



# County of Augusta, Virginia

Annual Comprehensive Financial Report  
For the Fiscal Year Ended: June 30, 2025

**COUNTY OF AUGUSTA, VIRGINIA**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**FOR FISCAL YEAR ENDED JUNE 30, 2025**



Prepared by  
Misty Cook, Director of Finance  
Augusta County, Virginia

**COUNTY OF AUGUSTA, VIRGINIA**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**Fiscal Year Ended June 30, 2025**

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## **INTRODUCTORY SECTION**



**COUNTY OF AUGUSTA**

*Finance Department*

18 Government Center Lane \* PO Box 590

Verona, VA 24482-0590

Phone: 540-245-5741 \* Fax: 540-245-5742

April 16, 2026

***To the Honorable Board of Supervisors and Citizens of the County of Augusta, Virginia:***

The annual comprehensive financial report of the County of Augusta for the year ended June 30, 2025, is hereby submitted as mandated by both local ordinances and state statutes. These ordinances and statutes require the County of Augusta issue annually a report on its financial position and activity, and this report be audited by an independent firm of certified public accountants.

Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with management. Therefore, management of the County of Augusta is responsible for establishing and maintaining internal controls to ensure the protection of the County's assets. In developing and evaluating the County of Augusta's accounting system, consideration is given to the adequacy of internal accounting controls. Internal 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: (1) the costs of control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner that presents fairly the financial position and results of operations of the various funds, activities and component unit of the County of Augusta. All disclosures necessary to enable the reader to gain an understanding of the County of Augusta's activities have been included.

The accounting firm of PBMares, LLP, Certified Public Accountants, have audited the County's financial statements. The goal of the independent audit is to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used, and evaluating the overall financial statement presentation. This audit was conducted using guidelines set forth by *Government Auditing Standards* and the *Specifications for Audits of Counties, Cities and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Based upon this audit, the independent auditor concluded there was a reasonable basis for rendering an unmodified ("clean") opinion that the County's financial statements for the fiscal year ended June 30, 2025, are fairly presented in conformity with generally accepted accounting principles (GAAP). The independent auditor's report is presented as the first component of the financial section of this report.

In addition to meeting requirements set forth by state statutes, the independent audit was also designed to meet the requirements of the federal Single Audit Act of 1984, as amended in 1997, to meet the special needs of federal grantor agencies. As a part of the County's single audit, tests are made to determine the adequacy of the system of internal control, including that portion related to federal financial assistance programs, as well as to determine the government has complied with applicable laws and regulations.

The financial reporting entity (*the government*) includes all funds of the primary government (*i.e., the County of Augusta as legally defined*), as well as its component unit. The government provides a full range of services including police and fire protection; sanitation services; recreational activities; cultural events; and welfare services.

Component units are legally separate entities for which the primary government is financially accountable. Discretely presented component units are reported in a separate column in the combined financial statements to emphasize they are legally separate from the primary government and to differentiate their financial position, results of operations and cash flows from those of the primary government. The discretely presented component unit included in this report is the Augusta County School Board. The financial statements for Augusta Water (formerly known as the Augusta County Service Authority), Middle River Regional Jail Authority and the Economic Development Authority of Augusta County, Virginia are not included in the County report as these organizations do not create a financial benefit and/or burden on the County and are administered by independent boards separate from the Augusta County Board of Supervisors.

Generally accepted accounting principles require management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a 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 Augusta's MD&A can be found immediately following the report of the independent auditors.

### □ **The Reporting Entity and Economic Outlook** □

The County of Augusta was formed in 1738 and named for Augusta, Princess of Wales and the mother of King George, III. The original western boundary of the County was the western edge of Virginia, which at that time was the Mississippi River. The present boundaries of the county were set in 1790. Situated in the Shenandoah Valley of Virginia, the County of Augusta is at the juncture of Interstates 64 and 81, and the headwaters of the James River and the Potomac River basins. It is 150 miles southwest of the nation's capital, Washington, D.C., 100 miles west of the state capital, Richmond, and 85 miles north of the City of Roanoke. Within the boundaries of the County of Augusta are the independent cities of Staunton, founded in 1747, and Waynesboro, founded in 1801. The County of Augusta is a political subdivision of the Commonwealth of Virginia administered by a seven-member board elected by magisterial district for four-year staggered terms. The Board of Supervisors elects one of its own to serve as Chairman and selects a County Administrator to oversee the general administration of the County of Augusta.

Although primarily a rural county, Augusta County's 2025 population is estimated at 78,622. Augusta County enjoys a diversified economy, with manufacturing accounting for approximately 22% of the jobs in the County. Manufacturing employs approximately 6,750 of 38,284 workers in the County's labor force and makes up approximately 2.14% of the total local property taxes. Agriculture is a large portion of the overall economy of the County. According to the 2022(most current available) U.S. Census of Agriculture, Augusta County is ranked 2nd in the state and 251st in the U.S. for total market value of agricultural products sold (\$448 Million) with 1,460 farms totaling 243,974 acres. Also, from the census, Augusta County is ranked 2nd in the state for the following commodities; cattle and calves, poultry and eggs. These commodities produced overflows into many other industries of the County; including farm equipment manufacturers and dealers, transportation, energy, retail, and the ever-growing agritourism business. The unemployment rate for the County increased from 2.8% in 2024 to 3.3% in 2025. The County's rate remains lower than that of the State's unemployment rate of 3.9% and compares favorably to the national unemployment rate of 4.4%.

Augusta County Economic Development Incentives, or tax abatements, are offered to Companies that locate or expand their operations in the County, allowing for job creation, infrastructure improvements, and an increase in the County's tax base. The County recoups grant matches and infrastructure improvement costs through increased taxes paid by Companies after the expansion or growth in an area near the infrastructure improvement. The benefit of having such a program in the County is that incentives make an area more desirable to companies looking to relocate and encourage existing companies to expand within the County. Continued growth in the County spurs economic development and increases the tax base from which the County draw resources to pay for services provided to its citizens. The County as a whole benefit from new development that will add activity, residents and jobs. Current abatements are for existing industry expansion and infrastructure improvements, including the water tank at Mill Place and the Route 636 corridor.

In fiscal year 2025, local revenues increased by 7.8%. The main contributors to this increase were real estate property taxes, and public service corporations' taxes. Both of these taxes increased due to the reassessment that was effective January 1, 2024. Reassessment is the process by which the assessed value of real estate property is revised to reflect fair market value. The last reassessment was effective January 1, 2019. The results of the most current reassessment resulted in a jump in home valuations that aligned the County with the national and regional trends for home prices, national prices were up 45% since March 2020. The reassessment resulted in a decrease in the real estate tax rate from \$0.63 per \$100 to \$0.52 per \$100 for calendar year 2024. While the rate did decrease the increase in assessed value on real estate resulted in an increase in revenue. This change in reassessment resulted in a 7.2% increase in property tax revenue for Fiscal Year 2024 due to the first half of taxes being due in June. The second half was paid in December and is reflected in Fiscal Year 2025 revenues.

Sales and use tax revenue increased by approximately 1% over the prior year. This is a change over the 1.5% decrease reported in Fiscal Year 2024. Overall, the revenue remained strong which would indicate strong consumer spending but it appears this revenue is starting to level out from previous year increases. The total taxable sales for Augusta County as reported by the Virginia Department of Taxation, increased by approximately 2.3% over the prior year.

Personal property taxes are due in December 2025 and Business License tax is due in March 2026, both of which are important to the overall tax base. Personal Property taxes increased slightly when compared to the prior year. Overall, there was a 1.7%, or \$361,027 increase in personal property tax revenue over last year. Business License taxes were up by \$205,890 or 3.5% when compared to prior year. This tax is based on the business' gross receipt (revenue before deductions) and occupations are separated by classes and each pay different rates.

### □ Major Initiatives and Goals □

The mission statement of the County of Augusta Board of Supervisors is as follows:

“The government of Augusta County exists to provide the citizens of the County with essential services which will address their individual and collective well-being. In partnership with the community of residents, the government of Augusta County pledges civic stewardship that is fiscally accountable, socially responsive, and worthy of the citizen's trust.”

On November 8, 2022, Augusta County Voters decided by referendum that the new courthouse will be constructed in Verona, VA near the Government Center. Since that time the County has been working with Moseley Architects on the design and site plan for the new courthouse. A construction management contract was issued to Skanska Construction in Fiscal Year 2023 in the amount of \$1,497,234 to provide onsite staff and management of the courthouse construction. A contract was issued to Branch Builds in Fiscal Year 2024 for approximately \$62 million for the construction of the courthouse. An official groundbreaking was held in March 2024. In May 2024 the County borrowed the first tranche of funds needed to fund this project totaling approximately \$40 million. A second tranche was issued in May of 2025. This project will reach substantial completion in 2026 and be open for business shortly after.

During Fiscal Year 2025, the County continued its partnership with All Points Broadband, on a Regional Broadband Project. This project's goal is to provide fiber-to-the-home internet access to underserved areas of the County. The total grant award is \$95.3 million through the Virginia Telecommunications Initiative (VATI) program. This grant will enable the construction of a fiber-to-the-home broadband network that will provide internet access to approximately 40,000 underserved locations across the eight counties who are participating in the partnership. The VATI grant will be leveraged with a combined \$59.3 million in matching funds from participating counties, which will be sourced primarily from the local share of American Rescue Plan Act ("ARPA") infrastructure funding. Augusta's project consists of over 6,000 serviceable units to be passed and over 700 miles of fiber (including utility middle mile). The County has contributed \$8.4 million dollars to this project-dedicated from American Rescue Plan Act (ARPA) Funds. Last-mile construction (connectivity to the individual homes) continued in FY2025.

The County Continues to work towards implementing new software technology within several departments. In Fiscal Year 2023 the County entered into a contract with Tyler Technologies to convert from its current software provider. This project has four phases, Finance, Human Resources, Community Development and Facilities Management. The first phase began in June 2023 with the Finance department and the software officially went live at the beginning of Fiscal Year 2025. Work continues to convert the Human Resources with a scheduled to go live in January 2026. Community development continues to work through their implementation with a go live date yet to be determined. Facilities Management implementation will follow at a later date to be determined. Funding for this project will come from Capital reserves and the annual support costs will be absorbed into the County operating budget annually.

## □ **Financial Information** □

### **Financial Planning**

As demonstrated by the statements and schedules included in the financial section of this report, the County continues to meet its responsibility for sound financial management. The County has established a Fund Balance policy to maintain an unassigned General Fund balance of no less than two months of General Fund expenditures. Unassigned General Fund balance would provide the County with financial resources to address unforeseen revenue fluctuations, unanticipated expenditures and emergencies, which result in unanticipated budgetary shortfalls. As of June 30, 2025, the County has more than two months of General Fund operating expenditures by \$4,183,556. However, the County recognizes its obligation to the Debt Service Fund and Virginia Public Assistance. When those obligations are considered in conjunction with the fund balance policy requirements the County has less than the required two months of General Fund operating expenditures by \$4,106,151. The County will consider this requirement as it reviews the fund balance policy and prepares for the fiscal year 2026 revised budget.

### **Capital Improvement Plan**

The Capital Improvement Plan provides a systematic approach to planning and financing capital improvements including future capital facility needs, correlating projects to community goals and growth, eliminating poorly planned expenditures, encouraging cooperation with other governmental units, and facilitation of private sector improvements consistent with the County Comprehensive Plan. As part of the budget process each year the County Administrator proposes a capital improvements plan. Each year, based on the availability of funds and specific general operating revenues, amounts are budgeted as a transfer from the general operating budget to the Capital Improvement Fund. These transfers may vary year to year depending on the anticipation or demand of new projects, the availability of revenues in the General Fund, and year end fund balance surpluses. The County Capital Improvements Fund includes balances assigned to depreciation accounts for future capital replacement costs for fire apparatus, emergency communications equipment, information technology, vehicle replacements, and building capital improvements. It also includes balances assigned to develop and maintain County parks and recreational facilities, infrastructure improvements and economic development initiatives, renovations and improvements to County buildings, and fund support for local organizations capital improvements, such as Blue Ridge Community College and Shenandoah Valley Regional Airport Commission. The Capital Improvement Plan is based on a five-year outlook of replacement costs and needs. It anticipates future replacement costs by incorporating an inflationary factor into the original purchase cost and allocating that amount over the life of the capital asset. The Capital Improvement Plan has enabled the County to afford needed projects without bonding the cost. At June 30, 2025, the County had a number of debt issues outstanding related to school construction. These issues totaled \$94,930,274 in general obligation bonds. At June 30, 2025, the County also had revenue bonds totaling \$67,323,342 for construction of a gravity sewage system, a roadway and bridge construction, and two new bonds issued for the construction of the County Courthouse.

### **Cash Management**

Cash temporarily idle during the year was invested in demand deposits, money market funds, U.S. Agency Securities, Corporate Debt, and municipal bonds. The yield on investments ranged from .5% to 5.05%. LGIP interest rates have stayed fairly consistent with a range of rates of at the lowest of 4.3% to the highest of 5.4%. The County continues to carry a balance in a money market account that ended in June 2025 at an interest rate of 4.30%. Interest rates on checking started at a rate of 5.25% in July 2024 and ended at 4.25% in June 2025. All County deposits are insured by either federal depository insurance or the Virginia Security for Public Deposits Act.


### **□ Awards and Acknowledgements □**

The Government Finance Officers Association of the United States (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County of Augusta, Virginia for its annual comprehensive financial report for the fiscal year ended June 30, 2024. This is the twenty-seventh consecutive year the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the County must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

We would like to express our appreciation to all members of the staff who assisted and contributed to the preparation of this report. The preparation of this report would not have been accomplished without their efficient and dedicated services.

Also, without the leadership and support of the Board of Supervisors, preparation of this report would not have been possible.

Sincerely,

A handwritten signature in black ink that reads "Misty Cook". The letters are cursive and fluid, with a large initial 'M' and a long, sweeping underline for the 'o' in 'Cook'.

Misty Cook  
Director of Finance



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Augusta County  
Virginia**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

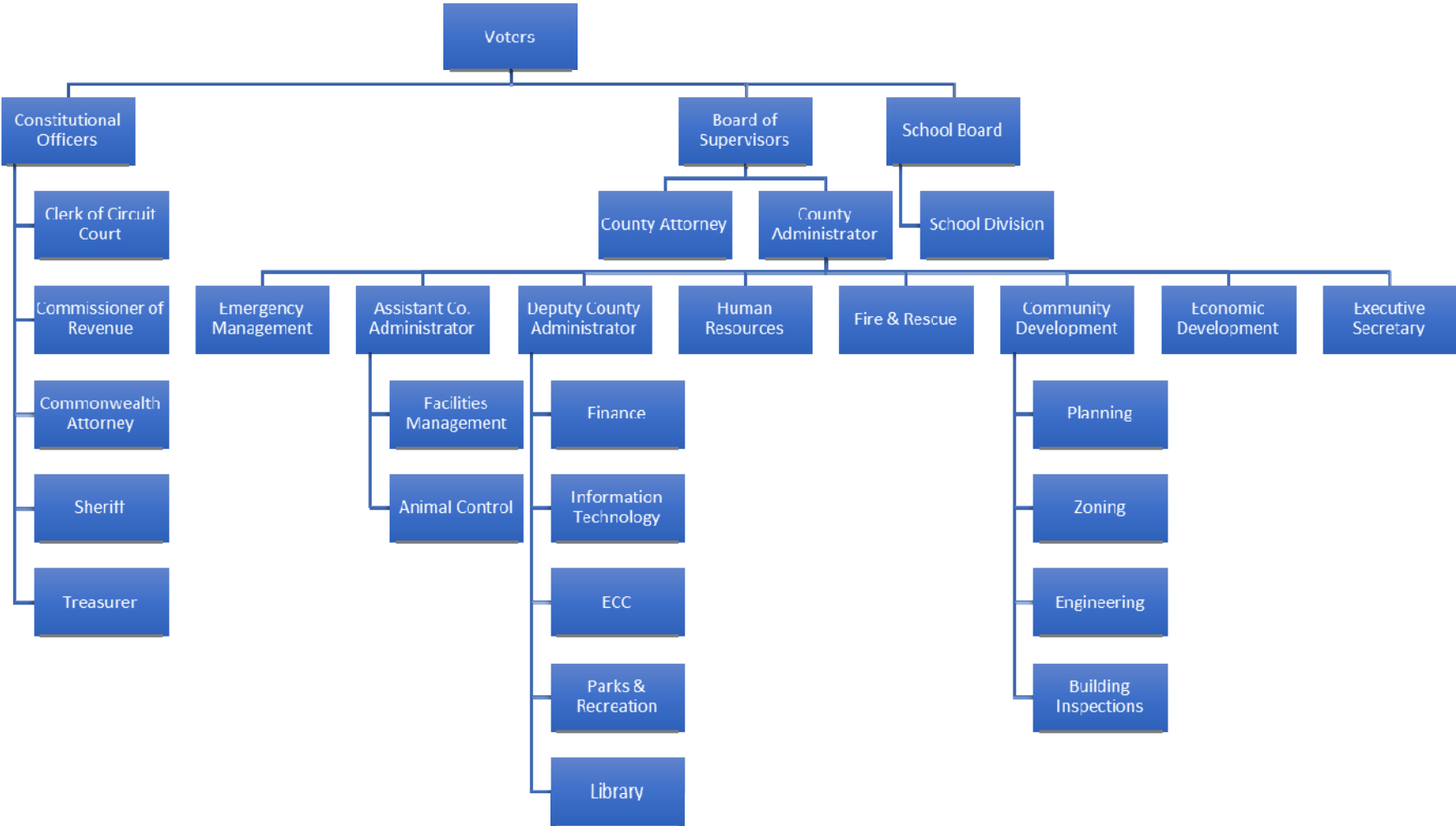
June 30, 2024

*Christopher P. Morrill*

Executive Director/CEO

COUNTY OF AUGUSTA, VIRGINIA

ORGANIZATIONAL CHART



## COUNTY OF AUGUSTA, VIRGINIA

### LIST OF ELECTED AND APPOINTED OFFICIALS

#### Board of Supervisors

Jeffrey A. Slaven, Chairman  
Pamela L. Carter, Vice-Chairman

Scott Seaton  
Michael L. Shull  
G.L. "Butch" Wells

Carolyn Bragg  
Gerald W. Garber  
Timothy K. Fitzgerald, Clerk

#### County School Board

David R. Shiflett, Chairman  
Tim Z. Swortzel, Vice-Chairman

Sharon F. Griffin  
Timothy M. Simmons  
John M. Ward

Donna H. Wells  
Michael J. Lawson  
Miranda Ball, Clerk

#### Other Officials

Judges of the Circuit Court	Hon. Joel R. Branscom (Chief Judge), Hon. Paul A. Dryer, Hon. Christopher B Russell, Hon. Shannon T. Sherrill, Hon. Anne F. Reed, Hon. Edward K. Stein, and Hon. Sean Calvin Workowski
Judges of the General District Court	Hon. Christopher M. Billias (Chief Judge), Hon. David Browning Spigle, Hon. Robin J. Mayer, and Hon. Rupen Shah
Judges of the Juvenile & Domestic Court	Hon. Linda S. Jones (Chief Judge), Hon. Robert C. Hagan Jr., Hon. Susan B. Read, Hon Correy R. Smith., Hon. Lethia C. Hammond
Clerk of the General District Court	Amy Helmick
Clerk of the Juvenile & Domestic Court	Callie K. Bailey
Clerk of the Circuit Court	R. Steven Landes
Commonwealth Attorney	Timothy Martin
Commissioner of the Revenue	George Price
Treasurer	David Bourne
Sheriff	Donald Smith
Superintendent of Schools	Dr. Eric Bond
Director of Augusta County Service Authority	Phil Martin
Director of Social Services	Sherry McClanahan
General Registrar	Constance Evans
Chief Building Inspector	Ernie Sadler
Director of Community Development	Doug Wolfe
Director of Economic Development & Marketing	Rebekah Castle
Director of Information Technology	Jacquelyn A. Zetwick
Director of Parks and Recreation	Andy Wells
Director of Emergency Operation Center	Amanda Irvine
Chief of Fire and Rescue	Gregory Schacht
Facilities Management	Rusty Sprouse
Library Director	Jennifer Brown
Human Resources Director	Faith H. Duncan
County Attorney	Nicole Price
County Administrator	Timothy K. Fitzgerald
Deputy County Administrator	Jennifer M. Whetzel
Assistant County Administrator	Candy Hensley
Director of Finance	Misty D. Cook

## **FINANCIAL SECTION**



## INDEPENDENT AUDITOR'S REPORT

To the Honorable Members of the Board of Supervisors  
County of Augusta, 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 unit, each major fund, and the aggregate remaining fund information of the County of Augusta, Virginia (County), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

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

#### ***Basis for Opinions***

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

#### ***Emphasis of Matter***

As described in Note 29 to the financial statements, in fiscal year 2025, the County adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

#### ***Responsibilities of Management for the Financial Statements***

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the required supplementary information on pages 13-22 and 126-151, respectively, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The other supplementary information, supporting 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 GAAS. In our opinion, the other supplementary information, supporting schedules and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

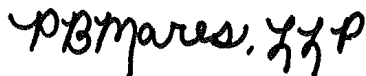
***Other Information***

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

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

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 16, 2026 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County's internal control over financial reporting and compliance.



Harrisonburg, Virginia  
April 16, 2026

## COUNTY OF AUGUSTA, VIRGINIA

### MANAGEMENT'S DISCUSSION AND ANALYSIS

The following is a narrative overview and analysis of the financial activities of the County of Augusta, Virginia for the fiscal year ended June 30, 2025. This narrative is to be read in conjunction with the additional information we have furnished in our letter of transmittal which can be found earlier in this report.

#### **Financial Highlights**

##### *Government-wide Financial Statements*

- The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$151,598,445 (net position). Of this amount, \$114,645,688 is unrestricted, or may be used to meet the government's ongoing obligations to creditors and citizens. The School Board's net position was \$20,550,623 of which \$(78,153,606) is unrestricted. (See Exhibit 1.)
- The County's total net position increased by \$61,012,884. The School Board's total net position decreased by \$24,722,777. (See Exhibit 2.)
- The primary government and School Board general revenues, charges for services, operating grants and contributions, and capital grants and contributions were \$181,495,238 and \$159,992,096, respectively, for fiscal year 2025. (See Exhibit 2.)
- Expenses were \$120,482,354 for governmental activities and \$184,714,873 for the School Board. (See Exhibit 2.)

##### *Fund Financial Statements*

- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$18,735,302, or 15.8 percent, of the total General Fund expenditures. (See Exhibit 3.) This amount includes taxes, accounts and notes receivable reflected in the fiscal year 2025 budget as well as funding for future operating and capital expenditures as appropriated.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$143,893,698, a decrease of \$3,226,068 in comparison with the prior year. The majority of this change can be attributed to the spent bond proceeds related to the courthouse project. Approximately 13 percent of this total amount, or \$18,735,302, is available for spending at the government's discretion (unassigned fund balance). (See Exhibit 3.)

#### **Overview of the Financial Statements**

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

Local government accounting and financial reporting originally focused on funds which were designed to enhance and demonstrate fiscal accountability. Now accompanied by government-wide financial statements, the objective of operational accountability is also met. These objectives provide financial statement users with both justifications from the government that public monies have been used to comply with public decisions and as to whether operating objectives have been met efficiently and effectively and can continue to be met in the future.

## *Government-wide Financial Statements*

Government-wide financial statements provide financial statement users with a general overview of County finances. The statements include all assets, deferred outflows of resources, liabilities and deferred inflows of resources using the accrual basis of accounting. All current year revenue and expenses are considered regardless of when cash is received or paid. Both the financial overview and accrual accounting factors are used in the reporting of a private-sector business. Two financial statements are used to present this information: 1) the Statement of Net Position and 2) the Statement of Activities.

The Statement of Net Position presents all of the County's permanent accounts, or assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. Deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The County includes future pension and other postemployment benefits (OPEB) expenses as deferred outflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County includes property taxes receivable and items related to pension and OPEB plans as deferred inflows of resources. Net position is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources. Increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or declining. Other non-financial factors will also need to be considered to determine the overall financial position of the County.

The Statement of Activities presents information showing how the government's net position changed during the fiscal year. The statement is focused on the gross and net cost of various government functions which are supported by general tax and other revenue. The Statement of Activities presents expenses before revenues, emphasizing that in government, revenues are generated for the express purpose of providing services rather than as an end in themselves.

The government-wide financial statements include, in addition to the primary government or County, a component unit, the Augusta County School Board. Although the component unit is a legally separate entity, the County is financially accountable for it. A primary government is financially accountable if either the government is able to impose its will on the organization or the organization is capable of imposing specific financial burdens on the primary government. For example, the primary government may approve debt issuances, rate structures and/or provide significant funding for operations of the component unit.

## *Fund Financial Statements*

The fund financial statements present only major, or significant, funds. A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. The County's funds can be divided into two categories: governmental funds and fiduciary funds.

## Governmental Funds

Governmental funds are used to account for essentially the same functions, or services, reported as governmental activities in the government-wide financial statements. Whereas the government-wide financial statements are prepared on the accrual basis of accounting, the governmental fund financial statements are prepared on the modified accrual basis of accounting. The focus of modified accrual reporting is on near-term inflows and outflows of financial resources and the balance of financial resources available at the end of the fiscal year. Since the governmental funds focus is narrower than that of the government-wide financial statements, a reconciliation between the two methods is provided on the exhibits following the governmental funds' Balance Sheet and the governmental funds' Statement of Revenues, Expenditures and Changes in Fund Balances.

## Fiduciary Funds

Fiduciary funds account for assets held by the government as a trustee or agent for another organization or individual. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes. Fiduciary funds are not reflected in the government-wide financial statement because the funds are not available to support the County's own activities. A separate Statement of Net Position and Combining Statement of Changes in Net Position is provided in the report.

## *Notes to Financial Statements*

The notes provide additional information that is needed to fully understand 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 displaying budgetary comparison schedules and the County's progress in funding its obligation to provide pension and other postemployment benefits to its employees.

The combining statements referred to earlier in connection with fiduciary funds and School Board individual fund financial statements are presented immediately following the required supplementary information.

## **Government-wide Financial Analysis**

As previously noted, net position may serve as a useful indicator of a government's financial position. For the County of Augusta, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$151,598,445 at the end of the fiscal year.

The County's net position is divided into three categories: (1) net investment in capital assets; (2) restricted; and (3) unrestricted.

**County of Augusta, Virginia**  
**Summary Statement of Net Position**  
**June 30, 2025 and 2024**

	Governmental Activities	
	2025	2024
Current and other assets	\$ 194,873,662	\$ 199,669,810
Capital assets, net	179,252,233	101,064,621
	<b>\$ 374,125,895</b>	<b>\$ 300,734,431</b>
 Deferred outflows of resources	<b>\$ 9,067,060</b>	<b>\$ 4,884,282</b>
 Long-term liabilities	\$ 198,500,137	\$ 173,281,426
Other liabilities	21,875,822	26,747,788
<b>Total liabilities</b>	<b>\$ 220,375,959</b>	<b>\$ 200,029,214</b>
 Deferred inflows of resources	<b>\$ 11,218,551</b>	<b>\$ 13,513,161</b>
 Net position:		
Net investment in capital assets	\$ 33,442,380	\$ (9,171,486)
Restricted	3,510,377	3,496,605
Unrestricted	114,645,688	97,751,219
<b>Total net position</b>	<b>\$ 151,598,445</b>	<b>\$ 92,076,338</b>

The County uses these capital assets to provide services to citizens; therefore, the assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt used to acquire those assets, 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.

Restricted net position represents 2.4 percent of total net position and are resources that are subject to external restrictions on how they may be used. The majority of restricted net position is used for capital projects, fire service, education and training, as well as, law enforcement operations to support drug education, awareness, and enforcement. The balance of unrestricted net position, which is \$114,645,688 or 76 percent of total net position, may be used to meet the government's ongoing obligations to citizens and creditors. These obligations include public safety and future construction projects.

During the current fiscal year, the government's net position increased by \$61,012,884.

Legislation requires debt issued for projects by the School Board to be assumed by the Primary Government. Therefore, the School Board is not recognizing the debt for these renovations and only recognizes a portion of the building renovations in its current capital assets.

## Governmental Activities

Governmental activities increased the County's net position by \$61,012,884. Key elements of this increase are as follows:

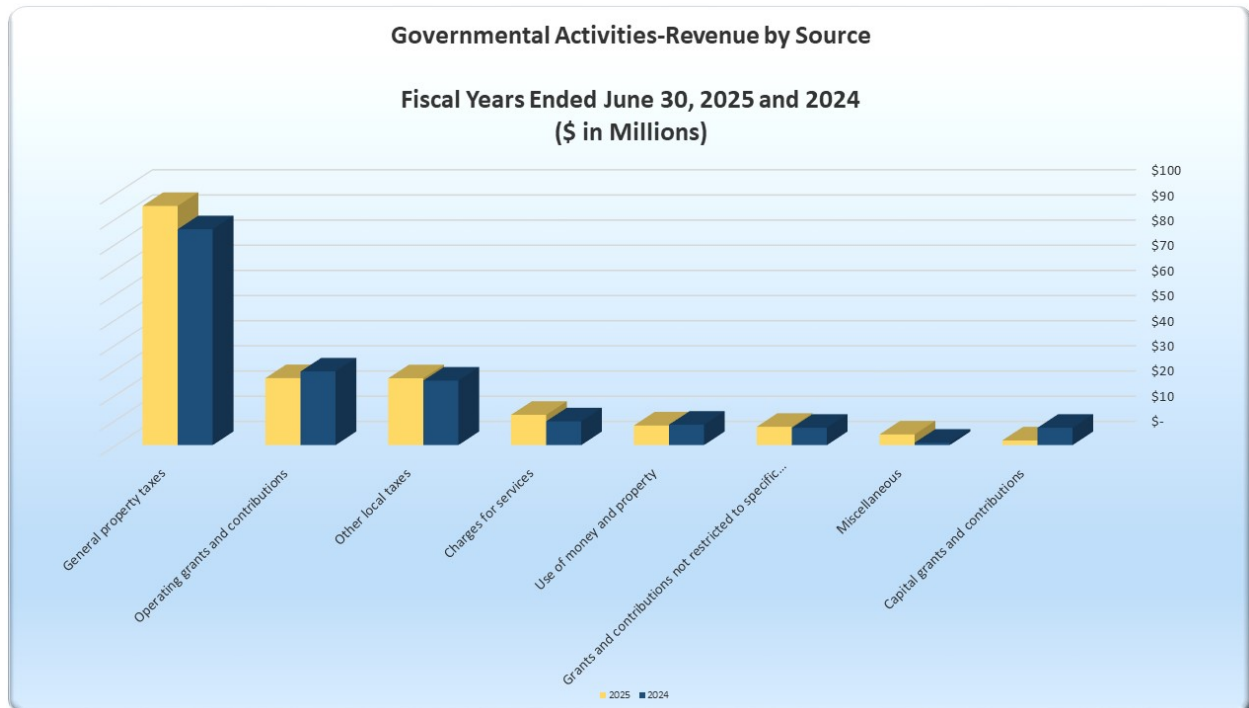
	Governmental Activities	
	2025	2024
Revenues:		
Program revenues:		
Charges for services	\$ 12,032,935	\$ 9,457,731
Operating grants and contributions	26,619,615	29,255,879
Capital grants and contributions	1,862,884	6,888,757
General revenues:		
General property taxes	95,093,254	85,816,268
Other local taxes	26,557,407	25,648,050
Use of money and property	7,793,804	8,126,648
Miscellaneous	4,253,485	956,747
Grants and contributions not restricted to specific programs	7,281,854	6,872,558
<b>Total revenues</b>	<b>181,495,238</b>	<b>173,022,638</b>
Expenses:		
General government	14,747,803	11,485,352
Judicial administration	3,285,307	3,120,986
Public safety	33,850,995	37,268,093
Public works	6,009,046	8,419,792
Health and welfare	23,671,244	21,766,939
Education	25,079,683	70,150,260
Parks, recreation and cultural	3,130,941	3,648,361
Community development	5,337,710	2,051,793
Interest on long-term debt	5,369,625	4,411,758
<b>Total expenses</b>	<b>120,482,354</b>	<b>162,323,334</b>
<b>Increase in net position</b>	<b>61,012,884</b>	<b>10,699,304</b>
Net position, beginning, as restated	<b>90,585,561</b>	81,377,034
Net position, ending	<b>\$ 151,598,445</b>	\$ 92,076,338

### Governmental Activities – Revenues

- General property taxes increased by approximately \$9,276,986 or 11%. This increase is due to growth in real estate taxes and personal property taxes. The largest part of this increase is due to real estate tax revenue, and the reassessment of fair market value on properties in the County. This updated reassessment was effective January 1, 2024. The County reassesses property every five years. The most current reassessment resulted in an increase in home valuations to better align with regional and national trends in home values. The tax rate was decreased in calendar year 2024 from \$0.63 per \$100 to \$0.52 per \$100 but due to the increase in home values the revenues increased.
- Operating grants and contributions had an decrease of \$2,636,264 over the prior year or 9 percent. This decrease is due completion of Federally funded ARPA projects.
- Miscellaneous increased \$3,296,738 or 345%, this increase was due to an increase in deferred revenues related to opioid settlement funds that will be paid out over the next ten to fifteen years. This amount was calculated based on information provided by the Virginia Opioid Abatement Authority.

- Meals tax only increased by 1 percent when compared to the prior year. While consumer spending has remained strong this increase is less than the 7 percent increase reported last fiscal year.
- Capital grants and contributions decreased \$5,025,873 or 73 percent, this decrease was due to the completion of projects that received grant contributions in the prior year. These projects completed include the Jennings Branch stream restoration and the Verona pedestrian project.

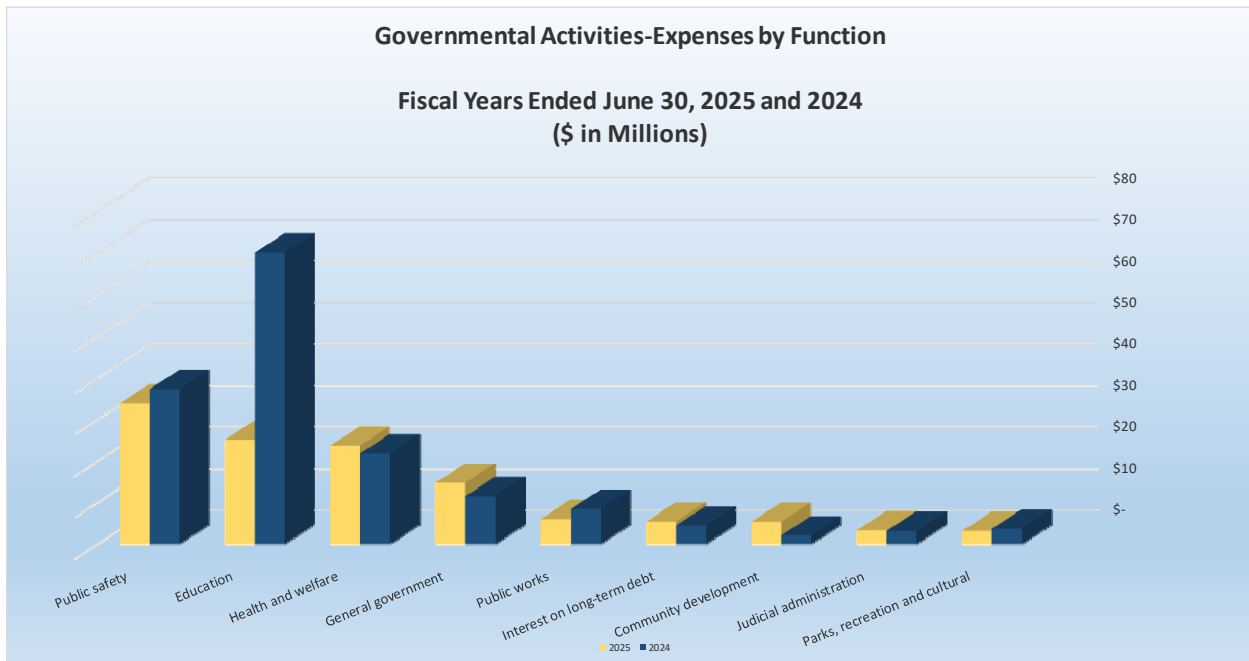
**Governmental Activities – Revenues by Source  
Years Ended June 30, 2025 and 2024**



Governmental Activities – Expenses

- Expenses allocated to education were 64 percent lower than the prior year due to a decrease in allocations for capital outlays. This is related to the two middle school projects.
- Expenses allocated to general government were \$3,262,451 higher than the prior year due to an increase in allocations for capital outlays.
- Expenses allocated to public works were 29 percent lower than the prior year due to a decrease in allocations for capital outlays as well as a decrease in equity of a joint venture.
- Expenses allocated to Public Safety were 9 percent lower than the prior year due to a decrease in capital outlay allocations.
- Expenses allocated to Parks & Recreation and Cultural were 14 percent lower than the prior year due to a decrease in allocations for capital outlays.
- Expenses allocated to interest on debt were 22 percent higher than the prior year due to the bond issuances reported related to the courthouse project.

**Governmental Activities – Expenses by Function  
Years Ended June 30, 2025 and 2024**



**Financial Analysis of the Government’s Funds**

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

*Governmental Funds*

The focus of the County’s governmental funds is to provide information on near-term inflows, outflows, and balances of financial resources. Such information is useful in assessing the County’s financing requirements. Unassigned fund balance may serve as a useful measure of a government’s net resources available for spending at the end of the fiscal year.

At the end of the fiscal year, the County’s governmental funds reported combined ending fund balances of \$143,893,698. Approximately 13 percent of this total amount constitutes unassigned fund balance, which is available for spending at the government’s discretion. The remainder of fund balance falls within the categories of nonspendable, restricted, committed, or assigned. Nonspendable fund balance totals \$310,765, which is inventories and prepaid items reported in the governmental funds, as well as land held for sale and long-term loans receivable. Restricted fund balance includes funds that have been constrained for specific purposes by sources outside the government. Restricted fund balance includes funds received from the state for fire programs, state and federal asset forfeiture funds, funds held in escrow for Augusta Regional Landfill, funds assigned for dependent care escrow, and capital projects. Committed and assigned fund balances have been constrained by the government itself, depending on the level of decision-making authority. These fund balance amounts include funds for issuing fire revolving loans, work in drug enforcement operations, EMS contributions related to EMS transport services, and capital projects. Of the capital projects, the most prominent are public safety equipment replacement and construction of the new County courthouse.

The General Fund is the chief operating fund of the County. As of June 30, 2025, total fund balance of the General Fund was \$27,802,635, of which \$18,735,302 was unassigned. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 15.8 percent of total General Fund expenditures, which includes contributions to the School Board component unit of \$49,127,458.

The fund balance of the County's General Fund increased by \$4,003,639 during the current fiscal year due to a reclassification of funds from a reserve account used to offset annual increases in employee health insurance to an assigned fund balance to be used for the same purpose. It has been the County's practice to transfer prior year-end fund balance to the County Capital Projects Fund to assist in funding the County's Capital Improvement Program, which is a mostly a pay-go model. The County continues to save for ongoing capital projects that include a regional radio system for public safety, as well as potential capital projects related to the Fire and Rescue Strategic Plan. The School Board also follows this plan and year-end fund balances, once approved by the Board, are transferred to their account in the County's Capital Improvement Fund.

Other governmental funds consist of the Virginia Public Assistance (VPA) Fund, Debt Service Fund, County Capital Improvements Fund, and School Capital Improvements Fund. As of June 30, 2025, total fund balances of these funds were \$0, \$0, \$116,025,751, and \$65,312, respectively. The VPA Fund accounts for revenues and expenditures related to welfare. The Debt Service Fund accounts for debt service payments made by the County. The County Capital Improvements Fund accounts for funds used for the acquisition or construction of major capital facilities. Significant changes in the County Capital Improvement Fund are attributable to capital projects to include the new county courthouse, the regional radio project, and regional shelter. Some of these projects are funded using capital savings.

### **General Fund Budgetary Highlights**

Differences between the original budgeted expenditure appropriations and the final amended budgeted expenditure appropriations were a \$2,624,367 increase. The majority of this difference public safety. Increased costs for goods and services as well as increases to over time both were factors in the increase. Budgeted revenues increased by \$9,187,290 in the final amended budget when compared to the original budget. The increase in budgeted revenues can be attributed to increases in public service corporation taxes, machinery and tools tax, personal property tax, as well as sales tax and interest on deposits. Public service corporation tax revenue increases are due to the reassessment of fair market values on real estate in the County. The new assessed values were effective January 1, 2024. Personal property tax revenue has continued to remain strong due to the ongoing effects of supply and demand on the vehicle industry. The pandemic slowed the supply chain for new cars, increasing the demand and driving up market values on used vehicles. While the values have stabilized, they are still higher than they were pre-pandemic, this has resulted in higher revenues. The interest rates on deposits has fluctuated as the Federal Reserve has adjusted rates to combat inflation. The rate in July of 2024 was 5.25% on deposits and continued to hold through July of 2025. These rates maintaining throughout the fiscal year allowed the county to realize a much stronger return than originally budgeted. Final budget appropriations and revenues closely reflected actual results, as the final budget is prepared in March of the fiscal year.

## Capital Asset and Debt Administration

### Capital Assets

The County's investment in capital assets for its governmental activities as of June 30, 2025 is \$179,252,233 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, machinery and equipment, land improvements, right-to-use assets, and construction in progress.

Major capital asset events during the current fiscal year included the following:

- In fiscal year 2025 the County purchased 15 new vehicles for the Sheriff's office, two for the library, one for building inspections, one for Fire and Rescue, which included a specialized SWAB truck box. Total cost for all vehicles and equipment was approximately \$1,066,000.
- In 2025 the County also replaced eight life packs for Fire and Rescue totaling approximately \$371,000.
- Construction in progress includes the Courts Complex, Regional radio project and renovations to the old Verona Elementary for relocation of the regional animal shelter, which is slated to be completed early in FY26.

### County of Augusta, Virginia Capital Assets for Governmental Activities (net of depreciation) June 30, 2025 and 2024

	Governmental Activities	
	2025	2024
Land	\$ 5,403,875	\$ 5,403,875
Buildings and system	93,389,519	62,440,282
Machinery and equipment	12,283,762	11,421,603
Land improvements	7,591,381	3,417,879
Right-to-use subscription assets	3,160,330	1,310,610
Right-to-use lease assets	5,409,190	4,869,944
Construction in progress	52,014,176	12,200,428
<b>Total assets</b>	<b>\$ 179,252,233</b>	<b>\$ 101,064,621</b>

Additional information on the County's capital assets can be found in Note 18 to the financial statements.

### Long-Term Debt

At the end of the fiscal year, the County had the following outstanding debt:

	Governmental Activities	
	2025	2024
General obligation bonds	\$ 94,930,274	\$ 102,135,679
Premium on general obligation bonds	9,857,319	10,563,036
Revenue bonds	67,323,341	40,706,018
Premium on revenue bonds	3,641,183	2,794,988
Private placement notes	378,788	782,336
Leases	5,834,396	5,187,363
Compensated absences	5,078,802	3,271,017
Subscription liabilities	2,269,855	727,718
<b>Total assets</b>	<b>\$ 189,313,958</b>	<b>\$ 166,168,155</b>

Legislation enacted in the fiscal year ended June 30, 2002 required that debt historically reported by the School Board be assumed by the Primary Government. The legislation affected the reporting of local school capital assets as well.

Additional information on the County's long-term debt can be found in Note 8 to the financial statements.

### **Economic Factors and Next Year's Budgets and Rates**

- The annual unemployment rate for Augusta County in 2025 was 3.3 percent. The County's rate is slightly better than the state's unemployment rate of 3.9 percent and still compares favorably to the national average rate of 4.4 percent.
- The County depends on financial resources flowing from, or associated with, both the federal government and the Commonwealth of Virginia. Because of this dependency, the County is subject to changes in specific flows of intergovernmental revenues based on modifications to federal and state laws and federal and state appropriations. Revenues from the Commonwealth of Virginia represent approximately 9.51 percent, 44.96 percent, and 61.17 percent of total revenues for the General Fund, Virginia Public Assistance Fund, and the School Operating Fund, respectively. Revenues from the Federal government represent 2.06 percent, 45.39 percent, and 3.81 percent of total revenues for the General Fund, Virginia Public Assistance Fund, and the School Operating Fund, respectively.
- Investment earnings are subject to changes associated with the U.S. treasury securities because of actions by the Federal Reserve.
- Real Estate tax rates for calendar year 2025 are \$.52 per \$100 of assessed value, the same rate charged in the prior year. The most current reassessment has been in effect since January 1, 2024. The County reassesses every five years, current assessments allow for adjustments to assessed value to more accurately reflect fair market value. Personal Property tax rates for autos and motorcycles are \$2.60 per \$100 of assessed value. Other Personal Property tax rates are \$2.00 per \$100 of assessed value for campers, boats, and airplanes and \$2.00 per \$100 assessed value for business personal property, large trucks and machinery and tools.

All of these factors were considered in preparing the County's budget for the 2026 fiscal year.

In the General Fund, the County strives to maintain an unrestricted fund balance to be used for unanticipated emergencies of no less than two months of the GAAP basis General Fund expenditures at the close of the fiscal year. As of June 30, 2025, the County has more than the required two months of General Fund operating expenditures by \$4,183,556. The County also recognizes its obligation to the Debt Service Fund and Virginia Public Assistance Fund. When those obligations are considered in conjunction with the fund balance policy requirements, the County has less than the required two months of General Fund operating expenditures by \$4,106,151. The County will consider this requirement as it reviews its fund balance policy and prepares for the fiscal year 2026 revised budget.

Appropriations for County funds lapse at fiscal year-end, with the exception of the County Capital Improvements Fund. It is anticipated that fund balance will not be used to finance daily operations for the 2026 budget year, although as in some previous fiscal years, it is a possibility.

### **Requests for Information**

This financial report is designed to provide readers with a general overview of the County of Augusta's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Office, P.O. Box 590, Verona, Virginia 24482. Also, please visit the County's website at [www.co.augusta.va.us](http://www.co.augusta.va.us).

## **BASIC FINANCIAL STATEMENTS**

*Government-Wide Financial Statements*

STATEMENT OF NET POSITION  
June 30, 2025

	Primary Government <u>Governmental</u> Activities	<u>Component Unit</u> School Board
<b>ASSETS</b>		
Cash and cash equivalents	\$ 98,367,073	\$ 7,437,579
Cash in custody of others	7,550	10,000
Restricted cash in custody of others	44,006,690	-
Investments	25,009,465	-
Investments - land held for sale	269,210	-
Receivables, net:		
Taxes receivable	7,396,215	-
Accounts receivable	3,929,805	1,012,418
Notes receivable	1,180,000	-
Leases receivable	222,852	-
Due from primary government	-	3,874,443
Due from component unit	1,032,253	-
Due from other governmental units	5,709,443	10,018,218
Inventories	313	-
Prepaid expenses	51,571	175,031
Net pension asset	-	351,986
Net OPEB asset	-	24,911
Equity interest in joint ventures	7,691,222	-
Capital assets, net of accumulated depreciation and amortization:		
Intangible right-to-use lease assets	5,409,190	660,339
Intangible right-to-use subscription assets	3,160,330	58,061
Land	5,403,875	1,551,430
Buildings and system	93,389,519	79,569,486
Machinery and equipment	12,283,762	15,842,385
Land improvement	7,591,381	-
Construction in progress	52,014,176	1,115,636
<b>Total assets</b>	<b>374,125,895</b>	<b>121,701,923</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pension plan	7,886,690	25,299,255
Other postemployment benefits	1,180,370	4,703,497
<b>Total deferred outflows of resources</b>	<b>9,067,060</b>	<b>30,002,752</b>

STATEMENT OF NET POSITION (Continued)  
June 30, 2025

	Primary Government <u>Governmental</u> Activities	<u>Component Unit</u> School Board
<b>LIABILITIES</b>		
Reconciled overdraft	\$ 156,385	\$ 1,322,945
Accounts payable	11,384,995	4,473,417
Accrued liabilities	2,341,393	4,527,988
Accrued interest payable	2,354,781	5,881
Due to primary government	-	1,032,253
Due to component unit	3,874,443	-
Unearned revenue	828,951	1,885,980
Deposits held in escrow	934,874	-
Long-term liabilities:		
Due within one year	12,878,954	2,034,316
Due within one year other postemployment benefits	65,347	313,382
Due in more than one year	176,435,004	7,562,626
Due in more than one year net pension liability	3,475,438	65,420,364
Due in more than one year other postemployment benefits	5,645,394	24,231,546
<b>Total liabilities</b>	<u>220,375,959</u>	<u>112,810,698</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred revenue - property taxes	1,435,659	-
Deferred revenue - other	1,449,210	-
Leases	207,565	-
Pension plan	3,990,819	11,869,954
Other postemployment benefits	4,135,298	6,473,400
<b>Total deferred inflows of resources</b>	<u>11,218,551</u>	<u>18,343,354</u>
<b>NET POSITION</b>		
Net investment in capital assets	33,442,380	98,128,497
Restricted:		
Fire revolving loans	2,807,499	-
Drug enforcement	124,718	-
Landfill escrow	578,160	-
JW Riley Endowment Fund	-	89,708
Matthews Private Purpose Trust	-	109,127
Pension asset	-	351,986
OPEB asset	-	24,911
Unrestricted	114,645,688	(78,153,606)
<b>Total net position</b>	<u>\$ 151,598,445</u>	<u>\$ 20,550,623</u>

STATEMENT OF ACTIVITIES  
Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities	Component Unit School Board
Primary Government:						
Governmental activities:						
General government administration	\$ 14,747,803	\$ 99,297	\$ 2,542,302	\$ -	\$ (12,106,204)	\$ -
Judicial administration	3,285,307	383,990	2,363,921	-	(537,396)	-
Public safety	33,850,995	5,771,350	5,193,596	95,387	(22,790,662)	-
Public works	6,009,046	3,338,686	-	-	(2,670,360)	-
Health and welfare	23,671,244	1,733,806	16,315,818	-	(5,621,620)	-
Education	25,079,683	-	-	1,695,605	(23,384,078)	-
Parks, recreation and cultural	3,130,941	705,806	203,978	-	(2,221,157)	-
Community development	5,337,710	-	-	71,892	(5,265,818)	-
Interest on long-term debt	5,369,625	-	-	-	(5,369,625)	-
<b>Total governmental activities</b>	<b>120,482,354</b>	<b>12,032,935</b>	<b>26,619,615</b>	<b>1,862,884</b>	<b>(79,966,920)</b>	<b>-</b>
<b>Total primary government</b>	<b>\$ 120,482,354</b>	<b>\$ 12,032,935</b>	<b>\$ 26,619,615</b>	<b>\$ 1,862,884</b>	<b>(79,966,920)</b>	<b>-</b>
Component Unit:						
School Board	\$ 184,714,873	\$ 3,383,818	\$ 106,567,622	\$ -	-	(74,763,433)
<b>Total component units</b>	<b>\$ 184,714,873</b>	<b>\$ 3,383,818</b>	<b>\$ 106,567,622</b>	<b>\$ -</b>	<b>-</b>	<b>(74,763,433)</b>
General revenues:						
Taxes:						
General property taxes					95,093,254	-
Local sales tax					9,843,397	-
Consumers' utility tax					1,896,598	-
Business license taxes					5,965,073	-
Restaurant food taxes					4,912,548	-
Other local taxes					3,939,791	-
Unrestricted revenues from use of money and property					7,793,804	45,740
Miscellaneous					4,253,485	264,917
Grants and contributions not restricted to specific programs					7,281,854	49,729,999
<b>Total general revenues</b>					<b>140,979,804</b>	<b>50,040,656</b>
<b>Change in net position</b>					<b>61,012,884</b>	<b>(24,722,777)</b>
Net position, beginning, as previously reported					92,076,338	50,156,370
Restatement for adoption of GASB Statement No. 101					(1,490,777)	(4,882,970)
Total net position, beginning of year, as restated					90,585,561	45,273,400
Net position, ending					\$ 151,598,445	\$ 20,550,623

*Fund Financial Statements*

**BALANCE SHEET –  
GOVERNMENTAL FUNDS  
June 30, 2025**

	General	Virginia Public Assistance	County Capital Improvements	School Capital Improvements	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 3,627,699	\$ -	\$ 79,075,186	\$ -	\$ 82,702,885
Cash in custody of others	3,250	4,300	-	-	7,550
Restricted cash in custody of others	578,160	-	43,428,530	-	44,006,690
Investments	25,009,465	-	-	-	25,009,465
Receivables, net:					
Taxes receivable	7,396,215	-	-	-	7,396,215
Accounts receivable	3,929,805	-	-	-	3,929,805
Notes receivable	1,180,000	-	-	-	1,180,000
Leases receivable	222,852	-	-	-	222,852
Due from other funds	550,045	64,790	-	-	614,835
Due from component unit	1,032,253	-	-	-	1,032,253
Due from other governmental units	2,937,153	2,240,477	-	531,813	5,709,443
Inventories	313	-	-	-	313
Prepaid items	41,242	-	-	-	41,242
Land held for sale	269,210	-	-	-	269,210
<b>Total assets</b>	<b>\$ 46,777,662</b>	<b>\$ 2,309,567</b>	<b>\$ 122,503,716</b>	<b>\$ 531,813</b>	<b>\$ 172,122,758</b>
<b>LIABILITIES</b>					
Reconciled overdraft	\$ -	\$ -	\$ -	\$ 156,385	\$ 156,385
Accounts payable	1,342,336	1,362,764	6,477,965	300,665	9,483,730
Accrued liabilities	921,214	396,758	-	9,451	1,327,423
Due to other funds	64,790	550,045	-	-	614,835
Due to component unit	3,874,443	-	-	-	3,874,443
Unearned revenue	828,951	-	-	-	828,951
Deposits held in escrow	934,874	-	-	-	934,874
<b>Total liabilities</b>	<b>7,966,608</b>	<b>2,309,567</b>	<b>6,477,965</b>	<b>466,501</b>	<b>17,220,641</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Property taxes collected in advance	1,435,659	-	-	-	1,435,659
Unavailable revenue - property taxes	6,595,928	-	-	-	6,595,928
Unavailable revenue - other	2,769,267	-	-	-	2,769,267
Leases	207,565	-	-	-	207,565
<b>Total deferred inflows of resources</b>	<b>11,008,419</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,008,419</b>
<b>FUND BALANCES</b>					
Nonspendable	310,765	-	-	-	310,765
Restricted	3,510,377	-	43,428,530	65,312	47,004,219
Committed	2,510,448	-	-	-	2,510,448
Assigned	2,735,743	-	72,597,221	-	75,332,964
Unassigned	18,735,302	-	-	-	18,735,302
<b>Total fund balances</b>	<b>27,802,635</b>	<b>-</b>	<b>116,025,751</b>	<b>65,312</b>	<b>143,893,698</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 46,777,662</b>	<b>\$ 2,309,567</b>	<b>\$ 122,503,716</b>	<b>\$ 531,813</b>	<b>\$ 172,122,758</b>

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

	Governmental Funds
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds	\$ 143,893,698
Capital assets of \$237,840,306 net of accumulated depreciation and amortization of \$58,588,073, used in governmental activities are not financial resources and, therefore, are not reported in the funds.	179,252,233
Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue in the funds	7,915,985
Equity interest in joint ventures not reported in the funds.	7,691,222
Internal Service Funds are used by management to charge the cost of goods provided to other departments or funds. The assets and liabilities of the internal service fund are included in governmental activities in the Statement of Net Position.	12,759,282
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	
General obligation bonds, including unamortized premiums	\$ (104,787,593)
Revenue bonds, including unamortized premiums	(70,964,524)
Private placement notes	(378,788)
Lease liabilities	(5,834,396)
Subscription liabilities	(2,269,855)
Compensated absences	(5,078,802)
Interest payable	(2,354,781)
Net other postemployment benefits	(5,710,741)
Net pension liability	(3,475,438)
	<u>(200,854,918)</u>
Deferred outflows of resources represent a consumption of net position that applies to a future period and are not recognized as deferred outflows of resources in the governmental funds.	
Pension plan	7,886,690
Other postemployment benefits	1,180,370
	<u>9,067,060</u>
Deferred inflows of resources represent an acquisition of net position that applies to a future period and are not recognized as deferred inflows of resources in the governmental funds.	
Pension plan	(3,990,819)
Other postemployment benefits	(4,135,298)
	<u>(8,126,117)</u>
<b>Net position of governmental activities</b>	<b><u><u>\$ 151,598,445</u></u></b>

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

	General	Virginia Public Assistance	Debt Service	County Capital Improvements	School Capital Improvements	Total Governmental Funds
<b>Revenues:</b>						
General property taxes	\$ 94,516,361	\$ -	\$ -	\$ -	\$ -	\$ 94,516,361
Other local taxes	26,557,407	-	-	-	-	26,557,407
Permits, privilege fees and regulatory licenses	889,039	-	-	-	-	889,039
Fines and forfeitures	458,784	-	-	-	-	458,784
Revenue from the use of money and property	5,913,580	-	-	1,612,995	267,229	7,793,804
Charges for services	6,225,658	167,442	36,667	-	-	6,429,767
Miscellaneous	497,921	-	-	-	1,067,279	1,565,200
Recovered costs	86,939	1,566,364	-	2,602,042	-	4,255,345
<b>Intergovernmental:</b>						
Commonwealth	14,533,491	8,072,379	-	95,387	-	22,701,257
Federal	3,145,856	8,149,743	-	71,892	531,813	11,899,304
Augusta County School Board	-	-	-	625,000	538,792	1,163,792
<b>Total revenues</b>	<b>152,825,036</b>	<b>17,955,928</b>	<b>36,667</b>	<b>5,007,316</b>	<b>2,405,113</b>	<b>178,230,060</b>
<b>Expenditures:</b>						
<b>Current:</b>						
General government administration	8,431,944	-	-	-	-	8,431,944
Judicial administration	3,691,484	-	-	-	-	3,691,484
Public safety	42,071,884	-	-	-	-	42,071,884
Public works	5,491,737	-	-	-	-	5,491,737
Health and welfare	1,929,225	22,358,904	-	-	-	24,288,129
Education	49,127,458	-	-	-	-	49,127,458
Parks, recreation and cultural	3,085,277	-	-	-	-	3,085,277
Community development	2,095,524	-	-	-	-	2,095,524
Nondepartmental	1,879,552	-	-	-	-	1,879,552
Capital projects	-	-	-	49,764,949	7,469,450	57,234,399
<b>Debt service:</b>						
Principal retirement - subscription liabilities	614,091	-	-	357,493	-	971,584
Principal retirement - lease liabilities	252,404	11,201	-	-	-	263,605
Principal retirement - bonds and notes	-	-	7,863,082	-	403,548	8,266,630
Interest and other fiscal charges	117,042	461	6,020,042	12,560	31,215	6,181,320
<b>Total expenditures</b>	<b>118,787,622</b>	<b>22,370,566</b>	<b>13,883,124</b>	<b>50,135,002</b>	<b>7,904,213</b>	<b>213,080,527</b>
<b>Excess (deficiency) of revenues over (under) expenses</b>	<b>34,037,414</b>	<b>(4,414,638)</b>	<b>(13,846,457)</b>	<b>(45,127,686)</b>	<b>(5,499,100)</b>	<b>(34,850,467)</b>
<b>Other financing sources (uses):</b>						
Issuance of bond	-	-	-	27,275,000	-	27,275,000
Issuance of premium	-	-	-	925,040	-	925,040
Issuance of lease liabilities	910,638	-	-	-	-	910,638
Issuance of subscription liabilities	2,513,721	-	-	-	-	2,513,721
Transfers in	81,004	4,414,638	13,846,457	19,367,492	1,695,869	39,405,460
Transfers out	(33,539,138)	-	-	(5,866,322)	-	(39,405,460)
<b>Other financing sources (uses), net</b>	<b>(30,033,775)</b>	<b>4,414,638</b>	<b>13,846,457</b>	<b>41,701,210</b>	<b>1,695,869</b>	<b>31,624,399</b>
<b>Net change in fund balances</b>	<b>4,003,639</b>	<b>-</b>	<b>-</b>	<b>(3,426,476)</b>	<b>(3,803,231)</b>	<b>(3,226,068)</b>
Fund balances, beginning	23,798,996	-	-	119,452,227	3,868,543	147,119,766
Fund balances, ending	\$ 27,802,635	\$ -	\$ -	\$ 116,025,751	\$ 65,312	\$ 143,893,698

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

	Governmental Funds	
Net change in fund balances - total governmental funds	\$	(3,226,068)
Reconciliation of amounts reported for governmental activities in the Statement of Activities:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation and amortization expense. This is the amount by which capital outlays exceeded depreciation and amortization in the current period.		
Expenditures for capital assets	\$	82,284,446
Less depreciation and amortization expense		<u>(4,763,568)</u>
Excess of capital outlays over depreciation and amortization		77,520,878
The net effect of miscellaneous transactions involving capital assets (i.e. sales, trade-ins and donations) is to increase net position.		666,734
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		
Unavailable revenue		3,265,178
Notes receivable - Middle River Regional Jail Buy-In		(828,214)
Equity interest in joint ventures		704,187
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. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.		
Issuance of bond		(27,275,000)
Issuance of premium		(925,040)
Issuance of subscription liabilities		(2,513,721)
Issuance of lease liabilities		<u>(910,638)</u>
		(31,624,399)
Principal repayments:		
General obligation debt		7,205,405
Revenue bonds		657,677
Private placement notes		403,548
Subscription liabilities		971,584
Lease liabilities		<u>263,605</u>
		9,501,819
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Accrued interest		27,133
Compensated absences		(317,008)
Amortization of premium		784,562
Changes in OPEB liabilities and related deferred outflows and inflows of resources		275,523
Changes in pension liabilities and related deferred outflows and inflows of resources		<u>2,585,246</u>
		3,355,456
Internal Service Funds are used by management to charge the costs of certain activities to individual funds. The net income of the internal service fund is reported with governmental activities.		
Total revenues		20,336,153
Total expenses		<u>(18,658,840)</u>
		<u>1,677,313</u>
<b>Change in net position of governmental activities</b>	<b>\$</b>	<b><u>61,012,884</u></b>

**STATEMENT OF NET POSITION –  
INTERNAL SERVICE FUND  
June 30, 2025**

	Self - Insurance
<hr/>	
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 21,457,792
Prepaid expenses	<u>14,149</u>
<b>Total current assets</b>	<u>21,471,941</u>
<b>Total assets</b>	<u>21,471,941</u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	2,604,473
Insurance and benefit claims	<u>1,389,000</u>
<b>Total liabilities</b>	<u>3,993,473</u>
<b>NET POSITION</b>	
Unrestricted	<u>17,478,468</u>
<b>Total net position</b>	<u><u>\$ 17,478,468</u></u>

**STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION –  
INTERNAL SERVICE FUND  
Year Ended June 30, 2025**

	Self - Insurance
<hr/>	
Operating revenues:	
Charges for services	\$ 27,857,744
	<hr/>
<b>Total operating revenues</b>	<b>27,857,744</b>
	<hr/>
Operating expenses:	
Risk financing and benefit payments	27,170,138
	<hr/>
<b>Total operating expenses</b>	<b>27,170,138</b>
	<hr/>
<b>Operating income</b>	<b>687,606</b>
	<hr/>
<b>Change in net position</b>	<b>687,606</b>
	<hr/>
Total net position, beginning	16,790,862
	<hr/>
Total net position, ending	\$ 17,478,468
	<hr/> <hr/>

**STATEMENT OF CASH FLOWS –  
INTERNAL SERVICE FUND  
Year Ended June 30, 2025**

	Self - Insurance
<hr/>	
Cash flows from operating activities:	
Receipts from interfund services provided	\$ 27,857,744
Claims and benefits paid	(26,141,579)
Payments to suppliers for goods and services	<u>(1,000)</u>
 <b>Net cash provided by operating activities</b>	 <u>1,715,165</u>
 <b>Net change in cash and cash equivalents</b>	 1,715,165
 Cash and cash equivalents:	
Beginning	<u>19,742,627</u>
 Ending	 <u><u>\$ 21,457,792</u></u>
 Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 687,606
Adjustments to reconcile operating income to net cash provided by operating activities:	
Change in operating accounts:	
Increase in accounts payable	1,028,559
Decrease in insurance and benefit claims	<u>(1,000)</u>
 <b>Net cash provided by operating activities</b>	 <u><u>\$ 1,715,165</u></u>

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

<b>ASSETS</b>	
Cash and cash equivalents	\$ 932,998
<b>Total assets</b>	<u>932,998</u>
<b>LIABILITIES</b>	
Accounts payable	<u>26,955</u>
<b>Total liabilities</b>	<u>26,955</u>
<b>NET POSITION</b>	
Restricted for:	
Other	746,039
Individuals	<u>160,004</u>
<b>Total net position</b>	<u><u>\$ 906,043</u></u>

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

<b>ADDITIONS</b>	
Benefits collected on behalf of others	\$ 1,452,243
<b>Total additions</b>	<u>1,452,243</u>
<b>DEDUCTIONS</b>	
Payments to participants or beneficiaries	<u>1,318,601</u>
<b>Total deductions</b>	<u>1,318,601</u>
Net change in fiduciary net position	133,642
Total net position, beginning	<u>772,401</u>
Total net position, ending	<u>\$ 906,043</u>

# COUNTY OF AUGUSTA, VIRGINIA

## NOTES TO FINANCIAL STATEMENTS

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### Note 1. Summary of Significant Accounting Policies

The financial statements of the County of Augusta, Virginia (County or government) conform to accounting principles generally accepted in the United States of America (GAAP) applicable to government units promulgated by the Governmental Accounting Standards Board (GASB). The following is a summary of the more significant policies:

#### A. Financial Reporting Entity

The government is a municipal corporation governed by an elected seven-member Board of Supervisors. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements (see note below for description) to emphasize that it is legally separate from the government.

##### *Blended Component Units*

There are no blended component units for the year ended June 30, 2025.

##### *Discretely Presented Component Unit*

The County has one discretely presented component unit, the Augusta County School Board.

The Augusta County School Board operates the elementary and secondary public schools in the County. School Board members are elected by popular vote. The School Board is fiscally dependent upon the County because the County approves all debt issuances of the School Board and provides significant funding to operate the public schools since the School Board does not have separate taxing powers. The Augusta County School Board does not prepare separate financial statements.

##### *Related Organizations*

The County's officials are also responsible for appointing the members of the boards of other organizations, but the County's financial accountability for these organizations does not extend beyond making the appointment. The Board of Supervisors appoints the board members of the Augusta County Economic Development Authority and the Augusta County Service Authority. The County has implemented GASB Statement No. 61, *The Financial Reporting Entity: Omnibus an Amendment of GASB Statements No. 14 and No. 34*. Upon review it was determined that the Augusta County Economic Development Authority and the Augusta Water are related organizations of the County. This determination was based on the justification that the County is able to appoint a voting majority of Augusta Water's board, but a financial benefit and/or burden relationship does not exist between the two. The Augusta County Economic Development Authority and Augusta Water have separate audited financial statements.

##### *Undivided Interests*

The Augusta Regional Landfill is an undivided interest contractually formed by the Cities of Staunton and Waynesboro and the County of Augusta, Virginia. The purposes for which the Landfill is formed are to develop regional garbage and refuse disposal, including development of systems and facilities for recycling, waste reduction, and disposal alternatives with the ultimate goal of acquiring, financing, construction, and/or operating and maintaining regional solid waste disposal areas, systems and facilities. The Landfill began operations on December 11, 1970.

# COUNTY OF AUGUSTA, VIRGINIA

## NOTES TO FINANCIAL STATEMENTS

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### Note 1. Summary of Significant Accounting Policies (Continued)

#### A. Financial Reporting Entity (Continued)

##### *Joint Ventures*

The County and the Cities of Staunton and Waynesboro participate in supporting the Augusta Regional Landfill for local residents. The Augusta Regional Landfill is a hybrid undivided interest/joint venture contractually formed by the City of Staunton, Virginia, the County of Augusta, Virginia and the City of Waynesboro, Virginia. A summary of revenues for the Augusta Regional Landfill for the year ended June 30, 2025 is as follows:

	County of Augusta	City of Staunton	City of Waynesboro
Revenues	\$ 2,884,248	\$ 664,400	\$ 1,032,873
% of total revenues	62.95%	14.50%	22.54%

The County's net investment is recorded on the Statement of Net Position. The County's equity interest as of June 30, 2025 was \$7,206,818.

Complete financial statements for the Landfill can be obtained at Augusta Water in Verona, Virginia.

The County School Board and the Cities of Staunton and Waynesboro participate in supporting the Valley Career and Technical Center (Center) for local residents. The Center provides vocational training to secondary and adult students. The Center is governed by a six-member board of trustees of which two are appointed by the Augusta County School Board, two by City of Staunton School Board and two by City of Waynesboro School Board. Funding for the Center was provided by the County of Augusta, City of Staunton and City of Waynesboro for the year ended June 30, 2025 as follows:

	County of Augusta	City of Staunton	City of Waynesboro
Operations	\$ 3,752,680	\$ 468,346	\$ 610,800
% of total revenues	77.67%	9.69%	12.64%

Complete financial statements for the Center can be obtained from their Administrative Offices in Fishersville, Virginia.

The County in conjunction with the Cities of Staunton and Waynesboro participate in a Regional Animal Shelter, with equity interest in the Regional Animal Shelter Land Trust. Capital and operating costs are allocated annually based on percentage of ownership for each locality. Activity is shown in a custodial fund as the County is the fiscal agent as of July 1, 2022. Equity interest for the three localities is as follows:

	County of Augusta	City of Staunton	City of Waynesboro
Operations	\$ 398,590	\$ 114,549	\$ 100,737
% of total revenues	64.93%	18.66%	16.41%

The County's net investment is recorded on the Statement of Net Position. The County's equity interest as of June 30, 2025 was \$484,404.

# COUNTY OF AUGUSTA, VIRGINIA

## NOTES TO FINANCIAL STATEMENTS

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### Note 1. Summary of Significant Accounting Policies (Continued)

#### A. Financial Reporting Entity (Continued)

##### *Jointly Governed Organizations*

The County, in conjunction with other localities, has created the Shenandoah Valley Airport Commission, the Shenandoah Valley Juvenile Detention Home Commission, the Valley Community Services Board, and the Middle River Regional Jail Authority. The School Board participates in the Shenandoah Valley Regional Program for Special Education. The governing bodies of these organizations are appointed by the respective governing bodies of the participating jurisdictions. During the year, the County contributed \$260,000 for operations to the Valley Community Services Board, \$172,141 to the Shenandoah Valley Airport, \$351,028 to the Shenandoah Valley Juvenile Detention Home and \$5,225,316 to the Middle River Regional Jail Authority. The School Board contributed \$615,747 to the Shenandoah Valley Regional Program for operations.

#### B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements, however, interfund services provided and used are not eliminated in the process of consolidation. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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 that do not meet the definition of program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental 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.

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

The government-wide and fiduciary fund 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.

# COUNTY OF AUGUSTA, VIRGINIA

## NOTES TO FINANCIAL STATEMENTS

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### Note 1. Summary of Significant Accounting Policies (Continued)

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

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

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Real and personal property taxes are recorded as revenues and receivables when levied, net of allowances for uncollectible amounts. Sales and utility taxes, which are collected by the state and subsequently remitted to the County, are recognized as revenues and receivables upon collection by the state, which is generally in a two-month period preceding receipt by the County.

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

The government reports the following major governmental funds:

The *General Fund* is the government's primary operating fund. It accounts for and reports all financial resources of the general government, except those required to be accounted for in another fund. The General Fund includes the activities of the Fire Revolving Loan, American Rescue Plan Act (ARPA), Drug Enforcement, Revenue Recovery, Economic Development, and Central Stores.

The *special revenue fund* accounts for and reports the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. The special revenue fund consists of the Virginia Public Assistance Fund. Revenue sources include reimbursements from the Commonwealth and Federal government for program expenditures. Local match is also provided by the County.

The *debt service fund* accounts for and reports the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

The *capital project funds* account for and report financial resources to be used for the acquisition or construction of major capital facilities. Capital project funds consist of the County Capital Improvements Fund and the School Capital Improvements Fund.

Additionally, the government reports the following fund types:

*Internal Service Fund*- the Self-Insurance Fund accounts for costs associated with providing health insurance benefits to employees of the County and School Board.

# COUNTY OF AUGUSTA, VIRGINIA

## NOTES TO FINANCIAL STATEMENTS

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### Note 1. Summary of Significant Accounting Policies (Continued)

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

*Fiduciary fund* accounts for assets held by the government in a trustee capacity or as agent or custodian for individuals, private organizations, other governmental units, or other funds. The County's fiduciary funds are custodial funds, the Special Welfare Fund and Shenandoah Valley Animal Services Center. Fiduciary funds (custodial funds) use the economic resources measurement focus and the accrual basis of accounting.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements; however, interfund services provided and used are not eliminated in the process of consolidation.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

#### *Net Position Flow Assumption*

Sometimes the County will fund outlays for a particular purpose from both restricted (e.g. restricted bond and grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the 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.

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

##### *Deposits and Investments*

The government's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments for the government, as well as for its component units, are reported at fair value. The government and corporate securities are stated at fair value based on quoted market prices (level 1 inputs). The State Treasurer's Local Government Investment Pool operates in accordance with appropriate state laws and regulations and is reported at amortized cost and classified as cash and cash equivalents.

##### *Receivables and Payables*

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

# COUNTY OF AUGUSTA, VIRGINIA

## NOTES TO FINANCIAL STATEMENTS

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### Note 1. Summary of Significant Accounting Policies (Continued)

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

##### *Inventory and Prepaid Items*

Inventory is valued using the first in, first out method. Inventory in the General Fund consists of expendable supplies held for consumption and are accounted for under the consumption method. Cost is recorded as an expense at the time the individual inventory items are used.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures when consumed rather than when purchased.

##### *Property Taxes*

Property is assessed at its value on January 1. Property taxes attach as an enforceable lien on property as of January 1. Real estate taxes are payable in two installments on June 5th and December 5th. Personal property taxes are due and collectible annually on December 5. The County bills and collects its own property taxes.

##### *Allowance for Uncollectible Accounts*

The County calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. At June 30, 2025, the General Fund had allowances of \$1,125,442 for property taxes and \$139,777 for EMS transport fees. The allowance for property taxes represents 0.23% percent of the total levies for the previous six years.

##### *Use of Estimates*

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

##### *Capital Assets*

Capital assets, which include property, buildings, improvements, equipment, are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost (except for intangible right-to-use lease assets and subscription assets, the measurement of which is discussed below) or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of donation. There were no impaired capital assets at year end.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed.

# COUNTY OF AUGUSTA, VIRGINIA

## NOTES TO FINANCIAL STATEMENTS

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### Note 1. Summary of Significant Accounting Policies (Continued)

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

Property, buildings, improvements, and equipment of the primary government, as well as the component units, are depreciated or amortized using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	40
Building Improvements	40
Land Improvements	15-20
Machinery and Equipment	5-10
Intangible Right-to-Use Lease Land	2-15
Intangible Right-to-Use Lease Building	5
Intangible Right-to-Use Lease Equipment	2-5
Intangible Right-to-Use Lease Infrastructure	15-30
Intangible Subscription Assets	2-5

#### *Compensated Absences*

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

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

The County and School Board do not recognize a liability for leave balances that are not expected to be paid or settled, such as those forfeited upon separation from service. However, under GASB 101, the County and School Board evaluates historical usage patterns and employment policies to determine the portion of sick leave that is more likely than not to be used.

Legacy employees, hired before January 1, 2014, accumulate vacation and sick leave hours for subsequent use or for payment upon termination, death or retirement based on full-time or part-time status. In the County and School Board, an employee can accumulate up to 36 days of vacation and no more than \$10,000 of sick leave liability.

Employees hired on or after January 1, 2014, accumulate paid time off (PTO) for subsequent use or for payment upon termination, death or retirement based on full-time status. In the primary government and the discretely presented component unit, an employee may carry forward to a new calendar year PTO leave balance of no more than the applicable maximum annual hours per year. In the County, an employee will receive a PTO payout upon leaving their employment no more than the applicable maximum.

Also, County employees can earn compensatory time at 1½ hours in lieu of overtime pay. Accumulated compensatory time will be paid out to the employee in the months of June and December.

# COUNTY OF AUGUSTA, VIRGINIA

## NOTES TO FINANCIAL STATEMENTS

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### Note 1. Summary of Significant Accounting Policies (Continued)

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

In the School Board, a 12-month employee can accumulate up to 36 days of vacation and an unlimited amount of sick leave. An employee earns one day of sick leave at the end of each month worked up to a maximum of 12 days per year. A new employee is eligible to transfer up to 90 sick leave days from another Virginia school district. Upon retirement after age 55, all full-time school employees will be compensated at one day for every three days of unused sick leave up to a maximum of two months of current salary.

School Board employees can earn up to 3 days of personal leave per fiscal year. Personal leave may be carried over from one year to the next not to exceed an accumulation of 3 total days. Any personal leave over the accumulated amount will be converted to sick leave at the end of the fiscal year.

The County and School Board use the FIFO (First-In, First-Out) flows assumption for compensated absences. Under this method, it is assumed that employees use the oldest leave earned first.

In the government-wide and proprietary fund financial statements, all GASB 101 are accrued when incurred. In governmental fund financial statements, expenditures are recognized only when the liability has matured, such as through employee resignation or retirement.

#### *Long-Term Obligations*

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

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

#### *Leases*

*Lessee:* The County and School Board are lessees for noncancellable leases of equipment, buildings, infrastructure, and land. The County and School Board recognize lease liabilities and intangible right-to-use lease assets (lease assets) in the government-wide financial statements. The County and School Board recognize lease liabilities with an initial, individual value of \$5,000 or more.

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

# COUNTY OF AUGUSTA, VIRGINIA

## NOTES TO FINANCIAL STATEMENTS

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### Note 1. Summary of Significant Accounting Policies (Continued)

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

*Lessee (continued):* Key estimates and judgements related to leases include how the County and School Board determine (1) the discount rate used to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The County and School Board use the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the County and School Board generally use their estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the County and School Board are reasonably certain to exercise.

The County and School Board monitor changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

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

*Lessor:* The County is a lessor for noncancellable leases of buildings, property, and equipment. The County recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

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

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

- The County uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The County monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

# COUNTY OF AUGUSTA, VIRGINIA

## NOTES TO FINANCIAL STATEMENTS

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### Note 1. Summary of Significant Accounting Policies (Continued)

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

##### *Subscription-based information technology arrangements (SBITAs)*

The County adopted GASB Statement No. 96 on July 1, 2022.

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

The County recognizes a subscription liability and intangible subscription asset on the Statements of Net Position. Subscriptions with an initial, non-cancellable term of 12 months or less are not recorded on the Statement of Net Position and expense is recognized as incurred over the subscription term.

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

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

##### *Fund Balance/Fund Net Position*

The County reports fund balance in accordance with GASB. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- 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 determined by the adoption of an ordinance committing fund balance for a specified purpose by the Board of Supervisors prior to the end of the fiscal year. To be reported as committed, amounts cannot be used for any other purpose unless the Board of Supervisors takes the action to remove or change the constraint.
- Assigned fund balance – amounts intended to be used by the County for specific purposes but do not meet the criteria to be classified as committed. The Board of Supervisors has by resolution authorized the Director of Finance to assign fund balance. The Board of Supervisors may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.
- Unassigned fund balance – amounts that are available for any purpose; positive amounts are only reported in the General Fund.

# COUNTY OF AUGUSTA, VIRGINIA

## NOTES TO FINANCIAL STATEMENTS

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### Note 1. Summary of Significant Accounting Policies (Continued)

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

##### *Fund Balance/Fund Net Position (Continued)*

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

The Board of Supervisors, as the highest level of authority within the County, establishes the commitment of fund balance to purposes through the approval of the annual budget plan by resolution, in conjunction with the resolutions associated with the establishment of fee and tax rates, and acceptance or appropriation of funds. All subsequent commitments taken by the Board of Supervisors must occur prior to year-end; however, the amount can be determined in the subsequent period. The Board has authorized the County Administrator, or the County Administrator's designee, as the official authorized to assign resources and ending fund balance to a specific purpose within fund balance policy guidelines.

In the General Fund, the County strives to maintain an unrestricted fund balance to be used for unanticipated emergencies of no less than two months of the GAAP basis General Fund operating expenditures at the close of the fiscal year, as adjusted for temporary funding of unanticipated budgetary shortfalls, if applicable. In the event the unassigned General Fund balance is used to provide for temporary funding of unanticipated budgetary shortfalls, the County shall restore the unrestricted General Fund balance to the minimum level of two months of General Fund operating expenditures within three to five fiscal years following the fiscal year in which the event occurred. The plan to restore the unrestricted General Fund balance shall be included and highlighted in the County's adopted budget. At June 30, 2025, the County had more than the required two months of operating expenditures by \$4,183,556. The County also recognizes its obligation to the Debt Service Fund and Virginia Public Assistance Fund. When those obligations are considered in conjunction with the fund balance policy requirements, the County has less than the required two months of General Fund operating expenditures by \$4,106,151. See Note 22 for more information on fund balance designations.

##### *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 and amortization, less any outstanding debt and deferred inflows and deferred outflows related to the acquisition, construction or improvement of those assets.

##### *Restricted Assets*

General Fund reports restricted cash at June 30, 2025 for its portion of the funds held within escrow in connection with the Augusta Regional Landfill, a hybrid undivided joint venture. Capital Improvements Fund reports restricted cash at June 30, 2025 for unspent bond proceeds.

##### *Deferred Outflows/Inflows of Resources*

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The County and discretely presented component unit, the School Board, have several items that qualify for reporting in this category related to the pension plan and other postemployment benefits (OPEB) plans. See Notes 10 through 15 for details regarding these items.

# COUNTY OF AUGUSTA, VIRGINIA

## NOTES TO FINANCIAL STATEMENTS

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### Note 1. Summary of Significant Accounting Policies (Continued)

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

##### *Deferred Outflows/Inflows of Resources (Continued)*

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Several types of items qualify for reporting in this category related to the pension plan and OPEB plans. See Notes 10 through 15 for details regarding these items. Accordingly, two other items, unavailable revenue representing property taxes receivable and other unavailable revenues which contain repayment of loans, which arise under the modified accrual basis of accounting, are reported only as unavailable revenues in the governmental funds Balance Sheet. These amounts are deferred and recognized as inflows of resources in the period that the amounts become available. Under the accrual basis, property taxes collected in advance and lease related charges are reported as deferred inflows of resources on the Statement of Net Position. Other unavailable revenues are also reported as deferred inflows of resources on the Statement of Net Position.

##### *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 of Augusta and its component unit, the Augusta County School Board, retirement plans and the additions to/deductions from the County, and the Augusta County School Board's retirement plan's net fiduciary positions 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. The General Fund has typically been used in prior years to liquidate pension liability.

##### *Other Postemployment Benefits*

The General Fund has typically been used in prior years to liquidate other postemployment benefits liabilities.

##### *Medical Insurance Programs*

The Medical Insurance Programs are single-employer plans. Differences between expected and actual experience and actuarial assumptions are amortized over the average of the expected remaining service lives of all employees that are covered through the plans, which is 7.73 years for the County plan and 7.51 years for the School plan. Plan amendments are recognized immediately.

##### *Group Life Insurance*

The VRS Group Life Insurance Program (GLI) is a multiple employer, cost-sharing plan. It provides coverage to state employees, teachers, and employees of participating political subdivisions. The GLI was established pursuant to Section 51.1-500 et seq. of the *Code of Virginia*, as amended, and which provides the authority under which benefit terms are established or may be amended. The GLI is a defined benefit plan that provides a basic GLI benefit for employees of participating employers. For purposes of measuring the total GLI OPEB liability, deferred outflows of resources and deferred inflows of resources related to the GLI OPEB, and GLI OPEB expense, information about the fiduciary net position of the VRS GLI OPEB and the additions to/deductions from the VRS GLI OPEB's 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.

# COUNTY OF AUGUSTA, VIRGINIA

## NOTES TO FINANCIAL STATEMENTS

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### Note 1. Summary of Significant Accounting Policies (Continued)

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

##### *Health Insurance Credit Program*

The School Board non-professional Health Insurance Credit (HIC) Program is a multiple-employer, agent defined benefit plan that provides a credit toward the cost of health insurance coverage for retired political subdivision employees of participating employers. The School Board professional HIC Program is a multiple-employer, cost-sharing defined benefit plan. Both HIC Programs were established pursuant to Section 51.1-1400 et seq. of the *Code of Virginia*, as amended, and which provide the authority under which benefit terms are established or may be amended. For purposes of measuring both HIC Programs' total OPEB liabilities, deferred outflows of resources and deferred inflows of resources related to the HIC Programs' OPEB, and the HIC Programs' OPEB expense, information about the fiduciary net position of the HIC Programs; and the additions to/deductions from both of the HIC Programs fiduciary net 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.

##### *Line of Duty Act Program*

The VRS Line of Duty Act Program (LODA) is a multiple-employer, cost-sharing plan. LODA was established pursuant to Section 9.1-400 et seq. of the *Code of Virginia*, as amended, and which provides the authority under which benefit terms are established or may be amended. LODA provides death and health insurance benefits to eligible state employees and local government employees, including volunteers, who die or become disabled as a result of the performance of their duties as a public safety officer. In addition, health insurance benefits are provided to eligible survivors and family members. The County purchases from VACORP full coverage for LODA claims, therefore, the County has no OPEB liability for LODA.

##### *Virginia Local Disability Program*

The VRS Political Subdivision Employee Virginia Local Disability Program (VLDP) is a multiple-employer, cost-sharing plan. For purposes of measuring the net VLDP OPEB liability, deferred outflows of resources and deferred inflows of resources related to the VLDP OPEB, and the VLDP OPEB expense, information about the fiduciary net position of the VLDP; and the additions to/deductions from the VLDP's 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.

#### E. Subsequent Events

The County has evaluated subsequent events through April 16, 2026, the date on which the financial statements were available to be issued.

# COUNTY OF AUGUSTA, VIRGINIA

## NOTES TO FINANCIAL STATEMENTS

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### Note 2. Stewardship, Compliance and Accountability

#### A. Budgetary Information

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

1. Prior to April 1, the County Administrator submits to the Board of Supervisors a proposed operating and capital budget for the fiscal year commencing the following July 1. The operating and capital budget includes proposed expenditures and the means of financing them. The following Funds have legally adopted budgets: General Fund, Virginia Public Assistance Fund, School Operating Fund, School Cafeteria Fund, School Capital Improvements Fund, Debt Service Fund, Head Start Fund, Governor's School Fund and County Capital Improvements Fund.
2. Public hearings are conducted to obtain citizen comments.
3. Prior to June 30, the budget is legally enacted through passage of an Appropriations Resolution.
4. The Appropriations Resolution places legal restrictions on expenditures at the department level. The appropriation for each department or category can be revised only by the Board of Supervisors. During preparation of the revised budget, the County Administrator is authorized to transfer budgeted amounts between general government departments and the School Board is authorized to transfer budgeted amounts within the school system's categories.
5. Formal budgetary review is employed as a management control device during the year for all budgeted funds.
6. Appropriations lapse on June 30 for all County units. The County's practice is to appropriate capital projects by project.
7. All budget data presented in the accompanying financial statements is the original and revised budget as of June 30.
8. Encumbrances, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriations, lapse at year end.
9. Annual budgets are adopted on a basis consistent with GAAP for all governmental funds.

#### B. Excess of Expenditures over Appropriations

For the year ended June 30, 2025, the Virginia Public Assistance Fund had expenditures exceeding appropriations due to year end accruals and an increase in legal fees. The Capital Projects fund had expenditures significantly exceed appropriations due to year end accruals.

# COUNTY OF AUGUSTA, VIRGINIA

## NOTES TO FINANCIAL STATEMENTS

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### Note 3. Deposits and Investments

#### Deposits

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

#### Custodial Credit Risk (Deposits)

This is the risk that in the event of a bank failure, the County’s deposits may not be returned to the County. The County requires all deposits to comply with the Virginia Security for Public Deposits Act.

#### Investments

Statutes authorize the County to invest in obligations of the United States or agencies thereof, obligations of the Commonwealth of Virginia or political subdivisions thereof, obligations of the International Bank for Reconstruction and Development (World Bank), the Asian Development Bank, the African Development Bank, “prime quality” commercial paper and certain corporate notes, bankers’ acceptances, repurchase agreements, and the State Treasurer’s Local Government Investment Pool (LGIP).

#### Custodial Credit Risk (Investments)

The County’s investment policy provides that securities purchased for the County shall be held by the County Treasurer or by the Treasurer’s custodian. If held by a custodian, the securities must be in the County’s name or in the custodian’s nominee name and identifiable on the custodian’s books as belonging to the County. Further, if held by a custodian, the custodian must be a third-party, not a counterparty (buyer or seller) to the transaction. At June 30, 2025, all of the County’s investments were held in accordance with this policy.

#### Credit Risk of Debt Securities

The County investment policy for credit risk is consistent with the investments allowed by statutes as detailed above.

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

	Fair Quality Ratings	
	AA+	AAAm
U.S. Agencies	\$ 1,871,890	\$ -
Cash/Money Market	71,977	-
Municipal/Public Bonds	23,065,598	-
Local Government Investment Pool	-	181,037
<b>Total</b>	<b>\$ 25,009,465</b>	<b>\$ 181,037</b>

# COUNTY OF AUGUSTA, VIRGINIA

## NOTES TO FINANCIAL STATEMENTS

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### Note 3. Deposits and Investments (Continued)

#### Concentration of Credit Risk

The County's investment policy limits the investment in corporate notes or bonds and obligations of other state, local government or districts within in the United States, but outside Virginia, to not more than 5% in the obligations of any one issuer. Investments issued or explicitly guaranteed by the U.S. Government and external investment pools are excluded from this requirement.

#### Interest Rate Risk

In accordance with its investment policy, the County manages its exposure to declines in fair values by limiting the maturity of its investment portfolio to less than five years.

Investment Type	Investment Maturities (in years)		
	Fair Value	Less than 1 Year	1-5 Years
Cash/Money Market	\$ 71,977	\$ 71,977	\$ -
Municipal/Public Bonds	1,871,890	1,871,890	-
U.S. Agencies	23,065,598	6,553,526	16,512,072
<b>Total</b>	<b>\$ 25,009,465</b>	<b>\$ 8,497,393</b>	<b>\$ 16,512,072</b>

#### External Investment Pools

The LGIP is a professionally managed money market fund which invests in qualifying obligations and securities as permitted by Virginia Statutes pursuant to Section 2.2-4605 *Code of Virginia*. The Treasury Board of the Commonwealth sponsors the LGIP and has delegated certain functions to the State Treasurer. The LGIP reports to the Treasury Board at their regularly scheduled monthly meetings. The County's investment in the LGIP, totaling \$181,037, is stated at amortized cost and classified as cash and cash equivalents. The maturity of the LGIP is less than one year. There are no limitations or restrictions on withdrawals.

#### Fair Value Measurements

The County categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

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

- U.S. agency securities of \$22,169,172 are valued using quoted market prices (Level 1 inputs) and \$896,426 are valued as Level 2 inputs using significant other observable inputs, including quoted prices for similar assets in active markets.
- Cash/money market and municipal/public bonds of \$1,943,867 are valued using quoted market prices (Level 1 inputs).

**COUNTY OF AUGUSTA, VIRGINIA**

**NOTES TO FINANCIAL STATEMENTS**

**Note 4. Due from Other Governmental Units**

The following amounts represent receivables from other governments at year end:

	Primary Government	Component Unit - School Board
Shenandoah Valley Regional Program for Special Education:		
Net pension and other post employment benefits liability	\$ -	\$ 3,756,468
Commonwealth of Virginia:		
Local sales tax	1,713,195	-
State sales tax	-	2,480,064
Motor vehicle carrier's tax	8,469	-
Mobile home titling tax	32,585	-
Peer to Peer vehicle sharing tax	18,020	-
Communication Tax	258,837	-
Security Grant	-	130,427
Criminal Justice	450,021	-
Wireless PSAP	56,642	-
Other	263,218	-
Children's services act	1,188,679	-
Virginia public assistance	365,878	-
Federal Government:		
Virginia public assistance	685,919	-
Criminal justice	44,014	-
Bullet Proof Vest Grant	11,775	-
Transportation	24,965	-
Opioid Substance Abuse Grant	55,413	-
HVAC ARPA Grant	531,813	-
Child Nutrition	-	543,240
School grants	-	1,792,348
Head Start	-	1,315,671
<b>Totals</b>	<u>\$ 5,709,443</u>	<u>\$ 10,018,218</u>

**Note 5. Encumbrances**

As discussed in Note 2.A.8., budgetary data, encumbrances accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year-end, the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

General Fund	\$ 165,096
County Capital Improvements Fund	<u>9,090,837</u>
<b>Total</b>	<u>\$ 9,255,933</u>

**COUNTY OF AUGUSTA, VIRGINIA**

**NOTES TO FINANCIAL STATEMENTS**

**Note 6. Interfund/Entity Obligations**

The interfund/entity receivables and payables are due to the fact the General Fund aided in funding the operations of the various funds and Entities.

Fund	Interfund Receivable	Interfund Payable	Due to Primary Government/ Component Unit	Due from Primary Government/ Component Unit
<b>Primary Government:</b>				
General Fund	\$ 550,045	\$ 64,790	\$ 3,874,443	\$ 1,032,253
VPA Fund	64,790	550,045	-	-
<b>Total</b>	<b>\$ 614,835</b>	<b>\$ 614,835</b>	<b>\$ 3,874,443</b>	<b>\$ 1,032,253</b>
<b>Component Unit - School Board:</b>				
School Operating Fund	\$ -	\$ -	\$ -	\$ 3,874,443
Head Start Fund	-	-	18,060	-
Governor's School Fund	-	-	1,014,193	-
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,032,253</b>	<b>\$ 3,874,443</b>

**Note 7. Interfund Transfers**

Interfund transfers for the year ended June 30, 2025 consisted of the following:

Fund	Transfers In	Transfers Out
<b>Primary Government:</b>		
General Fund	\$ 81,004	\$ 33,539,138
Virginia Public Assistance Fund	4,414,638	-
School Capital Improvements Fund	1,695,869	-
Debt Service Fund	13,846,457	-
County Capital Improvements Fund	19,367,492	5,866,322
<b>Total</b>	<b>\$ 39,405,460</b>	<b>\$ 39,405,460</b>

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

The transfer from the General Fund to the County Capital Improvements Fund was to transfer funds for future capital projects and to allocate ARPA funds to a project in the County Capital Improvements Fund. Transfers to Virginia Public Assistance Fund were the County’s contribution to the regional social services office, of which the County is the fiscal agent. Transfers to the School Capital Improvements Fund was for the purchase of school buses. Transfers to the Debt Service Fund was to cover the cost of annual debt payments.

**COUNTY OF AUGUSTA, VIRGINIA**

**NOTES TO FINANCIAL STATEMENTS**

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**Note 7. Interfund Transfers (Continued)**

The transfer from the County Capital Improvements Fund to the General Fund was to allocate capital funds to cover payroll expenses related to the ERP software implementation. Transfers to the School Capital Improvements Fund was to cover expenses related to school safety equipment. Transfers to the Debt Service Fund was to fund school debt service payments.

**Note 8. Long-Term Obligations**

**Primary Government – Governmental Activity Indebtedness**

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

	Balance June 30, 2024	Issuances	Retirements	Balance June 30, 2025
General obligation bonds	\$ 102,135,679	\$ -	\$ 7,205,405	\$ 94,930,274
Revenue bonds	40,706,018	27,275,000	657,677	67,323,341
Premiums on bond issues	13,358,024	925,040	784,562	13,498,502
Private placement notes	782,336	-	403,548	378,788
Lease liabilities	5,187,363	910,638	263,605	5,834,396
Compensated absences*	4,761,794	317,008	-	5,078,802
Subscription liabilities	727,718	2,513,721	971,584	2,269,855
<b>Total long-term liabilities</b>	<b>\$ 167,658,932</b>	<b>\$ 31,941,407</b>	<b>\$ 10,286,381</b>	<b>\$ 189,313,958</b>

\* Beginning balance was restated with the implementation of GASB 101. See Note 29.

\*As of June 30, 2025, the increase in the liability is a net change for the year. The increase includes new accruals for sick leave based on historical usage in compliance with GASB 101.

**COUNTY OF AUGUSTA, VIRGINIA**

**NOTES TO FINANCIAL STATEMENTS**

**Note 8. Long-Term Obligations (Continued)**

**Primary Government – Governmental Activity Indebtedness (Continued)**

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

Year(s) Ending June 30,	General Obligation Bonds		Revenue Bonds	
	Principal	Interest	Principal	Interest
2026	\$ 6,766,862	\$ 3,970,668	\$ 992,677	\$ 3,101,632
2027	7,001,092	3,656,124	1,472,676	3,114,300
2028	5,412,320	3,392,197	1,542,677	3,044,306
2029	4,860,000	3,186,535	1,612,676	2,970,500
2030	5,055,000	2,988,213	1,282,675	2,902,206
2031-2035	27,510,000	11,709,145	7,219,960	13,503,200
2036-2040	22,865,000	6,123,626	8,995,000	11,469,472
2041-2045	15,460,000	1,467,878	11,535,000	8,927,363
2046-2050	-	-	14,455,000	6,010,041
2051-2055	-	-	18,215,000	2,258,488
<b>Total</b>	<b>\$ 94,930,274</b>	<b>\$ 36,494,386</b>	<b>\$ 67,323,341</b>	<b>\$ 57,301,508</b>

Year(s) Ending June 30,	Private Placement Notes		Lease Liabilities		Subscription Liabilities	
	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ 378,788	\$ 15,512	\$ 260,156	\$ 119,816	\$ 762,982	\$ 51,734
2027	-	-	236,752	115,033	484,981	36,465
2028	-	-	211,817	110,899	447,878	24,786
2029	-	-	209,402	107,140	458,444	14,220
2030	-	-	219,618	103,311	21,792	3,404
2031-2035	-	-	1,283,421	450,817	93,778	7,005
2036-2040	-	-	1,155,113	328,931	-	-
2041-2045	-	-	1,134,822	215,498	-	-
2046-2050	-	-	824,817	92,931	-	-
2051-2055	-	-	298,478	22,750	-	-
<b>Total</b>	<b>\$ 378,788</b>	<b>\$ 15,512</b>	<b>\$ 5,834,396</b>	<b>\$ 1,667,126</b>	<b>\$ 2,269,855</b>	<b>\$ 137,614</b>

**COUNTY OF AUGUSTA, VIRGINIA**

**NOTES TO FINANCIAL STATEMENTS**

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**Note 8. Long-Term Obligations (Continued)**

***Primary Government – Governmental Activity Indebtedness (Continued)***

Details of long-term indebtedness:

	Total Amount	Amount Due Within One Year
	<hr/>	<hr/>
<u>General obligation bonds (issued for school construction):</u>		
\$26,610,000 2006A Series, issued November 9, 2006, Virginia Public School Authority Bonds, due in annual installments of \$1,330,000 through July 2026, plus semi-annual interest at 4.6% to 4.75%. The bond was issued at a premium of \$791,524 which will be amortized over the life of the bond.	\$ 2,660,000	\$ 1,330,000
\$12,729,426 2007A Series, issued November 8, 2007, Virginia Public School Authority Bonds, due in annual installments of \$750,000 through July 15, 2027, plus semi-annual interest at 3%. The bond was issued at a premium of \$686,698 which will amortized over the life of the bond.	2,182,774	713,112
\$7,500,000 2011A Series, issued June 28, 2011, Virginia Public School Authority Bonds as Qualified School Construction Bonds, due in annual installments of \$468,750 through June 1, 2027, plus semi-annual interest which will be reimbursed to VPSA as a federal tax credit and then transferred to the County.	937,500	468,750
\$6,600,000 2012B Series, issued May 10, 2012, Virginia Public School Authority Bonds due in annual installments from \$365,000 to \$490,000 through July 15, 2032, plus semi-annual interest at 3.05% to 5.05%. The bond was issued at a premium of \$966,694 which will be amortized over the life of the bond.	3,380,000	365,000
\$27,825,000 2016A Series, issued April 26, 2016, Virginia Public School Authority Bonds due in annual installments from \$1,335,000 to \$1,875,000 through July 15, 2035 plus semi-annual interest at 2.05% to 5.05%. The bond was issued at a premium of \$2,381,661 which will be amortized over the life of the bond.	19,260,000	1,335,000
\$14,285,000 2016B Series, issued October 25, 2016, Virginia Public School Authority Bonds due in annual installments from \$680,000 to \$990,000 through July 15, 2036 plus semi-annual interest at 2.925% to 5.05%. The bond was issued at a premium of \$1,247,289 which will be amortized over the life of the bond.	10,030,000	680,000

**COUNTY OF AUGUSTA, VIRGINIA**

**NOTES TO FINANCIAL STATEMENTS**

**Note 8. Long-Term Obligations (Continued)**

**Primary Government – Governmental Activity Indebtedness (Continued)**

	Total Amount	Amount Due Within One Year
	<hr/>	<hr/>
<u>General obligation bonds (issued for school construction) (continued):</u>		
\$20,520,000 2022B Series, issued October 18, 2022, Virginia Public School Authority Bonds due in annual installments from \$685,000 to \$1,565,000 through July 15, 2042 plus semi-annual interest at 4.05% to 5.05%. The bond was issued at a premium of \$1,538,927 which will be amortized over the life of the bond.	\$ 19,465,000	\$ 685,000
\$38,145,000 2023A Series, issued April 25, 2023, Virginia Public School Authority Bonds due in annual installments from \$1,190,000 to \$2,955,000 through July 15, 2043 plus semi-annual interest at 5.05%. The bond was issued at a premium of \$6,027,453 which will be amortized over the life of the bond.	37,015,000	1,190,000
<b>Sub-total general obligation bonds payable</b>	<hr/> 94,930,274	<hr/> 6,766,862
Unamortized premium on general obligation bonds	<hr/> 9,857,319	<hr/> 682,012
<u>Revenue bonds:</u>		
\$1,789,123 2012B Series, issued August 23, 2012, Virginia Resources Authority Bonds due in annual installments of \$92,677 through December 1, 2033. The loan is interest free.	723,341	92,677
\$4,415,000 2013A Series, issued June 5, 2013, Virginia Resources Authority Bonds due in annual installments from \$345,000 to \$390,000 through October 1, 2028, plus semi-annual interest at 4.288% to 4.535%. The bond was issued at a premium of \$718,271 which will be amortized over the life of the bond.	1,470,000	345,000
\$37,855,000 2024A Series, issued May 15, 2024, Virginia Resources Authority Bonds due in annual installments from \$555,000 to \$2,320,000 through October 1, 2054, plus semi-annual interest at 4.299% to 5.125%. The bond was issued at a premium of \$2,524,605 which will be amortized over the life of the bond.	37,855,000	555,000
\$27,275,000 2025A Series, issued May 6, 2025, Virginia Resources Authority Bonds due in annual installments from \$435,000 to \$1,680,000 through October 1, 2054, plus semi-annual interest at 4.125% to 5.125%. The bond was issued at a premium of \$925,040 which will be amortized over the life of the bond.	27,275,000	-
<b>Sub-total revenue bonds payable</b>	<hr/> 67,323,341	<hr/> 992,677
Unamortized premium on revenue bonds	<hr/> 3,641,183	<hr/> 162,873

**COUNTY OF AUGUSTA, VIRGINIA**

**NOTES TO FINANCIAL STATEMENTS**

**Note 8. Long-Term Obligations (Continued)**

***Primary Government – Governmental Activity Indebtedness (Continued)***

	Total Amount	Amount Due Within One Year
<u>Private placement notes:</u>		
ePlus Group, Inc. note, dated October 16, 2019, due in annual installments of \$378,788 through November 1, 2025, plus annual interest at 4.095%.	\$ 378,788	\$ 378,788
<b>Sub-total private placement notes payable</b>	<u>378,788</u>	<u>378,788</u>
Compensated absences (payable from the General Fund)	5,078,802	2,872,604
<b>Total</b>	<u>\$ 181,209,707</u>	<u>\$ 11,855,816</u>

Arbitrage Rebate Compliance:

As of June 30, 2025, and for the year then ended, the County was not liable for any amounts due under current rules governing arbitrage earnings.

Certain debt agreements contain an event of default that changes the timing of repayment of outstanding amounts to become immediately due if the County is unable to make payment.

***Discretely Presented Component Unit-School Board-Indebtedness:***

The following is a summary of long-term debt transactions of the School Board Component Unit for the year ended June 30, 2025:

	Balance June 30, 2024		Issuances	Retirements	Balance June 30, 2025	
Compensated absences*	\$ 7,819,401	\$ 1,108,701	\$ -	\$ -	\$ 8,928,102	
Lease liabilities	520,377	412,467	271,119	-	661,725	
Subscription liabilities	65,108	65,796	123,789	-	7,115	
<b>Total long-term liabilities</b>	<u>\$ 8,404,886</u>	<u>\$ 1,586,964</u>	<u>\$ 394,908</u>	<u>\$ -</u>	<u>\$ 9,596,942</u>	

\* Beginning balance was restated with the implementation of GASB 101. See Note 29.

\*As of June 30, 2025, the increase in the liability is a net change for the year. The increase includes new accruals for sick leave based on historical usage in compliance with GASB 101.

**COUNTY OF AUGUSTA, VIRGINIA**

**NOTES TO FINANCIAL STATEMENTS**

**Note 8. Long-Term Obligations (Continued)**

***Discretely Presented Component Unit-School Board-Indebtedness:***

Details of long-term indebtedness:

	Total Amount	Amount Due Within One Year
Accrued compensated absences (payable from the School Operating Fund)	\$ 8,928,102	\$ 1,810,208
<b>Total long-term obligations</b>	<b>\$ 8,928,102</b>	<b>\$ 1,810,208</b>

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

Year Ending June 30,	Lease Liabilities		Subscription Liabilities	
	Principal	Interest	Principal	Interest
2026	\$ 216,993	\$ 15,277	\$ 7,115	\$ 190
2027	179,069	10,165	-	-
2028	164,775	5,173	-	-
2029	94,181	1,550	-	-
2030	6,707	48	-	-
<b>Total</b>	<b>\$ 661,725</b>	<b>\$ 32,213</b>	<b>\$ 7,115</b>	<b>\$ 190</b>

**Note 9. Leases**

**A. Leases Receivable**

***Primary Government***

During the current fiscal year, the County leased land, building and infrastructure to a third party. The building leases range from 13 to 62 months. The County will receive monthly fixed payments ranging from \$1,221 to \$3,705. The land leases range from 36 to 112 months. The County will receive annual payments ranging from \$385 to \$44,460. The infrastructure lease (radio antenna slot) is a 204 month lease, and the County will receive annual fixed payments of \$1,754. The County recognized \$82,879 in lease revenue and \$4,360 in interest revenue during the current fiscal year related to these leases. As of June 30, 2025, the County's receivable for lease payments was \$222,852. Also, the County has a deferred inflow of resources associated with these leases that will be recognized as revenue over the lease term. As of June 30, 2025, the balance of the deferred inflow of resources was \$207,565.

# COUNTY OF AUGUSTA, VIRGINIA

## NOTES TO FINANCIAL STATEMENTS

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### Note 9. Leases (Continued)

#### B. Leases Payable

##### *Primary Government*

During the current fiscal year, the County had 38 agreements as a lessee for land, buildings, equipment and infrastructure. As of June 30, 2025, the value of the lease liability was \$5,834,396. The leases have an interest rate ranging from 0.308% to 3.689%. The intangible lease assets have one to 29 year estimated useful life. The value of the intangible lease assets as of the end of the current fiscal year was \$6,618,133 and had accumulated amortization of \$1,208,943.

##### *School Board*

During the current fiscal year, the School Board had 46 agreements as a lessee for equipment. As of June 30, 2025, the value of the lease liability was \$661,725. The leases have an interest rate ranging from 0.411% to 3.445%. The intangible lease assets have one to 29 year estimated useful life. The value of the intangible lease assets as of the end of the current fiscal year was \$1,200,763 and had accumulated amortization of \$540,424.

#### C. Subscription-based information technology arrangements

##### *Primary Government*

During the current fiscal year, the County had 22 SBITAs. As of June 30, 2025, the value of the subscription liability was \$2,269,855. The subscriptions have an interest rate ranging from 2.024% to 3.305%. The intangible subscription assets have one to ten year estimated useful life. The value of the intangible subscription assets as of the end of the current fiscal year was \$3,849,323 and had accumulated amortization of \$688,993.

##### *School Board*

During the current fiscal year, the School Board had six SBITAs. As of June 30, 2025, the value of the subscription liability was \$7,115. The subscriptions have an interest rate ranging from 2.024% to 2.837%. The intangible subscription assets have two to three year estimated useful life. The value of the intangible subscription assets as of the end of the current fiscal year was \$114,452 and had accumulated amortization of \$56,391.

**COUNTY OF AUGUSTA, VIRGINIA**

**NOTES TO FINANCIAL STATEMENTS**

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**Note 10. Pension Plan**

Name of Plan: Virginia Retirement System (VRS)  
 Identification of Plan: Agent and Cost-Sharing Multiple-Employer Pension Plans  
 Administering Entity: Virginia Retirement System (System)

**A. Plan Description**

All full-time, salaried permanent (professional) employees of the County of Augusta and its component unit, the Augusta County School Board (School Board), are automatically covered by the VRS Retirement Plan or the VRS Teacher Retirement Plan upon employment. These plans are administered by the Virginia Retirement System (the System) along with plans for other employer groups in the Commonwealth of Virginia. Members earn one month of service credit for each month they are employed and for which they and their employer pay contributions to VRS. Members are eligible to purchase prior service, based on specific criteria as defined in the *Code of 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.

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

<b>PLAN 1</b>	<b>PLAN 2</b>	<b>HYBRID RETIREMENT PLAN</b>
<p><b>About Plan 1</b>                      Plan 1 is a defined benefit plan. The retirement benefit is based on a member’s age, service credit and average final compensation at retirement using a formula.</p>	<p><b>About Plan 2</b>  <i>Political subdivision employees:</i> Same as Plan 1.   <i>School division employees (teachers):</i> Plan 2 is a defined benefit plan. The retirement benefit is based on a member’s age, service credit and average final compensation at retirement using a formula.</p>	<p><b>About the Hybrid Retirement Plan</b>                      The Hybrid Retirement Plan combines the features of a defined benefit plan and a defined contribution plan.</p> <ul style="list-style-type: none"> <li>• The defined benefit is based on a member’s age, service credit and average final compensation at retirement using a formula.</li> <li>• The benefit from the defined contribution component of the plan depends on the member and employer contributions made to the plan and the investment performance of those contributions.</li> <li>• In addition to the monthly benefit payment payable from the defined benefit plan at retirement, a member may start receiving distributions from the balance in the defined contribution account, reflecting the contributions, investment gains or losses, and any required fees.</li> </ul>

**COUNTY OF AUGUSTA, VIRGINIA**

**NOTES TO FINANCIAL STATEMENTS**

**Note 10. Pension Plan (Continued)**

**A. Plan Description (Continued)**

<b>PLAN 1</b>	<b>PLAN 2</b>	<b>HYBRID RETIREMENT PLAN</b>
<p><b>Eligible Members</b>  <i>Political Subdivision Employees:</i> Members are in Plan 1 if their membership date is before July 1, 2010, and they were vested as of January 1, 2013, and they have not taken a refund.</p> <p><i>School division employees (teachers):</i> Members are in Plan 1 if their membership date is prior to July 1, 2010, they were vested before January 1, 2013, and they have not taken a refund.</p> <p><i>Hybrid Opt-In Election</i>                      Plan 1 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014.</p> <p>The Hybrid Retirement Plan’s effective date for eligible Plan 1 members who opted in was July 1, 2014.</p> <p>If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.</p> <p>Members who were eligible for an optional retirement plan (ORP) and had prior service under Plan 1 were not eligible to elect the Hybrid Retirement Plan and remain as Plan 1 or ORP.</p>	<p><b>Eligible Members</b>  <i>Political subdivision employees:</i> Members are in Plan 2 if their membership date is on or after July 1, 2010, or their membership date is before July 1, 2010, and they were not vested as of January 1, 2013.</p> <p><i>School division employees (teachers):</i> Members are in Plan 2 if their membership date is from July 1, 2010, to December 31, 2013, and they have not taken a refund. Members are covered under Plan 2 if they have a membership date prior to July 1, 2010, and they were not vested before January 1, 2013.</p> <p><i>Hybrid Opt-In Election</i>                      Eligible Plan 2 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014.</p> <p>The Hybrid Retirement Plan’s effective date for eligible Plan 2 members who opted in was July 1, 2014.</p> <p>If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.</p> <p>Members who were eligible for an optional retirement plan (ORP) and have prior service under Plan 2 were not eligible to elect the Hybrid Retirement Plan and remain as Plan 2 or ORP.</p>	<p><b>Eligible Members</b>                      Members are in the Hybrid Retirement Plan if their membership date is on or after January 1, 2014. This includes:</p> <ul style="list-style-type: none"> <li>• Political subdivision employees*</li> <li>• School division employees (teachers)</li> <li>• Members in Plan 1 or Plan 2 who elected to opt into the plan during the election window held January 1 through April 30, 2014; the plan’s effective date for opt-in members was July 1, 2014</li> </ul> <p><i>* Non-Eligible Members</i>                      Some employees are not eligible to participate in the Hybrid Retirement Plan. They include:</p> <ul style="list-style-type: none"> <li>• Political subdivision employees who are covered by enhanced benefits for hazardous duty employees</li> </ul> <p>Those employees eligible for an optional retirement plan (ORP) must elect the ORP plan or the Hybrid Retirement Plan. If these members have prior service under Plan 1 or Plan 2, they are not eligible to elect the Hybrid Retirement Plan and must select Plan 1 or Plan 2 (as applicable) or ORP.</p>

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

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Note 10. Pension Plan (Continued)

A. Plan Description (Continued)

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p><b>Retirement Contributions</b> Members contribute 5% of their compensation each month to their member contribution account through a pre-tax salary reduction. Member contributions are tax-deferred until they are withdrawn as part of a retirement benefit or as a refund. The employer makes a separate actuarially determined contribution to VRS for all covered employees. VRS invests both member and employer contributions to provide funding for the future benefit payment.</p>	<p><b>Retirement Contributions</b> Same as Plan 1.</p>	<p><b>Retirement Contributions</b> A member’s retirement benefit is funded through mandatory and voluntary contributions made by the member and the employer to both the defined benefit and the defined contribution components of the plan. Mandatory contributions are based on a percentage of the employee’s creditable compensation and are required from both the member and the employer. Additionally, members may choose to make voluntary contributions to the defined contribution component of the plan, and the employer is required to match those voluntary contributions according to specified percentages.</p>
<p><b>Service Credit</b> Service credit includes active service. Members earn service credit for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional service credit the member was granted. A member’s total service credit is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit.</p>	<p><b>Service Credit</b> Same as Plan 1.</p>	<p><b>Service Credit</b> <i>Defined Benefit Component</i> Under the defined benefit component of the plan, service credit includes active service. Members earn service credit for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional service credit the member was granted. A member’s total service credit is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit.</p>
		<p><i>Defined Contribution Component</i> Under the defined contribution component, service credit is used to determine vesting for the employer contribution portion of the plan.</p>

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

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Note 10. Pension Plan (Continued)

A. Plan Description (Continued)

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p><b>Vesting</b> Vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members become vested when they have at least five years (60 months) of service credit. Vesting means members are eligible to qualify for retirement if they meet the age and service requirements for their plan. Members also must be vested to receive a full refund of their member contribution account balance if they leave employment and request a refund.</p> <p>Members are always 100% vested in the contributions that they make.</p>	<p><b>Vesting</b> Same as Plan 1.</p>	<p><b>Vesting</b> <i>Defined Benefit Component</i> Defined benefit vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members are vested under the defined benefit component of the Hybrid Retirement Plan when they reach five years (60 months) of service credit. Plan 1 or Plan 2 members with at least five years (60 months) of creditable service who opted into the Hybrid Retirement Plan remain vested in the defined benefit component.</p> <p><i>Defined Contribution Component</i> Defined contribution vesting refers to the minimum length of service a member needs to be eligible to withdraw the employer contributions from the defined contribution component of the plan.</p> <p>Members are always 100% vested in the contributions that they make.</p> <p>Upon retirement or leaving covered employment, a member is eligible to withdraw a percentage of employer contributions to the defined contribution component of the plan, based on service.</p> <ul style="list-style-type: none"><li>• After two years, a member is 50% vested and may withdraw 50% of employer contributions.</li><li>• After three years, a member is 75% vested and may withdraw 75% of employer contributions.</li><li>• After four or more years, a member is 100% vested and may withdraw 100% of employer contributions.</li></ul> <p>Distributions not required, except as governed by law or except as governed by law until age 73 for the County plan.</p>

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

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Note 10. Pension Plan (Continued)

A. Plan Description (Continued)

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p><b>Calculating the Benefit</b> The basic benefit is determined using the average final compensation, service credit and plan multiplier.</p> <p>An early retirement reduction factor is applied to this amount if the member is retiring with a reduced benefit. In cases where the member has elected an optional form of retirement payment, an option factor specific to the option chosen is then applied.</p>	<p><b>Calculating the Benefit</b> See definition under Plan 1.</p>	<p><b>Calculating the Benefit</b> <i>Defined Benefit Component</i> See definition under Plan 1.</p> <p><i>Defined Contribution Component</i> The benefit is based on contributions made by the member and any matching contributions made by the employer, plus net investment earnings on those contributions.</p>
<p><b>Average Final Compensation</b> A member's average final compensation is the average of the 36 consecutive months of highest compensation as a covered employee.</p>	<p><b>Average Final Compensation</b> A member's average final compensation is the average of the 60 consecutive months of highest compensation as a covered employee.</p>	<p><b>Average Final Compensation</b> Same as Plan 2. It is used in the retirement formula for the defined benefit component of the plan.</p>
<p><b>Service Retirement Multiplier</b> <i>VRS:</i> The retirement multiplier is a factor used in the formula to determine a final retirement benefit. The retirement multiplier for non-hazardous duty members is 1.70%.</p>	<p><b>Service Retirement Multiplier</b> <i>VRS:</i> Same as Plan 1 for service earned, purchased or granted prior to January 1, 2013. The retirement multiplier is 1.65% for service credit earned, purchased or granted on or after January 1, 2013.</p>	<p><b>Service Retirement Multiplier</b> <i>Defined Benefit Component</i> <i>VRS:</i> The retirement multiplier for the defined benefit component is 1.0%.</p> <p>For members that 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.</p>
<p><i>Sheriffs and regional jail superintendents:</i> The retirement multiplier for sheriffs and regional jail superintendents is 1.85%.</p>	<p><i>Sheriffs and regional jail superintendents:</i> Same as Plan 1.</p>	<p><i>Sheriffs and regional jail superintendents:</i> Not applicable.</p>

**COUNTY OF AUGUSTA, VIRGINIA**

**NOTES TO FINANCIAL STATEMENTS**

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**Note 10. Pension Plan (Continued)**

**A. Plan Description (Continued)**

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p><b>Service Retirement Multiplier (Continued)</b>  <i>Political subdivision hazardous duty employees:</i> The retirement multiplier of eligible political subdivision hazardous duty employees other than sheriffs and regional jail superintendents is 1.70% or 1.85% as elected by the employer.</p>	<p><b>Service Retirement Multiplier (Continued)</b>  <i>Political subdivision hazardous duty employees:</i> Same as Plan 1.</p>	<p><b>Service Retirement Multiplier (Continued)</b>  <i>Political subdivision hazardous duty employees:</i> Not applicable.   <i>Defined Contribution Component</i>                      Not applicable.</p>
<p><b>Normal Retirement Age</b>  <i>VRS:</i> Age 65.   <i>Political subdivisions hazardous duty employees:</i> Age 60.</p>	<p><b>Normal Retirement Age</b>  <i>VRS:</i> Normal Social Security retirement age.   <i>Political subdivisions hazardous duty employees:</i> Same as Plan 1.</p>	<p><b>Normal Retirement Age</b>  <i>Defined Benefit Component</i>  <i>VRS:</i> Same as Plan 2.   <i>Political subdivisions hazardous duty employees:</i> Not applicable.   <i>Defined Contribution Component</i>                      Members are eligible to receive distributions upon leaving employment, subject to restrictions.</p>
<p><b>Earliest Unreduced Retirement Eligibility</b>  <i>VRS:</i> Age 65 with at least five years (60 months) of service credit or at age 50 with at least 30 years of service credit.   <i>Political subdivision hazardous duty employees:</i> Age 60 with at least five years of service credit or age 50 with at least 25 years of service credit.</p>	<p><b>Earliest Unreduced Retirement Eligibility</b>  <i>VRS:</i> Normal Social Security retirement age with at least five years (60 months) of service credit or when their age plus service credit equals 90.   <i>Political subdivision hazardous duty employees:</i> Same as Plan 1.</p>	<p><b>Earliest Unreduced Retirement Eligibility</b>  <i>Defined Benefit Component</i>  <i>VRS:</i> Normal Social Security retirement age and have at least five years (60 months) of service credit or when their age plus service credit equals 90.   <i>Political subdivision hazardous duty employees:</i> Not applicable.   <i>Defined Contribution Component</i>                      Members are eligible to receive distributions upon leaving employment, subject to restrictions.</p>

**COUNTY OF AUGUSTA, VIRGINIA**

**NOTES TO FINANCIAL STATEMENTS**

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**Note 10. Pension Plan (Continued)**

**A. Plan Description (Continued)**

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p><b>Earliest Reduced Retirement Eligibility</b>  <i>VRS:</i> Age 55 with at least five years (60 months) of service credit or age 50 with at least 10 years of service credit.  <i>Political subdivisions hazardous duty employees:</i> Age 50 with at least five years of service credit.</p>	<p><b>Earliest Reduced Retirement Eligibility</b>  <i>VRS:</i> Age 60 with at least five years (60 months) of service credit.  <i>Political subdivisions hazardous duty employees:</i> Same as Plan 1.</p>	<p><b>Earliest Reduced Retirement Eligibility</b>  <i>Defined Benefit Component</i>  <i>VRS:</i> Age 60 with at least five years (60 months) of service credit.  <i>Political subdivisions hazardous duty employees:</i> Not applicable.    <i>Defined Contribution Component</i>                      Members are eligible to receive distributions upon leaving employment, subject to restrictions.</p>
<p><b>Cost-of-Living Adjustment (COLA) in Retirement</b>                      The Cost-of-Living Adjustment (COLA) matches the first 3% increase in the Consumer Price Index for all Urban Consumers (CPI-U) and half of any additional increase (up to 4%) up to a maximum COLA of 5%.</p> <p><i>Eligibility:</i> For members who retire with an unreduced benefit or with a reduced benefit with at least 20 years of service credit, the COLA will go into effect on July 1 after one full calendar year from the retirement date.</p> <p>For members who retire with a reduced benefit and who have less than 20 years of service credit, the COLA will go into effect on July 1 after one calendar year following the unreduced retirement eligibility date.</p>	<p><b>Cost-of-Living Adjustment (COLA) in Retirement</b>                      The Cost-of-Living Adjustment (COLA) matches the first 2% increase in the Consumer Price Index for all Urban Consumers (CPI-U) and half of any additional increase (up to 2%) up to a maximum COLA of 3%.</p> <p><i>Eligibility:</i> Same as Plan 1.</p>	<p><b>Cost-of-Living Adjustment (COLA) in Retirement</b>  <i>Defined Benefit Component</i>                      Same as Plan 2.    <i>Defined Contribution Component</i>                      Not applicable.    <i>Eligibility:</i> Same as Plan 1.</p>

**COUNTY OF AUGUSTA, VIRGINIA**

**NOTES TO FINANCIAL STATEMENTS**

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**Note 10. Pension Plan (Continued)**

**A. Plan Description (Continued)**

<b>PLAN 1</b>	<b>PLAN 2</b>	<b>HYBRID RETIREMENT PLAN</b>
<p><b>Cost-of-Living Adjustment (COLA) in Retirement (Continued)</b></p> <p><i>Exceptions to COLA Effective Dates</i></p> <p><i>School Division (Teachers) and Political Subdivision Employees:</i></p> <p>The COLA is effective July 1 following one full calendar year (January 1 to December 31) under any of the following circumstances:</p> <ul style="list-style-type: none"> <li>• The member is within five years of qualifying for an unreduced retirement benefit as of January 1, 2013.</li> <li>• The member retires on disability.</li> <li>• The member retires directly from short-term or long-term disability.</li> <li>• The member is involuntarily separated from employment for causes other than job performance or misconduct and is eligible to retire under the Workforce Transition Act or the Transitional Benefits Program.</li> <li>• The member dies in service and the member’s survivor or beneficiary is eligible for a monthly death-in-service benefit.</li> </ul>	<p><b>Cost-of-Living Adjustment (COLA) in Retirement (Continued)</b></p> <p><i>Exceptions to COLA Effective Dates</i></p> <p><i>School Division (Teachers) and Political Subdivision Employees:</i></p> <p>Same as Plan 1.</p>	<p><b>Cost-of-Living Adjustment (COLA) in Retirement (Continued)</b></p> <p><i>Exceptions to COLA Effective Dates</i></p> <p><i>School Division (Teachers) and Political Subdivision Employees:</i></p> <p>Same as Plan 1.</p>

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

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Note 10. Pension Plan (Continued)

A. Plan Description (Continued)

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p><b>Disability Coverage</b> Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.70% on all service, regardless of when it was earned, purchased or granted.</p>	<p><b>Disability Coverage</b> Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.65% on all service regardless of when it was earned, purchased or granted.</p>	<p><b>Disability Coverage</b> Employees of political subdivisions and school divisions (teachers), including Plan 1 and Plan 2 opt-ins, participate in the Virginia Local Disability Program (VLDP) unless their local governing body provides an employer-paid comparable program for its members.</p> <p>Hybrid plan members (including Plan 1 and Plan 2 opt-ins) covered under VLDP are subject to a one-year waiting period before becoming eligible for non-work related disability benefits.</p>
<p><b>Purchase of Prior Service</b> Members may be eligible to purchase service from previous public employment, active duty military service, an eligible period of leave or VRS refunded service as service credit in their plan. Prior service credit counts toward vesting, eligibility for retirement and the health insurance credit. Only active members are eligible to purchase prior service. Members also may be eligible to purchase periods of leave without pay.</p>	<p><b>Purchase of Prior Service</b> Same as Plan 1.</p>	<p><b>Purchase of Prior Service</b> <i>Defined Benefit Component</i> Same as Plan 1, with the following exception:</p> <ul style="list-style-type: none"><li>Hybrid Retirement Plan members are ineligible for ported service.</li></ul> <p><i>Defined Contribution Component</i> Not applicable.</p>

**COUNTY OF AUGUSTA, VIRGINIA**

**NOTES TO FINANCIAL STATEMENTS**

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**Note 10. Pension Plan (Continued)**

**B. Employees Covered by Benefit Terms**

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

**County Plan (Agent Plan)**

	<u>Number</u>
Inactive members or their beneficiaries currently receiving benefits	400
Inactive members:	
Vested inactive members	117
Non-vested inactive members	208
Inactive members active elsewhere in VRS	383
Active members	<u>545</u>
<b>Total covered employees</b>	<b><u><u>1,653</u></u></b>

**School Board Non-Professional Plan (Agent Plan)**

	<u>Number</u>
Inactive members or their beneficiaries currently receiving benefits	63
Inactive members:	
Vested inactive members	22
Non-vested inactive members	72
Long-term disability	2
Inactive members active elsewhere in VRS	24
Active members	<u>90</u>
<b>Total covered employees</b>	<b><u><u>273</u></u></b>

# COUNTY OF AUGUSTA, VIRGINIA

## NOTES TO FINANCIAL STATEMENTS

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### Note 10. Pension Plan (Continued)

#### C. Contributions

##### **County Plan (Agent Plan)**

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

The County's contractually required contribution rate for the year ended June 30, 2025 was 11.02% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the County were \$3,734,657 and \$2,976,592 for the years ended June 30, 2025 and 2024, respectively.

The defined contributions component of the Hybrid plan includes member and employer mandatory and voluntary contributions. The Hybrid plan member must contribute a mandatory rate of 1% of their covered payroll. The employer must also contribute a mandatory rate of 1% of this covered payroll, which totaled \$119,448 for the year ended June 30, 2025. Hybrid plan members may also elect to contribute an additional voluntary rate of up to 4% of their covered payroll; which would require the employer a mandatory additional contribution rate of up to 2.5%. This additional employer mandatory contribution totaled \$107,260 for the year ended June 30, 2025. The total Hybrid plan participant covered payroll totaled \$11,944,861 for the year ended June 30, 2025.

##### **School Board Non-Professional Plan (Agent Plan)**

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

The School Board non-professional's contractually required contribution rate for the year ended June 30, 2025 was 4.45% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the School Board for the non-professional plan were \$187,921 and \$166,832 for the years ended June 30, 2025 and 2024, respectively.

The defined contributions component of the Hybrid plan includes member and employer mandatory and voluntary contributions. The Hybrid plan member must contribute a mandatory rate of 1% of their covered payroll. The employer must also contribute a mandatory rate of 1% of this covered payroll, which totaled \$309,463 for the year ended June 30, 2025. Hybrid plan members may also elect to contribute an additional voluntary rate of up to 4% of their covered payroll; which would require the employer a mandatory additional contribution rate of up to 2.5%. This additional employer mandatory contribution totaled \$353,519 for the year ended June 30, 2025. The total Hybrid plan participant covered payroll totaled \$36,197,535 for the year ended June 30, 2025.

# COUNTY OF AUGUSTA, VIRGINIA

## NOTES TO FINANCIAL STATEMENTS

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### Note 10. Pension Plan (Continued)

#### C. Contributions (Continued)

##### **School Board Professional Plan (Cost-Sharing Plan)**

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

The School Board Professional's contractually required contribution rate for the year ended June 30, 2025, was 14.21% of covered employee compensation. This was the General Assembly approved rate which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023.

The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the School Board for the professional plan were \$11,400,632 and \$11,754,186 for the years ended June 30, 2025 and 2024, respectively.

The defined contributions component of the Hybrid plan includes member and employer mandatory and voluntary contributions. The Hybrid plan member must contribute a mandatory rate of 1% of their covered payroll. The employer must also contribute a mandatory rate of 1% of this covered payroll, which totaled \$25,639 for the year ended June 30, 2025. Hybrid plan members may also elect to contribute an additional voluntary rate of up to 4% of their covered payroll; which would require the employer a mandatory additional contribution rate of up to 2.5%. This additional employer mandatory contribution totaled \$16,581 for the year ended June 30, 2025. The total Hybrid plan participant covered payroll totaled \$2,563,934 for the year ended June 30, 2025.

#### D. Net Pension Liability

##### **County and School Board Non-Professional Plans (Agent Plans)**

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

**COUNTY OF AUGUSTA, VIRGINIA**

**NOTES TO FINANCIAL STATEMENTS**

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**Note 10. Pension Plan (Continued)**

**D. Net Pension Liability (Continued)**

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

At June 30, 2025, the School Board reported a liability for the professional plan of \$65,420,364 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2023, and rolled forward to the measurement date of June 30, 2024. The School Board’s proportion of the net pension liability was based on the School Board’s actuarially determined employer contributions to the pension plan for the year ended June 30, 2024 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2024, the School Board’s proportion was 0.69693% as compared to 0.70432% at June 30, 2023.

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

	Teacher Employee Retirement Plan
Total pension liability	\$ 60,622,260
Plan fiduciary net position	51,235,326
<b>Employers' net pension liability</b>	<b>\$ 9,386,934</b>

Plan fiduciary net position as a percentage of the total pension liability	84.52%
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The total pension liability is calculated by the System’s actuary, and each plan’s fiduciary net position is reported in the System’s financial statements. The net position liability is disclosed in accordance with the requirements of GASB Statement No. 67 in the System’s notes to the financial statements and required supplementary information.

**E. Actuarial Assumptions**

**County and School Board Non-Professional Plans (Agent Plans)**

*General Employees*

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

**COUNTY OF AUGUSTA, VIRGINIA**

**NOTES TO FINANCIAL STATEMENTS**

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**Note 10. Pension Plan (Continued)**

**E. Actuarial Assumptions (Continued)**

**County and School Board Non-Professional Plans (Agent Plans) (Continued)**

*General Employees (Continued)*

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

Mortality Rates:	15% of deaths are assumed to be service related.
- Pre-retirement:	Pub-2010 Amount Weighted Safety Employee Rates projected generationally, 95% of rates for males, 105% of rates for females set forward 2 years.
- Post-retirement:	Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally, 110% of rates for males, 105% of rates for females set forward 3 years.
- Post-disablement:	Pub-2010 Amount Weighted General Disabled Rates projected generationally, 95% of rates for males set back 3 years, 90% of rates for females set back 3 years.
- Beneficiaries and survivors:	Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally, 110% of rates for males and females set forward 2 years.
- Mortality improvement:	Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age
Withdrawal Rates	Adjusted rates to better fit experience each year, age and service through nine years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

# COUNTY OF AUGUSTA, VIRGINIA

## NOTES TO FINANCIAL STATEMENTS

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### Note 10. Pension Plan (Continued)

#### E. Actuarial Assumptions (Continued)

##### County and School Board Non-Professional Plans (Agent Plans) (Continued)

###### *Public Safety Employees*

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

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

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 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 AUGUSTA, VIRGINIA

## NOTES TO FINANCIAL STATEMENTS

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### Note 10. Pension Plan (Continued)

#### E. Actuarial Assumptions (Continued)

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

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

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

##### Mortality Rates:

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

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan2/Hybrid; changed final retirement age from 75 to 80 for all.
Withdrawal Rates	Adjusted rates to better fit experience each year, age and service through nine years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 10. Pension Plan (Continued)

F. Long-Term Expected Rate of Return

**County and School Board Non-Professional Plans (Agent Plans) and the School Board Professional Plan (Cost-Sharing Plan)**

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

Asset Class (Strategy)	Long-Term Target Asset Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return*
Public equity	32.00%	6.70%	2.14%
Fixed income	16.00%	5.40%	0.86%
Credit strategies	16.00%	8.10%	1.30%
Real assets	15.00%	7.20%	1.08%
Private equity	15.00%	8.70%	1.31%
PIP-Private Investment Partnership	1.00%	8.00%	0.08%
Diversifying strategies	6.00%	5.80%	0.35%
Cash	2.00%	3.00%	0.06%
Leverage	(3.00%)	3.50%	(0.11%)
	<u>100.00%</u>		
			<u>7.07%</u>

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

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

# COUNTY OF AUGUSTA, VIRGINIA

## NOTES TO FINANCIAL STATEMENTS

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### Note 10. Pension Plan (Continued)

#### G. Discount Rate

##### **County and School Board Non-Professional Plans (Agent Plans)**

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

##### **School Board Professional Plan (Cost-Sharing Plan)**

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 member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2024, the rate contributed by the school division for the VRS Teacher Retirement Plan will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 112% of the actuarially determined contribution rate. From July 1, 2024, on, 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.

**COUNTY OF AUGUSTA, VIRGINIA**

**NOTES TO FINANCIAL STATEMENTS**

**Note 10. Pension Plan (Continued)**

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

**County Plan (Agent Plan)**

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at June 30, 2023	\$ 117,950,650	\$ 116,606,315	\$ 1,344,335
Changes for the year:			
Service cost	3,686,050	-	3,686,050
Interest	7,997,152	-	7,997,152
Differences between expected and actual experience	6,083,211	-	6,083,211
Contributions - employer	-	2,976,592	(2,976,592)
Contributions - employee	-	1,440,574	(1,440,574)
Net investment income	-	11,290,012	(11,290,012)
Benefit payments, including refunds of employee contributions	(6,320,747)	(6,320,747)	-
Administrative expense	-	(74,209)	74,209
Other changes	-	2,341	(2,341)
<b>Net changes</b>	<b>11,445,666</b>	<b>9,314,563</b>	<b>2,131,103</b>
Balances at June 30, 2024	<u>\$ 129,396,316</u>	<u>\$ 125,920,878</u>	<u>\$ 3,475,438</u>

**School Board Non-Professional Plan (Agent Plan)**

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balances at June 30, 2023	\$ 14,635,548	\$ 14,641,823	\$ (6,275)
Changes for the year:			
Service cost	294,597	-	294,597
Interest	975,861	-	975,861
Differences between expected and actual experience	112,745	-	112,745
Contributions - employer	-	166,832	(166,832)
Contributions - employee	-	173,195	(173,195)
Net investment income	-	1,398,342	(1,398,342)
Benefit payments, including refunds of employee contributions	(945,881)	(945,881)	-
Administrative expense	-	(9,722)	9,722
Other changes	-	267	(267)
<b>Net changes</b>	<b>437,322</b>	<b>783,033</b>	<b>(345,711)</b>
Balances at June 30, 2024	<u>\$ 15,072,870</u>	<u>\$ 15,424,856</u>	<u>\$ (351,986)</u>

**COUNTY OF AUGUSTA, VIRGINIA**

**NOTES TO FINANCIAL STATEMENTS**

**Note 10. Pension Plan (Continued)**

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

**County and School Board Non-Professional Plans (Agent Plans) and the School Board Professional Plan (Cost-Sharing Plan)**

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

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
County net pension liability (asset)	\$ 20,479,952	\$ 3,475,438	\$ (10,260,978)
School Board non-professional net pension liability (asset)	1,411,179	(351,986)	(1,774,106)
School Board professional net pension liability	121,538,212	65,420,364	19,461,631

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

**County Plan (Agent Plan)**

For the year ended June 30, 2025, the County recognized pension expense of \$1,045,319. The County also reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,152,033	\$ (725,491)
Net difference between projected and actual earnings on pension plan investments	-	(3,265,328)
Employer contributions subsequent to the measurement date	3,734,657	-
	<u>\$ 7,886,690</u>	<u>\$ (3,990,819)</u>

The \$3,734,657 reported as deferred outflows of resources related to pensions resulting from the County’s contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Year Ending June 30,	Amount
2026	\$ (1,557,224)
2027	2,767,530
2028	(351,939)
2029	(697,153)
	<u>\$ 161,214</u>

**COUNTY OF AUGUSTA, VIRGINIA**

**NOTES TO FINANCIAL STATEMENTS**

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**Note 10. Pension Plan (Continued)**

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

**School Board Non-Professional Plan (Agent Plan)**

For the year ended June 30, 2025, the School Board recognized a pension credit related to its non-professional plan of \$83,371. The School Board also reported deferred outflows of resources and deferred inflows of resources related to its non-professional plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 63,511	\$ (1,634)
Net difference between projected and actual earnings on pension plan investments	-	(410,019)
Employer contributions subsequent to the measurement date	187,921	-
	<u>\$ 251,432</u>	<u>\$ (411,653)</u>

The \$187,921 reported as deferred outflows of resources related pensions resulting from the School Board non-professional plan’s contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Year Ending June 30,	Amount
2026	\$ (322,679)
2027	137,785
2028	(77,090)
2029	(86,158)
	<u>\$ (348,142)</u>

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

For the year ended June 30, 2025, the School Board recognized pension expense related to the professional plan of \$6,200,521. 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 June 30, 2022, measurement date, the difference between expected and actual contributions is included with the pension expense calculation.

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 10. Pension Plan (Continued)

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

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 11,349,511	\$ (1,347,051)
Changes of assumptions	1,187,467	-
Net difference between projected and actual earnings on pension plan investments	-	(9,005,153)
Changes in proportionate share	1,110,213	(1,106,097)
Employer contributions subsequent to the measurement date	11,400,632	-
	<u>\$ 25,047,823</u>	<u>\$ (11,458,301)</u>

The \$11,400,632 reported as deferred outflows of resources related to pensions resulting from the School Board’s contributions for the professional plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Year Ending June 30,	Amount
2026	\$ (4,166,636)
2027	5,811,453
2028	1,447,043
2029	(902,970)
	<u>\$ 2,188,890</u>

**K. Pension Plan Data**

Information about the VRS Political Subdivision Retirement Plan and the VRS Teacher Retirement Plan is also available in the separately issued VRS 2024 Annual Comprehensive Financial Report (Annual Report). A copy of the 2024 VRS Annual Report may be downloaded from the VRS website at [varetire.org/pdf/publications/2024-annual-report.pdf](http://varetire.org/pdf/publications/2024-annual-report.pdf) or by writing to the System’s Chief Financial Officer at P.O. Box 2500, Richmond, Virginia 23218-2500.

**COUNTY OF AUGUSTA, VIRGINIA**

**NOTES TO FINANCIAL STATEMENTS**

**Note 11. Other Postemployment Benefits – Medical Insurance Program**

**A. Plan Description**

The County’s and the School Board’s defined benefit other postemployment benefit (OPEB) – medical insurance plans provide OPEB for all permanent full-time general and public safety employees of the County and the School Board. The County and the School Board have separate plans. The plans were established by their respective Boards and any amendments to the plans must be approved by the respective Boards. These plans are single-employer defined benefit OPEB plans. No assets are accumulated in a trust that meets the criteria in paragraph four of GASB Statement No. 75. These plans do not issue stand-alone financial reports.

The specific information for Medical Insurance Program’s OPEB, including eligibility, is set out in the tables below:

**County**

<b>MEDICAL INSURANCE PROGRAM PLAN PROVISIONS</b>
<p><b><i>Eligibility Conditions</i></b>                      A retired employee, who is participating in the employer’s medical program is eligible to elect post-retirement coverage if:</p> <ul style="list-style-type: none"> <li>• Is at least age 50 with 10 years of service, and is eligible for immediate retirement benefits under VRS, or</li> <li>• Has at least 10 years of service and is eligible for immediate disability retirement benefits under VRS.</li> </ul> <p>Coverage ceases if the retiree is employed and that employer offers to pay 50% or more of the monthly premium for individual coverage as a benefit of that job. Coverage ceases when retiree turns 65 and is eligible for Medicare.</p>
<p><b><i>Covered Employees</i></b>                      All full time employees (must be covered by the active plan at time or retirement or disability).</p>
<p><b><i>Medical Coverage</i></b>                      Pre-Medicare coverage is provided under the same plan as provided to active employees under the employer’s group health coverage. Several post-65 retirees are grandfathered and will continue for life. Disabled retirees are covered until the attainment of age 65. If they become eligible for Medicare benefits due to their disability prior to the attainment of age 65, their coverage ceases upon their date of eligibility for Medicare.</p>
<p><b><i>Spousal Coverage</i></b>                      Offer COBRA insurance after death of retiree.</p>
<p><b><i>Retiree Cost Sharing</i></b>                      Spouses – Pay 100% of reported medical rates.</p>
<p><b><i>Changes to Benefit Terms</i></b>                      Retiree cost sharing was updated to reflect the plan change as of July 1, 2022. The County now pays up to \$2,500 annually towards retirees’ premium amounts for retirees who are at least 55 years old and were employed by the County for at least 10 years prior to retirement. Previously, retirees paid 100% of the premium.</p>

**COUNTY OF AUGUSTA, VIRGINIA**

**NOTES TO FINANCIAL STATEMENTS**

**Note 11. Other Postemployment Benefits – Medical Insurance Program (Continued)**

**A. Plan Description (Continued)**

**School Board**

<b>MEDICAL INSURANCE PROGRAM PLAN PROVISIONS</b>
<p><b><i>Eligibility Conditions</i></b>                      A retiring employee, who is participating in the employer’s medical program at the time of retirement, is eligible to elect post retirement coverage:</p> <ul style="list-style-type: none"> <li>• If the employee is eligible to retire under the Virginia Retirement System (VRS), or</li> <li>• If not eligible for VRS, the employee is at least 55 years of age, and has worked for the School Board for at least five years.</li> <li>• An employee who is participating in the employer’s medical program at the time of retirement and who is disabled is eligible to elect post-retirement coverage.</li> <li>• If covered by VRS, must have at least 10 years of service and be eligible for VRS disability benefits, or</li> <li>• If not covered by VRS, the employee is a least 55 years of age, and has worked for the School Board for at least five years and to be disabled under Social Security.</li> </ul> <p>Coverage ceases at the earlier eligibility for Medicare or for any other health coverage.</p>
<p><b><i>Covered Employees</i></b>                      All full time employees (must be covered by the active plan at time or retirement or disability).</p>
<p><b><i>Medical Coverage</i></b>                      Employee Cost Sharing</p> <ul style="list-style-type: none"> <li>• Employee pays 100% of individual premium.</li> <li>• Spouse – Employee pays 100% of spousal premium.</li> </ul> <p>Coverage ceases upon eligibility for any other health coverage, including Medicare.</p>

**B. Employees Covered by Benefit Terms**

At July 1, 2023, the following employees were covered by the benefit terms:

**County**

	Number
Inactive employees or beneficiaries currently receiving benefit payments	10
Active employees	470
<b>Total</b>	480

**School Board**

	Number
Inactive employees or beneficiaries currently receiving benefit payments	37
Active employees	1,459
<b>Total</b>	1,496

# COUNTY OF AUGUSTA, VIRGINIA

## NOTES TO FINANCIAL STATEMENTS

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### Note 11. Other Postemployment Benefits – Medical Insurance Program (Continued)

#### C. Total Medical Insurance Program OPEB Liability

##### County and School Board

The County's total Medical Insurance OPEB liability of \$4,379,000 was measured as of July 1, 2024 and was determined by an actuarial valuation as of July 1, 2023. The School Board's total Medical Insurance OPEB liability of \$12,986,000 was measured as of July 1, 2024 and was determined by an actuarial valuation as of July 1, 2023. The current estimated portion for the County and School Board was \$65,347 and \$313,382, respectively.

#### D. Actuarial Assumptions and Other Inputs

##### County and School Board

The total Medical Insurance Program OPEB liabilities were based on an actuarial valuation as of July 1, 2023, using the Entry Age Normal actuarial cost method and the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	N/A
Salary increases	2.50%
Discount rate	4.09%
Healthcare cost trend rates	6.25% for fiscal year end 2025, decreasing 0.25% per year to an ultimate rate of 4.50%.

The discount rate was based on Municipal GO AA 20-year yield curve rate as of July 1, 2024.

##### *Mortality Rates*

PUB-2010 Weighted General Mortality Table, with base year 2010, projected using two-dimensional improvement scale MP-2021.

#### E. Changes in the Total Medical Insurance OPEB Liability

##### County

	<u>Total Medical Insurance OPEB Liability</u>
Balance at July 1, 2023	\$ 4,330,000
Changes for the year:	
Service cost	348,000
Interest	180,000
Difference between expected and actual experience	(381,000)
Contributions - employer	(22,000)
Assumption changes	(76,000)
<b>Net changes</b>	<u>49,000</u>
Balance at June 30, 2024	<u>\$ 4,379,000</u>

**COUNTY OF AUGUSTA, VIRGINIA**

**NOTES TO FINANCIAL STATEMENTS**

**Note 11. Other Postemployment Benefits – Medical Insurance Program (Continued)**

**E. Changes in the Total Medical Insurance OPEB Liability (Continued)**

**School Board**

	<u>Total Medical Insurance OPEB Liability</u>
Balance at July 1, 2023	\$ 12,584,000
Changes for the year:	
Service cost	455,000
Interest	502,000
Difference between expected and actual experience	(389,000)
Contributions - employer	(64,000)
Assumption changes	(102,000)
<b>Net changes</b>	<u>402,000</u>
Balance at June 30, 2024	<u><u>\$ 12,986,000</u></u>

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

The following presents the total OPEB liabilities of the County and the School Board calculated using the stated discount rate, as well as what the County and the School Board’s total Medical Insurance OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.09%) or 1-percentage-point higher (5.09%) than the current discount rate:

	1% Decrease (3.09%)	Current Discount Rate (4.09%)	1% Increase (5.09%)
County	\$ 4,916,000	\$ 4,379,000	\$ 3,907,000
School Board	14,244,000	12,986,000	11,837,000

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

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

	1% Decrease	Current Trend Rate	1% Increase
County	\$ 3,801,000	\$ 4,379,000	\$ 5,080,000
School Board	11,446,000	12,986,000	14,797,000

**COUNTY OF AUGUSTA, VIRGINIA**

**NOTES TO FINANCIAL STATEMENTS**

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**Note 11. Other Postemployment Benefits – Medical Insurance Program (Continued)**

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

**County**

For the year ended June 30, 2025, the County recognized Medical OPEB plan credit of \$148,000. The County also reported deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 128,000	\$ (2,842,000)
Changes of assumptions	549,000	(1,068,000)
Employer contributions after measurement date but prior to fiscal year end	65,347	-
	<u>\$ 742,347</u>	<u>\$ (3,910,000)</u>

The \$65,437 reported as deferred outflows of resources to the Medical OPEB plan resulting from the County’s contributions subsequent to the measurement date will be recognized as a reduction of the total Medical OPEB plan liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources related to the Medical OPEB plan will be recognized in future reporting periods as follows:

Year Ending June 30,	Amount
2026	\$ (552,000)
2027	(653,000)
2028	(734,000)
2029	(670,000)
2030	(388,000)
Thereafter	(236,000)
	<u>\$ (3,233,000)</u>

**COUNTY OF AUGUSTA, VIRGINIA**

**NOTES TO FINANCIAL STATEMENTS**

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**Note 11. Other Postemployment Benefits – Medical Insurance Program (Continued)**

**H. Medical Insurance OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Medical Insurance OPEB (Continued)**

**School Board**

For the year ended June 30, 2025, the School Board recognized Medical OPEB plan credit of \$390,000. The School Board also reported deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 724,000	\$ (3,625,000)
Changes of assumptions	1,076,000	(1,436,000)
Employer contributions after measurement date but prior to fiscal year end	313,382	-
	<u>\$ 2,113,382</u>	<u>\$ (5,061,000)</u>

The \$313,382 reported as deferred outflows of resources related to the Medical OPEB plan resulting from the School Board’s contributions subsequent to the measurement date will be recognized as a reduction of the total Medical OPEB plan liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources related to the Medical OPEB plan will be recognized in future reporting periods as follows:

Year Ending June 30,	Amount
2026	\$ (1,141,000)
2027	(789,000)
2028	(521,000)
2029	(661,000)
2030	(89,000)
Thereafter	<u>(60,000)</u>
	<u>\$ (3,261,000)</u>

**COUNTY OF AUGUSTA, VIRGINIA**

**NOTES TO FINANCIAL STATEMENTS**

**Note 12. Other Postemployment Benefits – Group Life Insurance Program**

**A. Plan Description**

All full-time, salaried permanent employees of the County, and the School Board non-professional and the School Board professional employees are automatically covered by the VRS Group Life Insurance Program (GLI) upon employment. This plan is administered by the Virginia Retirement System (the System), along with pensions and other OPEB plans, for public employer groups in the Commonwealth of Virginia.

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

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

<b>GROUP LIFE INSURANCE PROGRAM PLAN PROVISIONS</b>
<p><b><i>Eligibility Conditions</i></b>                      The GLI was established July 1, 1960, for state employees, teachers and employees of political subdivisions that elect the program.                      Basic GLI coverage is automatic upon employment. Coverage ends for employees who leave their position before retirement eligibility or who take a refund of their accumulated retirement member contributions and accrued interest.</p>
<p><b><i>Benefit Amounts</i></b>                      The benefits payable under the GLI have several components.</p> <ul style="list-style-type: none"> <li>• <u>Natural Death Benefit</u>: The natural death benefit is equal to the employee’s covered compensation rounded to the next highest thousand and then doubled.</li> <li>• <u>Accidental Death Benefit</u>: The accidental death benefit is double the natural death benefit.</li> <li>• <u>Other Benefit Provisions</u>: In addition to the basic natural and accidental death benefits, the program provides additional benefits provided under specific circumstances. These include:                             <ul style="list-style-type: none"> <li>○ Accidental dismemberment benefit</li> <li>○ Seatbelt benefit</li> <li>○ Repatriation benefit</li> <li>○ Felonious assault benefit</li> <li>○ Accelerated death benefit option</li> </ul> </li> </ul>
<p><b><i>Reduction in Benefit Amounts</i></b>                      The benefit amounts provided to members covered under the GLI are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value.</p>
<p><b><i>Minimum Benefit Amount and Cost-of-Living Adjustment (COLA)</i></b>                      For covered members with at least 30 years of service credit, there is a minimum benefit payable under GLI. The minimum benefit was set at \$8,000 by statute in 2015. This amount is increased annually based on the VRS Plan 2 COLA calculation. The minimum benefit adjusted for the COLA was \$9,532 effective June 30, 2025.</p>

**COUNTY OF AUGUSTA, VIRGINIA**

**NOTES TO FINANCIAL STATEMENTS**

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**Note 12. Other Postemployment Benefits – Group Life Insurance Program (Continued)**

**B. Contributions**

The contribution requirements for the GLI are governed by Sections 51.1-506 and 51.1-508 of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the GLI was 1.18% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.71% (1.18% X 60%) and the employer component was 0.47% (1.18% X 40%). Employers may elect to pay all or part of the employee contribution, however, the employer must pay all of the employer contribution. Each employer’s contractually required employer contribution rate for the year ended June 30, 2025 was 0.47% of covered employee compensation. This rate was the final approved General Assembly rate which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the GLI from the participating employers for the years ended June 30, 2025 and June 30, 2024 were as follows:

	2025	2024
County	\$ 159,304	\$ 157,780
School Board Non-Professional	19,875	22,087
School Board Professional	377,109	402,958

**C. GLI OPEB Liabilities, GLI OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the GLI OPEB**

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

County	\$ 1,331,741
School Board Non-Professional	171,964
School Board Professional	3,256,372

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

	2024	2023
County	0.11934%	0.11998%
School Board Non-Professional	0.01541%	0.01596%
School Board Professional	0.29181%	0.29965%

**COUNTY OF AUGUSTA, VIRGINIA**

**NOTES TO FINANCIAL STATEMENTS**

**Note 12. Other Postemployment Benefits – Group Life Insurance Program (Continued)**

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

For the year ended June 30, 2025, the County, School Board non-professional, and School Board professional employees recognized GLI OPEB expense of \$53,769, \$8,003, and \$43,335, respectively. Since there was a change in the proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

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

**County**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 210,046	\$ (32,530)
Net difference between projected and actual earnings on GLI OPEB investments	-	(112,252)
Changes of assumptions	7,591	(65,998)
Changes in proportionate share	61,082	(14,518)
Employer contributions subsequent to the measurement date	159,304	-
	<u>\$ 438,023</u>	<u>\$ (225,298)</u>

The \$159,304 reported as deferred outflows of resources related to the GLI OPEB resulting from the employer’s contributions subsequent to the measurement date will be recognized as a reduction of the net GLI OPEB liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

Year Ending June 30,	Amount
2026	\$ (41,268)
2027	37,617
2028	12,376
2029	25,171
2030	19,525
	<u>\$ 53,421</u>

**COUNTY OF AUGUSTA, VIRGINIA**

**NOTES TO FINANCIAL STATEMENTS**

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**Note 12. Other Postemployment Benefits – Group Life Insurance Program (Continued)**

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

**School Board Non-Professional Plan**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 27,123	\$ (4,200)
Net difference between projected and actual earnings on GLI OPEB investments	-	(14,495)
Changes of assumptions	980	(8,522)
Changes in proportionate share	20,033	(5,731)
Employer contributions subsequent to the measurement date	19,875	-
	<u>\$ 68,011</u>	<u>\$ (32,948)</u>

The \$19,875 reported as deferred outflows of resources related to the GLI OPEB resulting from the employer’s contributions subsequent to the measurement date will be recognized as a reduction of the net GLI OPEB liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

Year Ending June 30,	Amount
2026	\$ (2,944)
2027	7,585
2028	4,361
2029	4,507
2030	1,679
	<u>\$ 15,188</u>

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 12. Other Postemployment Benefits – Group Life Insurance Program (Continued)

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

School Board Professional Plan

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 513,605	\$ (79,542)
Net difference between projected and actual earnings on GLI OPEB investments	-	(274,478)
Changes of assumptions	18,561	(161,379)
Changes in proportionate share	47,464	(116,408)
Employer contributions subsequent to the measurement date	377,109	-
	<u>\$ 956,739</u>	<u>\$ (631,807)</u>

The \$377,109 reported as deferred outflows of resources related to the GLI OPEB resulting from the employer’s contributions subsequent to the measurement date will be recognized as a reduction of the net GLI OPEB liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

Year Ending June 30,	Amount
2026	\$ (167,154)
2027	44,474
2028	2,932
2029	31,181
2030	36,390
	<u>\$ (52,177)</u>

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

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Note 12. Other Postemployment Benefits – Group Life Insurance Program (Continued)

D. Actuarial Assumptions

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

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

Inflation	2.50%
Salary increases, including inflation:	
Teachers	3.50% – 5.95%
Locality – general employees	3.50% – 5.35%
Locality – hazardous duty employees	3.50% – 4.75%
Investment rate of return	6.75%, net of investment expense, including inflation

School Board Professional Plan

Mortality Rates – Teachers

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

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

Post-Disablement: Pub-2010 amount Weighted Teachers Disabled Rates projected generationally; 110% of rates for males and females.

Beneficiaries and Survivors: Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally.

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

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through nine years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

# COUNTY OF AUGUSTA, VIRGINIA

## NOTES TO FINANCIAL STATEMENTS

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### Note 12. Other Postemployment Benefits – Group Life Insurance Program (Continued)

#### D. Actuarial Assumptions (Continued)

##### County and School Board Non-Professional Plans

##### *Mortality Rates – General Employees*

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

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

Post-Disablement: Pub-2010 amount Weighted General Disabled Rates projected generationally; 110% of rates for males set forward 3 years; 110% of rates for females set forward 2 years.

Beneficiaries and Survivors: Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally.

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

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

##### *Mortality Rates – Hazardous Duty Employees*

Pre-Retirement: Pub-2010 Amount Weighted Safely Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years.

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

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

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

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

**COUNTY OF AUGUSTA, VIRGINIA**

**NOTES TO FINANCIAL STATEMENTS**

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**Note 12. Other Postemployment Benefits – Group Life Insurance Program (Continued)**

**D. Actuarial Assumptions (Continued)**

**County and School Board Non-Professional Plans (Continued)**

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

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. 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

**E. Net GLI OPEB Liability**

**School Board Professional Plan**

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

	Group Life Insurance OPEB Program
Total GLI OPEB liability	\$ 4,196,055
Plan fiduciary net position	3,080,133
	<b>\$ 1,115,922</b>

Plan fiduciary net position as a percentage of the total GLI OPEB liability 73.41%

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.

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 12. Other Postemployment Benefits – Group Life Insurance Program (Continued)

F. Long-Term Expected Rate of Return

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

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

Asset Class (Strategy)	Long-Term Target Asset Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return*
Public equity	32.00%	6.70%	2.14%
Fixed income	16.00%	5.40%	0.86%
Credit strategies	16.00%	8.10%	1.30%
Real assets	15.00%	7.20%	1.08%
Private equity	15.00%	8.70%	1.31%
PIP-Private Investment Partnership	1.00%	8.00%	0.08%
Diversifying strategies	6.00%	5.80%	0.35%
Cash	2.00%	3.00%	0.06%
Leverage	(3.00%)	3.50%	(0.11%)
	<u>100.00%</u>		

\*Expected arithmetic nominal return 7.07%

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

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

# COUNTY OF AUGUSTA, VIRGINIA

## NOTES TO FINANCIAL STATEMENTS

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### Note 12. Other Postemployment Benefits – Group Life Insurance Program (Continued)

#### G. Discount Rate

##### County, School Board Non-Professional, and School Board Professional Plans

The discount rate used to measure the total GLI OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made per the VRS guidance and the employer contributions will be made in accordance with the VRS funding policy and at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ending June 30, 2024, the rate contributed by the participating employers for the GLI OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 113% of the actuarially determined contribution rates. From July 1, 2024 on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the GLI OPEB's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total GLI OPEB liability.

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

##### County, School Board Non-Professional, and School Board Professional Plans

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

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
County	\$ 2,071,031	\$ 1,331,741	\$ 734,493
School Board Non-Professional	267,426	171,964	94,843
School Board Professional	5,064,082	3,256,372	1,795,981

#### I. GLI Fiduciary Net Position

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

**COUNTY OF AUGUSTA, VIRGINIA**

**NOTES TO FINANCIAL STATEMENTS**

**Note 13. Other Postemployment Benefits – Health Insurance Credit Program**

**A. Plan Description**

**School Board Non-Professional and School Board Professional Plans**

The County has two types of Health Insurance Credit Program (HIC) OPEB plans. A single-employer plan for political subdivisions (School Board non-professional plan) and a cost-sharing employer plan for VRS teacher employees (School Board professional plan). For the School Board non-professional plan, all full-time, salaried permanent employees of participating political subdivisions are automatically covered by the VRS Political Subdivision Health Insurance Credit Program (HIC) upon employment. For the School Board professional Plan, all full-time, salaried permanent (professional) employees of public school divisions are automatically covered by the VRS Teacher Employee Health Insurance Credit Program. These plans are administered by the Virginia Retirement System (the System), along with pension and other OPEB plans, for public employer groups in the Commonwealth of Virginia. Members earn one month of service credit toward the benefit for each month they are employed and for which their employer pays contributions to VRS. The health insurance credit is a tax-free reimbursement in an amount set by the General Assembly for each year of service credit against qualified health insurance premiums retirees pay for single coverage, excluding any portion covering the spouse or dependents. The credit cannot exceed the amount of the premiums and ends upon the retiree’s death.

**School Board Non-Professional Plan**

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

<b>POLITICAL SUBDIVISION HIC PLAN PROVISIONS</b>
<p><b><i>Eligible Employees</i></b>                      The Political Subdivision Retiree HIC was established July 1, 1993 for retired political subdivision employees of employers who elect the benefit and who retire with at least 15 years of service credit.</p> <p>Eligible employees are enrolled automatically upon employment. They include:</p> <ul style="list-style-type: none"> <li>• Full-time permanent salaried employees of the participating political subdivision who are covered under the VRS pension plan.</li> </ul>
<p><b><i>Benefit Amounts</i></b>                      The political subdivision’s Retiree HIC provides the following benefits for eligible employees:</p> <ul style="list-style-type: none"> <li>• At Retirement – for employees who retire, the monthly benefit is \$1.50 per year of service per month with a maximum benefit of \$45.00 per month.</li> <li>• Disability Retirement – for employees who retire on disability or go on long-term disability under the Virginia Local Disability Program (VLDP), the monthly benefit is \$45.00 per month.</li> </ul>
<p><b><i>Health Insurance Credit Program Notes</i></b></p> <ul style="list-style-type: none"> <li>• The monthly HIC benefit cannot exceed the individual premium amount</li> <li>• No HIC for premiums paid and qualified under Line of Duty Act (LODA), however, the employee may receive the credit for premiums paid for other qualified health plans.</li> </ul> <p>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.</p>

**COUNTY OF AUGUSTA, VIRGINIA**

**NOTES TO FINANCIAL STATEMENTS**

**Note 13. Other Postemployment Benefits – Health Insurance Credit Program (Continued)**

**A. Plan Description (Continued)**

**School Board Professional Plan**

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

<b>TEACHER EMPLOYEE HIC PLAN PROVISIONS</b>
<p><b><i>Eligible Employees</i></b>                      The Teacher Employee Retiree HIC was established July 1, 1993 for retired Teacher Employees covered under VRS who retire with at least 15 years of service credit.</p> <p>Eligible employees are enrolled automatically upon employment. They include:</p> <ul style="list-style-type: none"> <li>• Full-time permanent (professional) salaried employees of public school divisions covered under VRS.</li> </ul>
<p><b><i>Benefit Amounts</i></b>                      The Teacher Employee Retiree HIC provides the following benefits for eligible employees:</p> <ul style="list-style-type: none"> <li>• <u>At Retirement</u> – for Teacher and other professional school employees who retire, the monthly benefit is \$4.00 per year of service per month with no cap on the benefit amount.</li> <li>• <u>Disability Retirement</u> – for Teacher and other professional school employees who retire on disability or go on long-term disability under the VLDP, the monthly benefit is either:                             <ul style="list-style-type: none"> <li>○ \$4.00 per month, multiplied by twice the amount of service credit, or</li> <li>○ \$4.00 per month, multiplied by the amount of service earned had the employee been active until age 60, whichever is lower.</li> </ul> </li> </ul>
<p><b><i>HIC Program Notes</i></b></p> <ul style="list-style-type: none"> <li>• The monthly HIC benefit cannot exceed the individual premium amount.</li> <li>• 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.</li> </ul>

**B. Employees Covered by Benefit Terms**

**School Board Non-Professional Plan**

As of the June 30, 2024 actuarial valuation, the following employees were covered by the benefit terms of the HIC plan.

	Number
Inactive employees or their beneficiaries currently receiving benefit payments	13
Inactive members:	
Vested	1
Long Term Disability	2
Active elsewhere in VRS	21
Active employees	90
<b>Total</b>	<b>127</b>

**COUNTY OF AUGUSTA, VIRGINIA**

**NOTES TO FINANCIAL STATEMENTS**

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**Note 13. Other Postemployment Benefits – Health Insurance Credit Program (Continued)**

**C. Contributions**

**School Board Non-Professional and School Board Professional Plans**

The contribution requirement 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 rates for the School Board non-professional and School Board professional plans for the year ended June 30, 2025 was 0.59% and 1.21%, respectively, of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the HIC from the participating employers for the years ended June 30, 2025 and June 30, 2024 were as follows:

	2025	2024
School Board Non-Professional	\$ 24,915	\$ 25,546
School Board Professional	970,779	902,564

**D. Net HIC OPEB Liability**

**School Board Non-Professional Plan**

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

**School Board Professional Plan**

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

	Teacher Employee HIC OPEB Program
Total HIC OPEB liability	\$ 1,478,105
Plan fiduciary net position	322,457
<b>Employers' net HIC OPEB liability</b>	<b>\$ 1,155,648</b>
Plan fiduciary net position as a percentage of the total teacher employee HIC OPEB liability	21.82%

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

**COUNTY OF AUGUSTA, VIRGINIA**

**NOTES TO FINANCIAL STATEMENTS**

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**Note 13. Other Postemployment Benefits – Health Insurance Credit Program (Continued)**

**E. Actuarial Assumptions**

**School Board Non-Professional and School Board Professional Plans**

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

Inflation	2.50%
Salary increases, including inflation:	
Teacher employees	3.50% – 5.95%
General employees	3.50% – 5.35 %
Investment rate of return	6.75%, net of plan investment expense, including inflation

**School Board Non-Professional Plan**

***Mortality Rates – General Employees***

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

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

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

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

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

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through nine years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

**COUNTY OF AUGUSTA, VIRGINIA**

**NOTES TO FINANCIAL STATEMENTS**

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**Note 13. Other Postemployment Benefits – Health Insurance Credit Program (Continued)**

**E. Actuarial Assumptions (Continued)**

**School Board Professional Plan**

***Mortality Rates – Teachers***

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

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

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

Beneficiaries and Survivors: Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally.

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

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all.
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 13. Other Postemployment Benefits – Health Insurance Credit Program (Continued)

F. Long-Term Expected Rate of Return

School Board Non-Professional and School Board Professional Plans

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

Asset Class (Strategy)	Long-Term Target Asset Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return*
Public equity	32.00%	6.70%	2.14%
Fixed income	16.00%	5.40%	0.86%
Credit strategies	16.00%	8.10%	1.30%
Real assets	15.00%	7.20%	1.08%
Private equity	15.00%	8.70%	1.31%
PIP-Private Investment Partnership	1.00%	8.00%	0.08%
Diversifying strategies	6.00%	5.80%	0.35%
Cash	2.00%	3.00%	0.06%
Leverage	(3.00%)	3.50%	(0.11%)
	<u>100.00%</u>		

\*Expected arithmetic nominal return 7.07%

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

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

**COUNTY OF AUGUSTA, VIRGINIA**

**NOTES TO FINANCIAL STATEMENTS**

**Note 13. Other Postemployment Benefits – Health Insurance Credit Program (Continued)**

**G. Discount Rate**

**School Board Non-Professional and School Board Professional Plans**

The discount rate used to measure the total HIC OPEB was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2024, the rate contributed by School Board non-professional and School Board professional plans for the HIC was 100% of the actuarially determined contribution rate. From July 1, 2024 on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the HIC OPEB plan’s fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total HIC OPEB liability.

**H. Changes in the Net HIC OPEB Liability**

**School Board Non-Professional Plan**

	Total HIC OPEB Liability	Plan Fiduciary Net Position	Total HIC OPEB Liability
Balance at July 1, 2023	\$ 146,740	\$ 46,255	\$ 100,485
Changes for the year:			
Service cost	1,632	-	1,632
Interest	9,806	-	9,806
Difference between expected and actual experience	(18,336)	-	(18,336)
Contributions - employer	-	23,267	(23,267)
Net investment income	-	5,543	(5,543)
Benefit Payments	(6,183)	(6,183)	-
Administrative expense	-	(86)	86
Other Changes	-	1	(1)
<b>Net changes</b>	<b>(13,081)</b>	<b>22,542</b>	<b>(35,623)</b>
Balance at June 30, 2024	<u>\$ 133,659</u>	<u>\$ 68,797</u>	<u>\$ 64,862</u>

**I. Sensitivity of the HIC Net OPEB Liability to Changes in the Discount Rate**

**School Board Non-Professional and School Board Professional Plans**

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

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
School Board Professional	\$ 9,172,747	\$ 8,065,730	\$ 7,127,431
School Board Non-Professional	80,484	64,862	51,801

**COUNTY OF AUGUSTA, VIRGINIA**

**NOTES TO FINANCIAL STATEMENTS**

**Note 13. Other Postemployment Benefits – Health Insurance Credit Program (Continued)**

**J. HIC OPEB Liability, HIC OPEB Expense (Credit), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to HIC OPEB**

**School Board Non-Professional Plan**

For the year ended June 30, 2025, the School Board non-professional plan recognized HIC OPEB credit of \$17,915. At June 30, 2025, the School Board non-professional plan reported deferred outflows of resources and deferred inflows of resources related to the HIC OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (93,215)
Net difference between projected and actual earnings on HIC OPEB investments	-	(1,109)
Changes of assumptions	19,659	-
Employer contributions subsequent to the measurement date	24,915	-
	<u>\$ 44,574</u>	<u>\$ (94,324)</u>

The \$24,915 reported as deferred outflows of resources related to the HIC OPEB resulting from the school Board non-professional plan’s contributions subsequent to the measurement date will be recognized as a reduction of the total HIC OPEB liability in the fiscal year ending June 30, 2026. No other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIC OPEB will be recognized in future reporting periods as follows:

Year Ending June 30,	Amount
2026	\$ (25,833)
2027	(27,440)
2028	(17,777)
2029	(3,615)
	<u>\$ (74,665)</u>

**School Board Professional Plan**

At June 30, 2025, the School Board professional plan reported a liability of \$8,065,730 for its proportionate share of the Teacher Employee HIC total OPEB liability. The Net Teacher Employee HIC OPEB liability was measured as of June 30, 2024 and the total Teacher Employee HIC OPEB liability used to calculate the total Teacher Employee HIC OPEB liability was determined by an actuarial valuation performed as of June 30, 2023 and rolled forward to the measurement date of June 30, 2024. The School Board professional plan’s proportion of the total Teacher Employee HIC OPEB liability was based on the School Board professional plan’s actuarially determined employer contributions to the Teacher Employee HIC OPEB plan for the year ended June 30, 2024 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2024, the School Board professional plan’s proportion of the Teacher Employee HIC was 0.69794% as compared to 0.70469% at June 30, 2023.

**COUNTY OF AUGUSTA, VIRGINIA**

**NOTES TO FINANCIAL STATEMENTS**

**Note 13. Other Postemployment Benefits – Health Insurance Credit Program (Continued)**

**J. HIC OPEB Liability, HIC OPEB Expense (Credit), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to HIC OPEB (Continued)**

For the year ended June 30, 2025, the School Board professional plan recognized Teacher Employee HIC OPEB expense of \$561,415. Since there was a change in proportionate share between measurement dates a portion of the Teacher Employee HIC net OPEB expense was related to deferred amounts from changes in proportion.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (382,135)
Net difference between projected and actual earnings on HIC OPEB investments	-	(28,690)
Changes of assumptions	138,949	-
Changes in proportionate share	171,049	(225,319)
Employer contributions subsequent to the measurement date	970,779	-
	<u>\$ 1,280,777</u>	<u>\$ (636,144)</u>

The \$970,779 reported as deferred outflows of resources related to the Teacher Employee HIC OPEB resulting from the School Board professional plan’s contributions subsequent to the measurement date will be recognized as a reduction of the total Teacher Employee HIC OPEB liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred 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 Ending June 30,</u>	<u>Amount</u>
2026	\$ (107,489)
2027	(56,038)
2028	(71,109)
2029	(51,091)
2030	(16,371)
Thereafter	(24,048)
	<u>\$ (326,146)</u>

**K. HIC Credit Program Plan Data**

Detailed information about the VRS Political Subdivision and Teacher Employee Health Insurance Credit Program is available in the separately issued VRS 2024 Annual Comprehensive Financial Report (Annual Report). A copy of the 2024 VRS Annual Report may be downloaded from the VRS website at [varetire.org/pdf/publications/2024-annual-report.pdf](http://varetire.org/pdf/publications/2024-annual-report.pdf), or by writing to the System’s Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 14. Other Postemployment Benefits – Virginia Local Disability Program

A. Plan Description

School Board Professional Plan

All full-time, salaried permanent (professional) employees of public school divisions who are in the VRS Hybrid Retirement Plan benefit structure and whose employer has not elected to opt out of the VRS-sponsored program are automatically covered by the VRS Teacher Employee Virginia Local Disability Program. This plan is administered by the Virginia Retirement System (the System), along with pension and other OPEB plans, for eligible public employer groups in the Commonwealth of Virginia. School divisions are required by Title 51.1 of the Code of Virginia, as amended to provide short-term and long-term disability benefits for their hybrid plan employees either through a local plan or through the Virginia Local Disability Program (VLDP).

The specific information for each plan and the eligibility for covered groups within each plan are set out in the table below:

<b>TEACHER EMPLOYEE VIRGINIA LOCAL DISABILITY PROGRAM (VLDP) PLAN PROVISIONS</b>
<p><b><i>Eligible Employees</i></b>            The Teacher Employee VLDP was implemented January 1, 2014 to provide short-term and long-term disability benefits for non-work-related and work-related disabilities for employees with hybrid plan retirement benefits.            Eligible employees are enrolled automatically upon employment, unless their employer has elected to provide comparable coverage. They include:</p> <ul style="list-style-type: none"> <li>• Teachers and other full-time permanent (professional) salaried employees of public school divisions covered under VRS.</li> </ul>
<p><b><i>Benefit Amounts</i></b></p> <ul style="list-style-type: none"> <li>• The Teacher Employee VLDP provides the following benefits for eligible employees:  <u>Short-Term Disability :</u> <ul style="list-style-type: none"> <li>○ The program provides a short-term disability benefit beginning after a seven calendar-day waiting period from the first day of disability. Employees become eligible for non-work-related short-term disability coverage after one year of continuous participation in VLDP with their current employer.</li> <li>○ During the first five years of continuous participation in VLDP with their current employer, employees are eligible for 60% of their pre-disability income if they go out on non-work-related of work-related disability.</li> <li>○ Once the eligibility period is satisfied, employees are eligible for higher income replacement levels.</li> </ul>   <u>Long-Term Disability:</u> <ul style="list-style-type: none"> <li>○ The VLDP program provides a long-term disability benefit beginning after 125 workdays of short-term disability. Members are eligible if they are unable to work at all or are working fewer than 20 hours per week.</li> <li>○ Members approved for long-term disability will receive 60% of their pre-disability income. If approved for work-related long-term disability, the VLDP benefit will be offset by the workers' compensation benefit. Members will not receive a VLDP benefit if their workers' compensation benefit is greater than the VLDP benefit.</li> </ul> </li> </ul>

# COUNTY OF AUGUSTA, VIRGINIA

## NOTES TO FINANCIAL STATEMENTS

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### Note 14. Other Postemployment Benefits – Virginia Local Disability Program (Continued)

#### A. Plan Description (Continued)

##### *Virginia Local Disability Program Notes*

- Members approved for short-term or long-term disability at age 60 or older will be eligible for a benefit, provided they remain medically eligible.
- VLDP Long-Term Care Plan is a self-funded program that assists with the cost of covered long-term care services.

#### B. Contributions

##### **School Board Professional Plan**

The contribution requirement for active hybrid plan employees is governed by §51.1-1178(C) of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Each school division's contractually required employer contribution rate for the year ended June 30, 2025 was 0.45% of covered employee compensation for employees in the VRS Teacher Employee VLDP. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the school division to the VRS Teacher Employee VLDP were \$157,023 and \$161,127 for the years ended June 30, 2025 and June 30, 2024, respectively.

#### C. VLDP OPEB Liability (Asset), VLDP OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the VLDP OPEB

##### **School Board Professional Plan**

At June 30, 2025, the school division reported an asset of \$24,911 for its proportionate share of the VRS Teacher Employee VLDP Net OPEB Liability. The Net VRS Teacher Employee VLDP OPEB Liability was measured as of June 30, 2024 and the total VRS Teacher Employee VLDP OPEB liability used to calculate the Net VRS Teacher Employee VLDP OPEB Liability was determined by an actuarial valuation as of June 30, 2023, rolled forward to the measurement date of June 30, 2024. The school division's proportion of the Net VRS Teacher Employee VLDP OPEB Liability was based on the school division's actuarially determined employer contributions to the VRS Teacher Employee VLDP OPEB plan for the year ended June 30, 2024 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2024, the school division's proportion of the VRS Teacher Employee VLDP was 2.78049% as compared to 2.76009% at June 30, 2023.

For the year ended June 30, 2025, the school division recognized VRS Teacher Employee VLDP OPEB expense of \$108,696. Since there was a change in proportionate share between measurement dates a portion of the VRS Teacher Employee VLDP Net OPEB expense was related to deferred amounts from changes in proportion.

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 14. Other Postemployment Benefits – Virginia Local Disability Program (Continued)

**C. VLDP OPEB Liability, VLDP OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to VLDP OPEB (Continued)**

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 76,215	\$ (6,700)
Net difference between projected and actual earnings on VLDP OPEB investments	-	(4,209)
Changes of assumptions	6,727	-
Changes in proportionate share	49	(6,268)
Employer contributions subsequent to the measurement date	157,023	-
	<u>\$ 240,014</u>	<u>\$ (17,177)</u>

The \$157,023 reported as deferred outflows of resources related to the Teacher Employee VLDP OPEB resulting from the school division’s contributions subsequent to the measurement date will be recognized as a reduction of the Net Teacher Employee VLDP OPEB Liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Teacher Employee VLDP OPEB will be recognized in the Teacher Employee VLDP OPEB expense in future reporting periods.

Year Ending June 30,	Amount
2026	\$ 4,983
2027	9,316
2028	6,576
2029	6,582
2030	8,059
Thereafter	30,298
	<u>\$ 65,814</u>

**COUNTY OF AUGUSTA, VIRGINIA**

**NOTES TO FINANCIAL STATEMENTS**

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**Note 14. Other Postemployment Benefits – Virginia Local Disability Program (Continued)**

**D. Actuarial Assumptions**

**School Board Professional Plan**

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

Inflation	2.50%
Salary increases, including inflation:	
Political subdivision employees	3.50% – 5.95%
Investment rate of return	6.75%, 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 Teacher Healthy Retiree Rates projected generationally; males set forward 1 year; 105% of rates for females.

Post-Disablement: Pub-2010 Amount Weighted Teachers Disables Rates projected generationally; 110% of rates for males and females.

Beneficiaries and Survivors: Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally.

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

**COUNTY OF AUGUSTA, VIRGINIA**

**NOTES TO FINANCIAL STATEMENTS**

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**Note 14. Other Postemployment Benefits – Virginia Local Disability Program (Continued)**

**D. Actuarial Assumptions (Continued)**

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all.
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

**E. Net Teacher Employee VLDP OPEB Liability**

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

	Teacher Employee VLDP OPEB Plan
Total Teacher Employee VLDP OPEB Liability	\$ 12,741
Plan fiduciary net position	13,637
<b>Teacher Employee net VLDP OPEB Liability (Asset)</b>	<b>\$ (896)</b>

Plan fiduciary net position as a percentage of the total teacher employee VLDP OPEB liability	107.03%
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The total Teacher Employee VLDP 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 VLDP OPEB liability is disclosed in accordance with the requirements of GASB Statement No. 74 in the System’s notes to the financial statements and required supplementary information.

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 14. Other Postemployment Benefits – Virginia Local Disability Program (Continued)

F. Long-Term Expected Rate of Return

School Board Professional Plan

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

Asset Class (Strategy)	Long-Term Target Asset Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return*
Public equity	32.00%	6.70%	2.14%
Fixed income	16.00%	5.40%	0.86%
Credit strategies	16.00%	8.10%	1.30%
Real assets	15.00%	7.20%	1.08%
Private equity	15.00%	8.70%	1.31%
PIP-Private Investment Partnership	1.00%	8.00%	0.08%
Diversifying strategies	6.00%	5.80%	0.35%
Cash	2.00%	3.00%	0.06%
Leverage	(3.00%)	3.50%	(0.11%)
	<u>100.00%</u>		

\*Expected arithmetic nominal return 7.07%

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

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

**COUNTY OF AUGUSTA, VIRGINIA**

**NOTES TO FINANCIAL STATEMENTS**

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**Note 14. Other Postemployment Benefits – Virginia Local Disability Program (Continued)**

**G. Discount Rate**

**School Board Professional Plan**

The discount rate used to measure the total Teacher Employee VLDP 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 at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ending June 30, 2024, the rate contributed by the school division for the VRS Teacher Employee VLDP will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 100% of the actuarially determined contribution rate. From July 1, 2024 on, all agencies are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the Teacher Employee VLDP 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 VLDP OPEB liability.

**H. Sensitivity of the School Division’s proportionate Share of the Teacher Employee VLDP Net OPEB Liability (Asset) to Changes in the Discount Rate**

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

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
School division’s proportionate share of the VRS Teacher Employee VLDP OPEB Plan Net VLDP OPEB Liability (Asset)	\$ 15,141	\$ (24,911)	\$ (59,843)

**I. VLDP OPEB Fiduciary Net Position**

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

**COUNTY OF AUGUSTA, VIRGINIA**

**NOTES TO FINANCIAL STATEMENTS**

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**Note 15. Pension and Other Postemployment Benefits**

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

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

	Primary Government	Component Unit		
	Governmental Activities	School Board Professional	School Board Non- Professional	Totals
Pension Expense (Credit)	\$ 1,045,319	\$ -	\$ 83,371	\$ 83,371
Net Pension Liability	3,475,438	65,420,364	-	65,420,364
Net Pension Asset	-	-	351,986	351,986
Deferred Inflows	3,990,819	11,458,301	411,653	11,869,954
Deferred Outflows	7,886,690	25,047,823	251,432	25,299,255

**COUNTY OF AUGUSTA, VIRGINIA**

**NOTES TO FINANCIAL STATEMENTS**

**Note 15. Pension and Other Postemployment Benefits (Continued)**

Aggregate OPEB expense, liabilities, deferred outflows, and deferred inflows recognized for the fiscal year ended June 30, 2025:

	Primary Government		Component Unit		Totals
	Governmental Activities	School Board Professional	School Board Non-Professional		
<b>Medical</b>					
OPEB Credit	\$ 148,000	\$ 390,000	\$ -	\$ -	\$ 390,000
Total OPEB Liability	4,379,000	12,986,000	-	-	12,986,000
Deferred Inflows	3,910,000	5,061,000	-	-	5,061,000
Deferred Outflows	742,347	2,113,382	-	-	2,113,382
<b>GLI</b>					
OPEB Expense	\$ 53,769	\$ 43,335	\$ 8,003	\$ -	\$ 51,338
Net OPEB Liability	1,331,741	3,256,372	171,964	-	3,428,336
Deferred Inflows	225,298	631,807	32,948	-	664,755
Deferred Outflows	438,023	956,739	68,011	-	1,024,750
<b>HIC</b>					
OPEB Expense	\$ -	\$ 561,415	\$ -	\$ -	\$ 561,415
OPEB Credit	-	-	17,915	-	17,915
Net OPEB Liability	-	8,065,730	64,862	-	8,130,592
Deferred Inflows	-	636,144	94,324	-	730,468
Deferred Outflows	-	1,280,777	44,574	-	1,325,351
<b>VLDP</b>					
OPEB Expense	\$ -	\$ 108,696	\$ -	\$ -	\$ 108,696
Net OPEB Asset	-	24,911	-	-	24,911
Deferred Inflows	-	17,177	-	-	17,177
Deferred Outflows	-	240,014	-	-	240,014
<b>Totals</b>					
OPEB Expense	\$ 201,769	\$ 1,103,446	\$ 8,003	\$ -	\$ 1,111,449
Total OPEB Liability	5,710,741	24,308,102	236,826	-	24,544,928
Total OPEB Asset	-	24,911	-	-	24,911
Deferred Inflows	4,135,298	6,346,128	127,272	-	6,473,400
Deferred Outflows	1,180,370	4,590,912	112,585	-	4,703,497

**COUNTY OF AUGUSTA, VIRGINIA**

**NOTES TO FINANCIAL STATEMENTS**

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**Note 16. Unearned Revenue**

Unearned revenue represents amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Unearned revenue totaling \$828,951 and \$1,885,980 is comprised of the following:

	Governmental Activities	School Board
Federal payment in lieu of taxes	\$ 704,275	\$ -
EMS transport fees	123,953	-
Grants	-	1,814,253
Prepaid meals - cafeteria	-	19,110
Other	723	52,617
	<u>\$ 828,951</u>	<u>\$ 1,885,980</u>

**Note 17. Unavailable and Deferred Revenue**

Unavailable revenue represents amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Under the modified accrual basis of accounting, such amounts are measurable, but not available. It is comprised of the following:

	General Fund Unavailable Revenue	
	Property Taxes	Other
Property taxes receivable, net of allowance (reported on Fund statements)	\$ 6,595,928	\$ -
Land held for investment	-	269,210
Repayment of loans from fire departments	-	1,180,000
Opioid settlement funds	-	1,320,057
	<u>\$ 6,595,928</u>	<u>\$ 2,769,267</u>

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 18. Capital Assets

Primary Government

Capital asset activity for the year ended June 30, 2025 was as follows:

Governmental Activities	Beginning Balance	Increase	Decrease	Transfers	Ending Balance
Capital assets not being depreciated or amortized:					
Land	\$ 5,403,875	\$ -	\$ -	\$ -	\$ 5,403,875
Construction in progress	12,200,428	43,808,974	-	(3,995,226)	52,014,176
<b>Total capital assets not being depreciated or amortized</b>	<b>17,604,303</b>	<b>43,808,974</b>	<b>-</b>	<b>(3,995,226)</b>	<b>57,418,051</b>
Capital assets being depreciated or amortized:					
Buildings	92,573,933	30,939,595	-	-	123,513,528
Machinery and equipment	31,393,860	3,422,624	(557,636)	-	34,258,848
Land improvements	7,503,303	683,894	-	3,995,226	12,182,423
Intangible right-to-use subscription assets	1,635,171	2,518,721	(304,569)	-	3,849,323
Intangible right-to-use lease land	2,459,929	55,884	(51,707)	-	2,464,106
Intangible right-to-use lease building	109,120	-	-	-	109,120
Intangible right-to-use lease equipment	201,066	1,538	(57,064)	-	145,540
Intangible right-to-use lease infrastructure	3,046,151	853,216	-	-	3,899,367
<b>Total capital assets being depreciated or amortized</b>	<b>138,922,533</b>	<b>38,475,472</b>	<b>(970,976)</b>	<b>3,995,226</b>	<b>180,422,255</b>
Accumulated depreciation/amortization for:					
Buildings	(30,133,651)	(657,092)	666,734	-	(30,124,009)
Machinery and equipment	(19,972,257)	(2,560,465)	557,636	-	(21,975,086)
Land improvements	(4,085,424)	(505,618)	-	-	(4,591,042)
Intangible right-to-use subscription assets	(324,561)	(669,001)	304,569	-	(688,993)
Intangible right-to-use lease land	(365,021)	(152,359)	51,707	-	(465,673)
Intangible right-to-use lease building	(58,632)	(19,544)	-	-	(78,176)
Intangible right-to-use lease equipment	(105,597)	(36,934)	57,064	-	(85,467)
Intangible right-to-use lease infrastructure	(417,072)	(162,555)	-	-	(579,627)
<b>Total accumulated depreciation/amortization</b>	<b>(55,462,215)</b>	<b>(4,763,568)</b>	<b>1,637,710</b>	<b>-</b>	<b>(58,588,073)</b>
<b>Total capital assets being depreciated or amortized, net</b>	<b>83,460,318</b>	<b>33,711,904</b>	<b>666,734</b>	<b>3,995,226</b>	<b>121,834,182</b>
Governmental activities capital assets, net	\$ 101,064,621	\$ 77,520,878	\$ 666,734	\$ -	\$ 179,252,233

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

Governmental Activities	Amount
General government	\$ 1,581,087
Judicial administration	97,160
Public safety	2,308,513
Public works	309,536
Health and welfare	53,068
Parks, recreation and cultural	266,830
Community development	147,374
<b>Total depreciation/amortization expenses - governmental activities</b>	<b>\$ 4,763,568</b>

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 18. Capital Assets (Continued)

Discretely Presented Component Unit

Capital asset activity for the School Board for the year ended June 30, 2025 was as follows:

School Board	Beginning Balance	Increase	Decrease	Transfers	Ending Balance
Capital assets not being depreciated or amortized:					
Land	\$ 1,551,430	\$ -	\$ -	\$ -	\$ 1,551,430
Construction in progress	118,074	1,115,636	-	(118,074)	1,115,636
<b>Total capital assets not being depreciated or amortized</b>	<b>1,669,504</b>	<b>1,115,636</b>	<b>-</b>	<b>(118,074)</b>	<b>2,667,066</b>
Capital assets being depreciated or amortized:					
Buildings	220,982,120	4,734,383	(30,939,595)	118,074	194,894,982
Machinery and equipment	40,427,550	5,438,678	(383,515)	-	45,482,713
Intangible right-to-use subscription assets	213,798	65,796	(165,142)	-	114,452
Intangible right-to-use lease equipment	1,262,036	412,467	(473,740)	-	1,200,763
<b>Total capital assets being depreciated or amortized</b>	<b>262,885,504</b>	<b>10,651,324</b>	<b>(31,961,992)</b>	<b>118,074</b>	<b>241,692,910</b>
Accumulated depreciation for:					
Buildings	(107,606,549)	(7,718,947)	-	-	(115,325,496)
Machinery and equipment	(26,341,033)	(3,682,810)	383,515	-	(29,640,328)
Intangible right-to-use subscription assets	(136,926)	(84,607)	165,142	-	(56,391)
Intangible right-to-use lease equipment	(742,277)	(271,887)	473,740	-	(540,424)
<b>Total accumulated depreciation/amortization</b>	<b>(134,826,785)</b>	<b>(11,758,251)</b>	<b>1,022,397</b>	<b>-</b>	<b>(145,562,639)</b>
<b>Total capital assets being depreciated or amortized, net</b>	<b>128,058,719</b>	<b>(1,106,927)</b>	<b>(30,939,595)</b>	<b>118,074</b>	<b>96,130,271</b>
School Board capital assets, net	\$ 129,728,223	\$ 8,709	\$ (30,939,595)	\$ -	\$ 98,797,337

Depreciation/amortization expense charged to education was \$11,758,251.

Legislation enacted during the year ended June 30, 2002, Section 15.2-1800.1 of the *Code of Virginia*, 1950, as amended, has changed the reporting of local school capital assets and related debt for financial statement purposes. Historically, debt incurred by local governments' on-behalf of school boards was reported in the school board's discrete column along with the related capital assets. Under the new law, local governments have a tenancy in common with the school board whenever the locality incurs any financial obligation for any school property which is payable over more than one fiscal year. For financial reporting purposes, the legislation permits the locality to report the portion of school property related to any outstanding financial obligation eliminating any potential deficit from capitalizing assets financed with debt. The effect on the School Board of Augusta County, Virginia for the year ended June 30, 2025, is that school financed assets in the amount of \$94,930,274 are reported in the Primary Government for financial reporting purposes.

Note 19. Risk Management

The County is a member of the Virginia Association of Counties Risk Pool (VACorp) for all risks of losses. This workers' compensation program is administered by a servicing contractor, which furnishes claims review and processing. The County administers the workers' compensation program in the General Fund by charging the various departments or funds a portion of the premium.

## COUNTY OF AUGUSTA, VIRGINIA

### NOTES TO FINANCIAL STATEMENTS

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#### **Note 19. Risk Management (Continued)**

Each member of this risk pool jointly and severally agrees to assume, pay and discharge any liability. The County pays VACorp contributions and assessments based upon classification and rates into a designated cash reserve fund out of which expenses of VACorp and claims and awards are to be paid. In the event of a loss deficit and depletion of all available excess insurance, VACorp may assess all members in the proportion which the premium of each bears to the total premiums of all members in the year in which such deficit occurs.

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County also participates in the VaRisk2, a group liability self-insurance plan, administered by the Commonwealth of Virginia, Department of General Services, Division of Risk Management. The County pays an annual premium for its public official's general liability insurance to this public entity risk pool currently operating as a common risk management and insurance program for participating governments. Settled claims have not exceeded pool coverage in any of the past three fiscal years.

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

#### **Note 20. Joint Venture**

##### **Joint Venture – Augusta Regional Landfill – Landfill Closure and Post-Closure Costs**

Augusta Regional Landfill is a joint venture of the County of Augusta and the Cities of Waynesboro and Staunton. These entities share the costs of landfill operations on a site operated by the Augusta Regional Landfill. State and federal laws and regulations require the regional landfill to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and post-closure care costs will be paid only near or after the date that the landfill stops accepting waste, the County recognizes a portion of these closure and post-closure care costs as a component of its equity interest in the landfill joint venture.

At June 30, 2025, the Augusta Regional Landfill reported as its landfill closure liability \$8,840,038, which represents the cumulative amount reported to date based on the use of 91.3% of the estimated capacity of the Permit #585 (Phases 1-3) landfill, 96.32% of the estimated capacity of the Permit #585 Phase 4 landfill, 9.5% of the estimated capacity of the permit #585 Phase 5 landfill and the stockpile financial assurance liability. The Augusta Regional Landfill reported a post-closure monitoring liability of \$3,626,847 at June 30, 2025. This represents the cumulative amount reported to date based on the use of 100.00% of the estimated capacity of the Permit #21 landfill of which the County is 60.33% responsible and 91.3% of the estimated capacity of the Permit #585 (Phases 1-3) and 93.3% of the Permit #585 (Phase 4) landfill, of which the County is 53.47% responsible. Total closure and post-closure care costs and post-closure monitoring costs accrued at June 30, 2025 for both landfill permits are \$12,466,885. The Landfill will recognize the majority of the remaining estimated cost of closure and post-closure care and post-closure monitoring of \$684,147 for the Permit #585 (Phases 1-3) landfill as the remaining estimated capacity is filled within the next eighteen to twenty four months and \$145,629 for the Phase 4 cell as it is filled in the next 18 to 24 months and \$1,576,553 for the newly opened phase 5 cell in the next 5 to 6 years. The amount for the Permit #21 landfill is based on what it would have cost to perform all post-closure care in 2004 and has been inflated annually at the DEQ approved inflation rate. The amounts for the Permit #585 landfill were re-evaluated in March 2008 based on what it would have cost to perform all closure and post-closure care in 2008 and approved by the Virginia Department of Environmental Quality as part of a permit to expand the landfill beyond the first three phases. These costs have been inflated at the DEQ approved inflation rate since 2009. Actual costs for both permitted landfills may be different due to actual inflation or deflation, changes in technology, or changes in laws or regulations.

**COUNTY OF AUGUSTA, VIRGINIA**

**NOTES TO FINANCIAL STATEMENTS**

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**Note 20. Joint Venture (Continued)**

**Joint Venture – Augusta Regional Landfill – Landfill Closure and Post-Closure Costs (Continued)**

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

**Note 21. Construction Contracts Outstanding**

The Primary Government had the following material contracts outstanding at June 30, 2025:

<u>Project</u>	<u>Original Contract Amount</u>	<u>Amount Spent as of June 30, 2025</u>	<u>Amount of Contract Remaining at Year End</u>
Clymore Playground	\$ 100,000	\$ 50,000	\$ 50,000
Craigsville Elementary School Boiler & Hot Water equip	460,838	299,544	161,294
North River Elementary School Boiler & Hot Water equip	463,858	389,006	74,852
Stump Elementary School Boiler & Hot Water equip	457,654	371,086	86,568
SAW Animal Shelter	3,288,000	2,697,499	590,501
Project management-Courthouse	1,541,713	1,112,195	429,518
SAW Radio System	7,033,150	4,851,757	2,181,393
Courthouse Construction	62,329,484	31,171,483	31,158,001
Courts Complex design	6,768,250	6,156,306	611,944
<b>Total</b>	<b>\$ 82,442,947</b>	<b>\$ 47,098,876</b>	<b>\$ 35,344,071</b>

**COUNTY OF AUGUSTA, VIRGINIA**

**NOTES TO FINANCIAL STATEMENTS**

**Note 22. Fund Balance**

Fund balance had the following classifications at June 30, 2025:

Fund Balances	General	County Capital Improvements	School Capital Improvements	Total
<b>Nonspendable:</b>				
Inventories	\$ 313	\$ -	\$ -	\$ 313
Prepaid items	41,242	-	-	41,242
Land held for sale	269,210	-	-	269,210
<b>Restricted for:</b>				
Fire revolving loan program	2,807,499	-	-	2,807,499
Drug enforcement	124,718	-	-	124,718
ARPA	-	-	-	-
Capital projects	-	43,428,530	65,312	43,493,842
Landfill escrow	578,160	-	-	578,160
<b>Committed to:</b>				
Education	824,749	-	-	824,749
Emergency medical services	1,685,699	-	-	1,685,699
<b>Assigned to:</b>				
Fire revolving loan program	704,756	-	-	704,756
Drug enforcement	118,292	-	-	118,292
Capital projects	-	72,597,221	-	72,597,221
Dependent care escrow	1,912,695	-	-	1,912,695
Unassigned	18,735,302	-	-	18,735,302
<b>Total</b>	<b>\$ 27,802,635</b>	<b>\$ 116,025,751</b>	<b>\$ 65,312</b>	<b>\$ 143,893,698</b>

**Note 23. Notes Receivable**

Notes receivable consists of two types of agreements. The first is a fire revolving loan agreement between the County and individual Volunteer Fire Companies that allow the companies to borrow up to \$500,000 for fire apparatus with 40% of the loan balance being forgiven by the County. One loan a year is allowed by the County and each volunteer agency must rotate their turn on a yearly basis. This loan is interest free until maturity. Loans are repaid over 15 years.

Amounts due to the County at June 30, 2025 from the Riverheads, Swoope, Deerfield, Weyers Cave, Mt. Solon, and Churchville Fire Departments include:

Year(s) Ending June 30,	Principal	Interest
2026	\$ 120,000	\$ -
2027	120,000	-
2028	120,000	-
2029	120,000	-
2030	120,000	-
Thereafter	580,000	-
	<b>\$ 1,180,000</b>	<b>\$ -</b>

# COUNTY OF AUGUSTA, VIRGINIA

## NOTES TO FINANCIAL STATEMENTS

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### Note 23. Notes Receivable (Continued)

The second agreement relates to membership of the Middle River Regional Jail Authority (MRRJA), which opened in April 2006, and was established by the County of Augusta, City of Staunton and City of Waynesboro (the Original Member Jurisdictions) to house prisoners from their own jurisdictions as well as others. An agreement was executed as of July 1, 2015 among the Original Member Jurisdictions and the County of Rockingham and City of Harrisonburg to allow the County and City to become Member Jurisdictions of MRRJA, effectively allowing the County and City to no longer pay MRRJA's per diem rental fee.

The total paid to the County by the County of Rockingham and City of Harrisonburg in accordance with the July 1, 2015 agreement was \$828,214 in fiscal year 2025, which has been shown as a recovered cost in the Capital Improvements Fund, and as a reduction in the receivable on the Governmental Activities Statement of Net Position.

### Note 24. Risk Management

#### Health Insurance – County and School Board

The County and School Board retain a portion of the risks through a self-insurance program and have also purchased insurance to transfer other risks to outside parties. There has been no significant reduction in insurance coverage during the past year.

County and School Board employees and employee dependents are eligible for medical benefits from a County and School Board, Self-Insurance Fund (Internal Service Fund). Funding is provided by charges to County and School Board departments, employees, and retirees. The program is supplemented by stop loss protection, which limits the County's annual liability.

Based on the requirements of GASB Statement No. 10, the County records an estimated liability for indemnity healthcare claims. The following represents the change in the fund's claims liability for 2023 through 2025.

Fiscal Year Ended	Beginning Liability	Claims and Changes in Estimates	Claim Payments	Ending Liability
June 30, 2025	\$ 1,390,000	\$ 1,389,000	\$ (1,390,000)	\$ 1,389,000
June 30, 2024	1,614,000	1,390,000	(1,614,000)	1,390,000
June 30, 2023	2,061,000	1,614,000	(2,061,000)	1,614,000

# COUNTY OF AUGUSTA, VIRGINIA

## NOTES TO FINANCIAL STATEMENTS

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### **Note 25. Commitments, Contingencies, and Subsequent Events**

#### **Federal and State-Assisted Programs**

The County has received proceeds from several federal and state grant programs. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds will be immaterial. Based upon past experience, no provision has been made in the accompanying financial statements for the refund of grant monies.

### **Note 26. Litigation and Contingent Liabilities**

Augusta County is contingently liable with respect to lawsuits and other claims which arise in the ordinary course of its operations. It is the opinion of Augusta County's management, based on advice from legal counsel, that any losses incurred as a result of claims existing as of June 30, 2025, will not be material to the financial statements.

### **Note 27. Subsequent Events**

On August 27, 2025, the board of supervisors approved a revolving loan agreement to Middlebrook Volunteer Fire Company. The total amount distributed will be \$500,000 with 60% of this being repayable to the County on an annual basis.

On September 10, 2025 the board approved a resolution for improvements to Dick Huff Lane. The estimated cost for this project is \$3,072,000. This is a cost sharing project with VDOT and the County's estimated contribution will be \$374,247.

On October 8, 2025 the board awarded a contract to Young's Mechanical Solutions, LLC for the Government Center's north chiller replacement in the amount of \$694,950. This funding will come from the County's capital account.

On November 12, 2025, the board approved a funding request from Fire and Rescue for a PL Custom ambulance. The estimate is \$445,367. This will keep the ambulance maintenance and replacement plan on a ten-year cycle. Funding will come from the County's capital projects fund. Also, at this meeting the board approved a funding request from ECC to replace and upgrade their computer aided dispatch (CAD) system. This was procured through a cooperative TIPS contract, and the total cost will be \$623,175. Lastly at this meeting the board awarded a contract to G&H Contracting to construct Pickleball Courts at Stuarts Draft Park. The total cost is \$434,470, which includes a 15% contingency. The majority of the funds will come from the County's capital projects fund.

Augusta County School Board entered into a long-term debt obligation to ePlus Group Inc. to finance technology infrastructure upgrades totaling \$1,270,073. Payments will be made over a five-year lease agreement, with the first installment of \$273,306.74 due on August 1, 2025. The technology infrastructure upgrade will be partially offset by E-rate funding to be received in fiscal year 2026.

**COUNTY OF AUGUSTA, VIRGINIA**

**NOTES TO FINANCIAL STATEMENTS**

**Note 28. Tax Abatements**

The County negotiates tax abatement agreements on an individual basis. The County is authorized pursuant to the *Code of Virginia* Section 15.2-953, 1950, as amended, to make gifts, donations and appropriations of money to economic development authorities for the purposes of promoting economic development. The Economic Development Authority of Augusta County receives contributions from the County for the purpose of promoting economic development. As stated in contribution and grant agreements for each tax increment financing, the County is committed to disburse funds to the Authority when appropriated by the County. The Authority is then required to disburse the funds to the respective developer or business.

The County acknowledges that the expansion, retention or relocation of a company or completion of an infrastructure project would foster and promote the economic development of the County. The Commonwealth of Virginia offers grant programs for economic development projects that make a significant capital investment, create new jobs or purchase Virginia products. The County can match grants awarded by the Commonwealth to Companies utilizing tax abatement agreements. Performance measures are tracked to ensure the Company meets the criteria outlined in the grant. Infrastructure projects funded by County debt are reimbursed to the County through growth in the area of the project, utilizing tax abatement, which shows as a reduction in revenue until the debt service is paid in full.

The County has tax abatement agreements for the following as of June 30, 2025:

Purpose	Type of Tax Abated During the Fiscal Year	Percentage of Taxes Abated During the Fiscal Year	Amount of Taxes Abated During the Fiscal Year
Industry expansion	Machinery & tools	100%	\$ 81,477
Construct water tank in commerce park	Real, personal property & business license	100%	662,837
Construct transportation corridor (Rt 636)	Real, personal property & business license	100%	359,130

The County has not made any commitments as part of the agreements other than to abate taxes. The County is not subject to any tax abatement agreements entered into by other governmental entities. The County has chosen to disclose information about its tax abatement agreements individually.

**Note 29. Restatement for Change in Accounting Principle**

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

	Governmental Activities	Discretely Presented Component Unit - School Board
Net position, as previously reported	\$ 92,076,338	\$ 50,156,370
Implementation GASB Statement No. 101, <i>Compensated Absences</i>	(1,490,777)	(4,882,970)
Net position, as restated	\$ 90,585,561	\$ 45,273,400

# COUNTY OF AUGUSTA, VIRGINIA

## NOTES TO FINANCIAL STATEMENTS

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### **Note 30. Upcoming Pronouncements**

At June 30, 2025, the GASB had issued several statements not yet implemented by the County. The statements which might impact the County are as follows:

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

GASB Statement No. 104, *Disclosures of Certain Capital Assets*, objective is to provide users of government financial statements with essential information about certain types of capital assets. This statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnership and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset in capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription-Based Information Technology Arrangements*, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. Statement No. 104 will be effective for the County beginning with its year ending June 30, 2026.

GASB Statement No. 105, *Subsequent Events*, objective is to improve the financial reporting for subsequent events, thereby enhancing consistency in their application and better meeting the information needs of financial statement users. Statement No. 105 will be effective for fiscal years beginning after June 15, 2026.

The County has not determined the impact of these pronouncements on its financial statements.

## **REQUIRED SUPPLEMENTARY INFORMATION**

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

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

	General Fund			Variance with Final Budget Over (Under)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
<b>Revenues:</b>				
General property taxes	\$ 91,073,360	\$ 95,281,113	\$ 94,516,361	\$ (764,752)
Other local taxes	24,155,184	25,630,682	26,557,407	926,725
Permits, privilege fees and regulatory licenses	758,570	812,900	889,039	76,139
Fines and forfeitures	276,950	351,150	458,784	107,634
Revenue from the use of money and property	3,085,730	4,974,576	5,913,580	939,004
Charges for services	5,357,284	6,429,274	6,225,658	(203,616)
Miscellaneous	172,914	244,910	497,921	253,011
Recovered costs	57,300	117,706	86,939	(30,767)
Intergovernmental revenues:				
Commonwealth	13,762,123	13,998,663	14,533,491	534,828
Federal	1,128,410	1,174,141	3,145,856	1,971,715
<b>Total revenues</b>	<b>139,827,825</b>	<b>149,015,115</b>	<b>152,825,036</b>	<b>3,809,921</b>
<b>Expenditures:</b>				
Current:				
General government administration	8,488,037	8,585,196	8,431,944	(153,252)
Judicial administration	4,027,828	3,979,266	3,691,484	(287,782)
Public safety	40,161,850	41,958,702	42,071,884	113,182
Public works	5,719,536	5,924,133	5,491,737	(432,396)
Health and welfare	1,693,498	1,866,310	1,929,225	62,915
Education	51,177,647	51,177,647	49,127,458	(2,050,189)
Parks, recreation and cultural	3,081,928	3,331,135	3,085,277	(245,858)
Community development	2,284,052	2,393,778	2,095,524	(298,254)
Nondepartmental	1,963,795	2,006,371	1,879,552	(126,819)
Debt service:				
Principal - subscriptions	-	-	614,091	614,091
Principal - leases	-	-	252,404	252,404
Interest - subscription liabilities	-	-	15,743	15,743
Interest - lease liabilities	-	-	101,299	101,299
<b>Total expenditures</b>	<b>118,598,171</b>	<b>121,222,538</b>	<b>118,787,622</b>	<b>(2,434,916)</b>
<b>Excess of revenues over expenditures</b>	<b>21,229,654</b>	<b>27,792,577</b>	<b>34,037,414</b>	<b>6,244,837</b>
Other financing sources (uses):				
Issuance of lease liabilities	-	-	910,638	910,638
Issuance of subscription liabilities	-	-	2,513,721	2,513,721
Transfers in	72,145	72,145	81,004	8,859
Transfers out	(23,163,562)	(35,407,373)	(33,539,138)	1,868,235
<b>Total other financing uses, net</b>	<b>(23,091,417)</b>	<b>(35,335,228)</b>	<b>(30,033,775)</b>	<b>5,301,453</b>
<b>Net change in fund balance</b>	<b>(1,861,763)</b>	<b>(7,542,651)</b>	<b>4,003,639</b>	<b>11,546,290</b>
Fund balance, beginning	-	-	23,798,996	23,798,996
Fund balance (deficit), ending	\$ (1,861,763)	\$ (7,542,651)	\$ 27,802,635	\$ 35,345,286

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

	Special Revenue Fund			Variance with Final Budget Over (Under)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
<b>Revenues:</b>				
Charges for services	\$ 167,442	\$ 169,127	\$ 167,442	\$ (1,685)
Recovered costs	1,566,365	1,193,515	1,566,364	372,849
Intergovernmental revenues:				
Commonwealth	8,396,585	9,488,180	8,072,379	(1,415,801)
Federal	8,034,455	7,314,025	8,149,743	835,718
<b>Total revenues</b>	<b>18,164,847</b>	<b>18,164,847</b>	<b>17,955,928</b>	<b>(208,919)</b>
<b>Expenditures:</b>				
Current:				
Health and welfare	21,926,999	21,926,999	22,358,904	431,905
Debt service:				
Principal - lease liabilities	-	-	11,201	11,201
Interest - lease liabilities	-	-	461	461
<b>Total debt service</b>	<b>-</b>	<b>-</b>	<b>11,662</b>	<b>11,662</b>
<b>Total expenditures</b>	<b>21,926,999</b>	<b>21,926,999</b>	<b>22,370,566</b>	<b>443,567</b>
<b>Deficiency of revenues under expenditures</b>	<b>(3,762,152)</b>	<b>(3,762,152)</b>	<b>(4,414,638)</b>	<b>(652,486)</b>
Other financing sources:				
Transfers in	3,762,152	3,762,152	4,414,638	652,486
<b>Total other financing sources</b>	<b>3,762,152</b>	<b>3,762,152</b>	<b>4,414,638</b>	<b>652,486</b>
<b>Net change in fund balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Fund balance, beginning	-	-	-	-
Fund balance, ending	\$ -	\$ -	\$ -	\$ -

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

	Fiscal Year June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Total Pension Liability:</b>										
Service cost	\$ 2,101,912	\$ 2,204,270	\$ 2,278,810	\$ 2,280,199	\$ 2,348,634	\$ 2,566,036	\$ 2,694,586	\$ 2,842,031	\$ 3,351,983	\$ 3,686,050
Interest	5,639,039	5,859,705	6,057,382	6,143,689	6,400,578	6,659,671	7,019,625	7,618,088	7,723,242	7,997,152
Differences between expected and actual experience	(82,018)	(603,214)	(2,238,406)	(3,104)	307,198	1,013,759	(2,569,101)	(3,718,383)	(1,261,958)	6,083,211
Changes of assumptions	-	-	(298,488)	-	2,983,642	-	4,119,357	-	-	-
Benefit payments, including refunds of employee contributions	(4,137,964)	(4,875,173)	(4,398,430)	(4,734,253)	(4,767,639)	(4,862,513)	(4,951,134)	(5,529,617)	(5,858,078)	(6,320,747)
<b>Net change in total pension liability</b>	<b>3,520,969</b>	<b>2,585,588</b>	<b>1,400,868</b>	<b>3,686,531</b>	<b>7,272,413</b>	<b>5,376,953</b>	<b>6,313,333</b>	<b>1,212,119</b>	<b>3,955,189</b>	<b>11,445,666</b>
Total pension liability - beginning	82,626,687	86,147,656	88,733,244	90,134,112	93,820,643	101,093,056	106,470,009	112,783,342	113,995,461	117,950,650
Total pension liability - ending (a)	<b>\$ 86,147,656</b>	<b>\$ 88,733,244</b>	<b>\$ 90,134,112</b>	<b>\$ 93,820,643</b>	<b>\$ 101,093,056</b>	<b>\$ 106,470,009</b>	<b>\$ 112,783,342</b>	<b>\$ 113,995,461</b>	<b>\$ 117,950,650</b>	<b>\$ 129,396,316</b>
<b>Plan Fiduciary Net Position:</b>										
Contributions - employer	\$ 2,313,950	\$ 2,361,901	\$ 2,022,988	\$ 2,107,494	\$ 2,003,652	\$ 2,106,254	\$ 2,420,992	\$ 2,515,408	\$ 2,764,879	\$ 2,976,592
Contributions - employee	921,678	947,593	1,063,805	1,023,897	1,054,711	1,119,279	1,128,832	1,203,558	1,329,260	1,440,574
Net investment income	3,285,690	1,268,675	8,979,601	6,008,267	5,705,114	1,724,376	24,628,786	(108,965)	7,171,048	11,290,012
Benefit payments, including refunds of employee contributions	(4,137,964)	(4,875,173)	(4,398,430)	(4,734,253)	(4,767,639)	(4,862,513)	(4,951,134)	(5,529,617)	(5,858,078)	(6,320,747)
Administrative expense	(45,225)	(46,683)	(52,053)	(52,142)	(56,801)	(58,633)	(60,915)	(70,507)	(71,445)	(74,209)
Other changes	(693)	(543)	(7,992)	(5,345)	(3,595)	(2,031)	2,325	2,615	2,887	2,341
<b>Net change in plan fiduciary net position</b>	<b>2,337,436</b>	<b>(344,230)</b>	<b>7,607,919</b>	<b>4,347,918</b>	<b>3,935,442</b>	<b>26,732</b>	<b>23,168,886</b>	<b>(1,987,508)</b>	<b>5,338,551</b>	<b>9,314,563</b>
Plan fiduciary net position - beginning	72,175,169	74,512,605	74,168,375	81,776,294	86,124,212	90,059,654	90,086,386	113,255,272	111,267,764	116,606,315
Plan fiduciary net position - ending (b)	<b>\$ 74,512,605</b>	<b>\$ 74,168,375</b>	<b>\$ 81,776,294</b>	<b>\$ 86,124,212</b>	<b>\$ 90,059,654</b>	<b>\$ 90,086,386</b>	<b>\$ 113,255,272</b>	<b>\$ 111,267,764</b>	<b>\$ 116,606,315</b>	<b>\$ 125,920,878</b>
<b>County's net pension liability (asset) - ending (a) - (b)</b>	<b>\$ 11,635,051</b>	<b>\$ 14,564,869</b>	<b>\$ 8,357,818</b>	<b>\$ 7,696,431</b>	<b>\$ 11,033,402</b>	<b>\$ 16,383,623</b>	<b>\$ (471,930)</b>	<b>\$ 2,727,697</b>	<b>\$ 1,344,335</b>	<b>\$ 3,475,438</b>
Plan fiduciary net position as a percentage of the total pension liability	86.49%	83.59%	90.73%	91.80%	89.09%	84.61%	100.42%	97.61%	98.86%	97.31%
Covered payroll	\$ 18,437,849	\$ 18,819,928	\$ 19,717,232	\$ 20,540,877	\$ 21,247,635	\$ 22,335,673	\$ 22,647,259	\$ 23,530,477	\$ 26,610,962	\$ 28,648,624
County's net pension liability (asset) as a percentage of covered payroll	63.10%	77.39%	42.39%	37.47%	51.93%	73.35%	-2.08%	11.59%	5.05%	12.13%

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

	Fiscal Year June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Total Pension Liability:</b>										
Service cost	\$ 250,850	\$ 245,933	\$ 230,020	\$ 211,874	\$ 213,677	\$ 227,383	\$ 235,558	\$ 240,770	\$ 275,636	\$ 294,597
Interest	770,891	782,063	808,631	798,893	815,037	838,856	881,006	941,916	960,125	975,861
Differences between expected and actual experience	(276,356)	(44,608)	(316,829)	(98,224)	132,192	258,712	(169,667)	(57,124)	(19,790)	112,745
Changes of assumptions	-	-	(240,745)	-	344,653	-	421,318	-	-	-
Benefit payments, including refunds of employee contributions	(571,921)	(599,653)	(608,033)	(632,344)	(731,495)	(711,397)	(689,600)	(723,626)	(1,057,720)	(945,881)
<b>Net change in total pension liability</b>	<b>173,464</b>	<b>383,735</b>	<b>(126,956)</b>	<b>280,199</b>	<b>774,064</b>	<b>613,554</b>	<b>678,615</b>	<b>401,936</b>	<b>158,251</b>	<b>437,322</b>
Total pension liability - beginning	11,298,686	11,472,150	11,855,885	11,728,929	12,009,128	12,783,192	13,396,746	14,075,361	14,477,297	14,635,548
Total pension liability - ending (a)	\$ 11,472,150	\$ 11,855,885	\$ 11,728,929	\$ 12,009,128	\$ 12,783,192	\$ 13,396,746	\$ 14,075,361	\$ 14,477,297	\$ 14,635,548	\$ 15,072,870
<b>Plan Fiduciary Net Position:</b>										
Contributions - employer	\$ 226,499	\$ 222,018	\$ 149,548	\$ 141,368	\$ 96,440	\$ 96,681	\$ 138,395	\$ 149,747	\$ 160,151	\$ 166,832
Contributions - employee	130,761	127,674	124,819	119,026	122,114	127,149	128,455	136,851	164,001	173,195
Net investment income	476,637	183,043	1,287,880	852,020	785,148	234,684	3,270,732	(10,031)	906,849	1,398,342
Benefit payments, including refunds of employee contributions	(571,921)	(599,653)	(608,033)	(632,344)	(731,495)	(711,397)	(689,600)	(723,626)	(1,057,720)	(945,881)
Administrative expense	(6,644)	(6,779)	(7,625)	(7,521)	(8,174)	(8,238)	(8,329)	(9,384)	(9,471)	(9,722)
Other changes	(102)	(78)	(1,136)	(751)	(493)	(273)	306	340	362	267
<b>Net change in plan fiduciary net position</b>	<b>255,230</b>	<b>(73,775)</b>	<b>945,453</b>	<b>471,798</b>	<b>263,540</b>	<b>(261,394)</b>	<b>2,839,959</b>	<b>(456,103)</b>	<b>164,172</b>	<b>783,033</b>
Plan fiduciary net position - beginning	10,492,943	10,748,173	10,674,398	11,619,851	12,091,649	12,355,189	12,093,795	14,933,754	14,477,651	14,641,823
Plan fiduciary net position - ending (b)	\$ 10,748,173	\$ 10,674,398	\$ 11,619,851	\$ 12,091,649	\$ 12,355,189	\$ 12,093,795	\$ 14,933,754	\$ 14,477,651	\$ 14,641,823	\$ 15,424,856
<b>School Board non-professional net pension liability (asset) - ending (a) - (b)</b>	<b>\$ 723,977</b>	<b>\$ 1,181,487</b>	<b>\$ 109,078</b>	<b>\$ (82,521)</b>	<b>\$ 428,003</b>	<b>\$ 1,302,951</b>	<b>\$ (858,393)</b>	<b>\$ (354)</b>	<b>\$ (6,275)</b>	<b>\$ (351,986)</b>
Plan fiduciary net position as a percentage of the total pension liability	93.69%	90.03%	99.07%	100.69%	96.65%	90.27%	106.10%	100.00%	100.04%	102.34%
Employer's covered payroll	\$ 2,642,929	\$ 2,590,642	\$ 2,492,467	\$ 2,356,133	\$ 2,318,269	\$ 3,894,976	\$ 2,427,982	\$ 2,627,140	\$ 3,038,918	\$ 3,165,693
School Board's non-professional net pension liability (asset) as a percentage of covered payroll	27.39%	45.61%	4.38%	-3.50%	18.46%	33.45%	-35.35%	-0.01%	-0.21%	-11.12%

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

	Fiscal Year June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Employer's proportion of the net pension liability	0.74809%	0.72566%	0.73384%	0.71350%	0.70662%	0.69991%	0.68859%	0.68621%	0.70432%	<b>0.69693%</b>
Employer's proportionate share of the net pension liability	\$ 94,157,000	\$ 101,694,000	\$ 90,248,000	\$ 83,908,000	\$ 92,995,208	\$ 101,855,286	\$ 53,455,912	\$ 65,331,300	\$ 71,187,065	\$ <b>65,420,364</b>
Employer's covered payroll	\$ 55,620,152	\$ 55,328,691	\$ 55,212,149	\$ 52,894,571	\$ 52,358,565	\$ 58,208,878	\$ 62,161,212	\$ 61,336,137	\$ 66,900,999	\$ <b>70,723,141</b>
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	169.29%	183.80%	163.46%	158.63%	177.61%	174.98%	86.00%	106.51%	106.41%	<b>92.50%</b>
Plan fiduciary net position as a percentage of the total pension liability	70.88%	68.28%	72.92%	74.81%	73.51%	71.47%	85.46%	82.61%	82.45%	<b>84.52%</b>

**SCHEDULE OF COUNTY CONTRIBUTIONS –  
VIRGINIA RETIREMENT SYSTEM**

	Fiscal Year June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Contractually required contribution (CRC)	\$ 2,361,901	\$ 2,022,988	\$ 2,107,494	\$ 2,003,652	\$ 2,106,254	\$ 2,420,992	\$ 2,515,408	\$ 2,764,879	\$ 2,976,592	\$ 3,734,657
Contributions in relation to the CRC	2,361,901	2,022,988	2,107,494	2,003,652	2,106,254	2,420,992	2,515,408	2,764,879	2,976,592	3,734,657
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 18,819,928	\$ 19,717,232	\$ 20,540,877	\$ 21,247,635	\$ 22,335,673	\$ 22,647,259	\$ 23,530,477	\$ 26,610,962	\$ 28,648,624	\$ 33,889,805
Contributions as a percentage of covered payroll	12.55%	10.26%	10.26%	9.43%	9.43%	10.69%	10.69%	10.39%	10.39%	11.02%

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

	Fiscal Year June 30,										
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	
Contractually required contribution (CRC)	\$ 222,018	\$ 149,548	\$ 141,368	\$ 96,440	\$ 162,031	\$ 138,395	\$ 149,747	\$ 160,151	\$ 166,832	\$ 187,921	
Contributions in relation to the CRC	222,018	149,548	141,368	96,440	162,031	138,395	149,747	160,151	166,832	187,921	
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Employer's covered payroll	\$ 2,590,642	\$ 2,492,467	\$ 2,356,133	\$ 2,318,269	\$ 3,894,976	\$ 2,427,982	\$ 2,627,140	\$ 3,038,918	\$ 3,165,693	\$ 4,222,942	
Contributions as a percentage of covered payroll	8.57%	6.00%	6.00%	4.16%	4.16%	5.70%	5.70%	5.27%	5.27%	4.45%	

**SCHEDULE OF SCHOOL BOARD PROFESSIONAL CONTRIBUTIONS –  
VIRGINIA RETIREMENT SYSTEM**

	Fiscal Year June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Contractually required contribution (CRC)	\$ 7,779,214	\$ 8,094,101	\$ 8,632,394	\$ 8,209,823	\$ 9,127,152	\$ 9,746,878	\$ 10,194,066	\$ 11,118,946	\$ 11,754,186	\$ 11,400,632
Contributions in relation to the CRC	7,779,214	8,094,101	8,632,394	8,209,823	9,127,152	9,746,878	10,194,066	11,118,946	11,754,186	11,400,632
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 55,328,691	\$ 55,212,149	\$ 52,894,571	\$ 52,358,565	\$ 58,208,878	\$ 62,161,212	\$ 61,336,137	\$ 66,900,999	\$ 70,723,141	\$ 80,229,643
Contributions as a percentage of covered payroll	14.06%	14.66%	16.32%	15.68%	15.68%	15.68%	16.62%	16.62%	16.62%	14.21%

**COUNTY OF AUGUSTA, VIRGINIA**

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

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**Note 1. Change of Benefit Terms**

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

**Note 2. Changes of Assumptions**

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

**County and School Board Non-Professional Plans (Agent Plans)**

***General Employees***

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan2/Hybrid; changed final retirement age
Withdrawal Rates	Adjusted rates to better fit experience each year, age and service through nine years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

***Public Safety Employees with Hazardous Duty Benefits***

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 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 AUGUSTA, VIRGINIA**

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

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**Note 2. Changes of Assumptions (Continued)**

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

Mortality Rates (pre-retirement, post- retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan2/Hybrid; changed final retirement age from 75 to 80 for all.
Withdrawal Rates	Adjusted rates to better fit experience each year, age and service through nine years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

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

	Fiscal Year June 30,							
	2017	2018	2019	2020	2021	2022	2023	2024
Total Medical Insurance OPEB liability:								
Service cost	\$ 134,000	\$ 137,000	\$ 93,000	\$ 374,000	\$ 444,000	\$ 455,000	\$ 310,000	\$ 348,000
Interest	101,000	108,000	79,000	192,000	177,000	132,000	207,000	180,000
Differences between expected and actual experience	-	(633,000)	2,532,000	-	(1,762,000)	(1,076,000)	(1,378,000)	(381,000)
Changes in assumptions	-	(363,000)	764,000	(83,000)	-	(1,553,000)	-	(76,000)
Benefit payments	-	91,000	311,000	522,000	-	50,000	-	-
Contributions - employer	(186,000)	-	(210,000)	7,000	11,000	909,000	(2,000)	(22,000)
Other changes	-	-	-	-	726,000	-	(99,000)	-
<b>Net change in total OPEB liability</b>	<b>49,000</b>	<b>(660,000)</b>	<b>3,569,000</b>	<b>1,012,000</b>	<b>(404,000)</b>	<b>(1,083,000)</b>	<b>(962,000)</b>	<b>49,000</b>
Total Medical Insurance OPEB liability - beginning	2,809,000	2,858,000	2,198,000	5,767,000	6,779,000	6,375,000	5,292,000	4,330,000
County total Medical Insurance OPEB liability - ending	\$ 2,858,000	\$ 2,198,000	\$ 5,767,000	\$ 6,779,000	\$ 6,375,000	\$ 5,292,000	\$ 4,330,000	\$ 4,379,000
Plan fiduciary net position as a percentage of the total Medical Insurance OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered-employee payroll	\$ 20,009,000	\$ 20,009,000	\$ 20,009,000	\$ 23,959,000	\$ 23,959,000	\$ 24,609,000	\$ 24,609,000	\$ 25,791,000
Total OPEB liability as a percentage of covered-employee payroll	14.28%	10.99%	28.82%	28.29%	26.61%	21.50%	17.60%	16.98%

Note to Schedule:

- (1) This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the County will present information for those years which information is available.
- (2) There are no assets accumulated in a trust that meets the criteria of GASB P22.101 or P52.101 to pay related benefits for OPEB.

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

	Fiscal Year June 30,							
	2017	2018	2019	2020	2021	2022	2023	2024
Total Medical Insurance OPEB liability:								
Service cost	\$ 626,000	\$ 642,000	\$ 602,000	\$ 593,000	\$ 777,000	\$ 907,000	\$ 543,000	\$ 455,000
Interest	570,000	604,000	554,000	385,000	363,000	288,000	431,000	502,000
Differences between expected and actual experience	-	(1,681,000)	(4,483,000)	939,000	(2,221,000)	(1,951,000)	537,000	(389,000)
Changes in assumptions	-	(1,257,000)	648,000	866,000	1,304,000	(2,064,000)	(96,000)	(102,000)
Benefit payments	-	-	-	-	-	(308,000)	-	-
(Contributions)/refunds- employer	(514,000)	31,000	98,000	(743,000)	(111,000)	-	74,000	(64,000)
<b>Net change in total OPEB liability</b>	<b>682,000</b>	<b>(1,661,000)</b>	<b>(2,581,000)</b>	<b>2,040,000</b>	<b>112,000</b>	<b>(3,128,000)</b>	<b>1,489,000</b>	<b>402,000</b>
Total Medical Insurance OPEB liability - beginning	15,631,000	16,313,000	14,652,000	12,071,000	14,111,000	14,223,000	11,095,000	12,584,000
School Board total Medical Insurance OPEB liability - ending	\$ 16,313,000	\$ 14,652,000	\$ 12,071,000	\$ 14,111,000	\$ 14,223,000	\$ 11,095,000	\$ 12,584,000	\$ 12,986,000
<b>School Board net Medical Insurance OPEB liability - ending (a) - (b)</b>	<b>\$ 16,313,000</b>	<b>\$ 14,652,000</b>	<b>\$ 12,071,000</b>	<b>\$ 14,111,000</b>	<b>\$ 14,223,000</b>	<b>\$ 11,095,000</b>	<b>\$ 12,584,000</b>	<b>\$ 12,986,000</b>
Plan fiduciary net position as a percentage of the total Medical Insurance OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered-employee payroll	\$ 59,686,000	\$ 59,686,000	\$ 59,686,000	\$ 60,842,000	\$ 60,842,000	\$ 62,630,000	\$ 62,630,000	\$ 76,913,000
Total OPEB liability as a percentage of covered payroll	27.33%	24.55%	20.22%	23.19%	23.38%	17.72%	20.09%	16.88%

Note to Schedule:

- (1) This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the School Board will present information for those years which information is available.
- (2) There are no assets accumulated in a trust that meets the criteria of GASB P22.101 or P52.101 to pay related benefits for OPEB.

**SCHEDULE OF COUNTY CONTRIBUTIONS –  
MEDICAL INSURANCE PROGRAM**

	Fiscal Year June 30,							
	2018	2019	2020	2021	2022	2023	2024	2025
Contractually required contribution (CRC)	\$ 157,183	\$ 166,679	\$ 114,981	\$ 100,309	\$ 91,850	\$ 79,147	\$ 73,043	\$ 65,347
Contributions in relation to the CRC	157,183	166,679	114,981	100,309	91,850	79,147	73,043	65,347
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered-employee payroll	\$ 20,009,000	\$ 20,009,000	\$ 23,959,000	\$ 23,959,000	\$ 24,609,000	\$ 24,609,000	\$ 25,791,000	\$ 25,791,000
Contributions as a percentage of covered-employee payroll	0.79%	0.83%	0.48%	0.42%	0.37%	0.32%	0.28%	0.25%

Note to Schedule:

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

**SCHEDULE OF SCHOOL BOARD CONTRIBUTIONS –  
MEDICAL INSURANCE PROGRAM**

	Fiscal Year June 30,								
	2018	2019	2020	2021	2022	2023	2024	2025	
Contractually required contribution (CRC)	\$ 559,611	\$ 505,656	\$ 440,894	\$ 432,244	\$ 367,282	\$ 372,592	\$ 303,210	\$ 313,382	
Contributions in relation to the CRC	559,611	505,656	440,894	432,244	367,282	372,592	303,210	313,382	
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered-employee payroll	\$ 59,686,000	\$ 59,686,000	\$ 60,842,000	\$ 60,842,000	\$ 62,630,000	\$ 62,630,000	\$ 76,913,000	\$ 76,913,000	
Contributions as a percentage of covered payroll	0.94%	0.85%	0.72%	0.71%	0.59%	0.59%	0.39%	0.41%	

Note to Schedule:

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

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

	Fiscal Year June 30,							
	2017	2018	2019	2020	2021	2022	2023	2024
<b>County:</b>								
Employer's proportion of the net GLI OPEB liability	0.10938%	0.11123%	0.11245%	0.11400%	0.11539%	0.11434%	0.11998%	<b>0.11934%</b>
Employer's proportionate share of the net GLI OPEB liability	\$ 1,646,000	\$ 1,689,000	\$ 1,829,861	\$ 1,902,474	\$ 1,342,871	\$ 1,376,764	\$ 1,438,936	\$ <b>1,331,741</b>
Employer's covered payroll	\$ 19,615,385	\$ 20,599,423	\$ 21,205,192	\$ 22,527,115	\$ 22,994,259	\$ 24,132,222	\$ 20,695,000	\$ <b>29,218,519</b>
Employer's proportionate share of the net GLI OPEB liability as a percentage of its covered payroll	8.39%	8.20%	8.63%	8.45%	5.84%	5.71%	6.95%	<b>4.56%</b>
Plan fiduciary net position as a percentage of the total GLI OPEB liability	48.86%	51.22%	52.00%	52.64%	67.45%	67.21%	69.30%	<b>73.41%</b>
<b>School Board Non-Professional:</b>								
Employer's proportion of the net GLI OPEB liability	0.01426%	0.01345%	0.01342%	0.01352%	0.01369%	0.01416%	0.01596%	<b>0.01541%</b>
Employer's proportionate share of the net GLI OPEB liability	\$ 215,000	\$ 205,000	\$ 218,379	\$ 225,626	\$ 159,389	\$ 170,500	\$ 191,410	\$ <b>171,964</b>
Employer's covered payroll	\$ 2,500,000	\$ 602,308	\$ 2,818,654	\$ 2,975,000	\$ 3,008,148	\$ 3,332,222	\$ 3,074,815	\$ <b>4,090,185</b>
Employer's proportionate share of the net GLI OPEB liability as a percentage of its covered payroll	8.60%	34.04%	7.75%	7.58%	5.30%	5.12%	6.23%	<b>4.20%</b>
Plan fiduciary net position as a percentage of the total GLI OPEB liability	48.86%	51.22%	52.00%	52.64%	67.45%	67.21%	69.30%	<b>73.41%</b>
<b>School Board Professional:</b>								
Employer's proportion of the net GLI OPEB liability	0.31403%	0.30348%	0.30236%	0.29807%	0.29490%	0.29417%	0.29965%	<b>0.29181%</b>
Employer's proportionate share of the net GLI OPEB liability	\$ 4,719,795	\$ 4,609,000	\$ 4,920,202	\$ 4,974,300	\$ 3,433,436	\$ 3,542,090	\$ 3,593,743	\$ <b>3,256,372</b>
Employer's covered payroll	\$ 56,730,769	\$ 63,832,500	\$ 66,178,846	\$ 67,522,692	\$ 63,672,778	\$ 66,952,778	\$ 53,474,259	\$ <b>74,621,852</b>
Employer's proportionate share of the net GLI OPEB liability as a percentage of its covered payroll	8.32%	7.22%	7.43%	7.37%	5.39%	5.29%	6.72%	<b>4.36%</b>
Plan fiduciary net position as a percentage of the total GLI OPEB liability	48.86%	51.22%	52.00%	52.64%	67.45%	67.21%	69.30%	<b>73.41%</b>

Note to Schedule:

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

**SCHEDULE OF EMPLOYER CONTRIBUTIONS – OPEB –  
GROUP LIFE INSURANCE PROGRAM**

	Fiscal Year Ended June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
County:										
Contractually required contribution (CRC)	\$ 91,237	\$ 102,000	\$ 107,117	\$ 110,267	\$ 117,141	\$ 124,169	\$ 130,314	\$ 111,753	\$ 157,780	\$ 159,304
Contributions in relation to the CRC	91,237	102,000	107,117	110,267	117,141	124,169	130,314	111,753	157,780	159,304
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 19,007,633	\$ 19,615,385	\$ 20,599,423	\$ 21,205,192	\$ 22,527,115	\$ 22,994,259	\$ 24,132,222	\$ 20,695,000	\$ 29,218,519	\$ 33,894,446
Contributions as a percentage of covered payroll	0.48%	0.52%	0.52%	0.52%	0.52%	0.54%	0.54%	0.54%	0.54%	0.47%
School Board Non-Professional:										
Contractually required contribution (CRC)	\$ 12,712	\$ 13,000	\$ 3,132	\$ 14,657	\$ 15,470	\$ 16,244	\$ 17,994	\$ 16,604	\$ 22,087	\$ 19,875
Contributions in relation to the CRC	12,712	13,000	3,132	14,657	15,470	16,244	17,994	16,604	22,087	19,875
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 2,648,274	\$ 2,500,000	\$ 602,308	\$ 2,818,654	\$ 2,975,000	\$ 3,008,148	\$ 3,332,222	\$ 3,074,815	\$ 4,090,185	\$ 4,228,798
Contributions as a percentage of covered payroll	0.48%	0.52%	0.52%	0.52%	0.52%	0.54%	0.54%	0.54%	0.54%	0.47%
School Board Professional:										
Contractually required contribution (CRC)	\$ 265,599	\$ 295,000	\$ 331,929	\$ 344,130	\$ 351,118	\$ 343,833	\$ 361,545	\$ 288,761	\$ 402,958	\$ 377,109
Contributions in relation to the CRC	265,599	295,000	331,929	344,130	351,118	343,833	361,545	288,761	402,958	377,109
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 55,333,132	\$ 56,730,769	\$ 63,832,500	\$ 66,178,846	\$ 67,522,692	\$ 63,672,778	\$ 66,952,778	\$ 53,474,259	\$ 74,621,852	\$ 80,235,966
Contributions as a percentage of covered payroll	0.48%	0.52%	0.52%	0.52%	0.52%	0.54%	0.54%	0.54%	0.54%	0.47%

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

	Fiscal Year June 30,				
	2020	2021	2022	2023	2024
Balance, beginning	\$ -	\$ 196,803	\$ 199,229	\$ 248,000	\$ 100,485
Changes for the year:					
Service cost	-	2,747	2,040	1,618	1,632
Interest	-	13,284	14,584	18,564	9,806
Changes in assumptions	-	4,127	49,079	-	-
Difference between expected and actual experience	-	-	(121)	(143,570)	(18,336)
Contributions - employer	-	(15,542)	(16,663)	(21,757)	(23,267)
Net investment income	-	(2,260)	173	(2,420)	(5,543)
Administrative expense	-	70	61	70	86
Other changes	-	-	(382)	(20)	(1)
Changes in benefit terms	196,803	-	-	-	-
<b>Net changes</b>	<b>196,803</b>	<b>2,426</b>	<b>48,771</b>	<b>(147,515)</b>	<b>(35,623)</b>
Balance, ending	\$ 196,803	\$ 199,229	\$ 248,000	\$ 100,485	\$ 64,862
<b>County net Medical Insurance OPEB liability - ending</b>	<b>\$ 196,803</b>	<b>\$ 199,229</b>	<b>\$ 248,000</b>	<b>\$ 100,485</b>	<b>\$ 64,862</b>
Plan fiduciary net position as a percentage of the total Medical Insurance OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%
Covered-employee payroll	\$ 1,954,103	\$ 1,954,103	\$ 3,695,273	\$ 3,955,818	\$ 4,329,831
Total OPEB liability as a percentage of covered-employee payroll	10.07%	10.20%	6.71%	2.54%	1.50%

Note to Schedule:

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

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

	Fiscal Year Ended June 30,				
	2021	2022	2023	2024	2025
Contractually required contribution (CRC)	\$ 15,242	\$ 20,324	\$ 21,757	\$ 25,546	\$ 24,915
Contributions in relation to the CRC	15,242	20,324	21,757	25,546	24,915
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 1,954,103	\$ 3,695,273	\$ 3,955,818	\$ 4,329,831	\$ 4,222,942
Contributions as a percentage of covered payroll	0.78%	0.55%	0.55%	0.59%	0.59%

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

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

	Fiscal Year June 30,							
	2017	2018	2019	2020	2021	2022	2023	2024
Employer's proportion of the net HIC OPEB liability	0.73343%	0.71330%	0.70627%	0.69930%	0.68754%	0.68564%	0.70469%	<b>0.69794%</b>
Employer's proportionate share of the net HIC OPEB liability	\$ 9,304,506	\$ 9,057,000	\$ 9,245,761	\$ 9,122,484	\$ 8,825,051	\$ 8,563,963	\$ 8,536,737	\$ <b>8,065,730</b>
Employer's covered payroll	\$ 57,882,342	\$ 63,889,099	\$ 63,206,757	\$ 60,740,750	\$ 61,859,421	\$ 65,282,893	\$ 63,288,264	\$ <b>74,592,066</b>
Employer's proportionate share of the net HIC OPEB liability as a percentage of its covered payroll	16.07%	14.18%	14.63%	15.02%	14.27%	13.12%	13.49%	<b>10.81%</b>
Plan fiduciary net position as a percentage of the total HIC OPEB liability	7.04%	8.08%	8.97%	9.95%	13.15%	15.08%	17.90%	<b>21.82%</b>

Note to Schedule:

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

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

	Fiscal Year June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Contractually required contribution (CRC)	\$ 586,484	\$ 642,494	\$ 709,169	\$ 701,595	\$ 728,889	\$ 748,499	\$ 789,923	\$ 765,788	\$ 902,564	\$ 970,779
Contributions in relation to the CRC	586,484	642,494	709,169	701,595	728,889	748,499	789,923	765,788	902,564	970,779
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 55,328,691	\$ 57,882,342	\$ 63,889,099	\$ 63,206,757	\$ 60,740,750	\$ 61,859,421	\$ 65,282,893	\$ 63,288,264	\$ 74,592,066	\$ 80,229,643
Contributions as a percentage of covered payroll	1.06%	1.11%	1.11%	1.11%	1.20%	1.21%	1.21%	1.21%	1.21%	1.21%

**SCHEDULE OF SCHOOL BOARD PROFESSIONAL PLAN'S  
SHARE OF NET OPEB LIABILITY (ASSET)–  
VIRGINIA LOCAL DISABILITY PROGRAM**

	Fiscal Year June 30,							
	2017	2018	2019	2020	2021	2022	2023	2024
Employer's proportion of the net VLDP OPEB liability	2.86000%	2.72976%	2.59688%	2.53395%	2.45840%	2.51809%	2.76009%	<b>2.78049%</b>
Employer's proportionate share of the net VLDP OPEB liability (asset)	\$ 17,000	\$ 20,000	\$ 15,097	\$ 20,330	\$ (17,307)	\$ (2,831)	\$ 18,325	\$ <b>(24,911)</b>
Employer's covered payroll	\$ 3,000,000	\$ 6,137,333	\$ 7,883,194	\$ 16,813,171	\$ 18,812,196	\$ 22,798,723	\$ 29,448,723	\$ <b>34,282,340</b>
Employer's proportionate share of the net VLDP OPEB liability (asset) as a percentage of its covered payroll	0.57%	0.33%	0.19%	0.12%	-0.09%	-0.01%	0.06%	<b>-0.07%</b>
Plan fiduciary net position as a percentage of the total VLDP OPEB liability	31.96%	46.18%	74.12%	78.28%	114.46%	101.57%	93.77%	<b>107.03%</b>

Note to Schedule:

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

**SCHEDULE OF SCHOOL BOARD PROFESSIONAL PLAN'S  
CONTRIBUTIONS – OPEB –  
VIRGINIA LOCAL DISABILITY PROGRAM**

	Fiscal Year June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Contractually required contribution (CRC)	\$ 2,677	\$ 18,000	\$ 36,824	\$ 56,759	\$ 68,934	\$ 88,417	\$ 107,154	\$ 138,409	\$ 161,127	\$ 157,023
Contributions in relation to the CRC	2,677	18,000	36,824	56,759	68,934	88,417	107,154	138,409	161,127	157,023
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 446,202	\$ 3,000,000	\$ 6,137,333	\$ 7,883,194	\$ 16,813,171	\$ 18,812,196	\$ 22,798,723	\$ 29,448,723	\$ 34,282,340	\$ 34,894,030
Contributions as a percentage of covered payroll	0.60%	0.60%	0.60%	0.72%	0.41%	0.47%	0.47%	0.47%	0.47%	0.45%

**COUNTY OF AUGUSTA, VIRGINIA**

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

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**Note 1. Medical Insurance Program**

There are no assets accumulated in a trust to pay benefits for the medical insurance program.

**A. Changes of Benefit Terms**

Eligibility conditions were revised as of July 1, 2019 to be based upon a retiree’s attainment of age 50 as well as their eligibility to receive full or reduced retirement coverage under the Virginia Retirement System (VRS). Previously, eligibility was based on the attainment of age 55 with 10 years of service with the County, along with eligibility under VRS, or having worked 10 years of service with the County and obtaining immediate disability retirement benefits under VRS.

**B. Changes of Assumptions**

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

2021	2.45%
2022	1.92%
2023	3.69%
2024	3.86%
2025	4.09%

**Note 2. Group Life Insurance Program**

**A. Changes of Benefit Terms**

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

**B. Changes of Assumptions**

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

**School Board Professional Plan**

***Teachers***

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
Retirement Rates	Adjusted rates to better fit 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 termination rates to better fit experience at each age and service decrement through nine years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

**COUNTY OF AUGUSTA, VIRGINIA**

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

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**Note 2. Group Life Insurance Program (Continued)**

**B. Changes of Assumptions (Continued)**

**County and School Board Non-Professional Plans**

***General Employees***

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all.
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through nine years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

***Hazardous Duty Employees***

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 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 service only to better fit experience and to be more consistent with Locals To 10 Hazardous Duty
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

**COUNTY OF AUGUSTA, VIRGINIA**

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

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**Note 3. Health Insurance Credit Program**

**A. Changes of Benefit Terms**

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

**B. Changes of Assumptions**

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

**School Board Non-Professional Plan**

***Non-Largest 10 Locality Employers – General Employees***

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all.
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through nine years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

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

Mortality Rates (pre-retirement, post- retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all.
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service decrement through nine years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

**COUNTY OF AUGUSTA, VIRGINIA**

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

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**Note 4. Virginia Local Disability Program**

**A. Changes of Benefit Terms**

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

**B. Changes of Assumptions**

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

**School Board Non-Professional Plan**

***Non-Largest Ten Locality Employers – General Employees***

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

**School Board Professional Plan**

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

## **OTHER SUPPLEMENTARY INFORMATION**

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

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES – BUDGET AND ACTUAL –  
DEBT SERVICE FUND  
Year Ended June 30, 2025**

	Debt Service Fund			Variance with Final Budget Over (Under)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues:				
Charges for services	\$ 36,611	\$ 36,667	\$ 36,667	\$ -
<b>Total revenues</b>	<b>36,611</b>	<b>36,667</b>	<b>36,667</b>	<b>-</b>
Expenditures:				
Principal retirement	8,263,081	7,863,082	7,863,082	-
Interest and other fiscal charges	7,967,864	6,022,268	6,020,042	(2,226)
<b>Total expenditures</b>	<b>16,230,945</b>	<b>13,885,350</b>	<b>13,883,124</b>	<b>(2,226)</b>
Deficiency of revenues under expenditures	(16,194,334)	(13,848,683)	(13,846,457)	2,226
Other financing sources:				
Transfers in	16,194,334	13,848,683	13,846,457	(2,226)
<b>Total other financing sources</b>	<b>16,194,334</b>	<b>13,848,683</b>	<b>13,846,457</b>	<b>(2,226)</b>
<b>Net change in fund balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Fund balances, beginning	-	-	-	-
Fund balances, ending	\$ -	\$ -	\$ -	\$ -

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES – BUDGET AND ACTUAL –  
COUNTY CAPITAL IMPROVEMENTS FUND  
Year Ended June 30, 2025**

	County Capital Improvements Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
<b>Revenues:</b>				
Revenues from the use of money and property	\$ 5,000	\$ 1,772,492	\$ 1,612,995	\$ (159,497)
Recovered costs	901,186	1,083,537	2,602,042	1,518,505
Intergovernmental revenues:				
Augusta County School Board	625,000	625,000	625,000	-
Commonwealth	10,000	310,000	95,387	(214,613)
Federal	-	1,103,184	71,892	(1,031,292)
<b>Total revenues</b>	<b>1,541,186</b>	<b>4,894,213</b>	<b>5,007,316</b>	<b>113,103</b>
<b>Expenditures:</b>				
Capital projects	50,936,834	47,862,021	49,764,949	1,902,928
Debt service:				
Principal - subscriptions	-	-	357,493	357,493
Interest - subscriptions	-	-	12,560	12,560
<b>Total expenditures</b>	<b>50,936,834</b>	<b>47,862,021</b>	<b>50,135,002</b>	<b>2,272,981</b>
<b>Deficiency of revenues under expenditures</b>	<b>(49,395,648)</b>	<b>(42,967,808)</b>	<b>(45,127,686)</b>	<b>(2,159,878)</b>
<b>Other financing sources (uses):</b>				
Issuance of bond	-	29,074,960	27,275,000	(1,799,960)
Issuance of premium	-	925,040	925,040	-
Transfers in	6,811,648	20,867,563	19,367,492	(1,500,071)
Transfers out	(5,372,586)	(4,839,038)	(5,866,322)	(1,027,284)
<b>Total other financing sources, net</b>	<b>1,439,062</b>	<b>46,028,525</b>	<b>41,701,210</b>	<b>(4,327,315)</b>
<b>Net change in fund balance</b>	<b>(47,956,586)</b>	<b>3,060,717</b>	<b>(3,426,476)</b>	<b>(6,487,193)</b>
Fund balances, beginning	-	-	119,452,227	119,452,227
Fund balances (deficit), ending	<b>\$ (47,956,586)</b>	<b>\$ 3,060,717</b>	<b>\$ 116,025,751</b>	<b>\$ 112,965,034</b>

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES – BUDGET AND ACTUAL –  
SCHOOL CAPITAL IMPROVEMENTS FUND  
Year Ended June 30, 2025**

	School Capital Improvements Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
<b>Revenues:</b>				
Revenues from the use of money and property	\$ 18,154	\$ 274,967	\$ 267,229	\$ (7,738)
Intergovernmental revenues:				
Augusta County School Board	-	957,903	538,792	(419,111)
Federal	325,000	1,283,187	531,813	(751,374)
Miscellaneous	14,636	1,068,519	1,067,279	(1,240)
<b>Total revenues</b>	<b>357,790</b>	<b>3,584,576</b>	<b>2,405,113</b>	<b>(1,179,463)</b>
<b>Expenditures:</b>				
Current:				
Capital projects	2,164,763	11,368,689	7,469,450	(3,899,239)
Debt service:				
Principal retirement	-	-	403,548	403,548
Interest and other fiscal charges	-	-	31,215	31,215
<b>Total expenditures</b>	<b>2,164,763</b>	<b>11,368,689</b>	<b>7,904,213</b>	<b>(3,464,476)</b>
<b>Deficiency of revenues under expenditures</b>	<b>(1,806,973)</b>	<b>(7,784,113)</b>	<b>(5,499,100)</b>	<b>2,285,013</b>
<b>Other financing sources:</b>				
Transfers in	1,695,869	1,695,869	1,695,869	-
<b>Total other financing sources</b>	<b>1,695,869</b>	<b>1,695,869</b>	<b>1,695,869</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>(111,104)</b>	<b>(6,088,244)</b>	<b>(3,803,231)</b>	<b>2,285,013</b>
Fund balances, beginning	-	-	3,868,543	3,868,543
Fund balances (deficit), ending	\$ (111,104)	\$ (6,088,244)	\$ 65,312	\$ 6,153,556

*Fiduciary Funds*

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

	Custodial Funds		
	Special Welfare	Shenandoah Valley Animal Services Center	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 160,004	\$ 772,994	\$ 932,998
<b>Total assets</b>	<b>160,004</b>	<b>772,994</b>	<b>932,998</b>
<b>LIABILITIES</b>			
Accounts payable	-	26,955	26,955
<b>Total liabilities</b>	<b>-</b>	<b>26,955</b>	<b>26,955</b>
<b>NET POSITION</b>			
Restricted for:			
Other	-	746,039	746,039
Individuals	160,004	-	160,004
<b>Total net position</b>	<b>\$ 160,004</b>	<b>\$ 746,039</b>	<b>\$ 906,043</b>

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

	Custodial Funds		
	Special Welfare	Shenandoah Valley Animal Services Center	Total
<b>ADDITIONS</b>			
Benefits collected on behalf of others	\$ 421,383	\$ 1,030,860	\$ 1,452,243
<b>Total additions</b>	<b>421,383</b>	<b>1,030,860</b>	<b>1,452,243</b>
<b>DEDUCTIONS</b>			
Payments to participants or beneficiaries	391,550	927,051	1,318,601
<b>Total deductions</b>	<b>391,550</b>	<b>927,051</b>	<b>1,318,601</b>
Net change in fiduciary net position	29,833	103,809	133,642
Total net position, beginning	130,171	642,230	772,401
Total net position, ending	\$ 160,004	\$ 746,039	\$ 906,043

*Capital Assets Used in the Operation of Governmental Funds*

**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS  
COMPARATIVE SCHEDULES BY SOURCE  
June 30, 2025, 2024 and 2023**

	2025	2024	2023
<b>Governmental capital assets:</b>			
Intangible right-to-use lease assets	\$ 6,618,133	\$ 5,816,266	\$ 5,625,746
Intangible right-to-use subscription assets	3,849,323	1,635,171	1,490,130
Land	5,403,875	5,403,875	5,359,876
Buildings	123,513,528	92,573,933	77,745,756
Machinery and equipment	34,258,848	31,393,860	29,830,271
Land improvements	12,182,423	7,503,303	7,293,177
Construction in progress	52,014,176	12,200,428	3,117,133
	<hr/>	<hr/>	<hr/>
<b>Total governmental capital assets</b>	<b>\$ 237,840,306</b>	<b>\$ 156,526,836</b>	<b>\$ 130,462,089</b>
<b>Investments in governmental capital assets by source:</b>			
General fund	\$ 237,840,306	\$ 156,526,836	\$ 129,754,323
Special revenue funds	-	-	707,766
	<hr/>	<hr/>	<hr/>
<b>Total governmental capital assets by source</b>	<b>\$ 237,840,306</b>	<b>\$ 156,526,836</b>	<b>\$ 130,462,089</b>

**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS  
SCHEDULE BY FUNCTION AND ACTIVITY  
June 30, 2025**

	Intangible right- to-use lease assets	Intangible right- to-use subscription assets	Land	Land Improvements	Buildings	Machinery and Equipment	Construction in Progress	Total
<b>General governmental administration:</b>								
Board of supervisors	\$ -	\$ -	\$ 3,876,775	\$ 10,834,813	\$ 27,421,192	\$ 3,694,335	\$ 47,162,419	\$ 92,989,534
County administrator	-	104,621	-	-	-	90,995	-	195,616
Human Resources	41	300,984	-	-	-	22,852	-	323,877
County attorney	1,456	-	-	-	-	-	-	1,456
Commissioner of revenue	-	-	-	-	-	311,026	-	311,026
Central accounting	-	327,786	-	-	-	33,740	-	361,526
Management information systems	-	131,529	-	45,000	-	2,840,321	-	3,016,850
Board of elections	-	-	-	-	-	362,095	-	362,095
<b>Total general government administration</b>	<b>1,497</b>	<b>864,920</b>	<b>3,876,775</b>	<b>10,879,813</b>	<b>27,421,192</b>	<b>7,355,364</b>	<b>47,162,419</b>	<b>97,561,980</b>
<b>Judicial administration:</b>								
Clerk of Circuit Court	27,463	-	-	-	-	156,030	-	183,493
General District Court	6,596	-	-	-	-	19,252	-	25,848
Commonwealth's Attorney	109,121	247,801	-	-	-	117,394	-	474,316
<b>Total judicial administration</b>	<b>143,180</b>	<b>247,801</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>292,676</b>	<b>-</b>	<b>683,657</b>
<b>Public safety:</b>								
Sheriff	11,426	2,123,400	-	-	19,756	6,701,339	-	8,855,921
Emergency operations	5,511,536	-	-	-	-	4,996,139	4,851,757	15,359,432
Fire department	16,782	-	62,000	129,479	371,617	10,740,108	-	11,319,986
Emergency services	-	-	-	-	-	52,774	-	52,774
Juvenile detention and probation	33,003	-	-	-	5,913	44,635	-	83,551
Building inspections	-	-	-	-	-	122,630	-	122,630
Animal control	8,007	-	-	-	-	156,086	-	164,093
Drug enforcement	-	-	-	-	-	20,602	-	20,602
<b>Total public safety</b>	<b>5,580,754</b>	<b>2,123,400</b>	<b>62,000</b>	<b>129,479</b>	<b>397,286</b>	<b>22,834,313</b>	<b>4,851,757</b>	<b>35,978,989</b>
<b>Public works:</b>								
Sanitation and waste removal	255,782	-	-	53,084	60,446	423,344	-	792,656
Maintenance of buildings and grounds	8,241	300,984	-	282,729	422,951	1,403,235	-	2,418,140
<b>Total public works</b>	<b>264,023</b>	<b>300,984</b>	<b>-</b>	<b>335,813</b>	<b>483,397</b>	<b>1,826,579</b>	<b>-</b>	<b>3,210,796</b>
<b>Education:</b>								
Schools	-	-	-	-	94,930,275	-	-	94,930,275
<b>Total education</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>94,930,275</b>	<b>-</b>	<b>-</b>	<b>94,930,275</b>
<b>Health and welfare:</b>								
Social services	25,199	-	-	-	-	707,766	-	732,965
<b>Total health and welfare</b>	<b>25,199</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>707,766</b>	<b>-</b>	<b>732,965</b>
<b>Parks, recreation, and cultural:</b>								
Parks and recreation	5,911	-	1,465,100	783,847	281,378	459,266	-	2,995,502
Library	597,569	-	-	53,471	-	441,962	-	1,093,002
<b>Total parks, recreation, and cultural</b>	<b>603,480</b>	<b>-</b>	<b>1,465,100</b>	<b>837,318</b>	<b>281,378</b>	<b>901,228</b>	<b>-</b>	<b>4,088,504</b>
<b>Community development:</b>								
Community development	-	312,218	-	-	-	291,892	-	604,110
Economic development	-	-	-	-	-	49,030	-	49,030
<b>Total community development</b>	<b>-</b>	<b>312,218</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>340,922</b>	<b>-</b>	<b>653,140</b>
<b>Total governmental capital assets</b>	<b>\$ 6,618,133</b>	<b>\$ 3,849,323</b>	<b>\$ 5,403,875</b>	<b>\$ 12,182,423</b>	<b>\$123,513,528</b>	<b>\$ 34,258,848</b>	<b>\$ 52,014,176</b>	<b>\$ 237,840,306</b>

**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS  
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY  
Year Ended June 30, 2025**

	Balance July 1, 2024	Additions	Deductions	Reclassification of Assets	Balance June 30, 2025
General governmental administration:					
Board of supervisors	\$ 53,470,477	\$ 39,519,057	\$ -	\$ -	\$ 92,989,534
County administrator	248,445	-	41,827	(11,002)	195,616
Human Resources	323,085	-	-	792	323,877
County Attorney	6,896	-	-	(5,440)	1,456
Commissioner of revenue	316,971	-	2,619	(3,326)	311,026
Treasurer	13,859	-	14,500	641	-
Central accounting	357,390	26,802	26,478	3,812	361,526
Management information systems	2,058,439	1,045,906	84,967	(2,528)	3,016,850
Board of elections	362,095	-	-	-	362,095
<b>Total general government administration</b>	<b>57,157,657</b>	<b>40,591,765</b>	<b>170,391</b>	<b>(17,051)</b>	<b>97,561,980</b>
Judicial administration:					
Circuit Court	8,126	-	-	(8,126)	-
Clerk of Circuit Court	299,664	-	116,171	-	183,493
General District Court	26,912	-	1,064	-	25,848
Commonwealth's Attorney	239,279	226,878	-	8,159	474,316
<b>Total judicial administration</b>	<b>573,981</b>	<b>226,878</b>	<b>117,235</b>	<b>33</b>	<b>683,657</b>
Public safety:					
Sheriff	5,672,065	3,415,445	543,921	312,332	8,855,921
Emergency operations	9,432,641	5,933,826	7,035	-	15,359,432
Fire department	10,901,001	665,533	19,626	(226,922)	11,319,986
Emergency services	71,222	-	-	(18,448)	52,774
Juvenile detention and probation	64,424	-	-	19,127	83,551
Building inspections	150,240	39,353	-	(66,963)	122,630
Animal control	162,555	1,538	-	-	164,093
Drug enforcement	20,602	-	-	-	20,602
<b>Total public safety</b>	<b>26,474,750</b>	<b>10,055,695</b>	<b>570,582</b>	<b>19,126</b>	<b>35,978,989</b>
Public works:					
Sanitation and waste removal	737,872	107,332	-	(52,548)	792,656
Maintenance of buildings and grounds	2,186,593	176,686	-	54,861	2,418,140
<b>Total public works</b>	<b>2,924,465</b>	<b>284,018</b>	<b>-</b>	<b>2,313</b>	<b>3,210,796</b>
Education:					
Schools	63,990,680	30,939,595	-	-	94,930,275
<b>Total education</b>	<b>63,990,680</b>	<b>30,939,595</b>	<b>-</b>	<b>-</b>	<b>94,930,275</b>
Health and welfare:					
Social services	759,423	-	26,458	-	732,965
<b>Total health and welfare</b>	<b>759,423</b>	<b>-</b>	<b>26,458</b>	<b>-</b>	<b>732,965</b>
Parks, recreation, and cultural:					
Parks and recreation	3,011,059	-	15,557	-	2,995,502
Library	985,517	168,411	55,324	(5,602)	1,093,002
<b>Total parks, recreation, and cultural</b>	<b>3,996,576</b>	<b>168,411</b>	<b>70,881</b>	<b>(5,602)</b>	<b>4,088,504</b>
Community development:					
Community development	599,150	18,084	15,429	2,305	604,110
Economic development	50,154	-	-	(1,124)	49,030
<b>Total community development</b>	<b>649,304</b>	<b>18,084</b>	<b>15,429</b>	<b>1,181</b>	<b>653,140</b>
<b>Total governmental capital assets</b>	<b>\$ 156,526,836</b>	<b>\$ 82,284,446</b>	<b>\$ 970,976</b>	<b>\$ -</b>	<b>\$ 237,840,306</b>

*Discretely Presented Component Unit – School Board*

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

	School Operating Fund	School Cafeteria Fund	Total Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ -	\$ 311,848	\$ 1,332,127	\$ 1,643,975
Cash in custody of others	10,000	-	-	10,000
Receivables (net of allowance for uncollectibles):				
Accounts receivable	999,778	-	12,640	1,012,418
Prepaid items	171,211	-	-	171,211
Due from primary government	3,874,443	-	-	3,874,443
Due from other governmental units	4,402,839	543,240	1,315,671	6,261,750
<b>Total assets</b>	<b>\$ 9,458,271</b>	<b>\$ 855,088</b>	<b>\$ 2,660,438</b>	<b>\$ 12,973,797</b>
<b>LIABILITIES</b>				
Reconciled overdraft	\$ 189,174	\$ -	\$ 1,133,771	\$ 1,322,945
Accounts payable	3,506,702	123,049	140,458	3,770,209
Accrued liabilities	3,895,525	102,312	155,121	4,152,958
Due to primary government	-	-	1,032,253	1,032,253
Unearned revenue	1,866,870	19,110	-	1,885,980
<b>Total liabilities</b>	<b>9,458,271</b>	<b>244,471</b>	<b>2,461,603</b>	<b>12,164,345</b>
<b>FUND BALANCES</b>				
Assigned	-	610,617	-	610,617
Restricted for:				
JW Riley Endowment Fund	-	-	87,798	87,798
Matthews Private Purpose Trust	-	-	111,037	111,037
<b>Total fund balances</b>	<b>-</b>	<b>610,617</b>	<b>198,835</b>	<b>809,452</b>
<b>Total liabilities and fund balances</b>	<b>\$ 9,458,271</b>	<b>\$ 855,088</b>	<b>\$ 2,660,438</b>	<b>\$ 12,973,797</b>
Total fund balances				\$ 809,452
Amounts reported for governmental activities in the Statement of Net Position are different because:				
Capital assets of \$244,359,976 net of accumulated depreciation and amortization of \$145,562,639, used in governmental activities are not financial resources and, therefore, are not reported in the funds.				98,797,337
Net pension asset				351,986
Net OPEB asset				24,911
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds				
Lease liabilities			\$ (661,725)	
Subscription liabilities			(7,115)	
Interest payable			(5,881)	
Compensated absences			(8,928,102)	
Net pension liability			(65,420,364)	
Other postemployment benefits			(24,544,928)	
				(99,568,115)
Deferred outflows of resources represents a consumption of net position that applies to a future period and are not recognized as deferred outflows of resources in the governmental funds.				
Pension plan			25,299,255	
Other postemployment benefits			4,703,497	
				30,002,752
Deferred inflows of resources represents an acquisition of net position that applies to a future period and are not recognized as deferred inflows of resources in the governmental funds.				
Pension plan			(11,869,954)	
Other postemployment benefits			(6,473,400)	
				(18,343,354)
Long-term due from other government - pension plan & other postemployment benefits				3,756,468
Internal Service Funds are used by management to charge the cost of goods provided to other departments or funds. The assets and liabilities of the internal service fund is included in governmental activities in the Statement of Net Position.				4,719,186
<b>Net position of governmental activities</b>				<b>\$ 20,550,623</b>

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

	School Operating Fund	School Cafeteria Fund	Total Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues:</b>				
Revenue from the use of money and property	\$ 10,860	\$ 31,909	\$ 2,971	\$ 45,740
Charges for services	1,706,366	481,823	1,195,629	3,383,818
Miscellaneous	184,479	-	77,827	262,306
Private donations	-	-	2,611	2,611
<b>Intergovernmental revenues:</b>				
Local government	49,729,999	-	-	49,729,999
Commonwealth	90,180,948	218,755	993,204	91,392,907
Federal	5,620,963	5,752,728	3,801,024	15,174,715
<b>Total revenues</b>	<u>147,433,615</u>	<u>6,485,215</u>	<u>6,073,266</u>	<u>159,992,096</u>
<b>Expenditures:</b>				
<b>Current:</b>				
Education	147,506,374	7,361,765	6,059,187	160,927,326
<b>Debt service:</b>				
Principal - lease liabilities	261,994	-	9,125	271,119
Principal - subscription liabilities	123,789	-	-	123,789
Interest - lease liabilities	18,144	-	872	19,016
Interest - subscription liabilities	1,577	-	-	1,577
<b>Total debt service</b>	<u>405,504</u>	<u>-</u>	<u>9,997</u>	<u>415,501</u>
<b>Total expenditures</b>	<u>147,911,878</u>	<u>7,361,765</u>	<u>6,069,184</u>	<u>161,342,827</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(478,263)</u>	<u>(876,550)</u>	<u>4,082</u>	<u>(1,350,731)</u>
<b>Other financing sources:</b>				
Issuance of subscription liabilities	65,796	-	-	65,796
Issuance of lease	412,467	-	-	412,467
<b>Total other financing sources</b>	<u>478,263</u>	<u>-</u>	<u>-</u>	<u>478,263</u>
<b>Net change in fund balances</b>	<u>-</u>	<u>(876,550)</u>	<u>4,082</u>	<u>(872,468)</u>
Fund balances, beginning	-	1,487,167	194,753	1,681,920
Fund balances, ending	\$ -	\$ 610,617	\$ 198,835	\$ 809,452
Net change in fund balances				\$ (872,468)
<b>Reconciliation of amounts reported for governmental activities in the Statement of Activities:</b>				
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation and amortization expense. This is the amount by which capital outlays exceeded depreciation and amortization in the current period.				
Expenditure for capital assets			\$ 11,766,960	
Less depreciation and amortization expense			(11,758,251)	
Excess of capital outlays over depreciation and amortization				8,709
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins and donations) is to decrease net position.				(30,939,595)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.				
Long-term due from other government - other postemployment benefits			2,556,470	
Long-term due from other government - pension plan			(56,287)	
				2,500,183
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. Also, governmental funds report the effects of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.				
<b>Debt issued:</b>				
Lease liabilities			(412,467)	
Subscription liabilities			(65,796)	
<b>Principal repayments:</b>				
Lease liabilities			271,119	
Subscription liabilities			123,789	
				(83,355)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.				
Accrued interest			(696)	
Compensated absences			(1,108,701)	
Changes in OPEB liabilities and related deferred outflows and inflows of resources			1,291,110	
Changes in pension liabilities and related deferred outflows and inflows of resources			5,471,743	
				5,653,456
Internal Service Funds are used by management to charge the costs of certain activities to individual funds. The net income of the internal service fund is reported with governmental activities.				
Total revenues			7,521,591	
Total expenses			(8,511,298)	
<b>Change in net position of governmental activities</b>				<u>(989,707)</u>
				<u>\$ (24,722,777)</u>

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

	School Operating Fund				School Cafeteria Fund			
	Budgeted Amounts		Actual	Variance with Final Budget Over (Under)	Budgeted Amounts		Actual	Variance with Final Budget Over (Under)
	Original	Final			Original	Final		
<b>Revenues:</b>								
Revenue from the use of money and property	\$ 15,500	\$ 16,500	\$ 10,860	\$ (5,640)	\$ 100,000	\$ 50,000	\$ 31,909	\$ (18,091)
Charges for services	1,662,307	1,605,443	1,706,366	100,923	97,475	812,231	481,823	(330,408)
Miscellaneous	131,100	172,682	184,479	11,797	-	-	-	-
<b>Intergovernmental revenues:</b>								
Local government	51,172,647	51,172,647	49,729,999	(1,442,648)	-	-	-	-
Commonwealth	88,313,958	90,367,330	90,180,948	(186,382)	45,000	234,401	218,755	(15,646)
Federal	5,052,187	6,746,112	5,620,963	(1,125,149)	4,326,000	5,013,196	5,752,728	739,532
<b>Total revenues</b>	<b>146,347,699</b>	<b>150,080,714</b>	<b>147,433,615</b>	<b>(2,647,099)</b>	<b>4,568,475</b>	<b>6,109,828</b>	<b>6,485,215</b>	<b>375,387</b>
<b>Expenditures:</b>								
<b>Current:</b>								
Education	146,347,699	150,080,714	147,506,374	(2,574,340)	7,330,070	7,697,671	7,361,765	(335,906)
<b>Debt service:</b>								
Principal - lease liabilities	-	-	261,994	261,994	-	-	-	-
Principal - subscription liabilities	-	-	123,789	123,789	-	-	-	-
Interest - lease liabilities	-	-	18,144	18,144	-	-	-	-
Interest - subscription liabilities	-	-	1,577	1,577	-	-	-	-
<b>Total debt service</b>	<b>-</b>	<b>-</b>	<b>405,504</b>	<b>405,504</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total expenditures</b>	<b>146,347,699</b>	<b>150,080,714</b>	<b>147,911,878</b>	<b>(2,168,836)</b>	<b>7,330,070</b>	<b>7,697,671</b>	<b>7,361,765</b>	<b>(335,906)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>-</b>	<b>-</b>	<b>(478,263)</b>	<b>(478,263)</b>	<b>(2,761,595)</b>	<b>(1,587,843)</b>	<b>(876,550)</b>	<b>711,293</b>
<b>Other financing sources:</b>								
Issuance of subscription liabilities	-	-	65,796	65,796	-	-	-	-
Issuance of lease	-	-	412,467	412,467	-	-	-	-
<b>Total other financing sources</b>	<b>-</b>	<b>-</b>	<b>478,263</b>	<b>478,263</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,761,595)</b>	<b>(1,587,843)</b>	<b>(876,550)</b>	<b>711,293</b>
Fund balances (deficit), beginning	-	-	-	-	-	-	1,487,167	1,487,167
Fund balances (deficit), ending	\$ -	\$ -	\$ -	\$ -	\$ (2,761,595)	\$ (1,587,843)	\$ 610,617	\$ 2,198,460

*Nonmajor Special Revenue Funds*

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

	Head Start Fund	Governor's School Fund	School Endowments Fund	Total
<b>ASSETS</b>				
Cash and cash equivalents	\$ -	\$ 1,133,292	\$ 198,835	\$ 1,332,127
Accounts receivable	12,640	-	-	12,640
Due from other governmental units	1,315,671	-	-	1,315,671
<b>Total assets</b>	<b>\$ 1,328,311</b>	<b>\$ 1,133,292</b>	<b>\$ 198,835</b>	<b>\$ 2,660,438</b>
<b>LIABILITIES</b>				
Reconciled overdraft	\$ 1,133,771	\$ -	\$ -	\$ 1,133,771
Accounts payable	86,763	53,695	-	140,458
Accrued liabilities	89,717	65,404	-	155,121
Due to primary government	18,060	1,014,193	-	1,032,253
<b>Total liabilities</b>	<b>1,328,311</b>	<b>1,133,292</b>	<b>-</b>	<b>2,461,603</b>
<b>FUND BALANCES</b>				
Restricted for:				
JW Riley Endowment Fund	-	-	89,707	89,707
Matthews Private Purpose Trust	-	-	109,128	109,128
<b>Total fund balances</b>	<b>-</b>	<b>-</b>	<b>198,835</b>	<b>198,835</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,328,311</b>	<b>\$ 1,133,292</b>	<b>\$ 198,835</b>	<b>\$ 2,660,438</b>

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

	Head Start Fund	Governor's School Fund	School Endowments Fund	Total
<b>Revenues:</b>				
Revenue from the use of money and property	\$ -	\$ -	\$ 2,971	\$ 2,971
Charges for services	-	1,195,629	-	1,195,629
Private donations	-	-	2,611	2,611
Miscellaneous	76,927	900	-	77,827
<b>Intergovernmental revenues:</b>				
Commonwealth	-	993,204	-	993,204
Federal	3,801,024	-	-	3,801,024
<b>Total revenues</b>	<b>3,877,951</b>	<b>2,189,733</b>	<b>5,582</b>	<b>6,073,266</b>
<b>Expenditures:</b>				
<b>Current:</b>				
Education	3,874,161	2,183,526	1,500	6,059,187
<b>Debt service:</b>				
Principal - lease liabilities	3,518	5,607	-	9,125
Interest - lease liabilities	272	600	-	872
<b>Total expenditures</b>	<b>3,877,951</b>	<b>2,189,733</b>	<b>1,500</b>	<b>6,069,184</b>
<b>Excess of revenues over expenditures</b>	<b>-</b>	<b>-</b>	<b>4,082</b>	<b>4,082</b>
<b>Net change in fund balances</b>	<b>-</b>	<b>-</b>	<b>4,082</b>	<b>4,082</b>
Fund balance, beginning	-	-	194,753	194,753
Fund balance, ending	\$ -	\$ -	\$ 198,835	\$ 198,835

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

	Head Start Fund				Governor's School Fund			
	Budgeted Amounts		Actual	Variance with Final Budget Over (Under)	Budgeted Amounts		Actual	Variance with Final Budget Over (Under)
	Original	Final			Original	Final		
Revenues:								
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ 1,296,017	\$ 1,255,289	\$ 1,195,629	\$ (59,660)
Miscellaneous	60,000	74,122	76,927	2,805	2,800	2,800	900	(1,900)
Intergovernmental revenues:								
Commonwealth	-	-	-	-	1,027,313	994,397	993,204	(1,193)
Federal	3,671,083	3,885,028	3,801,024	(84,004)	-	-	-	-
<b>Total revenues</b>	<b>3,731,083</b>	<b>3,959,150</b>	<b>3,877,951</b>	<b>(81,199)</b>	<b>2,326,130</b>	<b>2,252,486</b>	<b>2,189,733</b>	<b>(62,753)</b>
Expenditures:								
Current:								
Education	3,731,083	3,953,450	3,874,161	(79,289)	2,332,325	2,222,864	2,183,526	(39,338)
Debt service:								
Principal - lease liabilities	-	-	3,518	3,518	-	-	5,607	5,607
Interest - lease liabilities	-	-	272	272	-	-	600	600
<b>Total debt service</b>	<b>-</b>	<b>-</b>	<b>3,790</b>	<b>3,790</b>	<b>-</b>	<b>-</b>	<b>6,207</b>	<b>6,207</b>
<b>Total expenditures</b>	<b>3,731,083</b>	<b>3,953,450</b>	<b>3,877,951</b>	<b>(75,499)</b>	<b>2,332,325</b>	<b>2,222,864</b>	<b>2,189,733</b>	<b>(33,131)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>-</b>	<b>5,700</b>	<b>-</b>	<b>(5,700)</b>	<b>(6,195)</b>	<b>29,622</b>	<b>-</b>	<b>(29,622)</b>
<b>Net change in fund balances</b>	<b>-</b>	<b>5,700</b>	<b>-</b>	<b>(5,700)</b>	<b>(6,195)</b>	<b>29,622</b>	<b>-</b>	<b>(29,622)</b>
Fund balance (deficit), beginning	-	-	-	-	-	-	-	-
Fund balance (deficit), ending	\$ -	\$ 5,700	\$ -	\$ (5,700)	\$ (6,195)	\$ 29,622	\$ -	\$ (29,622)

*Capital Assets Used in the Operation of Governmental Funds*

**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS –  
DISCRETELY PRESENTED COMPONENT UNIT – SCHOOL BOARD  
COMPARATIVE SCHEDULES BY SOURCE  
June 30, 2025, 2024 and 2023**

	June 30,		
	2025	2024	2023
Governmental funds capital assets:			
Intangible right-to-use lease assets	\$ 1,200,763	\$ 1,262,036	\$ 1,113,787
Intangible right-to-use subscription assets	114,452	213,798	213,798
Land	1,551,430	1,551,430	1,551,430
Buildings	194,894,982	220,982,120	175,022,576
Machinery and equipment	45,482,713	40,427,550	34,004,136
Construction in progress	1,115,636	118,074	33,444,165
<b>Total governmental funds capital assets</b>	<b>\$ 244,359,976</b>	<b>\$ 264,555,008</b>	<b>\$ 245,349,892</b>
Investments in governmental funds capital assets by source:			
Special revenue funds	\$ 244,359,976	\$ 264,555,008	\$ 245,349,892
<b>Total governmental funds capital assets</b>	<b>\$ 244,359,976</b>	<b>\$ 264,555,008</b>	<b>\$ 245,349,892</b>

**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS –  
DISCRETELY PRESENTED COMPONENT UNIT – SCHOOL BOARD  
SCHEDULE BY FUNCTION AND ACTIVITY  
June 30, 2025**

	Intangible Right-to-Use Lease Assets	Intangible Right-to-Use Subscription Assets	Land	Building	Machinery and Equipment	Construction in Progress	Total
Education:							
Schools	\$ 1,200,763	\$ 114,452	\$ 1,551,430	\$194,894,982	\$ 45,482,713	\$ 1,115,636	\$244,359,976
<b>Total governmental funds capital assets</b>	<b>\$ 1,200,763</b>	<b>\$ 114,452</b>	<b>\$ 1,551,430</b>	<b>\$194,894,982</b>	<b>\$ 45,482,713</b>	<b>\$ 1,115,636</b>	<b>\$244,359,976</b>

**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS –  
DISCRETELY PRESENTED COMPONENT UNIT – SCHOOL BOARD  
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY  
Year Ended June 30, 2025**

	Governmental Funds Capital Assets			Governmental Funds Capital Assets
	July 1, 2024	Additions	Deductions	June 30, 2025
Education:				
Schools	\$264,555,008	\$ 11,766,960	\$(31,961,992)	\$244,359,976
<b>Total governmental funds capital assets</b>	<b>\$264,555,008</b>	<b>\$ 11,766,960</b>	<b>\$(31,961,992)</b>	<b>\$244,359,976</b>

## **SUPPORTING SCHEDULES**

**SCHEDULE OF REVENUES – BUDGET AND ACTUAL  
GOVERNMENTAL FUNDS  
Year Ended June 30, 2025**

Entity, Fund, Major and Minor Revenue Source	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
Primary Government:				
General Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 62,793,500	\$ 62,424,400	\$ 60,323,132	\$ (2,101,268)
Real and personal public service corporation property taxes	2,519,090	4,188,513	5,487,597	1,299,084
Personal property taxes	19,863,900	21,434,000	21,243,737	(190,263)
Mobile home tax	239,170	288,200	271,713	(16,487)
Machinery and tools taxes	4,611,700	5,900,000	5,927,114	27,114
Penalties	523,000	523,000	675,452	152,452
Interest	523,000	523,000	587,616	64,616
<b>Total general property taxes</b>	<b>91,073,360</b>	<b>95,281,113</b>	<b>94,516,361</b>	<b>(764,752)</b>
Other local taxes:				
Local sales and use taxes	9,200,000	10,000,000	9,843,397	(156,603)
Consumers' utility taxes	1,815,000	1,900,000	1,896,598	(3,402)
Business license tax	5,000,000	5,400,000	5,965,073	565,073
Utility license tax	288,100	291,000	328,153	37,153
Bank stock taxes	309,600	309,600	293,393	(16,207)
Taxes on recordation and wills	1,063,300	1,063,300	1,186,064	122,764
Hotel and motel room taxes	1,345,000	1,400,000	1,427,146	27,146
Restaurant food tax	4,251,384	4,561,782	4,912,548	350,766
Cigarette tax	800,000	600,000	560,776	(39,224)
Interest on local tax	82,800	105,000	144,259	39,259
<b>Total other local taxes</b>	<b>24,155,184</b>	<b>25,630,682</b>	<b>26,557,407</b>	<b>926,725</b>
Permits, privilege fees and regulatory licenses:				
Animal licenses	36,900	16,000	20,057	4,057
Land use application fees	33,800	50,000	46,874	(3,126)
Transfer fees	2,200	2,200	2,165	(35)
Cellular tower fees	10,000	10,000	7,700	(2,300)
Permits and other licenses	675,670	734,700	812,243	77,543
<b>Total permits, privilege fees and           regulatory licenses</b>	<b>758,570</b>	<b>812,900</b>	<b>889,039</b>	<b>76,139</b>
Fines and forfeitures:				
Court fines and forfeitures	265,150	350,150	458,379	108,229
Dog violation fines	11,800	1,000	405	(595)
<b>Total fines and forfeitures</b>	<b>276,950</b>	<b>351,150</b>	<b>458,784</b>	<b>107,634</b>
Revenue from use of money and property:				
Revenue from use of money	2,706,200	4,592,250	5,593,141	1,000,891
Revenue from use of property	379,530	382,326	320,439	(61,887)
<b>Total revenue from use of money and property</b>	<b>3,085,730</b>	<b>4,974,576</b>	<b>5,913,580</b>	<b>939,004</b>

**SCHEDULE OF REVENUES – BUDGET AND ACTUAL  
GOVERNMENTAL FUNDS  
Year Ended June 30, 2025**

Entity, Fund, Major and Minor Revenue Source	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
Primary Government:				
General Fund:				
Revenue from local sources:				
Charges for services:				
Charges for law enforcement and traffic control	\$ 33,684	\$ 5,509	\$ 2,445	\$ (3,064)
Charges for courthouse maintenance	51,000	60,000	76,622	16,622
Treasurer's collection fees	97,600	80,000	77,075	(2,925)
Concealed weapons permits	45,100	45,100	46,241	1,141
Courthouse fees	175,500	228,900	296,775	67,875
Charges for Commonwealth's Attorney	9,300	9,300	10,593	1,293
Miscellaneous jail and inmate fees	30,200	30,200	33,455	3,255
Charges for sanitation and waste removal	2,164,000	2,826,000	2,435,202	(390,798)
Charges for parks and recreation	605,400	666,900	688,904	22,004
Charges for library	500	19,365	16,902	(2,463)
EMS transport services	2,145,000	2,458,000	2,541,444	83,444
<b>Total charges for services</b>	<b>5,357,284</b>	<b>6,429,274</b>	<b>6,225,658</b>	<b>(203,616)</b>
Miscellaneous revenue:				
Miscellaneous	49,664	121,660	175,424	53,764
Opioid settlement funds				
Repayment of loans from fire companies	120,000	120,000	322,173	202,173
Seized funds	800	800	324	(476)
Contributions	2,450	2,450	-	(2,450)
<b>Total miscellaneous revenue</b>	<b>172,914</b>	<b>244,910</b>	<b>497,921</b>	<b>253,011</b>
Recovered costs:				
Library E-rate reimbursement	-	16,132	16,132	-
Other	48,300	92,574	70,807	(21,767)
Juvenile and domestic relations court costs	9,000	9,000	-	(9,000)
<b>Total recovered costs</b>	<b>57,300</b>	<b>117,706</b>	<b>86,939</b>	<b>(30,767)</b>
<b>Total revenue from local sources</b>	<b>124,937,292</b>	<b>133,842,311</b>	<b>135,145,689</b>	<b>1,303,378</b>
Intergovernmental Revenues:				
Revenue from the Commonwealth:				
Non-categorical aid:				
Motor vehicle carriers' tax	70,858	67,588	8,469	(59,119)
Mobile home titling tax	168,165	339,237	518,199	178,962
Communications sales and use tax	1,700,000	1,609,483	1,621,987	12,504
Timber sales	1,100	630	-	(630)
Motor vehicle rental tax	90,500	125,000	111,847	(13,153)
Personal property tax relief funds	4,296,000	4,296,000	4,295,993	(7)
Moped sales tax	40,000	35,059	42,131	7,072
Peer to peer vehicle sharing	2,000	2,300	1,319	(981)
<b>Total non-categorical aid</b>	<b>6,368,623</b>	<b>6,475,297</b>	<b>6,599,945</b>	<b>124,648</b>

**SCHEDULE OF REVENUES – BUDGET AND ACTUAL  
GOVERNMENTAL FUNDS  
Year Ended June 30, 2025**

Entity, Fund, Major and Minor Revenue Source	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
Primary Government:				
General Fund:				
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	\$ 944,386	\$ 923,622	\$ 1,009,949	\$ 86,327
Sheriff	3,672,074	3,603,618	3,840,287	236,669
Commissioner of revenue	302,906	291,225	309,155	17,930
Treasurer	219,855	236,800	236,608	(192)
Registrar/electoral board	108,047	103,872	101,744	(2,128)
Clerk of the circuit court	652,185	661,195	671,520	10,325
<b>Total shared expenses</b>	<b>5,899,453</b>	<b>5,820,332</b>	<b>6,169,263</b>	<b>348,931</b>
Other categorical aid:				
Department of behavioral health-transfer detention order	-	82,808	93,696	10,888
Litter control grant	19,929	57,198	57,198	-
Library grant	241,770	265,970	199,478	(66,492)
Grant for restoration of records	52,068	51,949	51,949	-
Victim-witness grant	33,208	42,908	26,873	(16,035)
Performing arts grant	4,500	4,500	4,500	-
Firemans' insurance fund	362,062	392,492	392,492	-
Technology trust fund	40,000	40,000	40,000	-
Seized funds	10,000	25,000	29,183	4,183
E-911 wireless funding	284,000	325,952	322,835	(3,117)
Spy and neuter funds	2,000	2,574	2,711	137
Forest sustainability fund	-	56,868	-	(56,868)
SRO salary grant	444,510	354,815	543,368	188,553
<b>Total other categorical aid</b>	<b>1,494,047</b>	<b>1,703,034</b>	<b>1,764,283</b>	<b>61,249</b>
<b>Total categorical aid</b>	<b>7,393,500</b>	<b>7,523,366</b>	<b>7,933,546</b>	<b>410,180</b>
<b>Total revenue from the Commonwealth</b>	<b>13,762,123</b>	<b>13,998,663</b>	<b>14,533,491</b>	<b>534,828</b>
Revenue from the federal government:				
Non-categorical aid:				
Payments in lieu of taxes	599,927	626,407	681,909	55,502
<b>Total non-categorical aid</b>	<b>599,927</b>	<b>626,407</b>	<b>681,909</b>	<b>55,502</b>

**SCHEDULE OF REVENUES – BUDGET AND ACTUAL  
GOVERNMENTAL FUNDS  
Year Ended June 30, 2025**

Entity, Fund, Major and Minor Revenue Source	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
Primary Government:				
General Fund:				
Intergovernmental:				
Revenue from the federal government:				
Categorical aid:				
DMV ground transportation safety grant	\$ 28,900	\$ 28,900	\$ 50,945	\$ 22,045
Domestic violence grant	31,020	31,020	41,549	10,529
Sane grant	40,560	49,314	52,486	3,172
Justice assistance grant	-	76,700	83,154	6,454
Bulletproof vest partnership grant	-	4,410	11,775	7,365
COVID-19 economic relief	14,882	14,882	1,894,795	1,879,913
Opioid & substance abuse grant	343,384	274,723	263,000	(11,723)
<b>Total categorical aid</b>	<b>528,483</b>	<b>547,734</b>	<b>2,463,947</b>	<b>1,916,213</b>
<b>Total revenue from the federal government</b>	<b>1,128,410</b>	<b>1,174,141</b>	<b>3,145,856</b>	<b>1,971,715</b>
<b>Total intergovernmental revenues</b>	<b>14,890,533</b>	<b>15,172,804</b>	<b>17,679,347</b>	<b>2,506,543</b>
<b>Total General Fund</b>	<b>\$ 139,827,825</b>	<b>\$ 149,015,115</b>	<b>\$ 152,825,036</b>	<b>\$ 3,809,921</b>
Special Revenue Fund:				
Virginia Public Assistance Fund:				
Revenue from local sources:				
Charges for services:				
Public assistance and welfare administration	\$ 167,442	\$ 169,127	\$ 167,442	\$ (1,685)
<b>Total charges for services</b>	<b>167,442</b>	<b>169,127</b>	<b>167,442</b>	<b>(1,685)</b>
Recovered costs:				
City of Staunton, Virginia	793,072	613,140	793,071	179,931
City of Waynesboro, Virginia	773,293	580,375	773,293	192,918
<b>Total recovered costs</b>	<b>1,566,365</b>	<b>1,193,515</b>	<b>1,566,364</b>	<b>372,849</b>
<b>Total revenue from local sources</b>	<b>1,733,807</b>	<b>1,362,642</b>	<b>1,733,806</b>	<b>371,164</b>
Intergovernmental revenues:				
Revenue from the Commonwealth:				
Categorical aid:				
Public assistance and welfare administration	4,732,585	5,824,180	3,670,431	(2,153,749)
Children's Services Act program	3,664,000	3,664,000	4,401,948	737,948
<b>Total categorical aid</b>	<b>8,396,585</b>	<b>9,488,180</b>	<b>8,072,379</b>	<b>(1,415,801)</b>
<b>Total revenue from the Commonwealth</b>	<b>8,396,585</b>	<b>9,488,180</b>	<b>8,072,379</b>	<b>(1,415,801)</b>

**SCHEDULE OF REVENUES – BUDGET AND ACTUAL  
GOVERNMENTAL FUNDS  
Year Ended June 30, 2025**

Entity, Fund, Major and Minor Revenue Source	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
Primary Government:				
Special Revenue Fund:				
Virginia Public Assistance Fund:				
Intergovernmental revenues:				
Revenue from the federal government:				
Categorical aid:				
Public assistance and welfare administration	\$ 8,034,455	\$ 7,314,025	\$ 7,722,144	\$ 408,119
Children's Services Act program	-	-	427,599	427,599
<b>Total categorical aid</b>	<b>8,034,455</b>	<b>7,314,025</b>	<b>8,149,743</b>	<b>835,718</b>
<b>Total revenue from the federal government</b>	<b>8,034,455</b>	<b>7,314,025</b>	<b>8,149,743</b>	<b>835,718</b>
<b>Total intergovernmental revenues</b>	<b>16,431,040</b>	<b>16,802,205</b>	<b>16,222,122</b>	<b>(580,083)</b>
<b>Total Virginia Public Assistance Fund</b>	<b>\$ 18,164,847</b>	<b>\$ 18,164,847</b>	<b>\$ 17,955,928</b>	<b>\$ (208,919)</b>
Debt Service Fund:				
County Debt Service Fund:				
Revenue from local sources:				
Charges for services:				
Other charges for services	\$ 36,611	\$ 36,667	\$ 36,667	\$ -
<b>Total charges for services</b>	<b>36,611</b>	<b>36,667</b>	<b>36,667</b>	<b>-</b>
<b>Total revenue from local sources</b>	<b>36,611</b>	<b>36,667</b>	<b>36,667</b>	<b>-</b>
<b>Total County Debt Service Fund</b>	<b>\$ 36,611</b>	<b>\$ 36,667</b>	<b>\$ 36,667</b>	<b>\$ -</b>
Capital Projects Funds:				
County Capital Improvements Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ 1,767,492	\$ 1,612,995	\$ (154,497)
Revenue from the use of property	5,000	5,000	-	(5,000)
<b>Total revenue from use of money and property</b>	<b>5,000</b>	<b>1,772,492</b>	<b>1,612,995</b>	<b>(159,497)</b>
Recovered costs:				
Other recovered costs	901,186	1,083,537	2,602,042	1,518,505
<b>Total recovered costs</b>	<b>901,186</b>	<b>1,083,537</b>	<b>2,602,042</b>	<b>1,518,505</b>
<b>Total revenue from local sources</b>	<b>906,186</b>	<b>2,856,029</b>	<b>4,215,037</b>	<b>1,359,008</b>

**SCHEDULE OF REVENUES – BUDGET AND ACTUAL  
GOVERNMENTAL FUNDS  
Year Ended June 30, 2025**

Entity, Fund, Major and Minor Revenue Source	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
<b>Primary Government:</b>				
Capital Projects Funds:				
County Capital Improvement Funds:				
Intergovernmental revenues:				
Revenue from Augusta County School Board	\$ 625,000	\$ 625,000	\$ 625,000	\$ -
<b>Total local governments</b>	<b>625,000</b>	<b>625,000</b>	<b>625,000</b>	<b>-</b>
Revenue from the Commonwealth:				
Categorical aid:				
VA-GOF				
Hazardous Material Grant	10,000	10,000	10,000	-
Economic Development Grant	-	300,000	-	(300,000)
NG911 grant	-	-	85,387	85,387
<b>Total categorical aid</b>	<b>10,000</b>	<b>310,000</b>	<b>95,387</b>	<b>(214,613)</b>
<b>Total revenue from the Commonwealth</b>	<b>10,000</b>	<b>310,000</b>	<b>95,387</b>	<b>(214,613)</b>
Revenue from the federal government:				
Categorical aid:				
Transportation enhancement	-	1,053,184	-	(1,053,184)
DuPont settlement grant	-	50,000	71,892	21,892
<b>Total categorical aid</b>	<b>-</b>	<b>1,103,184</b>	<b>71,892</b>	<b>(1,031,292)</b>
<b>Total revenue from the federal government</b>	<b>-</b>	<b>1,103,184</b>	<b>71,892</b>	<b>(1,031,292)</b>
<b>Total intergovernmental revenues</b>	<b>635,000</b>	<b>2,038,184</b>	<b>792,279</b>	<b>(1,245,905)</b>
<b>Total County Capital Improvements Fund</b>	<b>\$ 1,541,186</b>	<b>\$ 4,894,213</b>	<b>\$ 5,007,316</b>	<b>\$ 113,103</b>
School Capital Improvements Fund:				
Intergovernmental revenues:				
Revenue from Augusta County School Board	\$ -	\$ 957,903	\$ 538,792	\$ (419,111)
<b>Total local governments</b>	<b>-</b>	<b>957,903</b>	<b>538,792</b>	<b>(419,111)</b>
Revenue from the federal government:				
Categorical aid:				
ARPA	325,000	1,283,187	531,813	(751,374)
<b>Total categorical aid</b>	<b>325,000</b>	<b>1,283,187</b>	<b>531,813</b>	<b>(751,374)</b>
<b>Total revenue from the federal government</b>	<b>325,000</b>	<b>1,283,187</b>	<b>531,813</b>	<b>(751,374)</b>
<b>Total intergovernmental revenues</b>	<b>325,000</b>	<b>2,241,090</b>	<b>1,070,605</b>	<b>(1,170,485)</b>
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	-	256,844	249,106	(7,738)
Revenue from the use of property	18,154	18,123	18,123	-
<b>Total revenue from use of money and property</b>	<b>18,154</b>	<b>274,967</b>	<b>267,229</b>	<b>(7,738)</b>
Miscellaneous revenue:				
Other miscellaneous	14,636	1,068,519	1,067,279	(1,240)
<b>Total miscellaneous revenue</b>	<b>14,636</b>	<b>1,068,519</b>	<b>1,067,279</b>	<b>(1,240)</b>
<b>Total revenue from local sources</b>	<b>32,790</b>	<b>1,343,486</b>	<b>1,334,508</b>	<b>(8,978)</b>
<b>Total School Capital Improvements Fund</b>	<b>\$ 357,790</b>	<b>\$ 3,584,576</b>	<b>\$ 2,405,113</b>	<b>\$ (1,179,463)</b>
<b>Total Primary Government</b>	<b>\$ 159,928,259</b>	<b>\$ 175,695,418</b>	<b>\$ 178,230,060</b>	<b>\$ 2,534,642</b>

**SCHEDULE OF REVENUES – BUDGET AND ACTUAL  
GOVERNMENTAL FUNDS  
Year Ended June 30, 2025**

Entity, Fund, Major and Minor Revenue Source	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
Discretely Presented Component Unit - School Board:				
School Operating Fund:				
Revenue from local sources:				
Revenue from the use of money and property:				
Revenue from the use of property	\$ 15,500	\$ 16,500	\$ 10,860	\$ (5,640)
<b>Total revenue from the use of money and property</b>	<b>15,500</b>	<b>16,500</b>	<b>10,860</b>	<b>(5,640)</b>
Charges for services:				
Charges for education	301,500	301,000	303,808	2,808
Tuition and payments from other divisions	1,360,807	1,304,443	1,402,558	98,115
<b>Total charges for services</b>	<b>1,662,307</b>	<b>1,605,443</b>	<b>1,706,366</b>	<b>100,923</b>
Miscellaneous revenue:				
Other miscellaneous	131,100	172,682	184,479	11,797
<b>Total miscellaneous revenue</b>	<b>131,100</b>	<b>172,682</b>	<b>184,479</b>	<b>11,797</b>
<b>Total revenue from local sources</b>	<b>1,808,907</b>	<b>1,794,625</b>	<b>1,901,705</b>	<b>107,080</b>
Revenues from local governments:				
Contribution from County of Augusta, Virginia	51,172,647	51,172,647	49,729,999	(1,442,648)
<b>Total revenues from local governments</b>	<b>51,172,647</b>	<b>51,172,647</b>	<b>49,729,999</b>	<b>(1,442,648)</b>
Revenue from the Commonwealth:				
Categorical aid:				
Share of state sales tax	14,571,833	14,755,052	14,593,649	(161,403)
Basic school aid	37,530,732	39,889,607	39,976,606	86,999
Regular foster children	140,126	140,126	111,599	(28,527)
Adult secondary education	100,653	113,467	113,697	230
Gifted and talented	377,947	376,304	376,152	(152)
Remedial education	1,152,050	-	-	-
Special education	3,643,641	3,627,802	3,626,343	(1,459)
Textbook payment	945,693	941,582	941,203	(379)
Standards of learning-project graduation	11,048	11,048	11,048	-
Vocational standards of quality payments	1,612,178	1,605,170	1,604,524	(646)
Vocational adult education	16,405	16,054	16,054	-
Social security instructional	2,214,530	2,122,588	2,121,734	(854)
Retirement instructional	4,759,764	4,556,802	4,554,968	(1,834)
Group life insurance instructional	129,419	129,354	129,302	(52)
Compensation supplement	1,102,768	1,520,707	1,520,101	(606)
Early reading intervention	405,893	486,551	486,551	-
Infrastructure/operation	2,414,073	2,627,027	2,623,011	(4,016)
Homebound education	6,096	7,083	7,082	(1)
Regional tuition program	1,739,612	1,739,612	1,576,276	(163,336)
Vocational education - equipment	43,989	32,853	27,159	(5,694)
Vocational occupational preparedness	214,094	218,903	218,513	(390)
Mentor teacher program	3,366	3,728	3,728	-
Special education - foster children	67,273	65,084	102,284	37,200
At risk payments	4,530,085	6,100,925	6,099,555	(1,370)
Primary class size	1,442,485	1,405,580	1,405,580	-
Technology	518,000	518,000	544,000	26,000
Standards of learning algebra readiness	151,749	162,065	162,065	-
English as a second language	387,276	554,747	554,747	-
Other state funds	8,081,180	6,639,509	6,673,417	33,908
<b>Total categorical aid</b>	<b>88,313,958</b>	<b>90,367,330</b>	<b>90,180,948</b>	<b>(186,382)</b>
<b>Total revenue from the Commonwealth</b>	<b>88,313,958</b>	<b>90,367,330</b>	<b>90,180,948</b>	<b>(186,382)</b>

**SCHEDULE OF REVENUES – BUDGET AND ACTUAL  
GOVERNMENTAL FUNDS  
Year Ended June 30, 2025**

Entity, Fund, Major and Minor Revenue Source	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
Discretely Presented Component Unit - School Board:				
School Operating Fund:				
Intergovernmental revenues:				
Revenue from the federal government:				
Categorical aid:				
Federal land use	\$ 142,060	\$ 140,537	\$ 26,444	\$ (114,093)
Title I	1,531,814	1,924,720	1,849,630	(75,090)
Title VI-B, special education flow-through	2,605,665	2,581,536	2,562,559	(18,977)
Vocational education	159,771	173,965	139,432	(34,533)
Title VI-B, special education pre-school	69,000	68,732	69,487	755
Title IV Part A	95,000	86,927	153,917	66,990
Title III Part A	30,205	45,437	41,699	(3,738)
Title II Part A	285,000	273,000	261,866	(11,134)
ITCV grant	74,462	94,844	94,844	-
ARPA	59,210	1,356,414	421,085	(935,329)
<b>Total categorical aid</b>	<b>5,052,187</b>	<b>6,746,112</b>	<b>5,620,963</b>	<b>(1,125,149)</b>
<b>Total revenue from the federal government</b>	<b>5,052,187</b>	<b>6,746,112</b>	<b>5,620,963</b>	<b>(1,125,149)</b>
<b>Total intergovernmental revenues</b>	<b>144,538,792</b>	<b>148,286,089</b>	<b>145,531,910</b>	<b>(2,754,179)</b>
<b>Total School Operating Fund</b>	<b>\$ 146,347,699</b>	<b>\$ 150,080,714</b>	<b>\$ 147,433,615</b>	<b>\$ (2,647,099)</b>
School Cafeteria Fund:				
Revenue from local sources:				
Revenue from the use of money and property:				
Revenue from the use of money	\$ 100,000	\$ 50,000	\$ 31,909	\$ (18,091)
<b>Total revenue from use of money and property</b>	<b>100,000</b>	<b>50,000</b>	<b>31,909</b>	<b>(18,091)</b>
Charges for services:				
Cafeteria sales	97,475	812,231	481,823	(330,408)
<b>Total charges for services</b>	<b>97,475</b>	<b>812,231</b>	<b>481,823</b>	<b>(330,408)</b>
<b>Total revenue from local sources</b>	<b>197,475</b>	<b>862,231</b>	<b>513,732</b>	<b>(348,499)</b>
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
School food program grant	45,000	234,401	218,755	(15,646)
<b>Total categorical aid</b>	<b>45,000</b>	<b>234,401</b>	<b>218,755</b>	<b>(15,646)</b>
<b>Total revenue from the Commonwealth</b>	<b>45,000</b>	<b>234,401</b>	<b>218,755</b>	<b>(15,646)</b>
Revenue from the federal government:				
Categorical aid:				
School food program grant	4,326,000	5,013,196	5,752,728	739,532
<b>Total categorical aid</b>	<b>4,326,000</b>	<b>5,013,196</b>	<b>5,752,728</b>	<b>739,532</b>
<b>Total revenue from the federal government</b>	<b>4,326,000</b>	<b>5,013,196</b>	<b>5,752,728</b>	<b>739,532</b>
<b>Total intergovernmental revenues</b>	<b>4,371,000</b>	<b>5,247,597</b>	<b>5,971,483</b>	<b>723,886</b>
<b>Total School Cafeteria Fund</b>	<b>\$ 4,568,475</b>	<b>\$ 6,109,828</b>	<b>\$ 6,485,215</b>	<b>\$ 375,387</b>

**SCHEDULE OF REVENUES – BUDGET AND ACTUAL  
GOVERNMENTAL FUNDS  
Year Ended June 30, 2025**

Entity, Fund, Major and Minor Revenue Source	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
Discretely Presented Component Unit - School Board:				
Head Start Fund:				
Revenue from local sources:				
Miscellaneous revenue:				
Other miscellaneous	\$ 60,000	\$ 74,122	\$ 76,927	\$ 2,805
<b>Total miscellaneous revenue</b>	<b>60,000</b>	<b>74,122</b>	<b>76,927</b>	<b>2,805</b>
<b>Total revenue from local sources</b>	<b>60,000</b>	<b>74,122</b>	<b>76,927</b>	<b>2,805</b>
Revenue from the federal government:				
Categorical aid:				
Head start grant	3,671,083	3,885,028	3,801,024	(84,004)
<b>Total categorical aid</b>	<b>3,671,083</b>	<b>3,885,028</b>	<b>3,801,024</b>	<b>(84,004)</b>
<b>Total revenue from the federal government</b>	<b>3,671,083</b>	<b>3,885,028</b>	<b>3,801,024</b>	<b>(84,004)</b>
<b>Total intergovernmental revenues</b>	<b>3,671,083</b>	<b>3,885,028</b>	<b>3,801,024</b>	<b>(84,004)</b>
<b>Total Head Start Fund</b>	<b>\$ 3,731,083</b>	<b>\$ 3,959,150</b>	<b>\$ 3,877,951</b>	<b>\$ (81,199)</b>
Governor's School Fund:				
Revenue from local sources:				
Charges for services:				
Tuition	\$ 1,166,017	\$ 1,125,289	\$ 1,125,289	\$ -
Special fees	130,000	130,000	70,340	(59,660)
<b>Total charges for services</b>	<b>1,296,017</b>	<b>1,255,289</b>	<b>1,195,629</b>	<b>(59,660)</b>
Miscellaneous revenue:				
Other miscellaneous	2,800	2,800	900	(1,900)
<b>Total miscellaneous revenue</b>	<b>2,800</b>	<b>2,800</b>	<b>900</b>	<b>(1,900)</b>
<b>Total revenue from local sources</b>	<b>1,298,817</b>	<b>1,258,089</b>	<b>1,196,529</b>	<b>(61,560)</b>
Intergovernmental revenues:				
Revenue from the Commonwealth:				
Governor's school grant	1,001,313	968,397	967,204	(1,193)
Technology funds	26,000	26,000	26,000	-
<b>Total revenue from the Commonwealth</b>	<b>1,027,313</b>	<b>994,397</b>	<b>993,204</b>	<b>(1,193)</b>
<b>Total intergovernmental revenues</b>	<b>1,027,313</b>	<b>994,397</b>	<b>993,204</b>	<b>(1,193)</b>
<b>Total Governor's School Fund</b>	<b>\$ 2,326,130</b>	<b>\$ 2,252,486</b>	<b>\$ 2,189,733</b>	<b>\$ (62,753)</b>

**SCHEDULE OF REVENUES – BUDGET AND ACTUAL  
GOVERNMENTAL FUNDS  
Year Ended June 30, 2025**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
<hr/>				
Discretely Presented Component Unit - School Board:				
School Endowments:				
Revenue from local sources:				
Private donations	\$ -	\$ -	\$ 2,611	\$ 2,611
Use of money and property	-	-	2,971	2,971
	<hr/>			
<b>Total revenue from local sources</b>	-	-	5,582	5,582
	<hr/>			
<b>Total School Endowments</b>	\$ -	\$ -	\$ 5,582	\$ 5,582
	<hr/>			
<b>Total Discretely Presented Component Unit- School Board</b>	\$ 156,973,387	\$ 162,402,178	\$ 159,992,096	\$ (2,410,082)
	<hr/>			

**SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL  
GOVERNMENTAL FUNDS  
Year Ended June 30, 2025**

Entity, Fund, Function, Activity and Elements	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
<b>Primary Government:</b>				
General Fund:				
General government administration:				
Legislative:				
Board of Supervisors	\$ 165,144	\$ 176,749	\$ 173,245	\$ (3,504)
<b>Total legislative</b>	<b>165,144</b>	<b>176,749</b>	<b>173,245</b>	<b>(3,504)</b>
General and financial administration:				
County administrator	1,214,082	1,607,633	1,449,231	(158,402)
Human resources	385,616	387,873	508,481	120,608
Legal services	516,302	612,240	651,601	39,361
Commissioner of revenue	1,261,996	1,268,946	1,240,603	(28,343)
Reassessment	-	21,847	21,362	(485)
Treasurer	648,658	704,803	679,088	(25,715)
Finance	569,042	556,110	483,895	(72,215)
Information technology	1,237,746	1,362,343	1,269,911	(92,432)
Other general and financial administration	1,918,701	1,265,865	1,423,009	157,144
<b>Total general and financial administration</b>	<b>7,752,143</b>	<b>7,787,660</b>	<b>7,727,181</b>	<b>(60,479)</b>
Board of elections:				
Electoral board and officials	570,750	620,787	531,518	(89,269)
<b>Total board of elections</b>	<b>570,750</b>	<b>620,787</b>	<b>531,518</b>	<b>(89,269)</b>
<b>Total general government administration</b>	<b>8,488,037</b>	<b>8,585,196</b>	<b>8,431,944</b>	<b>(153,252)</b>
Judicial administration:				
Courts:				
Circuit court	241,404	233,910	424,062	190,152
General district court	19,597	20,038	17,138	(2,900)
Special magistrates	4,396	8,950	7,094	(1,856)
Comprehensive opioid, stimulant and substance use program	-	207,295	120,656	(86,639)
Clerk of the circuit court	1,342,772	1,349,760	1,106,165	(243,595)
<b>Total courts</b>	<b>1,608,169</b>	<b>1,819,953</b>	<b>1,675,115</b>	<b>(144,838)</b>
Commonwealth's attorney:				
Commonwealth's attorney	2,419,659	2,159,313	2,016,369	(142,944)
<b>Total commonwealth's attorney</b>	<b>2,419,659</b>	<b>2,159,313</b>	<b>2,016,369</b>	<b>(142,944)</b>
<b>Total judicial administration</b>	<b>4,027,828</b>	<b>3,979,266</b>	<b>3,691,484</b>	<b>(287,782)</b>

**SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL  
GOVERNMENTAL FUNDS  
Year Ended June 30, 2025**

Entity, Fund, Function, Activity and Elements	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
<b>Primary Government:</b>				
<b>General Fund:</b>				
<b>Public safety:</b>				
<b>Law enforcement and traffic control:</b>				
Sheriff	\$ 12,546,315	\$ 12,817,928	\$ 14,362,347	\$ 1,544,419
Emergency operations center	2,779,404	2,621,398	2,156,136	(465,262)
<b>Total law enforcement and traffic control</b>	<b>15,325,719</b>	<b>15,439,326</b>	<b>16,518,483</b>	<b>1,079,157</b>
<b>Fire and rescue services:</b>				
Fire department	12,980,231	14,206,653	13,737,829	(468,824)
Volunteer emergency operations	2,056,453	2,098,787	2,058,325	(40,462)
Fire training center	825,893	849,662	761,505	(88,157)
Fire revolving fund disbursements	605,000	605,000	117,806	(487,194)
Emergency management	131,717	132,833	118,866	(13,967)
EMS transport service	755,924	1,216,589	1,412,840	196,251
<b>Total fire and rescue services</b>	<b>17,355,218</b>	<b>19,109,524</b>	<b>18,207,171</b>	<b>(902,353)</b>
<b>Correction and detention:</b>				
Probation and detention	5,861,557	5,807,831	5,796,389	(11,442)
<b>Total correction and detention</b>	<b>5,861,557</b>	<b>5,807,831</b>	<b>5,796,389</b>	<b>(11,442)</b>
<b>Inspections:</b>				
Building	707,659	703,650	629,783	(73,867)
<b>Total inspections</b>	<b>707,659</b>	<b>703,650</b>	<b>629,783</b>	<b>(73,867)</b>
<b>Other protection:</b>				
Animal control	863,697	850,371	876,713	26,342
Drug enforcement funds	48,000	48,000	43,345	(4,655)
<b>Total other protection</b>	<b>911,697</b>	<b>898,371</b>	<b>920,058</b>	<b>21,687</b>
<b>Total public safety</b>	<b>40,161,850</b>	<b>41,958,702</b>	<b>42,071,884</b>	<b>113,182</b>
<b>Public works:</b>				
<b>Maintenance of highways, streets, bridges and sidewalks:</b>				
Highways, streets, bridges and sidewalks	20,000	20,000	13,202	(6,798)
Streetlights	121,000	127,000	129,009	2,009
<b>Total maintenance of highways, streets, bridges and sidewalks</b>	<b>141,000</b>	<b>147,000</b>	<b>142,211</b>	<b>(4,789)</b>
<b>Sanitation and waste removal:</b>				
Refuse collection and disposal	3,090,191	3,113,322	2,973,772	(139,550)
Recycling program	184,100	184,100	173,200	(10,900)
<b>Total sanitation and waste removal</b>	<b>3,274,291</b>	<b>3,297,422</b>	<b>3,146,972</b>	<b>(150,450)</b>
<b>Maintenance of general buildings and grounds:</b>				
General properties	2,304,245	2,479,711	2,202,554	(277,157)
<b>Total maintenance of general buildings and grounds</b>	<b>2,304,245</b>	<b>2,479,711</b>	<b>2,202,554</b>	<b>(277,157)</b>
<b>Total public works</b>	<b>5,719,536</b>	<b>5,924,133</b>	<b>5,491,737</b>	<b>(432,396)</b>

**SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL  
GOVERNMENTAL FUNDS  
Year Ended June 30, 2025**

Entity, Fund, Function, Activity and Elements	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
<b>Primary Government:</b>				
<b>General Fund:</b>				
<b>Health and welfare:</b>				
<b>Health:</b>				
Supplement to local health department	\$ 762,837	\$ 762,837	\$ 762,837	\$ -
<b>Total health</b>	<b>762,837</b>	<b>762,837</b>	<b>762,837</b>	<b>-</b>
<b>Mental health and mental retardation:</b>				
Community services board	260,000	260,000	260,000	-
<b>Total mental health and mental retardation</b>	<b>260,000</b>	<b>260,000</b>	<b>260,000</b>	<b>-</b>
<b>Welfare:</b>				
Valley Program for the Aging	36,000	36,000	36,000	-
BRITE Transit Services	54,176	54,176	53,062	(1,114)
Community Centers	8,750	8,750	8,750	-
Verona Food Pantry	39,540	39,540	39,540	-
Lions Sight and Hearing/Oak Grove Theatre	548	548	(647)	(1,195)
Inter-regional public transit	12,175	3,931	3,931	-
CAPSAW	69,438	69,438	69,438	-
Craigsville personal property	62,018	61,530	61,530	-
Miscellaneous	27,183	27,183	27,183	-
Tax relief for the elderly	360,833	542,377	607,601	65,224
<b>Total welfare</b>	<b>670,661</b>	<b>843,473</b>	<b>906,388</b>	<b>62,915</b>
<b>Total health and welfare</b>	<b>1,693,498</b>	<b>1,866,310</b>	<b>1,929,225</b>	<b>62,915</b>
<b>Education:</b>				
<b>Other instructional costs:</b>				
Contributions to Blue Ridge Community College	5,000	5,000	5,000	-
Contribution to County School Board	51,172,647	51,172,647	49,122,458	(2,050,189)
<b>Total education</b>	<b>51,177,647</b>	<b>51,177,647</b>	<b>49,127,458</b>	<b>(2,050,189)</b>
<b>Parks, recreation and cultural:</b>				
<b>Parks and recreation:</b>				
Supervision of parks and recreation	1,088,335	1,209,064	1,160,669	(48,395)
<b>Total parks and recreation</b>	<b>1,088,335</b>	<b>1,209,064</b>	<b>1,160,669</b>	<b>(48,395)</b>
<b>Cultural enrichment:</b>				
Fine Arts Grant	9,500	9,500	9,500	-
<b>Total cultural enrichment</b>	<b>9,500</b>	<b>9,500</b>	<b>9,500</b>	<b>-</b>
<b>Library:</b>				
Contribution to county library	1,984,093	2,112,571	1,915,108	(197,463)
<b>Total library</b>	<b>1,984,093</b>	<b>2,112,571</b>	<b>1,915,108</b>	<b>(197,463)</b>
<b>Total parks, recreation and cultural</b>	<b>3,081,928</b>	<b>3,331,135</b>	<b>3,085,277</b>	<b>(245,858)</b>

**SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL  
GOVERNMENTAL FUNDS  
Year Ended June 30, 2025**

Entity, Fund, Function, Activity and Elements	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
<b>Primary Government:</b>				
General Fund:				
Community development:				
Planning and community development:				
Community development	\$ 1,290,748	\$ 1,326,313	\$ 1,161,593	\$ (164,720)
Tourism development	402,472	472,913	474,128	1,215
Economic development	371,579	375,299	290,457	(84,842)
Contribution to Economic Development Authority	2,450	2,450	-	(2,450)
<b>Total planning and community development</b>	<b>2,067,249</b>	<b>2,176,975</b>	<b>1,926,178</b>	<b>(250,797)</b>
Environmental management:				
Contribution to soil and water district	31,945	31,945	31,945	-
<b>Total environmental management</b>	<b>31,945</b>	<b>31,945</b>	<b>31,945</b>	<b>-</b>
Cooperative extension program:				
Extension office	184,858	184,858	137,401	(47,457)
<b>Total cooperative extension program</b>	<b>184,858</b>	<b>184,858</b>	<b>137,401</b>	<b>(47,457)</b>
<b>Total community development</b>	<b>2,284,052</b>	<b>2,393,778</b>	<b>2,095,524</b>	<b>(298,254)</b>
Nondepartmental:				
Shenandoah Valley Regional Airport	172,141	172,141	172,141	-
Contingencies	1,791,654	1,815,618	1,690,656	(124,962)
School Safety Equipment	-	18,612	16,755	(1,857)
<b>Total nondepartmental</b>	<b>1,963,795</b>	<b>2,006,371</b>	<b>1,879,552</b>	<b>(126,819)</b>
Debt service:				
Principal - subscription liabilities	-	-	614,091	614,091
Principal - lease liabilities	-	-	252,404	252,404
Interest - subscription liabilities	-	-	15,743	15,743
Interest - lease liabilities	-	-	101,299	101,299
<b>Total debt service</b>	<b>-</b>	<b>-</b>	<b>983,537</b>	<b>983,537</b>
<b>Total General Fund</b>	<b>\$ 118,598,171</b>	<b>\$ 121,222,538</b>	<b>\$ 118,787,622</b>	<b>\$ (2,434,916)</b>
Special Revenue Fund:				
Virginia Public Assistance Fund:				
Health and welfare:				
Welfare and social services:				
Welfare administration	\$ 12,803,994	\$ 12,803,994	\$ 12,058,635	\$ (745,359)
Public assistance	3,323,005	3,323,005	2,782,575	(540,430)
Children's services	5,800,000	5,800,000	7,517,694	1,717,694
<b>Total welfare and social services</b>	<b>21,926,999</b>	<b>21,926,999</b>	<b>22,358,904</b>	<b>431,905</b>
<b>Total health and welfare</b>	<b>21,926,999</b>	<b>21,926,999</b>	<b>22,358,904</b>	<b>431,905</b>
Debt service:				
Principal - lease liabilities	-	-	11,201	11,201
Interest - lease liabilities	-	-	461	461
<b>Total debt service</b>	<b>-</b>	<b>-</b>	<b>11,662</b>	<b>11,662</b>
<b>Total Virginia Public Assistance Fund</b>	<b>\$ 21,926,999</b>	<b>\$ 21,926,999</b>	<b>\$ 22,370,566</b>	<b>\$ 443,567</b>
Debt Service Fund:				
County Debt Service:				
Debt Service:				
Principal retirement	\$ 1,057,676	\$ 657,677	\$ 657,677	\$ -
Interest and other fiscal charges	3,784,592	1,839,670	1,839,670	-
<b>Total County Debt Service</b>	<b>4,842,268</b>	<b>2,497,347</b>	<b>2,497,347</b>	<b>-</b>

**SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL  
GOVERNMENTAL FUNDS  
Year Ended June 30, 2025**

Entity, Fund, Function, Activity and Elements	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
<b>Primary Government:</b>				
Debt Service Fund:				
School Debt Service:				
Debt Service:				
Principal retirement	\$ 7,205,405	\$ 7,205,405	\$ 7,205,405	\$ -
Interest and other fiscal charges	4,183,272	4,182,598	4,180,372	(2,226)
<b>Total School Debt Service</b>	<b>11,388,677</b>	<b>11,388,003</b>	<b>11,385,777</b>	<b>(2,226)</b>
<b>Total Debt Service Fund</b>	<b>\$ 16,230,945</b>	<b>\$ 13,885,350</b>	<b>\$ 13,883,124</b>	<b>\$ (2,226)</b>
<b>Capital Projects Funds:</b>				
County Capital Improvements Fund:				
Capital projects expenditures:				
Landfill	\$ 1,500,000	\$ 2,852,373	\$ 1,320,077	\$ (1,532,296)
Road construction	100,000	100,000	101,393	1,393
Programs	1,028,457	514,333	(4,532)	(518,865)
Equipment replacement	8,913,062	5,000,000	7,425,722	2,425,722
Building renovations and construction	38,140,315	38,140,315	41,740,814	3,600,499
Economic development	800,000	800,000	(1,103,443)	(1,903,443)
Community contributions	455,000	455,000	284,918	(170,082)
<b>Total capital projects expenditures</b>	<b>50,936,834</b>	<b>47,862,021</b>	<b>49,764,949</b>	<b>1,902,928</b>
Debt service:				
Principal - subscription liabilities	-	-	357,493	357,493
Interest - subscription liabilities	-	-	12,560	12,560
<b>Total debt service</b>	<b>-</b>	<b>-</b>	<b>370,053</b>	<b>370,053</b>
<b>Total County Capital Improvements Fund</b>	<b>\$ 50,936,834</b>	<b>\$ 47,862,021</b>	<b>\$ 50,135,002</b>	<b>\$ 2,272,981</b>
School Capital Improvements Fund:				
Capital projects expenditures:				
Transportation	\$ 1,080,000	\$ 1,743,836	\$ 1,743,836	\$ -
Equipment/technology	434,763	534,362	99,599	(434,763)
Building renovations	650,000	9,090,491	5,626,015	(3,464,476)
<b>Total capital projects expenditures</b>	<b>2,164,763</b>	<b>11,368,689</b>	<b>7,469,450</b>	<b>(3,899,239)</b>
Debt Service:				
Principal retirement	-	-	403,548	403,548
Interest and other fiscal charges	-	-	31,215	31,215
<b>Total debt service</b>	<b>-</b>	<b>-</b>	<b>434,763</b>	<b>434,763</b>
<b>Total School Capital Improvements Fund</b>	<b>\$ 2,164,763</b>	<b>\$ 11,368,689</b>	<b>\$ 7,904,213</b>	<b>\$ (3,464,476)</b>
<b>Total Primary Government</b>	<b>\$ 209,857,712</b>	<b>\$ 216,265,597</b>	<b>\$ 213,080,527</b>	<b>\$ (3,185,070)</b>

**SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL  
GOVERNMENTAL FUNDS  
Year Ended June 30, 2025**

Entity, Fund, Function, Activity and Elements	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
Discretely Presented Component Unit - School Board:				
School Operating Fund:				
Education:				
Administration of schools:				
School board	\$ 244,400	\$ 306,782	\$ 233,083	\$ (73,699)
Executive administration services	1,010,841	1,127,471	1,159,396	31,925
Personnel	848,144	900,757	911,622	10,865
Fiscal services	1,015,159	1,019,713	979,150	(40,563)
Data processing services	653,814	664,197	662,213	(1,984)
<b>Total administration of schools</b>	<b>3,772,358</b>	<b>4,018,920</b>	<b>3,945,464</b>	<b>(73,456)</b>
Instruction costs:				
Elementary and secondary schools	90,271,579	90,264,708	90,196,127	(68,581)
Guidance services	4,282,942	4,297,252	4,348,813	51,561
Social worker services	1,021,462	1,021,904	1,027,061	5,157
Other instructional costs	5,007,921	6,786,732	6,586,908	(199,824)
Media services	2,145,067	2,218,991	2,279,871	60,880
Technology services	5,114,825	5,270,472	4,834,912	(435,560)
Office of the principal	9,133,258	9,063,848	8,840,199	(223,649)
<b>Total instruction costs</b>	<b>116,977,054</b>	<b>118,923,907</b>	<b>118,113,891</b>	<b>(810,016)</b>
Operating costs:				
Attendance and health services	2,669,158	2,757,364	2,450,965	(306,399)
Pupil transportation	9,272,599	9,558,626	8,779,880	(778,746)
Operation and maintenance of school plant	13,031,530	13,238,994	12,633,271	(605,723)
Contribution to the primary government	625,000	1,582,903	1,582,903	-
<b>Total operating costs</b>	<b>25,598,287</b>	<b>27,137,887</b>	<b>25,447,019</b>	<b>(1,690,868)</b>
<b>Total education</b>	<b>146,347,699</b>	<b>150,080,714</b>	<b>147,506,374</b>	<b>(2,574,340)</b>
Debt service:				
Principal - lease liabilities	-	-	261,994	261,994
Principal - subscription liabilities	-	-	123,789	123,789
Interest - lease liabilities	-	-	18,144	18,144
Interest - subscription liabilities	-	-	1,577	1,577
<b>Total debt service</b>	<b>-</b>	<b>-</b>	<b>405,504</b>	<b>405,504</b>
<b>Total School Operating Fund</b>	<b>\$ 146,347,699</b>	<b>\$ 150,080,714</b>	<b>\$ 147,911,878</b>	<b>\$ (2,168,836)</b>
Cafeteria Fund:				
Education:				
School food services:				
Administration of school food program	\$ 7,330,070	\$ 7,697,671	\$ 7,361,765	\$ (335,906)
<b>Total school food services</b>	<b>7,330,070</b>	<b>7,697,671</b>	<b>7,361,765</b>	<b>(335,906)</b>
<b>Total education</b>	<b>7,330,070</b>	<b>7,697,671</b>	<b>7,361,765</b>	<b>(335,906)</b>
<b>Total Cafeteria Fund</b>	<b>\$ 7,330,070</b>	<b>\$ 7,697,671</b>	<b>\$ 7,361,765</b>	<b>\$ (335,906)</b>

**SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL  
GOVERNMENTAL FUNDS  
Year Ended June 30, 2025**

Entity, Fund, Function, Activity and Elements	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
<b>Discretely Presented Component Unit - School Board:</b>				
Head Start Fund:				
Education:				
Instruction	\$ 3,116,319	\$ 3,254,626	\$ 3,160,182	\$ (94,444)
Administration, attendance and health	456,971	510,174	517,190	7,016
Transportation services	108,796	161,253	159,630	(1,623)
Operations and maintenance services	48,997	27,397	28,738	1,341
Contribution to primary government	-	-	8,421	8,421
<b>Total education</b>	<b>3,731,083</b>	<b>3,953,450</b>	<b>3,874,161</b>	<b>(79,289)</b>
Debt service:				
Principal - lease liabilities	-	-	3,518	3,518
Interest - lease liabilities	-	-	272	272
<b>Total debt service</b>	<b>-</b>	<b>-</b>	<b>3,790</b>	<b>3,790</b>
<b>Total Head Start Fund</b>	<b>\$ 3,731,083</b>	<b>\$ 3,953,450</b>	<b>\$ 3,877,951</b>	<b>\$ (75,499)</b>
Governor's School Fund:				
Education:				
Instruction	\$ 2,260,089	\$ 2,149,139	\$ 1,964,685	\$ (184,454)
Administration, attendance and health	10,036	11,525	16,198	4,673
Operations and maintenance services	62,200	62,200	22,634	(39,566)
Contribution to primary government	-	-	180,009	180,009
<b>Total education</b>	<b>2,332,325</b>	<b>2,222,864</b>	<b>2,183,526</b>	<b>(39,338)</b>
Debt service:				
Principal - lease liabilities	-	-	5,607	5,607
Interest - lease liabilities	-	-	600	600
<b>Total debt service</b>	<b>-</b>	<b>-</b>	<b>6,207</b>	<b>6,207</b>
<b>Total Governor's School Fund</b>	<b>\$ 2,332,325</b>	<b>\$ 2,222,864</b>	<b>\$ 2,189,733</b>	<b>\$ (33,131)</b>
School Endowments:				
Education:				
Scholarship	\$ -	\$ -	\$ 1,500	\$ 1,500
<b>Total education</b>	<b>-</b>	<b>-</b>	<b>1,500</b>	<b>1,500</b>
<b>Total Endowment Fund</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,500</b>	<b>\$ 1,500</b>
<b>Total Discretely Presented Component Unit -       School Board</b>	<b>\$ 159,741,177</b>	<b>\$ 163,954,699</b>	<b>\$ 161,342,827</b>	<b>\$ (2,611,872)</b>

## **STATISTICAL SECTION**

# COUNTY OF AUGUSTA, VIRGINIA

## STATISTICAL SECTION TABLE OF CONTENTS

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

Contents	Tables
<b>Financial Trends</b> These tables contain trend information to help the reader understand how the County’s financial performance and well-being have changed over time.	1 – 6
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Sources: Unless otherwise noted, the information in these tables is derived from the Annual Comprehensive Financial Report for the relevant year.

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

	Fiscal Year June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Primary Government										
Governmental activities:										
Net investment in capital assets	\$ 14,697,452	\$ (28,355,363)	\$ 14,587,191	\$ 16,861,519	\$ 16,560,315	\$ 17,804,738	\$ 15,301,355	\$ (7,044,213)	\$ (9,171,486)	\$ 33,442,380
Restricted	26,675,632	8,456,531	3,800,220	2,950,318	2,858,862	2,872,983	2,802,660	2,802,660	3,496,605	3,510,377
Unrestricted	4,559,615	39,611,252	36,958,335	43,746,456	44,584,619	62,473,568	74,888,315	85,618,587	96,260,442	114,645,688
<b>Total primary government, governmental activities net position</b>	<b>\$ 45,932,699</b>	<b>\$ 19,712,420</b>	<b>\$ 55,345,746</b>	<b>\$ 63,558,293</b>	<b>\$ 64,003,796</b>	<b>\$ 83,151,289</b>	<b>\$ 92,992,330</b>	<b>\$ 81,377,034</b>	<b>\$ 90,585,561</b>	<b>\$ 151,598,445</b>
Component Unit <sup>(1)</sup>										
Component unit - school board:										
Net investment in capital assets	\$ 88,522,897	\$ 118,060,129	\$ 78,473,778	\$ 78,418,587	\$ 81,373,540	\$ 83,276,085	\$ 86,011,383	\$ 118,694,312	\$ 129,142,738	\$ 98,128,497
Restricted	-	-	-	-	-	-	-	3,185	6,275	575,732
Unrestricted (deficit)	(96,659,726)	(96,428,666)	(115,961,481)	(112,884,090)	(111,869,153)	(110,660,711)	(95,631,257)	(83,317,720)	(83,875,613)	(78,153,606)
<b>Total component unit net position</b>	<b>\$ (8,136,829)</b>	<b>\$ 21,631,463</b>	<b>\$ (37,487,703)</b>	<b>\$ (34,465,503)</b>	<b>\$ (30,495,613)</b>	<b>\$ (27,384,626)</b>	<b>\$ (9,619,874)</b>	<b>\$ 35,379,777</b>	<b>\$ 45,273,400</b>	<b>\$ 20,550,623</b>
Total Reporting Entity										
Net investment in capital assets	\$ 103,220,349	\$ 89,704,766	\$ 93,060,969	\$ 95,280,106	\$ 97,933,855	\$ 101,080,823	\$ 101,312,738	\$ 111,650,099	\$ 119,971,252	\$ 131,570,877
Restricted	26,675,632	8,456,531	3,800,220	2,950,318	2,858,862	2,872,983	2,802,660	2,805,845	3,502,880	4,086,109
Unrestricted	(92,100,111)	(56,817,414)	(79,003,146)	(69,137,634)	(67,284,534)	(48,187,143)	(20,742,942)	2,300,867	12,384,829	36,492,082
<b>Total reporting entity net position</b>	<b>\$ 37,795,870</b>	<b>\$ 41,343,883</b>	<b>\$ 17,858,043</b>	<b>\$ 29,092,790</b>	<b>\$ 33,508,183</b>	<b>\$ 55,766,663</b>	<b>\$ 83,372,456</b>	<b>\$ 116,756,811</b>	<b>\$ 135,858,961</b>	<b>\$ 172,149,068</b>

Notes:

- (1) Component unit net position is included in the table due to public schools being significant portions of the County operations. In Virginia, the County issues debt to finance the construction of facilities for the component unit because the component unit does not have borrowing or taxing authority.
- (2) At June 30, 2017, net position was restated for the implementation of GASB Statement No. 75, which reduced net position by \$2,777,000 for the primary government and \$21,048,441 for the component unit - School Board.
- (3) At June 30, 2021, net position was restated for the implementation of GASB Statement No. 84, which increased net position for the primary government by \$4,215,616 and \$3,345,882 for the component unit – School Board.
- (4) At June 30, 2024, net position was restated for the implementation of GASB Statement No. 101, which reduced net position for the primary government by \$1,490,777 and \$4,882,970 for the component unit – School Board.

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

	Fiscal Year June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Primary Government										
Expenses:										
Governmental activities:										
General government	\$ 5,499,180	\$ 6,377,127	\$ 6,503,063	\$ 8,988,980	\$ 7,547,543	\$ 10,368,248	\$ 8,286,735	\$ 32,372,386	\$ 11,485,352	\$ 14,747,803
Judicial administration	1,865,010	1,995,424	2,017,262	2,108,041	2,103,246	3,201,680	2,691,584	3,202,542	3,120,986	3,285,307
Public safety	12,567,986	21,392,046	23,846,222	24,101,613	30,057,120	30,145,981	30,002,649	47,166,622	37,268,093	33,850,995
Public works	7,230,620	5,305,146	7,281,618	4,543,783	8,891,842	5,660,252	6,626,020	7,075,561	8,419,792	6,009,046
Health and welfare	14,668,197	16,469,416	16,186,578	18,370,628	19,625,147	19,449,540	18,754,703	20,642,569	21,766,939	23,671,244
Education	57,310,966	75,383,817	10,657,884	48,304,659	53,373,007	51,977,469	53,851,688	52,286,098	70,150,260	25,079,683
Parks, recreation and cultural	2,821,846	2,858,721	3,316,542	2,449,762	2,870,905	2,713,834	2,333,408	3,945,271	3,648,361	3,130,941
Community development	1,750,061	1,797,866	2,184,255	1,905,013	2,051,382	2,498,072	2,856,493	3,195,028	2,051,793	5,337,710
Interest on long-term debt	1,869,342	3,246,063	2,710,519	2,403,885	2,167,209	1,992,140	1,801,289	2,681,449	4,411,758	5,369,625
<b>Total primary government expenses</b>	<b>105,583,208</b>	<b>134,825,626</b>	<b>74,703,943</b>	<b>113,176,364</b>	<b>128,687,401</b>	<b>128,007,216</b>	<b>127,204,569</b>	<b>172,567,526</b>	<b>162,323,334</b>	<b>120,482,354</b>
Program revenues:										
Governmental activities:										
Charges for services:										
General government	647,440	740,688	738,561	696,917	730,655	735,644	90,905	151,882	115,778	99,297
Judicial administration	207,767	232,593	267,257	281,445	210,170	237,672	273,339	317,644	297,010	383,990
Public safety	1,430,692	1,631,946	1,914,075	3,155,549	2,963,621	3,447,974	3,587,731	3,845,290	4,058,294	5,771,350
Public works	1,093,681	1,281,673	1,528,230	2,221,686	1,822,007	1,714,279	2,648,132	2,958,318	2,903,677	3,338,686
Health and welfare	181,556	158,177	190,817	1,342,228	1,712,553	1,783,934	1,533,206	1,418,610	1,362,642	1,733,806
Parks, recreation and cultural	843,530	824,567	817,258	996,007	488,413	223,121	421,246	618,896	720,330	705,806
Operating grants and contributions	16,661,521	18,706,733	19,057,643	18,868,004	22,870,708	28,670,410	20,931,240	27,717,740	29,255,879	26,619,615
Capital grants and contributions	3,994,031	2,296,245	3,423,147	1,204,916	1,635,216	5,639,809	2,481,367	4,574,409	6,888,757	1,862,884
<b>Total primary government program revenues</b>	<b>25,060,218</b>	<b>25,872,622</b>	<b>27,936,988</b>	<b>28,766,752</b>	<b>32,433,343</b>	<b>42,452,843</b>	<b>31,967,166</b>	<b>41,602,789</b>	<b>45,602,367</b>	<b>40,515,434</b>
<b>Total primary government net expenses<sup>(1)</sup></b>	<b>(80,522,990)</b>	<b>(108,953,004)</b>	<b>(46,766,955)</b>	<b>(84,409,612)</b>	<b>(96,254,058)</b>	<b>(85,554,373)</b>	<b>(95,237,403)</b>	<b>(130,964,737)</b>	<b>(116,720,967)</b>	<b>(79,966,920)</b>
General revenues and other changes in net assets/position:										
Governmental activities:										
Taxes:										
Property taxes	56,937,887	58,296,837	60,545,183	66,259,967	68,989,644	69,028,670	73,313,552	79,678,434	85,816,268	95,093,254
Local sales and use taxes	5,422,965	5,542,113	5,673,129	6,240,415	6,822,265	7,827,992	8,911,976	9,896,423	9,746,717	9,843,397
Consumer utility taxes	1,781,431	1,786,347	1,791,413	1,804,213	1,812,435	1,834,845	1,858,499	1,857,916	1,854,907	1,896,598
Business licenses taxes	3,526,206	3,625,435	3,813,142	4,065,916	4,313,711	4,384,814	5,079,478	5,499,363	5,759,183	5,965,073
Restaurant food taxes	2,419,683	2,544,440	2,504,972	2,558,254	2,418,593	2,599,472	4,149,877	4,543,182	4,844,507	4,912,548
Other local taxes	1,964,970	2,106,591	2,107,785	2,171,699	2,094,917	2,650,641	3,453,997	3,501,010	3,442,736	3,939,791
Unrestricted grants and contributions	7,510,753	7,497,164	7,382,817	7,540,903	7,399,577	7,116,508	7,062,172	7,087,803	6,872,558	7,281,854
Unrestricted revenues from use of money and property	634,230	592,384	795,317	1,510,344	1,272,079	685,333	327,657	4,592,957	8,126,648	7,793,804
Gain on disposal of capital assets	-	285,000	-	-	-	-	-	-	-	-
Miscellaneous	320,825	456,414	563,523	470,448	1,576,340	4,357,975	921,236	2,692,353	956,747	4,253,485
<b>Total primary government general revenues and other changes in net position</b>	<b>80,518,950</b>	<b>82,732,725</b>	<b>85,177,281</b>	<b>92,622,159</b>	<b>96,699,561</b>	<b>100,486,250</b>	<b>105,078,444</b>	<b>119,349,441</b>	<b>127,420,271</b>	<b>140,979,804</b>
Change in net position:										
<b>Total primary government</b>	<b>\$ (4,040)</b>	<b>\$ (26,220,279)</b>	<b>\$ 38,410,326</b>	<b>\$ 8,212,547</b>	<b>\$ 445,503</b>	<b>\$ 14,931,877</b>	<b>\$ 9,841,041</b>	<b>\$ (11,615,296)</b>	<b>\$ 10,699,304</b>	<b>\$ 61,012,884</b>

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

	Fiscal Year June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Component Unit <sup>(2)</sup>										
Expenses:										
School Board	\$ 96,031,665	\$ 83,895,486	\$ 156,045,549	\$ 113,102,026	\$ 115,752,405	\$ 128,035,472	\$ 115,130,443	\$ 102,563,627	\$ 138,144,319	\$ 184,714,873
<b>Total component unit expenses</b>	<b>96,031,665</b>	<b>83,895,486</b>	<b>156,045,549</b>	<b>113,102,026</b>	<b>115,752,405</b>	<b>128,035,472</b>	<b>115,130,443</b>	<b>102,563,627</b>	<b>138,144,319</b>	<b>184,714,873</b>
Program revenues:										
Charges for services	3,367,635	3,116,679	3,027,439	4,147,506	3,729,168	2,448,647	2,947,224	4,176,896	3,470,763	3,383,818
Operating grants and contributions	64,139,916	66,074,497	67,255,166	69,424,386	72,793,629	82,508,442	84,982,866	95,496,908	100,352,438	106,567,622
Capital grants and contributions	46,509	-	-	-	-	-	-	-	-	-
<b>Total component unit program revenues</b>	<b>67,554,060</b>	<b>69,191,176</b>	<b>70,282,605</b>	<b>73,571,892</b>	<b>76,522,797</b>	<b>84,957,089</b>	<b>87,930,090</b>	<b>99,673,804</b>	<b>103,823,201</b>	<b>109,951,440</b>
<b>Total component unit net expense<sup>(1)</sup></b>	<b>(28,477,605)</b>	<b>(14,704,310)</b>	<b>(85,762,944)</b>	<b>(39,530,134)</b>	<b>(39,229,608)</b>	<b>(43,078,383)</b>	<b>(27,200,353)</b>	<b>(2,889,823)</b>	<b>(34,321,118)</b>	<b>(74,763,433)</b>
General revenues and other changes in net assets/position:										
Unrestricted grants and contributions	42,430,723	43,347,751	46,156,655	42,124,975	42,848,640	42,439,923	44,011,874	47,267,961	48,523,636	49,729,999
Unrestricted revenues from use of money and property	54,183	55,715	143,819	116,756	105,152	11,608	22,829	160,816	134,795	45,740
Miscellaneous	565,464	1,069,136	1,391,745	310,603	245,706	391,957	930,402	460,697	439,280	264,917
<b>Total component unit general revenues and other changes in net position</b>	<b>43,050,370</b>	<b>44,472,602</b>	<b>47,692,219</b>	<b>42,552,334</b>	<b>43,199,498</b>	<b>42,843,488</b>	<b>44,965,105</b>	<b>47,889,474</b>	<b>49,097,711</b>	<b>50,040,656</b>
Change in net position:										
<b>Total component unit</b>	<b>\$ 14,572,765</b>	<b>\$ 29,768,292</b>	<b>\$ (38,070,725)</b>	<b>\$ 3,022,200</b>	<b>\$ 3,969,890</b>	<b>\$ (234,895)</b>	<b>\$ 17,764,752</b>	<b>\$ 44,999,651</b>	<b>\$ 14,776,593</b>	<b>\$ (24,722,777)</b>
Total Reporting Entity Change in Net Position	\$ 14,568,725	\$ 3,548,013	\$ 339,601	\$ 11,234,747	\$ 4,415,393	\$ 14,696,982	\$ 27,605,793	\$ 33,384,355	\$ 25,475,897	\$ 36,290,107

Notes:

- (1) Net (expense) revenues is the difference between the expenses and program revenues. This difference indicates the degree to which a function or program is supported with its own fees and program-specific grants versus its reliance upon funding from taxes and other general revenues. Numbers in a parentheses are net expenses indicating that expenses were greater than program revenues and, therefore, general revenues were needed to finance that function or program. Numbers without parentheses are net revenues, demonstrating that program revenues were more than sufficient to cover expenses.
- (2) The component unit, School Board, was included in this table due to their significance to the County.

**GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*

Fiscal Year	Property Tax	Local Sales and Use Tax	Consumers' Utility Tax	Business License Tax	Restaurant Food Tax	Other Local Taxes	Total
2025	\$ 95,093,254	\$ 9,843,397	\$ 1,896,598	\$ 5,965,073	\$ 4,912,548	\$ 3,939,791	\$ 121,650,661
2024	85,816,268	9,746,717	1,854,907	5,759,183	4,844,507	3,442,736	111,464,318
2023	79,678,434	9,896,423	1,857,916	5,499,363	4,543,182	3,501,010	104,976,328
2022	73,313,552	8,911,976	1,858,499	5,079,478	4,149,877	3,453,997	96,767,379
2021	69,028,670	7,827,992	1,834,845	4,384,814	2,599,472	2,650,641	88,326,434
2020	68,989,644	6,822,265	1,812,435	4,313,711	2,418,593	2,094,917	86,451,565
2019	66,259,967	6,240,415	1,804,213	4,065,916	2,558,254	2,171,699	83,100,464
2018	60,545,183	5,673,129	1,791,413	3,813,142	2,504,972	2,107,785	76,435,624
2017	58,296,837	5,542,113	1,786,347	3,625,435	2,544,440	2,106,591	73,901,763
2016	56,937,887	5,422,965	1,781,431	3,526,206	2,419,683	1,964,970	72,053,142

**FUND BALANCES OF GOVERNMENTAL FUNDS**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*

	Fiscal Year June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund										
Nonspendable	\$ 106,493	\$ 93,961	\$ 1,203,806	\$ 1,209,984	\$ 1,203,343	\$ 727,134	\$ 132,077	\$ 385,363	\$ 342,158	\$ 310,765
Restricted	2,659,784	2,966,538	2,932,086	2,756,012	2,556,267	2,872,983	2,802,660	2,630,042	3,496,605	3,510,377
Committed	1,249,070	1,171,649	1,498,042	1,714,591	2,794,338	5,099,049	3,017,774	2,441,430	3,024,498	2,510,448
Assigned	234,072	253,977	257,332	317,243	387,367	454,735	477,388	518,470	614,173	2,735,743
Unassigned	12,439,272	13,658,436	11,798,202	13,172,482	18,202,654	12,958,451	17,295,207	16,916,441	16,321,562	18,735,302
<b>Total general fund</b>	<b>16,688,691</b>	<b>18,144,561</b>	<b>17,689,468</b>	<b>19,170,312</b>	<b>25,143,969</b>	<b>22,112,352</b>	<b>23,725,106</b>	<b>22,891,746</b>	<b>23,798,996</b>	<b>27,802,635</b>
All Other Governmental Funds										
Restricted	19,457,305	5,489,993	868,135	194,307	302,595	-	-	35,018,781	44,152,203	43,493,842
Committed	2,645,897	-	-	-	-	-	-	-	-	-
Assigned	25,219,223	27,326,844	27,607,372	31,371,591	30,034,487	48,942,712	55,768,439	72,221,331	79,168,567	72,597,221
Unassigned	(757,966)	(397,747)	-	-	-	-	(1,094,598)	-	-	-
<b>Total all other governmental funds</b>	<b>46,564,459</b>	<b>32,419,090</b>	<b>28,475,507</b>	<b>31,565,898</b>	<b>30,337,082</b>	<b>48,942,712</b>	<b>54,673,841</b>	<b>107,240,112</b>	<b>123,320,770</b>	<b>116,091,063</b>
<b>Total fund balances</b>	<b>\$ 63,253,150</b>	<b>\$ 50,563,651</b>	<b>\$ 46,164,975</b>	<b>\$ 50,736,210</b>	<b>\$ 55,481,051</b>	<b>\$ 71,055,064</b>	<b>\$ 78,398,947</b>	<b>\$ 130,131,858</b>	<b>\$ 147,119,766</b>	<b>\$ 143,893,698</b>

**CHANGES FUND BALANCES OF GOVERNMENTAL FUNDS**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*

	Fiscal Year June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Revenues</b>										
General property taxes	\$ 56,207,747	\$ 58,114,396	\$ 61,109,229	\$ 66,330,173	\$ 68,528,431	\$ 69,199,131	\$ 73,302,421	\$ 79,295,181	\$ 85,051,519	\$ 94,516,361
Other local taxes	15,140,297	15,613,974	15,890,441	16,840,497	17,461,921	19,297,764	23,453,827	25,297,894	25,648,050	26,557,407
Permits, privilege fees and regulatory licenses	568,023	645,578	637,374	608,943	602,235	643,011	982,968	863,409	759,407	889,039
Fines and forfeitures	149,052	214,784	311,426	347,877	272,161	253,102	213,290	285,634	336,450	458,784
Revenue from use of money and property	677,776	719,415	843,096	1,510,344	1,272,079	685,333	334,269	4,592,957	8,126,648	7,793,804
Charges for services	3,644,104	4,009,282	4,507,398	5,340,430	4,392,269	4,496,600	4,538,997	5,736,024	5,988,073	6,429,767
Miscellaneous	813,309	1,624,932	616,839	470,448	1,576,340	4,357,975	922,091	1,668,289	2,324,975	1,565,200
Recovered costs	2,493,669	2,433,649	2,712,874	2,396,582	2,660,754	2,749,911	2,811,836	2,391,591	2,373,801	4,255,345
Intergovernmental:										
Commonwealth	18,484,319	19,110,574	20,881,834	18,972,342	18,693,674	20,146,027	21,249,084	23,915,156	22,941,515	22,701,257
Federal	9,164,401	8,084,971	8,880,678	8,641,481	13,211,827	18,698,241	9,225,695	15,464,796	17,025,076	11,899,304
Local	-	-	-	-	-	2,582,459	-	124,064	3,038,430	1,163,792
<b>Total revenues</b>	<b>107,342,697</b>	<b>110,571,555</b>	<b>116,391,189</b>	<b>121,459,117</b>	<b>128,671,691</b>	<b>143,109,554</b>	<b>137,034,478</b>	<b>159,634,995</b>	<b>173,613,944</b>	<b>178,230,060</b>
<b>Expenditures</b>										
General government administration	4,638,398	5,075,701	5,856,944	5,466,486	5,673,355	6,379,278	6,651,799	8,933,779	10,601,175	8,431,944
Judicial administration	1,910,072	2,030,508	2,137,419	2,178,024	2,375,328	2,716,093	3,048,457	3,238,222	3,280,650	3,691,484
Public safety	19,178,655	20,393,454	21,739,801	23,021,684	24,190,420	26,513,291	29,121,098	34,042,021	35,635,136	42,071,884
Public works	3,467,975	3,686,463	3,810,788	4,415,893	4,710,949	4,676,980	4,874,456	5,049,537	5,515,213	5,491,737
Health and welfare	16,378,953	17,863,715	18,103,067	18,819,407	18,824,305	18,947,537	18,776,252	20,545,457	21,907,143	24,288,129
Education	38,511,372	40,078,627	41,566,439	42,051,057	42,768,948	45,049,041	44,013,179	47,272,961	48,419,312	49,127,458
Parks, recreation and cultural	2,798,340	2,834,341	2,838,479	2,489,020	2,377,415	2,115,538	2,283,316	2,637,396	2,797,489	3,085,277
Community development	1,555,969	1,808,146	1,838,995	1,859,303	2,030,070	2,197,780	2,380,106	3,086,044	2,631,505	2,095,524
Nondepartmental	169,899	209,231	143,194	213,767	240,340	2,679,548	279,582	4,768,042	3,340,247	5,779,552
Capital projects	19,974,595	37,433,314	13,166,593	6,947,042	13,566,401	8,606,376	9,757,131	38,125,572	51,301,623	57,234,399
Debt service:										
Principal	5,766,351	4,909,556	6,208,384	6,464,345	6,304,005	5,881,758	6,193,311	6,710,543	7,425,064	9,501,819
Interest and other fiscal charges	2,232,757	2,755,287	3,379,762	2,961,858	2,695,710	2,523,195	2,325,176	2,213,164	4,405,050	6,181,320
<b>Total expenditures</b>	<b>116,583,336</b>	<b>139,078,343</b>	<b>120,789,865</b>	<b>116,887,886</b>	<b>125,757,246</b>	<b>128,286,415</b>	<b>129,703,863</b>	<b>176,622,738</b>	<b>197,259,607</b>	<b>213,080,527</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(9,240,639)</b>	<b>(28,506,788)</b>	<b>(4,398,676)</b>	<b>4,571,231</b>	<b>2,914,445</b>	<b>14,823,139</b>	<b>7,330,615</b>	<b>(16,987,743)</b>	<b>(23,645,663)</b>	<b>(34,850,467)</b>
<b>Other Financing Sources (Uses)</b>										
Sale of land	-	285,000	-	-	-	-	-	900,000	-	-
Transfers in	20,160,743	15,898,012	19,450,584	22,495,848	23,820,301	28,485,546	22,755,493	30,624,911	34,368,369	39,405,460
Transfers out	(20,160,743)	(15,898,012)	(19,450,584)	(22,495,848)	(23,820,301)	(28,485,546)	(22,755,493)	(30,624,911)	(34,368,369)	(39,405,460)
Proceeds from issuance of lease liabilities	-	-	-	-	1,830,396	750,874	13,268	356,324	244,755	910,638
Proceeds from issuance of subscription liabilities	-	-	-	-	-	-	-	1,071,100	9,211	2,513,721
Proceeds from issuance of private placement notes	-	-	-	-	-	-	-	161,850	-	-
Bonds issued	27,622,785	14,285,000	-	-	-	-	-	66,231,380	37,855,000	27,275,000
Premium on bonds issued	2,381,661	1,247,289	-	-	-	-	-	-	2,524,605	925,040
<b>Total other financing sources, net</b>	<b>30,004,446</b>	<b>15,817,289</b>	<b>-</b>	<b>-</b>	<b>1,830,396</b>	<b>750,874</b>	<b>13,268</b>	<b>68,720,654</b>	<b>40,633,571</b>	<b>31,624,399</b>
<b>Net change in fund balances</b>	<b>\$ 20,763,807</b>	<b>\$ (12,689,499)</b>	<b>\$ (4,398,676)</b>	<b>\$ 4,571,231</b>	<b>\$ 4,744,841</b>	<b>\$ 15,574,013</b>	<b>\$ 7,343,883</b>	<b>\$ 51,732,911</b>	<b>\$ 16,987,908</b>	<b>\$ (3,226,068)</b>
Debt Service as a Percentage of Noncapital Expenditures	6.99%	5.60%	8.10%	8.06%	7.38%	6.77%	6.65%	5.25%	6.38%	7.79%

**GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE**

**Last Ten Fiscal Years**

*(modified accrual basis of accounting)*

Fiscal Year	Property Tax	Local Sales and Use Tax	Consumers' Utility Tax	Business License Tax	Restaurant Food Tax	Other Local Tax	Total
2025	\$ 94,516,361	\$ 9,843,397	\$ 1,896,598	\$ 5,965,073	\$ 4,912,548	3,939,791	\$ 121,073,768
2024	85,051,519	9,746,717	1,854,907	5,759,183	4,844,507	3,442,736	110,699,569
2023	79,295,181	9,896,423	1,857,916	5,499,363	4,543,182	3,501,010	104,593,075
2022	73,302,421	8,911,976	1,858,499	5,079,478	4,149,877	3,453,997	96,756,248
2021	69,199,131	7,827,992	1,834,845	4,384,814	2,599,472	2,650,641	88,496,895
2020	68,528,431	6,822,265	1,812,435	4,313,711	2,418,593	2,094,917	85,990,352
2019	66,330,173	6,240,415	1,804,213	4,065,916	2,558,254	2,171,699	83,170,670
2018	61,109,229	5,673,129	1,791,413	3,813,142	2,504,972	2,107,785	76,999,670
2017	58,114,396	5,542,113	1,786,347	3,625,435	2,544,440	2,106,591	73,719,322
2016	56,207,747	5,422,965	1,781,431	3,526,206	2,444,725	1,964,970	71,348,044

**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
Last Ten Fiscal Years**

Fiscal Year	Real Estate <sup>(1)</sup>	Personal Property <sup>(2)</sup>	Machinery and Tools	Public Service <sup>(3)</sup>	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	State Sales Assessment Ratio <sup>(4)</sup>
2025	\$11,702,578,263	\$ 1,114,812,660	\$ 291,230,390	\$ 736,745,502	\$ 13,845,366,815	\$ 0.70	\$ 15,839,568,488	87.41%
2024	9,746,645,096	1,053,872,760	287,090,160	434,737,293	11,522,345,309	0.94	12,110,936,839	95.14%
2023	7,721,932,887	1,057,332,840	284,339,470	420,334,003	9,483,939,200	0.87	14,155,133,134	67.00%
2022	7,655,920,958	859,133,240	264,108,470	483,096,064	9,262,258,732	0.84	12,918,073,545	71.70%
2021	7,582,050,648	780,556,010	242,485,670	482,755,979	9,087,848,307	0.81	11,219,565,811	81.00%
2020	7,471,356,719	757,708,190	233,718,440	471,627,175	8,934,410,524	0.81	10,095,379,123	88.50%
2019	7,179,876,646	726,168,020	216,125,380	458,514,898	8,580,684,944	0.81	9,157,614,668	93.70%
2018	6,596,809,781	694,028,820	210,101,090	452,830,444	7,953,770,135	0.81	8,654,809,723	91.90%
2017	6,809,979,950	685,423,223	199,672,770	459,153,026	8,154,228,969	0.76	8,647,114,495	94.30% <sup>(5)</sup>
2016	6,749,732,645	664,734,844	190,814,950	394,852,593	8,000,135,032	0.76	8,483,706,291	94.30%

Source: Commissioner of Revenue

Notes:

- (1) Real estate is assessed at 100% of fair market value.
- (2) Includes PPTRA.
- (3) Assessed values are established by the State Corporation Commission.
- (4) Source: Virginia Department of Taxation.
- (5) 2017 Information is unavailable; used 2016 ratio.

**PROPERTY TAX RATES<sup>(1)</sup>**  
**Last Ten Calendar Years**

Calendar Year	Property Tax Rates						Total Direct Rate
	Real Estate	Personal Property <sup>(2)</sup>		Mobile Homes	Machinery and Tools		
		Vehicle	Other				
2025	\$0.52	\$2.60	\$2.00	\$0.52	\$2.00	\$0.70	
2024	0.52	2.60	2.00	0.52	2.00	0.94	
2023	0.63	2.60	2.00	0.63	2.00	0.87	
2022	0.63	2.60	2.00	0.63	2.00	0.84	
2021	0.63	2.60	2.00	0.63	2.00	0.81	
2020	0.63	2.50	2.00	0.63	2.00	0.81	
2019	0.63	2.50	2.00	0.63	2.00	0.81	
2018	0.63	2.50	2.00	0.63	2.00	0.81	
2017	0.58	2.50	2.00	0.58	2.00	0.76	
2016	0.58	2.50	2.00	0.58	2.00	0.76	

Notes:

<sup>(1)</sup> Per \$100 of assessed value.

<sup>(2)</sup> Personal Property includes:

Vehicle – auto, motorcycle, campers, boats, airplanes, trailers

Other – business personal property, large trucks and trailers

**PRINCIPAL PROPERTY TAXPAYERS**  
**Current Year and the Period Nine Years Prior**

Taxpayer	Business Type	Fiscal Year 2025			Fiscal Year 2016		
		2025 Assessed Valuation	Rank	% of Total Assessed Valuation	2016 Assessed Valuation	Rank	% of Total Assessed Valuation
Virginia Power	Public Utility	\$ 678,478,598	1	4.90%	\$ 291,144,639	1	3.64%
Charlottesville Industrial LLC	Fulfillment Warehouse	193,274,610	2	1.40%	-	N/A	-
Hershey Foods Corporation	Food Manufacturer	182,645,710	3	1.32%	107,061,850	2	1.34%
Shenandoah Valley Electric	Public Utility	108,340,760	4	0.78%	56,007,570	4	0.70%
McKee Baking Company	Food Manufacturer	73,892,790	5	0.53%	71,121,580	3	0.89%
Target Corporation(Dayton Hudson Corp)	Distribution Center	64,840,360	6	0.47%	45,430,230	5	0.57%
Augusta Health Care Inc.	Health Care	40,149,110	7	0.29%	-	N/A	-
Shamrock Foods Company	Food Manufacturer	39,535,960	8	0.29%	23,168,690	9	0.29%
Columbia Gas of VA	Public Utility	38,686,917	9	0.28%	-	N/A	0.00%
McQuay International	Industrial Air Cond. Equip.	35,303,940	10	0.25%	24,687,700	8	0.31%
Denstock Goose Creek, LLC	Real Estate Mgmt Service	-	N/A	-	21,762,300	10	0.27%
MeadWestvaco	Paper Mfg. Warehouse	-	N/A	-	26,485,300	7	0.33%
Hollister, Inc	Medical Supplies Mfg.	-	N/A	-	27,674,430	6	0.35%
		<u>\$ 1,455,148,755</u>		<u>10.51%</u>	<u>\$ 694,544,289</u>		<u>8.69%</u>

Source: Commissioner of Revenue

**PROPERTY TAX LEVIES AND COLLECTIONS  
Last Ten Calendar Years**

Calendar Year	Total Tax Levy for the Calendar Year	Collected within the Calendar Year of the Levy <sup>(1)</sup>		Collections in Subsequent Calendar Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2025 <sup>(2)</sup>	\$ 60,725,774	\$ 30,476,047	50.19%	\$ -	\$ 30,476,047	50.19%
2024 <sup>(2)</sup>	89,182,339	85,520,538	95.89%	- <sup>(3)</sup>	85,520,538	95.89%
2023 <sup>(2)</sup>	76,491,692	74,113,184	96.89%	1,122,418	75,235,602	98.36%
2022	75,667,655	73,086,537	96.59%	1,587,950	74,674,487	98.69%
2021	70,121,901	67,550,254	96.33%	1,571,178	69,121,432	98.57%
2020	67,192,028	64,684,273	96.27%	1,389,518	66,073,791	98.34%
2019	64,933,964	63,630,951	97.99%	1,563,930	65,194,881	100.40%
2018	61,276,873	59,184,706	96.59%	1,505,211	60,689,917	99.04%
2017	56,348,173	54,566,805	96.84%	1,540,294	56,107,099	99.57%
2016	55,511,225	53,258,040	95.94%	1,544,338	54,802,378	98.72%

Source: Commissioner of Revenue, County Treasurer’s Office

Notes:

- <sup>(1)</sup> Includes PPTRA collections from the Commonwealth of Virginia.
- <sup>(2)</sup> Taxes levied for the current calendar year include real estate taxes only; which are levied in May and due 50% in June and 50% in December. Personal property taxes are levied by September.
- <sup>(3)</sup> The calendar year levy is not considered delinquent and a subsequent year collection until July 1 of the following fiscal year.

**RATIO OF OUTSTANDING DEBT BY TYPE  
Last Ten Fiscal Years**

Fiscal Years	Governmental Activities					Total Primary Government	Percentage of Personal Income <sup>(1)</sup>	Per Capita <sup>(1)</sup>
	General Obligation	Revenue	Private					
	Bonds	Bonds	Placement	Leases	Subscriptions			
2025	\$ 104,787,593	\$ 70,964,524	\$ 378,788	\$ 5,834,396	\$ 2,269,855	\$ 184,235,156	4.17%	\$ 2,343
2024	112,698,715	43,501,006	782,336	5,187,363	727,718	162,897,138	3.93%	2,082
2023	118,816,151	3,478,695	1,170,784	5,198,740	1,179,492	129,843,862	3.20%	1,663
2022	58,110,052	4,509,443	1,428,063	5,091,839	-	69,139,397	1.87%	891
2021	63,516,501	5,170,965	1,750,669	-	-	70,438,135	1.99%	909
2020	68,813,173	5,807,487	2,126,746	-	-	76,747,406	2.29%	1,016
2019	74,473,645	6,424,009	-	-	-	80,897,654	2.53%	1,072
2018	80,768,982	7,020,530	-	-	-	87,789,512	2.75%	1,168
2017	86,828,357	7,597,052	-	-	-	94,425,409	2.97%	1,259
2016	75,885,169	8,163,572	-	-	-	84,048,741	2.84%	1,131
2015	51,139,403	8,715,094	-	-	-	59,854,497	2.04%	805

Notes:

- (1) See the Schedule of Demographic and Economic Statistics – Table 13
- (2) Details regarding the County’s outstanding debt can be found in the Notes to Financial Statements.

**RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUE  
AND NET BONDED DEBT PER CAPITA  
Last Ten Fiscal Years**

Fiscal Year	Net Bonded Debt <sup>(3)</sup>	Ratio of Net General Obligation Debt to Assessed Value <sup>(2)</sup>	Net Bonded Debt per Capita <sup>(1)</sup>
2025	\$ 104,787,593	0.76%	\$ 1,333
2024	112,698,715	0.98%	1,440
2023	118,816,151	1.25%	1,522
2022	58,110,052	0.63%	749
2021	63,516,501	0.70%	820
2020	68,813,173	0.77%	911
2019	74,473,645	0.87%	987
2018	80,768,982	1.02%	1,075
2017	86,828,357	1.06%	1,158
2016	75,885,169	0.95%	1,021

Notes:

- (1) Population data can be found in the Schedule of Demographic and Economic Statistics – Table 13.
- (2) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property – Table 7.
- (3) Includes all long-term general obligation bonded debt, excludes revenue bonds, private placement notes, leases, subscriptions, and compensated absences.

**DEMOGRAPHIC AND ECONOMIC STATISTICS  
Last Ten Fiscal Years**

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2025	78,622	\$ 56,234	71.52%	45-49 <sup>(1)</sup>	9,663	3.30%
2024	78,247	52,910	67.62%	45-49 <sup>(1)</sup>	9,649	2.80%
2023	78,064	51,965	66.57%	45-49 <sup>(1)</sup>	9,695	2.60%
2022	77,563	47,794	61.62%	45-49 <sup>(1)</sup>	9,498	2.70%
2021 <sup>(2)</sup>	77,487	45,658	58.92%	45-49	9,745	3.50%
2020 <sup>(2)</sup>	75,558	44,316	58.65%	45-49	9,896	5.80%
2019	75,457	42,436	56.24%	45-49	9,925	2.60%
2018	75,144	42,436	56.47%	45-49	9,939	3.00%
2017	74,997	42,436	56.58%	45-49	9,968	3.60%
2016	74,314	39,856	53.63%	50-54	10,106	3.50%

Source: Weldon Cooper Center, Virginia Employment Commission, Labor Market Information, and Annual School Report – prepared by the County

Note:

- <sup>(1)</sup> Data that is unavailable for a more recent year is noted as the prior year’s amount.
- <sup>(2)</sup> Fiscal year 2020 and 2021 unemployment rate was affected by the Worldwide COVID 19 pandemic.

**PRINCIPAL EMPLOYERS**  
**Current Year and Nine Years Prior**

Employer	Fiscal Year 2025			Fiscal Year 2016		
	Employees	Rank	% of Total County Employment	Employees	Rank	% of Total County Employment
Augusta Medical Center	1000+	1	3.92%	1000+	2	4.08%
Augusta County School Board	1000+	2	3.92%	1000+	1	4.08%
Hershey Chocolate of Virginia	1000+	3	3.92%	500-999	4	2.04%
Target Corp.	1000+	4	3.92%	500-999	5	2.04%
McKee Foods Corporation	500-999	5	1.96%	500-999	3	2.04%
AAF McQuay, Inc.	500-999	6	1.96%	500-999	6	2.04%
Innovative Refrig Systems, Inc.	500-999	7	1.96%	-	-	0.00%
Hollister, Inc.	500-999	8	1.96%	500-999	7	2.04%
University Instructors Inc	250-499	9	0.98%	-	-	0.00%
NIBCO of Virginia	250-499	10	0.98%	-	-	0.00%
County of Augusta	-	-	0.98%	250-499	10	1.02%
J.B. Hunt Transport	-	-	-	250-499	9	1.02%
Blue Ridge Community College	-	-	-	250-499	8	1.02%
<b>Totals, average</b>	<u>9,750</u>		<u>26.46%</u>	<u>7,875</u>		<u>21.42%</u>
<b>Total County employment</b>	<u>38,284</u>			<u>36,792</u>		

Source: Virginia Employment Commission, Labor Market Information (LMI)

**FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION**  
**Last Ten Fiscal Years**

Function	Fiscal Year June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General government	50	50	50	50	53	53	55	55	59	<b>60</b>
Judicial administration	26	27	27	27	30	31	33	33	33	<b>35</b>
Public safety:										
Sheriffs department	76	78	80	85	88	89	94	108	108	<b>111</b>
Emergency communication center	18	18	18	18	18	21	22	22	22	<b>23</b>
Fire & rescue	105	105	105	105	106	109	125	125	128	<b>141</b>
Building inspections	6	6	6	6	6	6	6	6	7	<b>8</b>
Animal control	3	3	3	3	3	3	3	3	3	<b>3</b>
Public works										
Facilities management:	27	31	31	35	35	35	35	35	34	<b>34</b>
Health and welfare:										
Department of social services	134	144	145	145	153	156	163	168	174	<b>159</b>
Culture and recreation:										
Parks and recreation	10	10	10	6	6	7	7	7	7	<b>8</b>
Library	16	16	16	16	16	16	16	17	18	<b>18</b>
Community development	11	11	11	11	11	12	12	12	12	<b>12</b>
Economic development	2	2	2	2	2	2	2	2	2	<b>2</b>
<b>Totals</b>	<b>484</b>	<b>501</b>	<b>504</b>	<b>509</b>	<b>527</b>	<b>540</b>	<b>573</b>	<b>593</b>	<b>607</b>	<b>614</b>

Source: Human Resources

**OPERATING INDICATORS BY FUNCTION  
Last Ten Fiscal Years**

Function	Fiscal Year June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Public Safety										
Sheriffs Department:										
Number of police personnel and officers	73	80	80	88	88	89	94	106	112	<b>114</b>
Physical arrests	1,907	2,383	2,469	2,328	2,549	2,676	2,559	2,713	2,277	N/A
Traffic violations	2,419	5,045	5,695	5,273	5,631	5,778	4,313	4,761	8,441	N/A
Parking violations	6	6	-	4	5	-	-	-	-	-
Fire and rescue:										
Number of calls answered	17,866	18,338	18,811	20,055	15,845	20,031	17,232	18,464	18,421	<b>20,312</b>
Number of volunteers <sup>(1)</sup>	858	813	785	607	605	650	632	596	559	<b>476</b>
Number of paid fire personnel and officers	86	105	105	105	106	109	125	126	141	<b>141</b>
Building inspections:										
Permits issued	826	907	779	825	794	840	851	866	976	N/A
Animal control:										
Number of calls answered	2,781	2,510	2,737	2,854	2,589	2,854	2,375	1,991	2,344	N/A
Public Works										
Facilities Management										
Trucks/vehicles <sup>(3)</sup>	7	7	15	15	16	16	16	16	16	<b>16</b>
Health and Welfare										
Department of Social Services:										
Caseload	11,420	11,514	11,708	12,299	13,809	15,601	17,167	18,852	18,855	<b>17,586</b>
Culture and Recreation										
Parks and recreation:										
After-school program participants <sup>(4)</sup>	285	279	272	226	159	-	-	-	-	-
Community Development										
Planning:										
Zoning permits issued	521	517	475	492	459	480	489	489	529	N/A
Component Unit - School Board										
Education:										
Instruction	1,071	1,079	1,056	1,064	1,077	1,115	1,113	1,138	1,136	<b>1,134</b>
Other	485	513	502	511	510	483	515	547	539	<b>548</b>
Total	1,556	1,592	1,558	1,575	1,587	1,598	1,628	1,685	1,675	<b>1,682</b>
Average daily membership	10,106	9,968	9,939	9,925	9,896	9,750	9,498	9,695	9,649	<b>9,663</b>
Local expenditures per pupil <sup>(2)</sup>	4,530	4,640	5,090	5,113	5,109	6,262	5,380	5,599	6,037	<b>6,262</b>

Source: Individual County departments

Notes:

- (1) All County funded stations
- (2) Includes debt service
- (3) In fiscal year 2018, Maintenance and Parks and Recreation grounds was merged to create Facilities Management. Vehicles were moved from Parks and Recreation.
- (4) In fiscal year 2020, the Parks and Recreation departments' after-school program was significantly impacted by the COVID 19 pandemic. The program ceased operating in March of 2020 due to shelter at home orders, this program has not been restored.
- (5) Data that is unavailable is noted as N/A

**CAPITAL ASSET STATISTICS BY FUNCTION**  
**Last Ten Fiscal Years**

Function	Fiscal Year June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Government										
Administration buildings	17	17	17	17	17	17	17	17	17	17
Vehicles	5	5	5	5	5	5	5	5	5	5
Public Safety										
Sheriff's Department:										
Number of stations	1	1	1	1	1	1	1	1	1	1
Patrol units	74	75	81	81	87	93	93	121	112	112
Other vehicles	15	10	19	19	21	21	21	30	26	26
Fire and rescue:										
Number of fire & rescue stations	17	17	17	17	17	17	17	17	17	17
Number of apparatus	170	176	179	179	190	181	172 <sup>(3)</sup>	169 <sup>(3)</sup>	171 <sup>(3)</sup>	181 <sup>(3)</sup>
Building inspections:										
Vehicles	4	4	4	4	4	4	4	4	4	4
Animal control:										
Vehicles	3	3	3	3	3	3	3	3	3	3
Emergency management	-	-	-	-	-	-	1	1	1	1
Mobile Command Units	1	1	1	1	1	1	1	1	1	1
Public Works										
General maintenance:										
Trucks/vehicles <sup>(2)</sup>	7	7	15	15	16	16	16	16	16	16
Compactor sites	10	10	10	10	10	10	10	10	10	10
Health and Welfare										
Department of Social Services:										
Vehicles	29	28	29	29	30	30	30	30	30	30
Culture and Recreation										
Parks and recreation:										
Community centers	6	6	6	6	6	6	6	6	3	3
Vehicles	12	12	12	7	6	6	6	6	6	6
Parks	5	5	5	5	5	5	5	5	5	5
Parks acreage	210	210	210	217	217	217	217	217	217	217
Swimming pools	2	2	2	2	2	2	2	2	2	2
Tennis courts <sup>(1)</sup>	18	18	18	18	18	18	18	18	18	18
Library:										
Vehicles	1	1	1	1	1	1	1	1	1	2
Community Development										
Planning:										
Vehicles	4	4	4	4	4	4	4	4	4	4
Economic Development:										
Vehicles	1	1	1	1	1	1	1	1	1	1
Component Unit - School Board										
Education:										
Number of schools:										
Elementary	11	11	11	11	11	11	11	11	9	9
Middle	4	4	4	4	4	4	4	4	5	5
High	5	5	5	5	5	5	5	5	5	5

Source: Individual County departments

Notes:

- (1) At high and middle schools.
- (2) Maintenance and Parks and Recreation grounds were combined to create facilities management that moved vehicles between departments.
- (3) Excludes antique vehicles.

## **COMPLIANCE SECTION**



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

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

We have audited, 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 (*Government Auditing Standards*); 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 unit, each major fund, and the aggregate remaining fund information of the County of Augusta, Virginia (County), as of and for the year ended June 30, 2025 and the related notes to the financial statements, which collectively comprise the County’s basic financial statements, and have issued our report thereon dated April 16, 2026.

**Report on Internal Control over Financial Reporting**

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

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as items 2025-001 and 2025-002 that we consider to be material weaknesses.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under Government Auditing Standards, which is described in the accompanying schedule of findings and responses as item 2025-003.

### **The County's Response to Finding**

*Government Auditing Standards* requires the auditor to perform limited procedures on the County's response to the finding identified in our audit and described in the accompanying Schedule of Finding and Questioned Costs. The County's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### **Purpose of this Report**

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

*P. B. Mares, LLP*

Harrisonburg, Virginia  
April 16, 2026



**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH  
MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

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

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited the County of Augusta, Virginia’s (County) 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 the County’s major federal programs for the year ended June 30, 2025. The County’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); 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 Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County 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 the County’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 the County’s federal programs.

### ***Auditor's 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 the County'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 GAAS, *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 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 the County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *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 the County'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 the County'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 the County's internal control over compliance. Accordingly, no such opinion is expressed.

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

### **Report on Internal Control over Compliance**

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's 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 we considered 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.

*P. B. Mares, LLP*

Harrisonburg, Virginia  
April 16, 2026

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ended June 30, 2025**

Federal Grantor/ Pass - Through Grantor/ Program Title (Pass - Through Grantor's Number) / Cluster Title	Assistance Listing Number	Pass-through Entity Identifying Number	Provided to Subrecipients	Federal Expenditures
Department of Agriculture:				
Pass-Through Payments:				
Department of Agriculture:				
Child Nutrition Cluster:				
Commodity Distributions	10.555	Not Provided	\$ - \$	622,495
Department of Education:				
Child Nutrition Cluster:				
School Breakfast Program	10.553	Not Provided	-	1,645,184
National School Lunch Program	10.555	Not Provided	-	3,365,734
Child and Adult Care Food Program	10.558	Not Provided	-	1,877
Summer Food Service Program for Children	10.559	Not Provided	-	117,438
Total Child Nutrition Cluster				<u>5,752,728</u>
Forest Service Schools and Roads Cluster:				
Schools and Roads - Grants to States	10.665	Not Provided	-	26,444
Total Forest Service Schools and Roads Cluster				<u>26,444</u>
Department of Social Services:				
SNAP Cluster:				
State Administration Matching Grants for the Supplemental Nutrition Assistance Program	10.561	Not Provided	-	2,041,481
Total SNAP Cluster				<u>2,041,481</u>
Total Department of Agriculture				<u>7,820,653</u>
Department of the Interior:				
Direct payments:				
Bureau of Land Management:				
Payments in Lieu of Taxes	15.226	N/A	-	681,909
Natural Resource Damage Assessment and Restoration	15.658	F24AC0015300001-4310	-	71,892
Total Department of the Interior				<u>753,801</u>
Department of Justice:				
Direct payments:				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	548889	-	3,169
Edward Byrne Memorial Justice Assistance Grant Program	16.738	526681	-	15,190
Edward Byrne Memorial Justice Assistance Grant Program	16.738	526549	-	50,567
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA-23-GG-03861-JAGX	-	14,229
Bulletproof Vest Partnership Program	16.607	2024 Regular Fund	-	11,775
Comprehensive Opioid, Stimulant, and other Substances Use Program	16.838	15PBJA-23-GG-02365-COAP	-	193,074
Comprehensive Opioid, Stimulant, and other Substances Use Program	16.838	2020-AR-BX-0052	-	69,925
Total Department of Justice - direct payments				<u>357,929</u>
Department of Justice:				
Pass-Through Payments:				
Department of Criminal Justice Services:				
Crime Victim Assistance (VW)	16.575	25-O1138VW22	-	66,243
Violence Against Women Formula Grants (DV)	16.588	24-Y3161VA22	-	41,549
Violence Against Women Formula Grants (SANE)	16.588	24-S4704VA22	-	52,486
Total Department of Justice - pass-through payments				<u>160,278</u>
Total Department of Justice				<u>518,207</u>
Department of Transportation:				
Pass-Through Payments:				
Department of Motor Vehicles:				
Alcohol Open Container Requirements	20.607	Not Provided	-	50,945
Total Department of Transportation				<u>50,945</u>

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ended June 30, 2025**

Federal Grantor/ Pass - Through Grantor/ Program Title (Pass - Through Grantor's Number) / Cluster Title	Assistance Listing Number	Pass-through Entity Identifying Number	Provided to Subrecipients	Federal Expenditures
Department of the Treasury:				
Pass-Through Payments:				
Department of Accounts:				
COVID-19 ARPA Relief Funds	21.027	Not Provided	\$ -	\$ 1,554,289
COVID-19 SLFRF School Security Grant	21.027	Not Provided	-	66,750
COVID-19 APRA CSLFRF Ventilation Improvement Projects	21.027	APE45277	-	531,813
COVID-19 LATCF Funds	21.032	LATCF00532	-	<u>325,624</u>
Total Department of the Treasury				<u>2,478,476</u>
Department of Education:				
Pass-Through Payments:				
Department of Education:				
Title I: Grants to Local Educational Agencies	84.010	Not Provided	-	<u>1,849,630</u>
Special Education Cluster:				
Special Education - Grants to States	84.027	9001-APE43071	-	2,562,559
Special Education - Preschool Grants	84.173	179001-APE62521	-	<u>69,487</u>
Total Special Education Cluster				<u>2,632,046</u>
Career and Technology Education: Basic Grants to States	84.048	179001-APE60031	-	139,432
Special Education - Grants for Infants and Families	84.181	Not Provided	-	94,844
English Language Acquisition State Grants	84.365	Not Provided	-	41,699
Supporting Effective Instruction State Grants	84.367	Not Provided	-	261,866
Student Support and Academic Enrichment Program	84.424	APE60022	-	<u>153,917</u>
Education Stabilization Fund:				
COVID-19 American Rescue Plan -Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	Not Provided	-	191,403
COVID-19 American Rescue Plan -Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	Not Provided	-	144,824
COVID-19 Homeless II Children/Youth	84.425W	Not Provided	-	<u>18,108</u>
Total Education Stabilization Fund				<u>354,335</u>
Total Department of Education				<u>5,527,769</u>
Department of Health and Human Services:				
Direct Payments:				
Head Start Cluster:				
Head Start	93.600	N/A	-	<u>3,801,024</u>
Head Start Cluster Total				<u>3,801,024</u>
Total Dept. Health & Human Services - direct payments				<u>3,801,024</u>
Pass-Through Payments:				
Department of Social Services:				
Guardianship Assistance	93.090	Not Provided	-	1,637
Title IV-E Prevention Program	93.472	Not Provided	-	88,410
MaryLee Allen Promoting Safe and Stable Families	93.556	Not Provided	-	53,426
Temporary Assistance for Needy Families	93.558	Not Provided	-	1,245,392
Refugee and Entrant Assistance - State/Replacement Designee Administered Programs	93.566	Not Provided	-	7,512
Low Income Home Energy Assistance	93.568	Not Provided	-	188,297
Child Care and Development Cluster:				
Child Care and Development Block Grant	93.575	Not Provided	-	(720)
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	Not Provided	-	<u>183,833</u>
Child Care and Development Cluster Total				<u>183,113</u>

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended June 30, 2025**

Federal Grantor/ Pass - Through Grantor/ Program Title (Pass - Through Grantor's Number) / Cluster Title	Assistance Listing Number	Pass-through Entity Identifying Number	Provided to Subrecipients	Federal Expenditures
Department of Health and Human Services (Continued):				
Pass-Through Payments (Continued):				
Chafee Education and Training Vouchers Program (ETV)	93.599	Not Provided	\$ -	\$ 2,126
Adoption and Legal Guardianship Incentive Payments	93.603	Not Provided	-	5,411
Stephanie Tubbs Jones Child Welfare Services Program	93.645	Not Provided	-	3,833
Foster Care - Title IV-E	93.658	Not Provided	-	680,684
Adoption Assistance	93.659	Not Provided	-	792,286
Social Services Block Grant	93.667	Not Provided	-	1,000,682
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	Not Provided	-	20,483
Elder Abuse Prevention Interventions Program	93.747	Not Provided	-	4,134
Children's Health Insurance Program	93.767	Not Provided	-	24,613
Medicaid Cluster:				
Medical Assistance Program	93.778	Not Provided	-	<u>1,806,223</u>
Medicaid Cluster Total				<u>1,806,223</u>
Total Dept. Health & Human Services - pass-through payments				<u>6,108,262</u>
Total Department Health and Human Services				<u>9,909,286</u>
U.S. Department of Homeland Security:				
Pass-Through Payments:				
Department of Emergency Management:				
Emergency Management Performance Grant	97.042	EMP-2022-EP-00006	-	<u>14,882</u>
Total Department of Homeland Security				<u>14,882</u>
Total Expenditures of Federal Awards				<u>\$ 27,074,019</u>

## COUNTY OF AUGUSTA, VIRGINIA

### NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS Year Ended June 30, 2025

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#### **Note 1. Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the County of Augusta, Virginia and Component Unit School Board (County) under programs of the federal government for the year ended June 30, 2025. The information in the 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, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the County.

#### **Note 2. Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Pass-through entity identifying numbers are presented where available.

#### **Note 3. Indirect Cost Rate**

The County has elected to not use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

#### **Note 4. Food Distribution**

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

**COUNTY OF AUGUSTA, VIRGINIA**

**SCHEDULE OF FINDING AND QUESTIONED COSTS  
Year Ended June 30, 2025**

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**Section I. SUMMARY OF AUDITOR'S RESULTS**

*Financial Statements*

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?  Yes  No  
 Significant deficiency(ies) identified?  Yes  None Reported

Noncompliance material to financial statements noted?  Yes  No

*Federal Awards*

Internal control over major federal programs:

Material weakness(es) identified?  Yes  No  
 Significant deficiency(ies) identified?  Yes  None Reported

Type of auditor's report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)?

Yes  No

Identification of major federal programs:

Federal Assistance Listing Number	Name of Federal Program or Cluster
93.558	Temporary Assistance for Needy Families
Supplemental Nutrition Assistance Program Cluster: 10.561	State Administration Matching Grants for the Supplemental Nutrition Assistance Program
Head Start Cluster: 93.600	Head Start
Medicaid Cluster: 93.778	Grants to States for Medicaid

Dollar threshold used to distinguish between type A and type B programs \$812,221

Auditee qualified as low-risk auditee?  Yes  No

# COUNTY OF AUGUSTA, VIRGINIA

## SCHEDULE OF FINDING AND QUESTIONED COSTS (Continued) Year Ended June 30, 2025

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### Section II. FINANCIAL STATEMENT FINDINGS

#### A. Material Weaknesses in Internal Control

##### **2025-001: Material Weakness Due to Significant Audit Adjustments**

Criteria: The year-end financial statements obtained from the County to be audited should be final and free of material misstatements.

Condition: Upon auditing the County's financial statements, there were significant delays and material audit adjustments to the trial balance within the governmental fund related to disposals of capital assets along with the recording of construction in progress.

Cause: In the current year, the County has been under significant limitations with staffing along with an increase in workload as the County implementing a new enterprise resource program.

Repeat Finding: This is a repeat finding for the County's governmental fund as the prior year finding was identified as 2024-001

Effect: The necessary entries above were material to the financial statements, and were included as adjustments in order to represent the financial position of the County more accurately.

Recommendation: The County should strive to complete the audit along with all adjustments prior to the auditor starting the audit to avoid any delays and give staff extra time to review all adjustments made to avoid any reconciling items or miskeying errors.

Views of Responsible Officials: Management concurs with the auditors' findings.

The auditors' assessment that there were significant delays and material adjustments to the trial balance prior to the commencement of the audit. These adjustments were primarily related to recording capital assets, and accruals.

The County went live with the new financial software on July 1, 2024, which was FY25. This was the first audit in the new system. There were challenges with crossing over some accounts into the new software and all audit accounts had to be created in the new system, which added to delays in adjustments. Finance also encountered reconciling issues between the legacy system that the Treasurer and Commissioner of Revenue still utilize and the new Finance accounting software. Much of these reconciliations had to be done manually to ensure accuracy, this led to delays. Finance was also active in verifying data for the upcoming payroll conversion during this period. Management recognizes that timeliness is a fundamental threshold for financial reporting. Management also recognizes that accuracy is also a fundamental threshold.

COUNTY OF AUGUSTA, VIRGINIA

SCHEDULE OF FINDING AND QUESTIONED COSTS (Continued)  
Year Ended June 30, 2025

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Section II. FINANCIAL STATEMENT FINDINGS (Continued)

A. Material Weaknesses in Internal Control (Continued)

**2025-002: Material Weakness Due to Significant Audit Adjustments**

Criteria: The year-end financial statements obtained from the County to be audited should be final and free of material misstatements.

Condition: At year-end, adjustments related to amounts due to and from the School Board were not recorded between the General Fund and the School Board component unit. As a result, inter-entity balances were materially misstated prior to audit adjustment.

Cause: The County did not have adequate procedures in place to ensure that all year-end interfund and component unit transactions between the General Fund and the School Board were identified, evaluated, and recorded as part of the closing process.

Effect: The failure to record year-end due to and from balances resulted in a material misstatement of the General Fund and School Board financial statements that required audit adjustment.

Recommendation: We recommend that management establish and implement formal procedures to identify, reconcile, and record all year-end interfund and school board receivable and payable balances. This should include coordination with the School Board to ensure agreement of balances prior to financial statement preparation.

Views of Responsible Officials: Management concurs with the finding. Management plans to strengthen year-end closing procedures by implementing additional reviews and coordination with the School Board to ensure all inter-entity balances are properly recorded.

## COUNTY OF AUGUSTA, VIRGINIA

### SCHEDULE OF FINDING AND QUESTIONED COSTS (Continued) Year Ended June 30, 2025

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#### Section II. FINANCIAL STATEMENT FINDINGS (Continued)

##### B. Compliance Finding

###### **2025-003: Noncompliance Due to Fund Over Budget**

Criteria: The year-end financial statements obtained from the County should not report any overages when comparing the final approved budget to the actual expenditures.

Condition: During our audit of the County's financial statements, we noted that actual expenditures in the County's Capital Projects Fund exceeded the final approved budgeted expenditures.

Cause: During the current fiscal year, the County did not fully consider year-end accruals related to significant ongoing capital and operational projects when monitoring budget-to-actual results. As a result, certain expenditures exceeded the final approved budget at the fund level.

Effect: As a result, total expenditures in the County's Capital Projects Fund exceeded the final approved budget by a significant amount when year-end accruals were recorded, resulting in noncompliance with the legally adopted fund-level budget.

Recommendation: We recommend that the County strengthen its budgetary control procedures by performing regular reviews of actual expenditures compared to the adopted budget at the fund level. Management should ensure that expenditures are monitored throughout the fiscal year and that timely budget amendments are approved by the governing body, when necessary, to prevent expenditures from exceeding authorized budgeted amounts.

Views of Responsible Officials: Management concurs with the finding. Management acknowledges that certain expenditures exceeded the amount appropriated in the legally adopted budget. The over-expenditures were not identified and addressed through timely budget amendments during the fiscal year. Management believes the issue resulted from insufficient monitoring of budget-to-actual results throughout the year.

#### Section III. FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

No matters were reported.



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**CORRECTIVE ACTION PLAN  
Year Ended June 30, 2025**

**Identifying Number: 2025-001 Material Weakness Due to Significant Audit Adjustments**

Finding: Upon auditing the County’s financial statements, there were significant delays and material audit adjustments to the trial balance within the governmental fund.

Corrective Action Taken or Planned: Management continues to train freshman staff members as well as working through software challenges as they arise. Management feels that with continued training of new staff and the ability to redistribute the workload more evenly will prevent these delays in the future. We actively work to retain employees and build upon their knowledge and expertise. We will continue to work on cross training staff to ensure that the workload can be absorbed should staffing shortages be encountered in the future.

The contact person responsible for the corrective action is Misty Cook, Director of Finance for the County.

Anticipated Completion Date: 10/01/2026

**Identifying Number: 2025-002 Material Weakness Due to Significant Audit Adjustments**

Finding: At year-end, adjustments related to amounts due to and from the School Board were not recorded between the General Fund and the School Board component unit. As a result, inter-entity balances were materially misstated prior to audit adjustment.

Corrective Action Taken or Planned: Management concurs with the auditors’ findings. The auditors’ assessment that there was a material adjustment related to the amounts due to and from the school board. Management recognizes that year-end adjustments are required prior to commencement of the audit. Management will ensure that new staff are trained to identify these year-end adjustments in the future.

The contact person responsible for the corrective action is Misty Cook, Director of Finance for the County.

Anticipated Completion Date: 10/01/2026



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**CORRECTIVE ACTION PLAN**  
**Year Ended June 30, 2025**

**Identifying Number: 2025-003 Noncompliance Due to Fund Over Budget**

Finding: During our audit of the County’s financial statements, we noted that actual expenditures in the County’s Capital Projects Fund exceeded the final approved budgeted expenditures.

Corrective Action Taken or Planned: Management will review the County’s Capital projects fund closer to year end to ensure that all expenses are tracking as projected. During revised budget we identified a project that was experiencing delays and adjusted the budget down accordingly but once all accruals were accounted for the project was over budget. The County does maintain adequate balances in this fund to cover these projects as they are planned out well in advance. In the future reviews will be conducted once all accruals are posted and any adjustments will be presented to the board of supervisors’ for a budget amendment.

The contact person responsible for the corrective action is Misty Cook, Director of Finance for the County.

Anticipated Completion Date: 10/01/2026

# COUNTY OF AUGUSTA, VIRGINIA

## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS Year Ended June 30, 2025

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### FINANCIAL STATEMENT FINDING

#### A. Significant Deficiency Due to Significant Audit Adjustments

**Identifying Number: 2024-001 Significant Deficiency Due to Significant Audit Adjustments**

Criteria: The year-end financial statements obtained from the County to be audited should be final and free of material misstatements.

Condition: Upon auditing the County's financial statements, there were significant delays and audit adjustments to the trial balance and schedule of expenditures of federal awards.

Cause: In the current year, the County has been under significant limitations with staffing along with an increase in workload as the County is in the process of implementing a new enterprise resource program.

Effect: The necessary entries above were significant to the financial statements, and were included as adjustments in order to represent the financial position of the County more accurately.

Recommendation: The County should strive to complete the audit along with all adjustments prior to the auditor starting the audit to avoid any delays and give staff extra time to review all adjustments made to avoid any reconciling items or miskeying errors.

Views of Responsible Officials: Management agrees that there were significant delays and adjustments to the trial balance and schedule of expenditures of federal awards for FY24. The auditors' assessment of the cause is accurate as well. The department began implementation of a new financial software in June of 2023. An aggressive timeline (12 months) for the implementation was adopted by the County at the recommendation of the software company. In talking with other localities, it was highly stressed upon that the implementation should not be rushed due to the size and nature of such a project. The County decided to go with the software company's recommendation. During FY24 the finance department realized an increased workload with a significant special project, the finance department also faced a staffing shortage of approximately 60%. During fiscal year 2024 and 2025 the department was responsible for not only the day-to-day tasks as well as a significant workload of preparing a new financial software from scratch, but also the audit, the budget, and the hiring and training of new staff. Management recognizes that timeliness is a fundamental threshold for financial reporting. Management also recognizes that accuracy is also a fundamental threshold. This is a repeat finding for FY25. The finance department continues to work through reconciling issues with the new software as well as manual reconciling of the Treasurer's legacy software. All of these factors contributed to a repeat finding for FY25.

The contact person responsible for the corrective action is Misty Cook, Director of Finance for the County.

Anticipated Completion Date: 10/01/2026