397	2,060	1,737	1,042	2,004	1,739	2,244
Family and children's programs attendance	6,914	9,065	11,829	8,451	17,722	9,050	6,218	12,029	4,253	4,935
Public computer usage	40,439	33,620	27,477	29,783	29,645	20,828	13,802	15,562	13,370	13,483
Library visits	205,251	198,195	231,189	222,634	220,331	165,248	121,530	140,156	153,115	168,407
Number of family and childrens programs	748	2,869	449	288	251	258	101	193	156	392
Adult and teen program attendance	3,768	3,768	1,614	2,200	1,685	1,663	940	1,518	1,204	481
Component Unit - School Board										
Education:										
Actual school enrollment	7,786	7,656	7,671	7,632	7,602	7,574	7,431	7,445	7,427	7,896

Source: Library, Recreation & Parks and Sheriff's annual report to the Board of Supervisors

* These events were moved to Library

Capital Asset Statistics By Function
Last Ten Fiscal Years

Function	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Public safety - insured vehicles										
Law enforcement vehicles	86	81	82	82	98	98	100	107	107	115
Other public safety	18	19	19	19	21	21	19	20	21	26
Public works										
Vehicles	14	13	13	13	13	13	13	10	13	16
Health and welfare										
Vehicles	28	28	28	28	28	28	29	29	28	25
Parks, recreation and cultural										
Vehicles	7	7	7	7	7	7	7	9	8	9
Other										
Vehicles	8	11	11	11	11	11	11	11	10	12
Total Vehicles	161	159	160	160	178	178	179	186	187	203



ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Campbell, Virginia, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the County of Campbell, Virginia's basic financial statements, and have issued our report thereon dated December 9, 2024. Our report includes a reference to other auditors who audited the financial statements of the Component Unit School Board, as described in our report on the County of Campbell, Virginia's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control over Financial Reporting

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

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

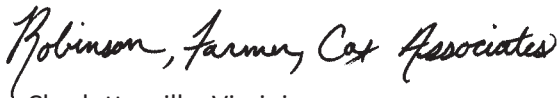
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Report on Compliance and Other Matters

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

Purpose of This Report

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



Charlottesville, Virginia
December 9, 2024



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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited County of Campbell, Virginia's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of County of Campbell, Virginia, Virginia's major federal programs for the year ended June 30, 2024. County of Campbell, Virginia's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, County of Campbell, Virginia complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of County of Campbell, Virginia and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of County of Campbell, Virginia's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

Report on Internal Control over Compliance: (Continued)

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

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Robinson, Farmer, Cox Associates

Charlottesville, Virginia
December 9, 2024

COUNTY OF CAMPBELL, VIRGINIA

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

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures	Provided to Subrecipients
Department of Health and Human Services:				
Pass Through Payments:				
Virginia Department of Social Services:				
Title VI-E Prevention Services	93.472	1140124/1140123	\$ 10,641	\$ -
Guardianship Assistance	93.090	1110123/1110124	742	-
MaryLee Allen Promoting Safe and Stable Families	93.556	0950122/0950123/0960123	32,750	-
Temporary Assistance for Needy Families (TANF)	93.558	0400123/0400124	495,469	-
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	93.566	0500124/0500123	2,317	-
Low-Income Home Energy Assistance Program	93.568	0600423/0600424	117,546	-
Child Care and Development Fund Cluster:				
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	0760123/0760124	111,761	-
Chafee Education and Training Vouchers Program	93.599	9160122	5,360	-
Adoption and Legal Guardianship Incentive Payments	93.603	1130122/1130120	3,312	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	0900123/0900122	462	-
Foster Care - Title IV-E	93.658	1100123/1100124	428,408	-
Adoption Assistance	93.659	1120123/1120124	1,143,725	-
Social Services Block Grant	93.667	1000123/1000124	519,220	-
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	9150123/9150122	10,897	-
Elder Abuse Prevention Interventions Program	93.747	8000221	9,294	-
Children's Health Insurance Program	93.767	0540123/0540124	9,124	-
Medicaid Cluster:				
Medical Assistance Program (Medicaid, Title XIX)	93.778	1200123/1200124	816,811	-
Total Department of Health and Human Services			\$ 3,717,839	\$ -
Department of Homeland Security:				
Pass Through Payments:				
Department of Emergency Management:				
Emergency Management Performance Grants	97.042	120355	\$ 27,610	\$ -
Total Department of Homeland Security			\$ 27,610	\$ -
Department of Agriculture:				
Pass Through Payments:				
Virginia Department of Agriculture and Consumer Services:				
Child Nutrition Cluster:				
School Breakfast Program	10.553	202321N11994 1/202421N11994 1	\$ 1,303,442	\$ -
National School Lunch Program - Food distribution	10.555	202322N89034 1/202221N11994 1/202421N11994 1	279,085	-
National School Lunch Program	10.555	202322N89034 1/202221N11994 1/202421N11994 1	3,014,797	-
Subtotal ALN 10.555			4,597,324	-
Summer Food Service Program for Children	10.559	202321N11994 1	149,102	-
Subtotal Child Nutrition Cluster			4,746,426	-
Virginia Department of Social Services:				
COVID-19 Pandemic EBT Administrative Costs	10.649	202222S900941	6,180	-
SNAP Cluster:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	0040123/0040124/0010123/0010124	1,064,403	-
Total Department of Agriculture			\$ 5,817,009	\$ -
Department of Justice:				
Direct Payments:				
Equitable Sharing Program	16.922		\$ 79,776	\$ -
Bulletproof Vest Partnership Program	16.607		3,626	-
Pass Through Payments:				
Virginia Department of Criminal Justice Service:				
Violence Against Women Formula Grants	16.588	15JOVW22GG00455STOP	32,243	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	20MUBX0035	16,844	-
Crime Victim Assistance	16.575	15POVC22GG00681ASSI	140,689	-
Total Department of Justice			\$ 273,178	\$ -

COUNTY OF CAMPBELL, VIRGINIA

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

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures	Provided to Subrecipients
Department of Treasury:				
Pass Through Payments:				
Virginia Department of Education:				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	SLFRP1026	\$ 17,085	\$ -
Virginia Department of Social Services:				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	9122222	68,448	-
Virginia Department of Housing and Community Development				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	Unknown	77,469	-
Virginia Department of Accounts:				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	Unknown	1,696,346	-
Subtotal ALN 21.027			\$ 1,859,348	\$ -
Total Department of Treasury			\$ 1,859,348	\$ -
Department of Transportation:				
Pass Through Payments:				
Virginia Department of Motor Vehicles:				
Highway Safety Cluster:				
State and Community Highway Safety	20.600	FOP-2023-51226/FOP-2022-52148	\$ 14,611	\$ -
Alcohol Open Container Requirements	20.607	154AL-2023-51225/154AL 2022-52153	12,608	-
Total Department of Transportation			\$ 27,219	\$ -
Department of Housing and Urban Development:				
Pass Through Payments:				
Virginia Department of Housing and Urban Development:				
Housing Voucher Cluster:				
Section 8 Housing Choice Vouchers	14.871	Unknown	\$ 63,680	\$ -
Total Department of Housing and Urban Development			\$ 63,680	\$ -
Department of Education:				
Pass Through Payments:				
Virginia Department of Education:				
Title I: Grants to Local Educational Agencies	84.010	S010A220046/S010A230046	\$ 1,530,069	\$ -
Career and Technical Education - Basic Grants to States	84.048	V048A220046	124,842	-
Special Education Cluster:				
Title VI-B: Special Education - Grants to States	84.027	H027A210107/H027A220107/H027A230107	1,984,891	-
Title VI-B: Special Education Preschool Grants	84.173	H173A220112/H173A210112/H173A230112	49,710	-
Subtotal Special Education Cluster			\$ 2,034,601	\$ -
Student Support and Academic Enrichment Program	84.424	S424A220048	116,206	-
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	84.367	S367A220044/S367A230044	242,618	-
School Based Mental Health Services Grant Program	84.184H	Unknown	706,758	-
English Language Acquisition State Grants	84.365	S365A230046/S365A220046	30,159	-
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425D	S425D210008	186,289	-
COVID-19 - ARP Elementary and Secondary School Emergency Relief Fund	84.425U	S425U210008	2,589,811	-
Subtotal ALN 84.425			\$ 2,776,100	\$ -
Total Department of Education			\$ 7,561,353	\$ -
Total Expenditures of Federal Awards			\$ 19,347,236	\$ -

COUNTY OF CAMPBELL, VIRGINIA

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

Note 1 - Basis of Presentation

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

Note 2 - Basis of Accounting

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

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

Note 3 - Food Commodities

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

Note 4 - Indirect Cost Rate

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

Note 5 - Relationship to Financial Statements

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

Intergovernmental federal revenues per the basic financial statements:

Primary government:

General Fund	\$	<u>5,576,327</u>
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Capital Projects Funds:

County Capital Projects Fund		<u>1,439,865</u>
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Parks Construction Fund

Total primary government	\$	<u>7,016,192</u>
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Component Unit School Board:

School Operating Fund	\$	<u>7,578,438</u>
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School Cafeteria Fund		<u>4,752,606</u>
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Total Component Unit School Board	\$	<u>12,331,044</u>
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Total federal expenditures per basic financial statements	\$	<u>19,347,236</u>
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Total federal expenditures per the Schedule of Expenditures of Federal Awards	\$	<u><u>19,347,236</u></u>
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Note 6 - Loan Balances

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

COUNTY OF CAMPBELL, VIRGINIA

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

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant Deficiency(ies) identified?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant Deficiency(ies) identified?	None reported
Type of auditors' report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with CFR section 200.516(a)	No

Identification of major programs:

CFDA #	Name of Federal Program or Cluster
	Child Nutrition Cluster:
10.553	National School Breakfast Program
10.555	National School Lunch Program
10.555	National School Lunch Program - Food distribution
10.559	Summer Food Service Program for Children
93.558	Temporary Assistance to Needy Families
93.659	Adoption Assistance
21.027	COVID-19 Coronavirus State and Local Fiscal Recovery

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

Section II - Financial Statement Findings

There are no financial statement findings to report.

Section III - Federal Award Findings and Questioned Costs

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

Section IV - Prior Year Findings

There are no prior year findings to report.