

COUNTY OF WARREN, VIRGINIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2023

COUNTY OF WARREN, VIRGINIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

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PREPARED BY:

FINANCE DEPARTMENT

COUNTY OF WARREN, VIRGINIA
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COUNTY OF WARREN



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Dr. Edwin C. Daley
County Administrator

June 14, 2024

**To the Honorable Members of the Board of Supervisors
To the Citizens of Warren County
County of Warren, Virginia**

We are pleased to present the Comprehensive Annual Financial Report for the County of Warren, Virginia (the "County") for the fiscal year ended June 30, 2023. This report was prepared by the County's Finance Department. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the County. We believe the data, as presented, is accurate in all material respects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the County as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the County's financial affairs have been included.

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

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

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

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

When necessary, the Board of Supervisors approves amendments to the adopted budget in accordance with §15.2-2507, Code of Virginia of 1950, as amended. Budgetary compliance is monitored and reported at the department level. The budget is implemented through appropriations that the Board makes annually, with supplemental appropriations made as required. These appropriations, except those to incur mandated expenditures, may be greater or less than contemplated in the budget.

THE REPORTING ENTITY AND ITS SERVICES

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

COUNTY DEMOGRAPHIC AND ECONOMIC DEVELOPMENT INFORMATION

Warren County’s existing industrial sectors include, but are not limited to, agricultural, automotive, banking/finance, call centers, forest/wood products, furniture, metal fabrication, nuclear engineering/fabrication, pharmaceutical, plastics, printing, technology, textile, higher education, and trucking.

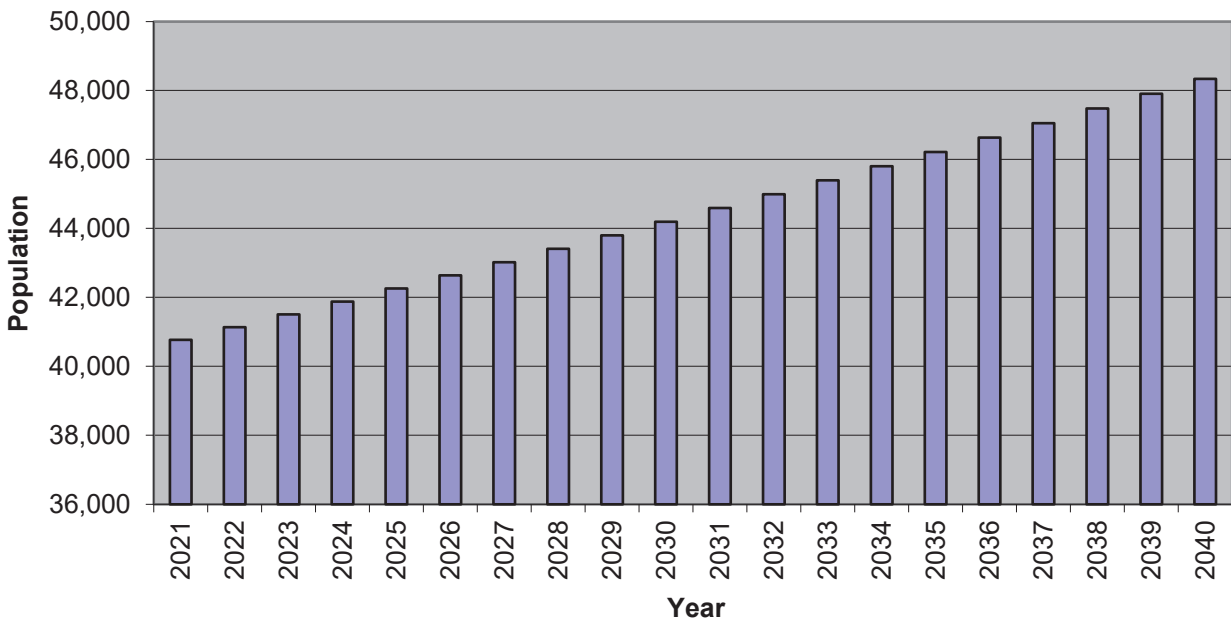
The County’s unemployment rate in June 2023 was 2.9%, a decrease over the 3.0% of June 2022. The rate of 2.9% was slightly higher than the Commonwealth of Virginia’s 2.8%; however, it was lower than the national average of 3.8% for June 2023.

The total reported value of new construction permits issued decreased from \$143,421,047.25 in FY 2022 to \$116,099,549.49 in FY 2023 (-\$27,321,498 or -19.05%). This decrease is attributable to the prior year’s expansion in the industrial and commercial sectors along the Route 340/522 corridor, which included the Equus and InterChange/Nature’s Touch projects. The FY 2023 figure is higher than the 10-year average of \$98,288,672.61. The total number of building permits was up in FY 2023 over FY 2022 from 2,456 to 2,535, an increase of 0.03%.

Warren County’s population has increased slightly from 40,727 as of April 1, 2020, to the most recent July 1, 2023, population estimate of 41,552, an increase of 825 persons (2.0%). Warren County’s estimated population of 41,552 is an increase of 3,977 persons (10.58%) from the 2010 Census count of 37,575. The County Planning Department projections show a steady conservative annual population growth of approximately 1% per year over the next 20 years.

The County Comprehensive Plan’s goal is to direct future development into an efficient and serviceable form that will preserve the County’s predominately rural character. With the objective to develop land use policies and implement land use decisions in such a manner as to limit average residential growth to no more than 3% per year, measured in new residential building permits. And to encourage developments to be phased in so as to not exceed the County’s vision of maintaining a 2% to 3% annual growth rate.

Warren County Population Projections



As the Washington Metropolitan area continues to expand, Warren County and the surrounding area will continue to see additional residential growth pressures and an influx of new homeowners. This will be somewhat offset by fuel costs and traffic congestion, which make commuting to work in the Northern Virginia area less attractive to County residents.

Increasing the industrial/commercial tax base in an effort to minimize the tax burden on residents continues to be a top priority of the County. Several projects have recently been completed or are in the review process of completion that will enhance the County's tax base.

300 Winners Court

In 2021, Equus Capital Partners broke ground on the 339,450 SF warehouse/distribution spec building along RT340/522. The project was completed in 2022, with Equus securing a tenant for the building. In September 2023, the property was purchased by The Silverman Group for \$38,200,000. There is currently a 10-year lease by Iron Mountain Incorporated, they recently sublet 167,000 SF of space to the Crane Company.



Recent Aerial Image of 300 Winners Court Facility

InterChange/Nature's Touch

Nature's Touch Frozen Foods, a supplier of frozen fruits and vegetables for the United States, Canada, and Australia, moved into their new facility located at 195 Toray Drive. They reported there has been \$23,110,793 in capital investment, 78 employees with an average wage of \$40,363, with more costs and jobs to be reported.



Aerial Image of Current Nature's Touch Facility with Virginia Inland Port in Background

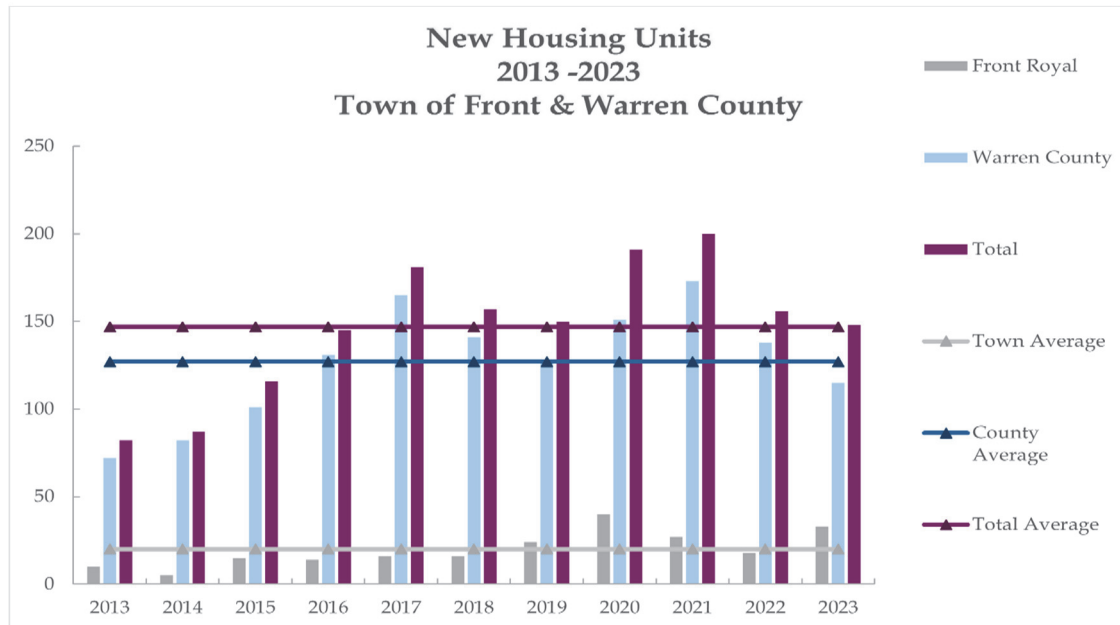
Commercial development has grown significantly over the past fifteen years as the Crooked Run (220,000 SF) and Riverton Commons (450,000 SF) shopping centers have been developed along the Route 340/522 Corridor. These two shopping centers are providing significant sales, meals, and real estate taxes to the community. Commercial construction expanded north of the Riverton Commons Shopping Center and the County's first climate-controlled storage facility opened. Manuel Trucking completed their new facility on Winners Court, and Terra Site Constructors is in the final stages of development.



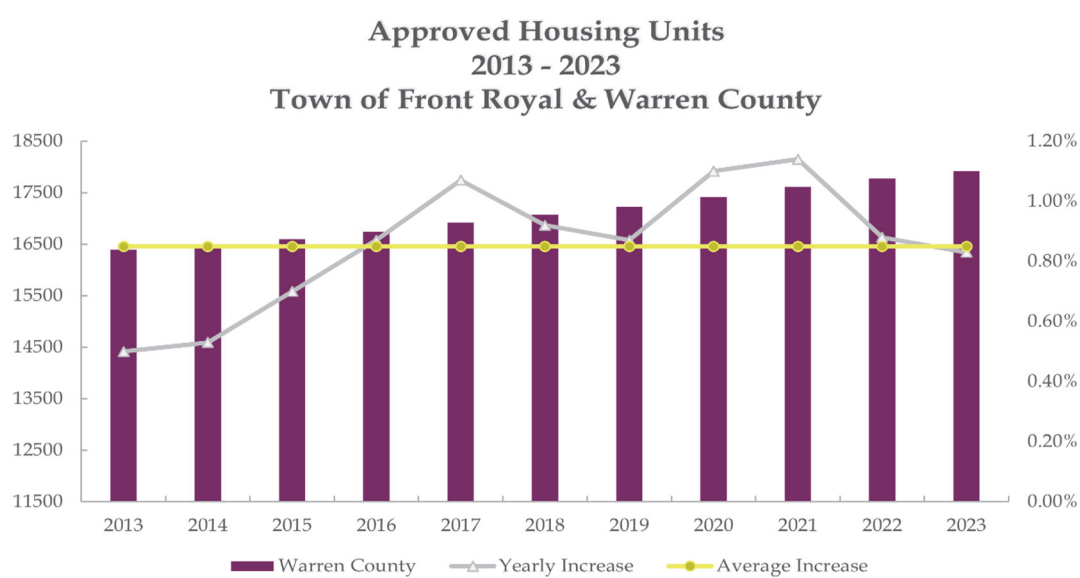
Riverton Commons and Crooked Run Shopping Centers

Residential growth in Warren County had maintained a steady and healthy pace over the past ten years until the last two years. In 2023, the County had a total of 148 new home starts. Of that number, 32 were within Town limits and the remaining 116 outside Town limits. As a comparison, in 2022 there were a total of 156 new home starts, resulting in a decrease for 2023 of 5.1%.

The following charts show the increase in the number of units and the percentage growth in the County since 2013.



	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Approved Housing Units	16,389	16,476	16,592	16,737	16,918	17,075	17,225	17,416	17,616	17,772	17,887
Annual % Increase	0.50%	0.53%	0.70%	0.87%	1.08%	0.93%	0.88%	1.10%	1.10%	0.89%	0.64%



	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Average
Front Royal	10	5	15	14	16	16	24	40	27	18	33	20
Warren County	72	82	101	131	165	141	126	151	173	138	115	127
Total	82	87	116	145	181	157	150	191	200	156	148	147

FY 2023 OTHER ECONOMIC DEVELOPMENT ACCOMPLISHMENTS

Virginia Inland Port

In early 2023 the VIP began construction of rail expansion within the property that consists of 4 new rails (4,400' in length) and enhanced rail handling equipment that will assist with operations and capacity at the site. The project is anticipated to be complete in late 2024 and cost approximately \$20,000,000. Additionally, VIP assisted in getting the BUILD grant to fund the grade separated crossing at Rockland Road, which is approximately \$28,000,000. The County also participated in a VIP led workshop/seminar in October that discussed the economic development opportunities that the Port provides and assists within Virginia.

Rushmark Rezoning

In August of 2023 the County Board of Supervisors approved the rezoning of approximately 46 acres from Commercial to Industrial. This land has been zoned commercial for many years; however, the commercial market has slowed down since the 2000's, therefore the applicant proposed rezoning the back portion to industrial while retaining the commercial corridor along RT340/522. The proposed plan is to construct three (3) buildings with approximately 627,000 SF of building space. The commercial site along the road retains the proposed collector road which will be constructed by a future developer.

Front Royal Self Storage

In the summer of 2023, Front Royal Self Storage Plus opened approximately 80,000 SF of climate-controlled storage and over 100,000 SF of drive-up unit spaces. These are the first climate-controlled units for Warren County.

Slate Run Farm Rezoning

In 2021, current owners, Slate Run Farm LLC, purchased the approximately 450 acres Jett Family Farm. This property has been identified in County Comprehensive Plans as future industrial land use. In 2023, the owners applied to rezone the property from Agricultural to Industrial. The application is currently on hold, with active discussions with the Planning Department regarding next steps.

Other notable expansions/events

- Manual Trucking began operations in the new building at 341 Winners Court.
- Terra Site Constructors is nearing completion of a new facility at 6944 Winchester Road.
- Ferguson Enterprises is remodeling their existing facility.
- Timberworks Tree Care is working with Planning & Zoning on expanding their existing facility.
- Downtown Main Street and the Town of Front Royal has seen multiple new small businesses open.

FR-WC EDA Properties

The EDA entered into three (3) contracts to sell EDA owned property.

- Stephens Industrial Park - Lot 2: \$3,815,00.00
 - Due Diligence Ends March 15, 2024
 - Settlement Date approximately End 2024/Early 2025
- Stephens Industrial Park - Lot 6: \$1,742,000.00
 - Due Diligence Ends Approximately January/February 2024
 - Settlement Date approximately 30 days after due diligence
- 1321 Happy Creek Road: \$1,852,500.00
 - Contract Terminated December 2023
 - New contract for \$1,200,000 approved on January 5, 2024
 - Settlement date approximately February 29, 2024

The EDA has seen little serious interest in the Happy Creek Technology Park or Avtex Site over the past year. Given the pending sale of the more desirable properties listed above, the EDA will focus on marketing and selling the remaining parcels within the next year.

Small Business

The Small Business Development Center (SBDC) presented to the BOS in December 2023 with data that highlights their involvement with Warren County small businesses. The SBDC met with 100 clients and created 15 jobs and retained 32. The County also participated in the SBDC's Power up Your Business program in October 2023, which provided various presentations to educate and inform existing and new small businesses.

FR-WC EDA Business Outreach

The EDA hosted three (3) business roundtable discussions in 2023. The first was held for invited guests at the Virginia Inland Port to highlight Warren County's accessible location. The second was open to the public at the Warren County Community Center with presentations and panel discussion regarding workforce development and retention. The third program provided guests with small business opportunities and resources from the local, regional, state, and federal level.

Regional Initiatives

The County Department works closely with our regional partners in Shenandoah, Frederick, Clarke, Page, and Winchester on Northern Shenandoah Valley projects. These include the annual Worlds of Work which is hands on career expo for 8th graders, the Employer Expo in May that invites employers to exhibit and job seekers have workshops and outreach opportunities, and the Northern Shenandoah Valley job recruitment and retention strategy.

COUNTY VISION STATEMENT

The Strategic Vision sets the direction for an update to the County's Comprehensive Plan. The Comprehensive Plan is the County's official policy guide for future development related decisions. It is long range in nature and provides a picture of how the community wishes to develop over the next 15 to 20 years.

Warren County will be a thriving community that retains its safe, scenic, friendly, and inviting character with leadership that puts community first and works cooperatively to:

- Preserve the quality of our clean water, air, natural resources, and scenic landscape.
- Grow gradually at a rate that supports the local economy but does not place stress on County services or natural resources. This has historically meant a 2% to 3% annual growth rate.
- Maintain our small-town character and rural lifestyle while providing quality amenities for shopping, recreation, and entertainment.
- Enhance opportunities for quality wage jobs that allow residents to live, work and raise families in the County.
- Support an excellent school environment that retains quality teachers and graduates the next generation of leaders.
- Provide a variety of housing choices to allow our citizens and workforce to live prosperously and age with dignity within their community.
- Deliver quality services such as fire, safety, and law enforcement, and provide safe and modern roads and other infrastructure within a framework of balanced taxes and sound fiscal management; and
- Make Warren County a place of choice in Virginia, where people choose to live, prosper, raise families, grow businesses, and stay a lifetime.

CAPITAL IMPROVEMENTS

There are a number of projects either in the planning, implementation, or early action stages that will improve the services that are provided by the County including, but not limited to:

- Completion of renovations to various schools, including HVAC replacement and roof repairs
- Construction of a new fire station in the Shenandoah Farms area and redevelopment of the Linden Fire Station
- Continued acquisition of replacement ambulances and fire trucks as needed to replace outdated equipment in the Fire and Rescue Department
- Continued development of Rockland Park through the acquisition of State and Federal funds
- Initiation of construction of Old Oak Lane in the Shenandoah Farms Sanitary District
- Construction of a warming shelter for staff of the Transfer Station
- Construction of an expanded trash and recycling convenience center on Route 522 North
- Upgrades to the Bentonville Boat Landing
- Upgrades to the Warren County Youth Center
- Upgrades to the Warren County Senior Center at the Health and Human Services Complex

Public Safety

The Department of Fire and Rescue Services (WCFR) continues work in the development and implementation of long-term Capital Needs and Asset Replacement Plans. These plans will assist the policymakers in the allocation of funds to ensure safe and reliable apparatus and equipment. In 2022, WCFR committed to purchasing (ordering) and/or placing in-service the following apparatus and equipment:

- Three 2023 Ambulance Transport Units
- One Stryker Performance PRO Cot/Upgrade
- One 2023 Pierce Enforcer Pumper

WCFR continued replacing all systemwide personal protective equipment. This has historically been a responsibility of the individual volunteer station. This process will ensure adequate and NFPA-compliant PPE across the countywide response system. Additionally, the department made several advancements in the acquisition of several training aids to assist in the training and education of our responders. These assets will prove beneficial in the enhancement of our emergency response system. Several staff members completed their education in the paramedic-level training program. These achievements have afforded the department the opportunity to enhance our advanced life support response services throughout Warren County.

WCFR began a renovation of the Linden Community Fire Station #4. This process was due to the discovery of mold and moisture issues that presented unsafe working conditions to the career and volunteer responders assigned to that station.

Public Safety is regarded by the Board of Supervisors as one of the primary functions of local government. The County of Warren is committed to providing staff with quality facilities and adequate resources to carry out their jobs.

Solid Waste

The County has been working for the past fifteen years to upgrade the County's four compactor sites and Transfer Station to better meet the needs of its citizens by increasing recycling opportunities and improving traffic flow. Over the past decade, the County has been able to:

- Expand, repave, and stripe the Rockledge Site - (2016)
- Repave and stripe the Cooley site (Route 340/522 North) - (2016)
- Tipping floor overlay at the Transfer Station - (2018)
- Repave and stripe the Transfer Station - (2019)
- Construction of maintenance employee building - (2023)

The Shenandoah Farms compactor site is currently located on a rented site at the Shenandoah Farms Grocery Store. Due to the relatively small size of the site, there is not room to provide for adequate traffic flow, parking, and recycling bins. With the projected future growth of the area due to the undeveloped lots, the County has identified the need to replace and upgrade the site. In addition, the County, through a formal agreement with Clarke County, accepts waste from Clarke County residents at this location.

The Cooley compactor site is currently located in the Crooked Run area within the Winchester Road Park-n-Ride. The current site is the busiest of all the County's satellite facilities and has become functionally obsolete. During the next year, the County is planning to install a second compactor at the current Cooley site and begin looking for a new facility location in the area to improve the recycling area, container storage, parking area, and traffic flow.

The County has completed some significant improvements to the Transfer Station located in Bentonville at the old County landfill site. It was opened in 1994 and was in need of significant improvements. In 2019, the County was able to complete repaving of the transfer station and in 2023, the County was able to upgrade employee office/warming area and break areas, to include new restrooms and lunch area for staff. The project was completed without impact on the operations.

Parks and Recreation

The Parks and Recreation Department has completed several significant projects including a new restroom/concession building at Lions Park, Eastham Trail Phases I, II, and III, practice fields and parking area at Rockland Park, and the addition of four fields, a walking trail, a large skate park, a large shelter, a small playground, a concession/restroom facility, large and small parking lots, and an access road at the Skyline Soccerplex.

County officials, staff, and the community will continue to work together to promote and enhance the County and the quality of life for its residents. It is a continuing goal that Warren County remains a productive and promising community as well as maintains fiscal stability for many years to come.

Information Technology

The Information Technology Department continues to do its part to protect Warren County IT Systems while caring for the technology needs of all County departments and employees. In the past year, the IT Department has restored all server inventory to a current operating system release. Deployed additional network monitoring systems. Moved server inventory to a virtual instance as appropriate. The IT Department has processed over 2800 technology-related work orders. Additionally, the IT Department has successfully deployed a new website, begun coordinating several social media channels and leveraging appropriate media services.

The IT Department continues to do its part to promote trust, train staff, respond to IT issues and protect County systems from various 21st century cyber threats.

PROPERTY TAX RATES

The County of Warren set an equalized **real estate tax rate of \$.49 for the 2023 tax year after a general reassessment.** Personal Property tax rates for 2022 decreased for qualified motor vehicles at the rate of \$3.80 per \$100 of assessed value and unqualified property remained at \$4.00 per \$100. In addition, the assessed value was lowered from Clean Average Trade-in to Average Trade-in from the J D Power Guide for 2022 due to the increase in market value. For 2023, the tax rate increased back to \$4.00 per \$100 for qualified and unqualified property, but the value stayed at the Average Trade-In assessment. For 2024 the value will increase back to the Clean Trade-In assessment as it is closer to the Fair Market Value of vehicles in today's market. At \$.49, Warren County remains fairly consistent with the real estate tax rates of its neighbors including Fauquier County (\$0.903), Page (\$0.73), Clarke (\$0.60), Frederick County (\$0.51), Rappahannock (\$0.61), and Shenandoah (\$0.60) Counties.

GOVERNMENT'S FINANCIAL POLICIES

The County has adhered to its adopted financial policies and has maintained its undesignated fund balance at or near the required 15% of the total operating budget.

OTHER INFORMATION

Management's Discussion and Analysis

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

Independent Audit

The Commonwealth of Virginia requires an annual audit of the financial records and transactions of all departments of the County by independent certified public accountants selected by the Board of Supervisors. The County is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and U.S. Office of Management and Budget Circular A-133, Audits of States, Local Government and Non-Profit Organizations. Information related to this single audit, including the findings and recommendations and auditors' reports on the internal control structure and compliance with laws and regulations, is contained in this report. The audit complied with these requirements, and the auditor's opinion is included in this report.

Certificate of Achievement

The County is a proud recipient of the Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award for its FY 2022-2023 budget, which requires that a government prepare and present a budget document that exceeds guidelines established by the National Advisory Council on State and Local Budgeting and GFOA's best practices on budgeting. The County has received this award for twelve consecutive years.

Acknowledgments

The preparation of this report on a timely basis could not have been accomplished without the dedicated services of the Finance Department. We would also like to thank the Board of Supervisors for its interest and support in planning and conducting the financial operations of the County in a responsible and progressive manner. In addition, we would like to thank the staff of the Finance Department, and other contributors, for their assistance in the preparation of this report.

Respectfully submitted,



Dr. Edwin C. Daley, ICMA-CM
County Administrator



Alisa M. Scott, CPPB, VCO, PMP
Director of Finance

COUNTY OF WARREN, VIRGINIA

Board of Supervisors

Victoria L. Cook, Chair
Delores R. Oates, Vice-Chair
Cheryl L. Cullers
Jerome k. Butler
Walter J. Mabe

County School Board

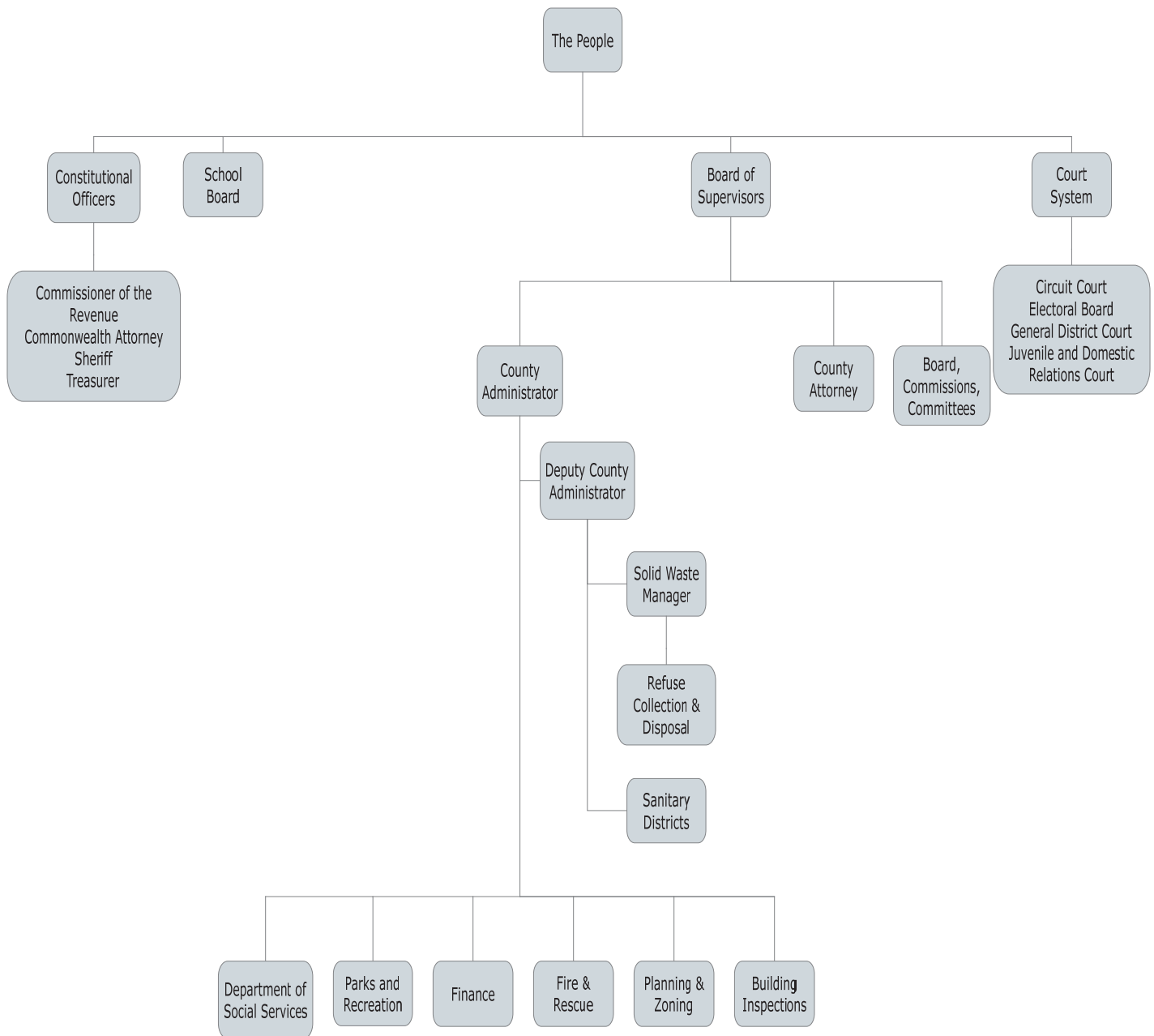
Kristen J. Pence, Chair
Ralph A. Rinaldi, Vice Chair
Antoinette D. Funk
Andrea M. Lo
Melanie C. Salins

Advisory Board for Warren County Social Services

Stephen Jerome, Chair
Hayden Ashworth, Vice-Chair
Lorraine Brandon
Robert Cullers

Other Officials

Chief Judge of Circuit Court Honorable Alexander R. Iden
Chief Judge of General District Court Honorable John Stanley Hart, Jr.
Chief Judge of Juvenile and Domestic Court Honorable Elizabeth Kellas Burton
Commonwealth's Attorney John Bell
County Attorney Jason J. Ham
Commissioner of Revenue Sherry T. Sours
Treasurer Jamie L. Spiker
Sheriff Mark A. Butler
Superintendent of Schools Dr. Chris L. Ballenger
Chief of Fire and Rescue Services James G. Bonzano
Building Official David C. Beahm
Planning Director Matthew P. Wendling
Director of Economic Development Joseph W. Petty
Parks and Recreation Director Daniel P. Lenz
Public Works Director Michael R. Berry
Registrar Carol L. Tobin
Director of Social Services Jon Martz
Human Resources Director Jane E. Meadows
County Administrator Dr. Edwin Daley
Deputy County Administrator Taryn G. Logan
Director of Finance Alisa M. Scott





Independent Auditors' Report

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

Report on the Audit of the Financial Statements

Unmodified and Disclaimer of Opinions

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit - School Board, each major fund, and the aggregate remaining fund information of the County of Warren, Virginia, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Disclaimer of Opinion on the Discretely Presented Component Unit - EDA

We do not express an opinion on the financial statements of the discretely presented component unit EDA of the Town of Front Royal and the County of Warren, Virginia. Because of the significance of the matter described in the "Basis for Disclaimer of Opinion on the Discretely Presented Component Unit - EDA" section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements of the discretely presented component unit.

Unmodified Opinions on Governmental Activities, the Discretely Presented Component Unit - School Board, Each Major Fund, and the Aggregate Remaining Fund Information

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, discretely presented component unit - School Board, each major fund, and the aggregate remaining fund information of the County of Warren, Virginia, as of June 30, 2023, 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 Disclaimer of Opinion on the Discretely Presented Component Unit - EDA

The financial statements of the Economic Development Authority of the Town of Front Royal and the County of Warren, Virginia (EDA) have been omitted. The amounts by which this omission would affect the assets, deferred outflow of resources, liabilities, deferred inflows of resources, net position, revenues and expenses of this discretely presented component unit have not been determined.

Basis for Unmodified Opinions

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

Change in Accounting Principle

As described in Note 1 to the financial statements, in 2023, the County adopted new accounting guidance, GASB Statement No. 96, *Subscription-Based IT Arrangements (SBITA)*. Our opinions are not modified with respect to this matter.

Restatement of Beginning Balances

As described in Note 19 to the financial statements, in 2023, the County restated beginning balances to correct cash in the General Fund and the discretely presented component unit School Board restated beginning balances to include the Textbook Fund. 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 County of Warren, Virginia's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Auditors' Responsibilities for the Audit of the Discretely Presented Component Unit - EDA

Our responsibility is to conduct an audit of the County of Warren, Virginia's financial statements in accordance with generally accepted auditing standards and to issue an auditors' report. However, because of the matter described in the Basis for Disclaimer of Opinion on the Discretely Presented Component Unit - EDA section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements of the discretely presented component unit - EDA.

We are required to be independent of the County of Warren, Virginia, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit.

Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

Auditors' Responsibilities for the Audit of the Governmental Activities, the Business-type Activities, the Discretely Presented Component Unit - School Board, Each Major Fund, and the Aggregate Remaining Fund Information

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Warren, Virginia's basic financial statements. The accompanying other supplementary information and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. Because of the significance of the matter described in the basis for disclaimer of opinion paragraph, it is inappropriate to and we do not express an opinion on the supplementary information referred to above.

Other Information

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

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

Reissuance of Report due to Correction of Errors

As described in Note 20 to the financial statements, the County corrected errors that were included in the previously issued report. Our opinion is not modified with respect to this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 14, 2024, on our consideration of the County of Warren, Virginia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of County of Warren, Virginia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County of Warren, Virginia's internal control over financial reporting and compliance.

Robinson, Farmer, Cox Associates

Charlottesville, Virginia

June 14, 2024, except for the items addressed in Note 20 to the financial statements, as to which the date is August 20, 2024.

Management's Discussion and Analysis

As the financial management team of the County of Warren, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County of Warren for the fiscal year ended June 30, 2023. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the County's financial statements, which follow this narrative.

Financial Highlights

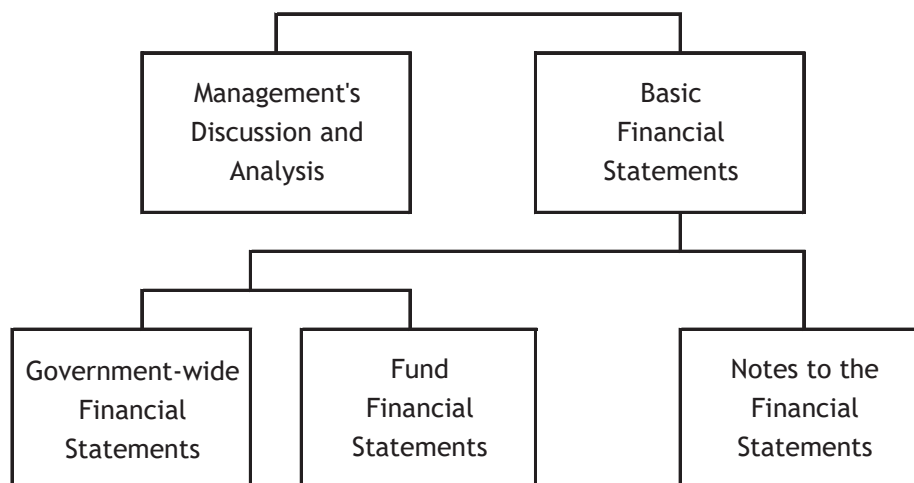
- The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$109,785,835 (net position), an increase of \$9,397,773.
- As of the close of the current fiscal year, the County of Warren's governmental funds reported a combined ending fund balance of \$43,653,932, an increase of \$3,334,561 from the prior year. The majority of the balance (\$38,775,379) is available for spending at the government's discretion (unassigned, assigned or committed).
- At the end of the current fiscal year, the unassigned fund balance for the General Fund was \$19,394,825.
- The County's total long-term obligations (Note 7) decreased by \$9,209,070 during the current fiscal year after recording decreases attributable to scheduled debt service payments and a decrease in the net pension liability.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the County's basic financial statements, which consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements (see Figure 1). The basic financial statements present two different views of the County through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other information that will enhance the reader's understanding of the financial condition of the County of Warren.

Required Components of the Annual Financial Report

Figure 1



Basic Financial Statements

The first two statements (Exhibits 1 and 2) in the basic financial statements are the Government-wide Financial Statements. They provide both short and long-term information about the County's financial status.

The next statements (Exhibits 3 through 11) are fund financial statements. These statements focus on the activities of the individual parts of the County's government and provide more detail than the government-wide statements. There are three parts to the fund financial statements: 1) the governmental funds statements, 2) the budgetary comparison statements, and 3) the fiduciary fund statements.

The next section of the basic financial statements is the Notes to Financial Statements. The notes explain in detail some of the data contained in these statements. After the notes, supplementary information is provided to show details about the County's individual funds.

Government-Wide Financial Statements

The government-wide financial statements, namely the Statement of Net Position and the Statement of Activities, are designed to provide the reader with a broad overview of the County's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the County's financial status as a whole.

The two government-wide statements report the County's net position and how it has changed. Net position is the difference between the County's total assets and deferred outflows of resources and the County's total liabilities and deferred inflows of resources. Measuring net position is one way to gauge the County's financial condition.

The government-wide statements are divided into two categories: 1) governmental activities and 2) component units. The governmental activities include most of the County's basic services such as public safety, parks and recreation, and general administration. Property taxes and state and federal grant funds finance most of these activities. The second category is the component unit. Although legally separate from the County, the Economic Development Authority is important to the County because the County exercises control over its Board of Directors by appointing the members. The Economic Development Authority issues separate financial statements.

Although the School Board is a component unit, approximately 33% of the budget for the County of Warren is designated for the public schools. The members of the School Board are elected.

Fund Financial Statements

The fund financial statements provide a more detailed look at the County's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been designated for specific activities or objectives. The County of Warren, like all other governmental entities in Virginia, uses fund accounting to ensure and reflect compliance (or noncompliance) with finance-related legal requirements. All the funds of County of Warren are categorized as governmental funds.

Governmental Funds

Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. All of the County's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting* which provides a short-term spending focus. As a result, the governmental fund financial statements give readers a detailed short-term view that helps them determine if there are more or fewer financial resources available to finance the County's programs. The relationship between government-wide activities (reported in the Statement of Net Position and the Statement of Activities) and the Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances of the governmental funds is described in Exhibits 4 and 6 which is a reconciliation that is a part of the fund financial statements.

The County of Warren adopts an annual budget for its General Fund. The budget is a legally adopted document that incorporates input from the citizens of the County, the management of the County, and the decisions of the Board about which services to provide and how to pay for them. It also authorizes the County to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the County complied with the appropriation resolution and whether or not the County succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns: 1) the original budget as adopted by the Board; 2) the final budget as amended by the Board; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges.

Notes to the Financial Statements

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

Other Information

In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning the County of Warren's progress in funding its obligation to provide pension benefits to its employees.

Government-Wide Financial Analysis

The County of Warren's Net Position
Figure 2

	Governmental Activities	
	2023	2022
Current and other assets	\$ 78,462,071	\$ 75,942,433
Capital assets	187,058,060	190,519,776
Total assets	<u>\$ 265,520,131</u>	<u>\$ 266,462,209</u>
Deferred outflows of resources	\$ 6,371,445	\$ 7,292,872
Long-term liabilities outstanding	\$ 129,850,960	\$ 139,060,030
Other liabilities	8,919,764	7,275,982
Total liabilities	<u>\$ 138,770,724</u>	<u>\$ 146,336,012</u>
Deferred inflows of resources	\$ 23,335,017	\$ 26,097,078
Net position:		
Net investment in capital assets	\$ 71,234,328	\$ 65,430,009
Restricted	2,576,855	4,498,539
Unrestricted	35,974,652	31,393,445
Total net position	<u><u>\$ 109,785,835</u></u>	<u><u>\$ 101,321,993</u></u>

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets and deferred outflows of resources of the County of Warren exceeded liabilities and deferred inflows of resources by \$109,785,835 as of June 30, 2023, compared to \$101,321,993 as of June 30, 2022. 65.6% of net position reflects the County's investment in capital assets (e.g. land, buildings, machinery, vehicles, and equipment) less any related debt still outstanding that was issued to acquire those items. The County of Warren uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County of Warren's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. The remaining balance of unrestricted net position \$35,974,652 may be used to meet the government's ongoing obligations to citizens and creditors.

Several particular aspects of the County's financial operations influenced the total unrestricted governmental net position including:

- Collection of general property taxes exceeded budgeted amounts by approximately \$772,000.
- Collection of other local taxes exceeded budgeted amounts by approximately \$447,000.
- Federal revenues exceeded budgeted amounts by approximately \$2.86 million.

Government-Wide Financial Analysis: (Continued)

County of Warren Changes in Net Position
Figure 3

	Governmental Activities	
	2023	2022
Revenues:		
Program revenues:		
Charges for services	\$ 4,103,480	\$ 4,411,424
Operating grants and contributions	12,205,012	9,101,220
Capital grants and contributions	276,740	333,071
General revenues:		
Property taxes	61,406,367	60,062,924
Other taxes	11,665,805	11,564,796
Grants and contributions not restricted to specific programs	5,301,509	5,315,982
Other	4,447,761	1,632,345
Total revenues	<u>\$ 99,406,674</u>	<u>\$ 92,421,762</u>
Expenses:		
General government administration	\$ 8,677,193	\$ 5,598,524
Judicial administration	2,181,222	2,866,748
Public safety	18,860,308	18,177,668
Public works	11,555,956	8,639,729
Health and welfare	8,312,838	8,332,578
Parks, recreation and cultural	3,231,994	3,659,136
Community development	4,257,211	4,600,085
Education	29,488,182	29,610,519
Interest and other fiscal charges	3,443,997	2,631,517
Total expenses	<u>\$ 90,008,901</u>	<u>\$ 84,116,504</u>
Increase in net position	\$ 9,397,773	\$ 8,305,258
Net position, July 1, as restated	100,388,062	93,016,735
Net position, June 30	<u><u>\$ 109,785,835</u></u>	<u><u>\$ 101,321,993</u></u>

Financial Analysis of the County's Funds

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

Governmental Funds

The focus of the County of Warren's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the County of Warren's financing requirements. Specifically, unassigned fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

Governmental Funds: (Continued)

The general fund is the chief operating fund of the County of Warren. At the end of FY 2022-2023, unassigned fund balance of the General Fund was \$19,394,825, an increase of \$56,220 from FY 2021-2022. The general fund portion of the governmental fund balances totaled \$22,370,747, or 51.25%. Approximately 35.7% consisted of \$15,593,841 in funds committed by the Board of Supervisors to fund capital and other special projects.

The nonmajor funds reported a collective increase of \$2,043,746. The majority of the increase is reported in the Sanitary Districts fund (\$1,971,692).

As of June 30, 2023, the governmental funds of County of Warren reported a combined fund balance of \$43,653,932 (Exhibit 5), an increase of \$3,334,561 from last year. This change mainly resulted from the decrease in expenditures incurred for larger capital projects.

General Fund Budgetary Highlights

During the fiscal year, the County revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original appropriation resolution once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services.

Included in the budget for FY 2022-2023, there were miscellaneous capital items to be funded from this unreserved fund balance which would reduce the fund balance by \$5,891,977. During the course of the year, there were several supplemental appropriations made to the budget. Fund balance for the general fund was decreased by \$461,098, which was \$5,430,879 greater than projected. This increase was due mainly to transfers from the special projects fund, tax collections and federal revenues exceeding budgeted amounts, as well as budgeted amounts for expenditures exceeding the actual amount spent.

Capital Asset and Debt Administration

Capital Assets

The County of Warren's investment in capital assets for its governmental activities as of June 30, 2023 totaled \$187,058,060 (net of accumulated depreciation). These assets include buildings, land, machinery and equipment, park facilities, and vehicles.

County of Warren's Capital Assets
Figure 4

		Capital Assets (net of depreciation)	
		Governmental Activities	
		2023	2022
Land	\$	14,193,099	\$ 14,193,099
Buildings and improvements		166,304,129	170,686,519
Machinery and equipment		4,548,234	5,107,876
Lease equipment		76,537	145,212
Subscription assets		80,306	-
Non-depreciable capital assets		387,070	387,070
Construction in progress		1,468,685	-
Total	\$	<u>187,058,060</u>	<u>\$ 190,519,776</u>

Additional information on the County's capital assets can be found in Note 6 - Capital Assets of the Basic Financial Statements.

Long-term Debt

As of June 30, 2023, the County of Warren had total bonds outstanding of \$115,315,202. General obligation bond debt is backed by the full faith and credit of the County. The table below includes both lease revenue and general obligation bonds.

County of Warren's Outstanding Debt
General Obligation and Revenue Bonds
Figure 5

	Governmental Activities	
	2022	2022
General obligation, revenue and lease revenue bonds	\$ 115,315,202	\$ 123,524,004
Total	\$ 115,315,202	\$ 123,524,004

As part of its multi-year Capital Funding Plan, in November 2014 the County conducted credit rating calls with each of the three national municipal bond rating agencies: Moody's Investors Service, Standard & Poor's, and Fitch Ratings. Discussions with each of the agencies covered financial, economic, debt-related, and management-related issues among others. Without exception, all three agencies were favorably impressed with the fiscal health of the County, the diligence and stability of staff and elected officials and the overall vibrancy of the County economy as evidenced by the strong investment grade General Obligation bond ratings secured from the agencies: Moody's: Aa2, S&P: AA, FITCH: AA+. With these assigned ratings, the County continued its steady progression of rating upgrades that began back in the early 2000's. November 2016 Fitch Ratings increased the County GO Bond rating from a AA to a AA+ rating. This rating along with the others will help to ensure that the County is able to maximize its borrowing ability in the future.

Additional information regarding the County of Warren's long-term debt can be found in Note 7 - Debt of this report.

Economic Factors and Next Year's Budgets and Rates

As the Washington Metropolitan area continues to expand, Warren County and the surrounding area will continue to see additional residential growth pressures and an influx of new homeowners. This will be somewhat offset by fuel costs and traffic congestion, which make commuting to work in the Northern Virginia area less attractive to County residents.

Increasing the industrial/commercial tax base in effort to minimize the tax burden on residents continues to be a top priority of the County. Several projects have recently been completed or are in the review process of completion that will enhance the County's tax base.

Commercial development has grown significantly over the past fifteen years as the Crooked Run (220,000 SF) and Riverton Commons (450,000 SF) shopping centers have been developed along the Route 340/522 Corridor. These two shopping centers are providing significant sales, meals, and real estate taxes to the community. Commercial construction expanded north of the Riverton Commons Shopping Center and the County's first climate-controlled storage facility opened. Manuel Trucking completed their new facility on Winners Court, and Terra Site Constructors is in the final stages of development.

Economic Factors and Next Year's Budgets and Rates: (Continued)

In 2022, Equus Capital Partners complete the construction of a 324,000 SF warehouse facility on a 20-acre site off Route 340/522. They successfully leased the building, and in September 2023, the property was purchased by The Silverman Group for \$38,200,000.00. There is currently a 10-year lease by Iron Mountain Incorporated, they are currently marketing 167,000 SF of space for sublease.

Additionally, Nature's Touch Frozen Foods, a supplier of frozen fruits and vegetables for the United States, Canada, and Australia, moved into their new facility located at 195 Toray Drive. They reported there has been \$23,110,793 in capital investment, 78 employees with an average wage of \$40,363, with more costs and jobs to be reported.

Residential growth in Warren County had maintained a steady and healthy pace over the past ten years until the last two years. In 2023, the County had a total of 148 new home starts. Of that number, 32 were within Town limits and the remaining 116 outside Town limits. As a comparison, in 2022 there were a total of 156 new home starts, resulting in a decrease for 2023 of 5.1%.

Unemployment

The County's unemployment rate as of June 2023 was 2.9%, a decrease over the 3.0% of June 2022. The unemployment rate of 2.9% was slightly higher than the Commonwealth of Virginia's 2.8%; however, it was lower than the national average of 3.8% for June 2023.

Budget Highlights for the Fiscal Year Ending June 30, 2023

Governmental Activities

The FY 2022-2023 budget process again proved to be a difficult one given the slow growth in new construction in the area and continued flat revenue picture. Projected revenues for the General Fund and School Operating Fund (excluding use of Fund Balance) are slightly more than those of FY 2021-2022.

The FY 2022-2023 budget was adopted with a real estate tax rate for calendar year 2022 of \$0.49 per \$100 of assessed value.

Budgeted expenditures in the General Fund (excluding the local appropriation to the school fund) totaled \$165,239,160.

The General Fund budget also includes \$200,000 for tourism initiatives. The County continues to partner with the Town of Front Royal and local businesses to enhance tourism to the area. Growth in the tourism industry is already felt, with increased revenues from Meals and Beverage, Sales, and Lodging Taxes. Coming out of the COVID-19 pandemic quarantine, the County is seeing increases in revenue in these areas as travel and casual dining increase. As these revenues continue to grow, it will assist local taxpayers in funding necessary Warren County initiatives. As the County enters into the next fiscal year of 2023-2024, it will be operating its own Tourism Department as the joint tourism agreement with the Town of Front Royal was terminated in the Spring of 2023.

Requests for Information

This report is designed to provide an overview of the County's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Edwin Daley, Interim County Administrator, County of Warren, 220 N. Commerce Avenue, Suite 100, Front Royal, VA 22630.

BASIC FINANCIAL STATEMENTS

Government-wide Financial Statements

Statement of Net Position
June 30, 2023

	Primary Government Governmental Activities	Component Unit School Board
ASSETS		
Cash and cash equivalents	\$ 40,761,449	\$ 5,120,947
Receivables (net of allowance for uncollectibles):		
Taxes receivable	23,074,064	-
Accounts receivable	1,568,484	252,600
External parties	5,000	-
Leases receivable	1,639,486	-
Due from primary government	-	899,926
Due from other governmental units	2,953,082	5,501,053
Prepaid items	2,363,075	169,106
Restricted assets:		
Cash and cash equivalents	6,097,431	-
Net pension asset	-	1,010,525
Capital assets (net of accumulated depreciation):		
Land	14,193,099	1,656,064
Non-depreciable assets	387,070	-
Buildings and improvements	163,570,710	11,627,669
Improvements other than buildings	2,733,419	-
Machinery and equipment	4,548,234	2,318,298
Lease equipment	76,537	1,274
Subscription assets	80,306	-
Construction in progress	1,468,685	7,257,650
Total assets	\$ 265,520,131	\$ 35,815,112
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charged on refunding	\$ 1,670,365	\$ -
Pension related items	2,502,030	11,000,588
OPEB related items	2,199,050	1,987,114
Total deferred outflows of resources	\$ 6,371,445	\$ 12,987,702
LIABILITIES		
Accounts payable	\$ 1,375,367	\$ 1,739,212
Retainage payable	-	311,696
Accrued liabilities	413,209	3,154,866
Customers' deposits	5,452	-
Accrued interest payable	1,264,174	-
Due to component unit	899,926	-
Unearned revenue	4,961,636	-
Long-term liabilities:		
Due within one year	9,519,123	156,698
Due in more than one year	120,331,837	46,225,712
Total liabilities	\$ 138,770,724	\$ 51,588,184
DEFERRED INFLOWS OF RESOURCES		
Deferred revenue - property taxes	\$ 17,165,380	\$ -
Pension related items	2,559,488	7,863,122
OPEB related items	2,007,706	2,129,909
Lease related	1,602,443	-
Total deferred inflows of resources	\$ 23,335,017	\$ 9,993,031
NET POSITION		
Net investment in capital assets	\$ 71,234,328	\$ 22,859,956
Restricted:		
Public safety	103,426	-
Proffers	699,205	-
Landfill assurance	762,405	-
Opioid settlement	1,011,819	-
Net pension asset	-	1,010,525
Unrestricted (deficit)	35,974,652	(36,648,882)
Total net position	\$ 109,785,835	\$ (12,778,401)

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

Statement of Activities
For the Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	Component Unit
					Governmental Activities	School Board
PRIMARY GOVERNMENT:						
Governmental activities:						
General government administration	\$ 8,677,193	\$ 656,634	\$ 3,637,573	\$ -	\$ (4,382,986)	
Judicial administration	2,181,222	234,511	948,971	-	(997,740)	
Public safety	18,860,308	1,494,252	2,686,123	-	(14,679,933)	
Public works	11,555,956	1,382,825	38,774	38,173	(10,096,184)	
Health and welfare	8,312,838	-	4,876,878	-	(3,435,960)	
Education	29,488,182	-	-	-	(29,488,182)	
Parks, recreation, and cultural	3,231,994	94,802	-	104,705	(3,032,487)	
Community development	4,257,211	435,230	16,693	133,862	(3,671,426)	
Interest and other fiscal charges on long-term debt	3,443,997	-	-	-	(3,443,997)	
Total governmental activities	\$ 90,008,901	\$ 4,298,254	\$ 12,205,012	\$ 276,740	\$ (73,228,895)	
Total primary government	\$ 90,008,901	\$ 4,298,254	\$ 12,205,012	\$ 276,740		
COMPONENT UNIT:						
School Board	\$ 69,968,394	\$ 736,093	\$ 56,185,837	\$ 222,361		\$ (12,824,103)
	\$ 69,968,394	\$ 736,093	\$ 56,185,837	\$ 222,361		\$ (12,824,103)
General revenues:						
General property taxes				\$ 61,406,367	\$	
Local sales and use taxes				6,185,774		
Consumers' utility taxes				697,755		
Business licenses				1,255,064		
Motor vehicle licenses				1,007,491		
Meals tax				1,209,872		
Other local taxes				1,309,849		
Unrestricted revenues from use of money and property				393,528		27,154
Miscellaneous				3,859,459		1,750,316
Payments from Warren County				-		26,382,782
Grants and contributions not restricted to specific programs				5,301,509		-
Total general revenues				\$ 82,626,668	\$	\$ 28,160,252
Change in net position				\$ 9,397,773	\$	\$ 15,336,149
Net position - beginning, as restated				100,388,062		(28,114,550)
Net position - ending				\$ 109,785,835	\$	(12,778,401)

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

Fund Financial Statements

Balance Sheet
Governmental Funds
June 30, 2023

	General	Special Projects	Capital Improvement	Asset Replacement	Total Nonmajor Governmental Funds	Total
ASSETS						
Cash and cash equivalents	\$ 25,028,904	\$ 6,243,691	\$ 5,704,127	\$ 3,730,902	\$ -	\$ 40,707,624
Receivables (net of allowance for uncollectibles):						
Taxes receivable	21,258,808	-	-	-	1,815,256	23,074,064
Accounts receivable	1,568,484	-	-	-	-	1,568,484
External parties	5,000	-	-	-	-	5,000
Leases receivable	1,639,486	-	-	-	-	1,639,486
Due from other governmental units	2,953,082	-	-	-	-	2,953,082
Prepaid items	1,263,075	-	-	1,100,000	-	2,363,075
Restricted assets:						
Cash and cash equivalents	1,421,178	-	-	-	4,676,253	6,097,431
Total assets	<u>\$ 55,138,017</u>	<u>\$ 6,243,691</u>	<u>\$ 5,704,127</u>	<u>\$ 4,830,902</u>	<u>\$ 6,491,509</u>	<u>\$ 78,408,246</u>
LIABILITIES						
Accounts payable	\$ 1,226,010	\$ -	\$ 84,879	\$ -	\$ 64,478	\$ 1,375,367
Accrued payroll	413,209	-	-	-	-	413,209
Customers' deposits	5,452	-	-	-	-	5,452
Due to component unit	899,926	-	-	-	-	899,926
Unearned revenue	4,961,636	-	-	-	-	4,961,636
Total liabilities	<u>\$ 7,506,233</u>	<u>\$ -</u>	<u>\$ 84,879</u>	<u>\$ -</u>	<u>\$ 64,478</u>	<u>\$ 7,655,590</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	\$ 22,938,444	\$ -	\$ -	\$ -	\$ 1,837,687	\$ 24,776,131
Unavailable revenue - opioid settlement	720,150	-	-	-	-	720,150
Lease related	1,602,443	-	-	-	-	1,602,443
Total deferred inflows of resources	<u>\$ 25,261,037</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,837,687</u>	<u>\$ 27,098,724</u>
FUND BALANCES						
Nonspendable:						
Prepaid items	\$ 1,263,075	\$ -	\$ -	\$ 1,100,000	\$ -	\$ 2,363,075
Restricted:						
Construction	658,773	-	-	-	699,205	1,357,978
Landfill assurance	762,405	-	-	-	-	762,405
Public safety	-	-	-	-	103,426	103,426
Opioid settlement	291,669	-	-	-	-	291,669
Committed:						
Capital improvements (Note 13)	-	6,243,691	5,619,248	3,730,902	-	15,593,841
Sanitary districts - roads, etc.	-	-	-	-	3,786,713	3,786,713
Unassigned	19,394,825	-	-	-	-	19,394,825
Total fund balances	<u>\$ 22,370,747</u>	<u>\$ 6,243,691</u>	<u>\$ 5,619,248</u>	<u>\$ 4,830,902</u>	<u>\$ 4,589,344</u>	<u>\$ 43,653,932</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 55,138,017</u>	<u>\$ 6,243,691</u>	<u>\$ 5,704,127</u>	<u>\$ 4,830,902</u>	<u>\$ 6,491,509</u>	<u>\$ 78,408,246</u>

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

Reconciliation of the Balance Sheet of Governmental Funds
To the Statement of Net Position
June 30, 2023

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

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds \$ 43,653,932

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

Capital assets, cost	\$ 251,476,224	
Accumulated depreciation	<u>(64,418,164)</u>	187,058,060

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

Unavailable revenue - property taxes	\$ 7,610,751	
Unavailable revenue - opioid settlement	<u>720,150</u>	8,330,901

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

Deferred charge on refunding	\$ 1,670,365	
Pension related items	2,502,030	
OPEB related items	<u>2,199,050</u>	6,371,445

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

Pension related items	\$ (2,559,488)	
OPEB related items	<u>(2,007,706)</u>	(4,567,194)

Internal service funds are used by management to charge the costs of certain activities, such as self-insurance, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.

53,825

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

Bonds payable	\$ (115,315,202)	
Issuance premium	(1,217,977)	
Accrued interest payable	(1,264,174)	
Line of credit	(541,071)	
Note payable	(369,814)	
Financed purchases	(509,779)	
Lease liabilities	(77,661)	
Subscription liabilities	(94,580)	
Compensated absences	(1,027,157)	
Landfill closure & postclosure liability	(1,831,572)	
Net pension liability	(452,056)	
Net OPEB liabilities	<u>(8,414,091)</u>	(131,115,134)

Net position of governmental activities	\$	<u>109,785,835</u>
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The notes to the financial statements are an integral part of this statement.

Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2023

	General	Special Projects	Capital Improvement	Asset Replacement	Total Nonmajor Governmental Funds	Total
REVENUES						
General property taxes	\$ 58,463,139	\$ -	\$ -	\$ -	\$ 2,499,652	\$ 60,962,791
Other local taxes	11,665,805	-	-	-	-	11,665,805
Permits, privilege fees, and regulatory licenses	779,063	-	-	-	-	779,063
Fines and forfeitures	106,397	-	-	-	-	106,397
Revenue from the use of money and property	588,302	-	-	-	-	588,302
Charges for services	3,218,023	-	-	-	-	3,218,023
Miscellaneous	3,541,244	-	88,224	300,000	75,423	4,004,891
Recovered costs	710,852	-	-	-	-	710,852
Intergovernmental:						
Local government	15,988	-	-	-	-	15,988
Commonwealth	11,591,416	-	138,173	-	12,785	11,742,374
Federal	5,968,519	-	-	-	56,380	6,024,899
Total revenues	\$ 96,648,748	\$ -	\$ 226,397	\$ 300,000	\$ 2,644,240	\$ 99,819,385
EXPENDITURES						
Current:						
General government administration	\$ 7,763,233	\$ -	\$ -	\$ -	\$ -	\$ 7,763,233
Judicial administration	2,173,755	-	-	-	-	2,173,755
Public safety	19,145,355	-	-	-	-	19,145,355
Public works	7,691,059	-	-	-	2,403,492	10,094,551
Health and welfare	8,189,633	-	-	-	-	8,189,633
Education	27,041,029	-	-	-	-	27,041,029
Parks, recreation, and cultural	2,736,377	-	-	-	-	2,736,377
Community development	4,043,947	-	-	-	-	4,043,947
Nondepartmental	774,221	-	-	-	-	774,221
Capital projects	-	-	2,051,858	592,807	-	2,644,665
Debt service:						
Principal retirement	8,100,498	-	-	675,105	30,000	8,805,603
Interest and other fiscal charges	3,113,306	-	-	28,022	107,030	3,248,358
Total expenditures	\$ 90,772,413	\$ -	\$ 2,051,858	\$ 1,295,934	\$ 2,540,522	\$ 96,660,727
Excess (deficiency) of revenues over (under) expenditures	\$ 5,876,335	\$ -	\$ (1,825,461)	\$ (995,934)	\$ 103,718	\$ 3,158,658
OTHER FINANCING SOURCES (USES)						
Transfers in	\$ 426,438	\$ -	\$ 7,967,300	\$ 5,826,836	\$ 2,093,484	\$ 16,314,058
Transfers out	(5,094,136)	(10,465,701)	(600,765)	-	(153,456)	(16,314,058)
Insurance proceeds	97,729	-	78,174	-	-	175,903
Total other financing sources (uses)	\$ (4,569,969)	\$ (10,465,701)	\$ 7,444,709	\$ 5,826,836	\$ 1,940,028	\$ 175,903
Net change in fund balances	\$ 1,306,366	\$ (10,465,701)	\$ 5,619,248	\$ 4,830,902	\$ 2,043,746	\$ 3,334,561
Fund balances - beginning, as restated	21,064,381	16,709,392	-	-	2,545,598	40,319,371
Fund balances - ending	\$ 22,370,747	\$ 6,243,691	\$ 5,619,248	\$ 4,830,902	\$ 4,589,344	\$ 43,653,932

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

Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
To the Statement of Activities
For the Year Ended June 30, 2023

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

Net change in fund balances - total governmental funds	\$	3,334,561
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The following are adjustments related to capital assets reported in the current period.

Capital asset additions	\$	2,482,095	
Depreciation expense		<u>(5,977,696)</u>	(3,495,601)

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.			(89,132)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Property taxes	\$	443,576	
Opioid settlement		<u>(145,435)</u>	298,141

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. This amount is the net effect of these differences in the treatment of long-term debt and related items.

(Increase) decrease in landfill closure and postclosure liability	\$	(1,130,502)	
Issuance of lease liabilities		(45,098)	
Issuance of subscription liabilities		(9,392)	
Increase (decrease) in deferred amount on refunding		(137,402)	
Principal payments		<u>9,306,370</u>	7,983,976

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds. The following are the details of these adjustments:

(Increase) decrease accrued interest payable	\$	(43,565)	
Change in pension related items		1,064,973	
Change in OPEB related items		(67,815)	
Bond premium amortization		304,575	
(Increase) decrease in compensated absences		<u>112,997</u>	1,371,165

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

Insurance claims, internal service fund - reported as expense in the respective function on Exhibit 2			<u>(5,337)</u>
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Change in net position of governmental activities	\$	<u><u>9,397,773</u></u>
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The notes to the financial statements are an integral part of this statement.

Statement of Net Position
Internal Service Fund
June 30, 2023

	Health Insurance Fund
	<hr/>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 53,825
Total assets	<hr/> \$ 53,825 <hr/>
NET POSITION	
Unrestricted	\$ 53,825
Total net position	<hr/> \$ 53,825 <hr/>

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

Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Fund
For the Year Ended June 30, 2023

	<u>Health Insurance Fund</u>
OPERATING EXPENSES	
Insurance claims and expenses	\$ <u>5,337</u>
Total operating expenses	\$ <u>5,337</u>
 Operating income (loss)	 \$ <u>(5,337)</u>
 Income before transfers	 \$ <u>(5,337)</u>
 Change in net position	 \$ <u>(5,337)</u>
 Total net position - beginning	 \$ <u>59,162</u>
Total net position - ending	\$ <u><u>53,825</u></u>

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

Statement of Cash Flows
Internal Service Fund
For the Year Ended June 30, 2023

	<u>Health Insurance Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Payments for claims	\$ (5,763)
Net cash provided by (used for) operating activities	<u>\$ (5,763)</u>
 Net increase (decrease) in cash and cash equivalents	 \$ (5,763)
 Cash and cash equivalents - beginning	 59,588
Cash and cash equivalents - ending	<u><u>\$ 53,825</u></u>
 Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:	
Operating income (loss)	\$ (5,337)
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:	
Increase (decrease) in accounts payable	\$ (426)
Total adjustments	<u>\$ (426)</u>
Net cash provided by (used for) operating activities	<u><u>\$ (5,763)</u></u>

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

Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2023

	Private- Purpose Trust Funds	Custodial Funds
ASSETS		
Cash and cash equivalents	\$ 244,454	\$ 711,030
Due from other governmental units	-	1,353,859
Total assets	<u>\$ 244,454</u>	<u>\$ 2,064,889</u>
LIABILITIES		
Accounts payable	\$ -	\$ 10,245
Reconciled overdraft	5,557	45,971
Due to general fund	-	1,093,847
Due to other governmental units	-	243,891
Total liabilities	<u>\$ 5,557</u>	<u>\$ 1,393,954</u>
NET POSITION		
Restricted for:		
Scholarships	\$ 238,897	\$ -
Special welfare	-	68,316
Employee benefits	-	(1,014)
North Warren Fire Department	-	163,529
Shenandoah Farms Volunteer Fire Department	-	363,438
South Warren Volunteer Fire Department	-	31,653
Shenandoah Shores Volunteer Fire Department	-	21,639
Linden Volunteer Fire Department	-	(46,725)
Fourtsmouth Volunteer Fire Department	-	16,366
Rivermont Volunteer Fire Department	-	3,780
Skyline Regional Criminal Justice Training Academy	-	38,951
Celebrate Shenandoah	-	11,002
Total net position	<u>\$ 238,897</u>	<u>\$ 670,935</u>

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

Statement of Changes in Fiduciary Net Position
 Fiduciary Funds
 For the Year Ended June 30, 2023

	Private- Purpose Trust Funds	Custodial Funds
ADDITIONS		
Revenue from the use of money	\$ 20,122	\$ -
Special welfare collections	-	32,135
Local sales tax collections	-	7,570,883
Revenue from the use of money	-	(15,259)
Collections for agencies	-	1,165,935
Total additions	\$ 20,122	\$ 8,753,694
DEDUCTIONS		
Scholarships	\$ 22,500	\$ -
Welfare costs	-	32,698
Local sales tax disbursements	-	7,570,883
Disbursements for agencies	-	1,678,321
Total deductions	\$ 22,500	\$ 9,281,902
Change in net position	\$ (2,378)	\$ (528,208)
Net position - beginning	241,275	1,199,143
Net position - ending	\$ 238,897	\$ 670,935

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

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COUNTY OF WARREN, VIRGINIA

Notes to Financial Statements
June 30, 2023

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The County of Warren, Virginia operates under a traditional form of government with a Board of Supervisors, county administrator, and elected constitutional officers. It provides its citizens with services relating to public safety, public works, health and welfare services, education, community and economic development, and judicial and general administrative services.

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

These financial statements present the County (primary government) and its component units. The component units discussed below are included in the County's reporting entity because of the significance of their operational or financial relationships with the County.

Warren County Public Schools:

Warren County Public Schools (the "Schools") are responsible for elementary and secondary education within the County providing a benefit only to the Primary Government. The Schools are fiscally dependent on the County because the Schools' operational and capital budgets are approved by the County Board of Supervisors. In addition, the Schools are prohibited from issuing bonded debt without the approval of the County Board of Supervisors. The primary funding sources of the Schools are state and federal grants and significant appropriations from the primary government (County). The Schools do not have separate taxing authority.

The Schools report an operating fund and three special revenue funds (cafeteria, textbook, and vocational building funds), one capital projects fund (school capital improvements fund), all of which are accounted for as governmental funds. The Schools report one internal service fund (self-insurance fund) as a proprietary fund. Warren County Public Schools does not issue separate financial statements.

Industrial Development Authority of the Town of Front Royal and the County of Warren, Virginia:

The Industrial Development Authority of the Town of Front Royal and the County of Warren, Virginia (the "Authority") was created as a political subdivision of the Commonwealth of Virginia by ordinance of the Town Council of the Town of Front Royal and the Board of Supervisors of the County to be effective on December 21, 1967 pursuant to the provisions of the Economic Development and Revenue Bond Act. The Authority is governed by seven directors appointed by the Town of Front Royal and the County. The Authority is fiscally dependent on the County. The Authority's fiscal year June 30, 2023 financial statements have been omitted. Reference the Independent Auditors' Report for more information.

Complete financial statements of the Industrial Development Authority of the Town of Front Royal and the County of Warren, Virginia may be obtained at the Authority's administrative offices.

A. Government-wide and Fund Financial Statements

Management's Discussion and Analysis - The financial statements are required to be accompanied by a narrative introduction and analytical overview of the government's financial activities in the form of "Management's Discussion and Analysis" (MD&A).

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

A. Government-wide and Fund Financial Statements: (Continued)

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

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

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

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

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

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

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

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

B. Other Related Organizations

Included in the County's Financial Report

None

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

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

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

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

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

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

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

Fiduciary funds have an economic resources measurement focus and use the accrual basis of accounting for purposes of asset and liability recognition.

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

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

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Accordingly, real and personal property taxes are recorded as revenues and receivables when billed, net of allowances for uncollectible amounts. Property taxes not collected within 60 days after year-end are reflected as unavailable revenues. Sales and utility taxes, which are collected by the state or utilities and subsequently remitted to the County, are recognized as revenues and receivables upon collection by the state or utility, which is generally within two months preceding receipt by the County.

Licenses, permits, fines and rents are recorded as revenues when received. Intergovernmental revenues, consisting primarily of federal, state, and other grants for the purpose of funding specific expenditures are either recognized when earned, at the time other specific expenditures are recognized 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.

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

Proprietary funds (internal service funds) distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the internal service funds are insurance premiums. Operating expenses include insurance claims and other expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

1. Governmental Funds

Governmental Funds are those through which most governmental functions typically are financed. The County reports the general fund as a major governmental fund.

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

Capital Projects Funds - The Capital Projects Funds account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays, except for those financed by proprietary funds or for assets held in trust for individuals, private organizations, or other governments. The County reports the Special Projects, Capital Improvement, and Asset Replacement funds as major capital projects funds.

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

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

1. Governmental Funds: (Continued)

Special Revenue Funds - Special revenue funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. Special revenue funds consist of the following funds: Drug Forfeiture, Proffers, and Sanitary Districts. All of the above funds are reported as nonmajor funds.

- 2. Fiduciary Funds - (Trust and Custodial Funds)** - account for assets held by the County unit in a trustee capacity or as a custodian for individuals, private organizations, other governmental units, or other funds. These funds include private purpose trust and custodial funds. Private purpose trust and custodial funds utilize the accrual basis of accounting as described in the proprietary funds presentation. Custodial funds utilize the accrual basis of accounting described in the governmental fund presentation. Custodial funds are not included in the government-wide financial statements. The following private-purpose trust funds are reported: Woodward Cook Scholarship Fund, the Elizabeth P. Denny Scholarship Fund, the Warren County Education Foundation Fund, the Louise Bolling Scholarship Fund, the Winnie Nicholls Scholarship Fund, and the Thompson Scholarship Fund. The following custodial funds are reported: Special Welfare Fund, Undistributed Local Sales Tax Fund, Flexible Spending Fund, Northern Warren Fire Department Building Fund, Northern Warren Fire Department Fund, Shenandoah Farms Volunteer Fire Department Fund, South Warren Volunteer Fire Department Fund, Shenandoah Shores Volunteer Fire Department Fund, Linden Volunteer Fire Department Fund, Fortsmouth Volunteer Fire Department Fund, Rivermont Volunteer Fire Department Fund, Skyline Regional Criminal Justice Training Academy and Celebrate Shenandoah.

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

Internal Service Funds - account for the financing of goods and services provided to other departments or agencies of the government, or to other governments, on a cost reimbursement basis. Internal Service Funds consist of Health Insurance Fund reported by the Primary Government and the Component Unit-School Board.

D. Budgets and Budgetary Accounting

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

1. Prior to March 30, 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.
2. Public hearings are conducted to obtain citizen comments.
3. The budget is legally enacted through passage of appropriation resolutions.

COUNTY OF WARREN, VIRGINIA

Notes to Financial Statements
June 30, 2023 (Continued)

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

D. Budgets and Budgetary Accounting: (Continued)

4. The appropriations resolutions place legal restrictions on expenditures at the department level or category level. The appropriation for each department or category can be revised only by the Board of Supervisors. The School Board is authorized to transfer budgeted amounts within the school system's categories.
5. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
6. Appropriations lapse on June 30, for all County Departments.
7. Both the original and amended budget are presented in the accompanying financial statements.
8. The following General Fund departments reported actual expenditures in excess of appropriations:
 - County Attorney
 - Personnel
 - Commissioner of Revenue
 - Treasurer
 - Information Technology
 - Other General and Financial Admin
 - Judicial Administration
 - Public Works
 - Health and Welfare
 - Education

Additionally, the following major funds reported actual expenditures in excess of appropriations:

- General Fund

E. Cash and Cash Equivalents

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

F. Investments

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

G. Allowance for Uncollectible Accounts

The County calculates its allowance for uncollectible accounts using the historical collection data and, in certain cases, specific account analysis. The allowance attributed to property taxes amounted to \$1,608,481 at June 30, 2023.

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

H. Capital Assets

Capital assets, which include property, equipment, and vehicles, are reported in the applicable governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of at least \$5,000 and an estimated useful life of multiple years. Such assets are recorded at historical cost or estimated historical cost using the consumer price inflationary index. Donated capital assets are recorded at acquisition value as of the date of donation.

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

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

Buildings and improvements	50 years
Vehicles	5 years
School buses	12 years
Equipment	5 to 7 years
Lease equipment	1 to 5 years
Subscription assets	1 to 5 years
Land improvements	20 years

I. Bond Issue Costs

Bond issue costs are expensed as incurred.

J. Compensated Absences

County and school employees earn vacation and sick leave at various rates up to a specified amount of days. Accumulated vacation and a calculated portion of sick leave is paid upon termination. All vacation and sick pay is accrued when incurred in the government-wide financial statements. At June 30, 2023, leave liabilities of the County amounted to \$932,474 of outstanding vacation accruals, \$44,755 of outstanding compensatory time and \$49,928 of outstanding sick accruals, representing a net decrease of \$112,996. At June 30, 2023, leave liabilities of the Schools amounted to \$916,011 of outstanding vacation accruals, \$243,435 of personal leave time and \$397,543 of outstanding sick accruals, representing a net increase of \$346,625.

K. Long-term Obligations

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

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

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

L. Fund Balance

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

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

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

The County establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment which does not lapse at year end is further indicated in the budget document as a designation or commitment of the fund. Assigned fund balance is established by the Board of Supervisors through adoption or amendment of the budget as intended for a specific purpose (such as the purchase of capital assets, construction, debt service, or for other purposes).

M. Net Position:

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

- Net investment in capital assets consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances of bonds, notes, and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.

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

M. Net Position: (Continued)

- Restricted net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either by external parties or by law through constitutional provision or enabling legislation.
- Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

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

N. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. Deferred outflows of resources, represent a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has multiple items that qualify for reporting in this category. One item is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The other item is comprised of certain items related to pension and OPEB. For more detailed information on these items, reference the related notes.

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

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

O. Leases and Subscription-Based IT Arrangements

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

Lessee

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

Lessor

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

Subscriptions

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

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

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

Key Estimates and Judgments

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

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

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

P. Pensions

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

Q. Other Postemployment Benefits (OPEB)

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

Health Insurance (Single-employer Defined Benefit Plan)

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to the OPEB, and OPEB expense have been determined on the same basis as they were reported by the plan actuary. In addition, benefit payments are recognized when due and payable in accordance with the benefit terms.

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

R. Property Taxes Receivable

Property is assessed at its value on January 1. Property taxes attach as an enforceable lien on property as of January 1. Taxes are payable in one installment on December 5th. The County bills and collects its own property taxes.

S. Restricted Assets

The County reports restricted assets (cash) in the amount of \$6,097,431 (Exhibit 1). The cash is restricted for specific capital projects as a result of proffers received, unspent bond proceeds for construction, public safety, for an irrevocable trust held for purposes of satisfying landfill financial assurance requirements, and for opioid settlement funds received but not spent.

T. Adoption of Accounting Principles

The County implemented provisions of Governmental Accounting Standards Board Statement No. 96, *Subscription-Based IT Arrangements (SBITAs)* during the fiscal year ended June 30, 2023. Statement No. 96, *SBITAs* requires recognition of certain subscription assets and liabilities for certain contracts that convey control of the right to use another party’s (a SBITA vendor’s) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. No restatement of beginning net position was required as a result of this implementation. Using the facts and circumstances that existed at the beginning of the year of implementation, the following balances were recognized as of July 1, 2022 related to the subscriptions:

Primary Government:		Governmental
		Activities
Subscription assets	\$	<u>123,017</u>
Subscription liability	\$	<u>123,017</u>

NOTE 2—DEPOSITS AND INVESTMENTS:

Deposits

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

COUNTY OF WARREN, VIRGINIA

Notes to Financial Statements
June 30, 2023 (Continued)

NOTE 2—DEPOSITS AND INVESTMENTS: (CONTINUED)

Investments

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

The County does not have an investment policy that addresses the various types of risks related to investments.

Credit Risk of Debt Securities

The County’s rated debt investments as of June 30, 2023 were rated by Standard and Poor’s and the ratings are presented below using Standard and Poor’s rating scale.

County's Rated Debt Investments' Values

Rated Debt Investments	Fair Quality Ratings				
	AAAm	AAA	AA+	AA	AA-
U.S. Government Money Market Fund	\$ 7,289,738	\$ -	\$ -	\$ -	\$ -
State Non-Arbitrage Program	1,081,483	-	-	-	-
Fixed Income - Municipal/Public Bonds	-	367,556	1,384,277	-	-
Fixed Income - U.S. Agency Securities	-	-	5,936,484	-	-
Fixed Income - U.S. Treasury Notes	-	-	726,882	-	-
Total	\$ 8,371,221	\$ 367,556	\$ 8,047,643	\$ -	\$ -

Interest Rate Risk

Investment Type	Investment Maturity*			
	Fair Value	Less than 1	1 -5 Years	5 - 10 Years
U.S. Government Money Market Fund	\$ 7,289,738	\$ 7,289,738	\$ -	\$ -
State Non-Arbitrage Program	1,081,483	1,081,483	-	-
Fixed Income - U.S. Treasury Notes	726,882	542,648	184,234	-
Fixed Income - Municipal/Public Bonds	1,751,833	1,026,270	725,563	-
Fixed Income - U.S. Agency Securities	5,936,484	1,358,779	4,577,705	-
Total investments	\$ 16,786,420	\$ 11,298,918	\$ 5,487,502	\$ -

* Weighted average maturity in years.

COUNTY OF WARREN, VIRGINIA

Notes to Financial Statements
June 30, 2023 (Continued)

NOTE 2—DEPOSITS AND INVESTMENTS: (CONTINUED)

External Investment Pools

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

Fair Value Measurements

Fair value for investments is determined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. The three-level fair value hierarchy prioritizes the inputs used to measure fair value. This hierarchy requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs. The three levels of inputs used to measure fair value are as follows:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – Significant observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
- Level 3 – Significant unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. This includes certain pricing models, discounted cash flow methodologies and similar techniques that use significant unobservable inputs.

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

The County reports the following information related to its investments:

<u>Fair Value Measurements at Reporting Date Using</u>				
	<u>Total</u>	<u>Quoted Prices</u>	<u>Significant</u>	<u>Significant</u>
	<u>June 30,</u>	<u>in Active</u>	<u>Other</u>	<u>Unobservable</u>
	<u>2023</u>	<u>Markets for</u>	<u>Observable</u>	<u>Inputs</u>
		<u>Identical</u>	<u>Inputs</u>	<u>(Level 3)</u>
		<u>Assets</u>	<u>(Level 2)</u>	
		<u>(Level 1)</u>		
U.S. Government Money Market Fund	\$ 7,289,738	\$ 7,289,738	\$ -	\$ -
Fixed Income - Municipal/Public Bonds	1,751,833	1,751,833	-	-
Fixed Income - U.S. Agency Securities	5,936,484	5,936,484	-	-
Fixed Income - U.S. Treasury Notes	726,882	726,882	-	-
Total	\$ 15,704,937	\$ 15,704,937	\$ -	\$ -

COUNTY OF WARREN, VIRGINIA

Notes to Financial Statements
June 30, 2023 (Continued)

NOTE 3—INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS:

Interfund balances at June 30, 2023 were as follows:

<u>Fund</u>	<u>Interfund receivable</u>	<u>Interfund payable</u>
Major funds:		
School operating fund	\$ -	\$ 2,868,093
School cafeteria fund	82,072	-
School capital improvements fund	2,786,021	-
Total	\$ <u>2,868,093</u>	\$ <u>2,868,093</u>

Interfund receivables and payables represent obligations between funds.

Interfund transfers for the year ended June 30, 2023 were as follows:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
Major governmental funds:		
General	\$ 426,438	\$ 5,094,136
Special projects	-	10,465,701
Capital improvement	7,967,300	600,765
Asset replacement	5,826,836	-
School operating fund	-	11,466,217
School cafeteria fund	3,498,014	-
School capital improvements fund	7,968,203	-
Nonmajor governmental funds:		
Drug forfeiture	-	1,511
Sanitary districts	2,093,484	151,945
Total	\$ <u>27,780,275</u>	\$ <u>27,780,275</u>

Transfers between major funds and other nonmajor governmental funds were primarily to support operations of the funds.

NOTE 4—DUE FROM/TO AND TRANSFERS FROM/TO PRIMARY GOVERNMENT AND COMPONENT UNITS:

Due from/to balances between the County and its component units at June 30, 2023, were as follows:

	<u>Due From</u>	<u>Due To</u>
Primary government:		
General	\$ <u>-</u>	\$ <u>899,926</u>
Component units:		
Warren County School Board	\$ <u>899,926</u>	\$ <u>-</u>

COUNTY OF WARREN, VIRGINIA

Notes to Financial Statements
June 30, 2023 (Continued)

**NOTE 4—DUE FROM/TO AND TRANSFERS FROM/TO PRIMARY GOVERNMENT AND COMPONENT UNITS:
(CONTINUED)**

The School Board reports a payable to the Primary Government resulting from appropriated local funds in excess of net school expenditures.

Contributions from the Primary Government to the School Board Component Unit for school operations for the year ended June 30, 2023 were as follows:

	<u>Contributions To</u>	<u>Contributions From</u>
Primary government:		
General	\$ -	\$ 27,556,528
School Board component unit:		
School operating fund	<u>27,556,528</u>	<u>-</u>
	<u>\$ 27,556,528</u>	<u>\$ 27,556,528</u>

NOTE 5—DUE FROM OTHER GOVERNMENTAL UNITS:

Amounts due from/to other governmental units are as follows at June 30, 2023:

	<u>Primary Government</u>	<u>Component Unit</u>
	<u>General Fund</u>	<u>School Board</u>
Commonwealth of Virginia:		
Virginia Public Assistance funds	\$ 154,125	\$ -
Local sales tax	1,088,847	-
State sales tax	-	1,299,119
Shared expenses - constitutional officers	273,367	-
Miscellaneous grants	56,836	6,890
Comprehensive services act	907,763	-
Rolling stock	52,162	-
Communication tax	98,125	-
Federal Government:		
Virginia Public Assistance funds	258,820	-
Payment in lieu of taxes	63,037	-
School operating fund grants	<u>-</u>	<u>4,195,044</u>
Total due from other governmental units	<u>\$ 2,953,082</u>	<u>\$ 5,501,053</u>

COUNTY OF WARREN, VIRGINIA

Notes to Financial Statements
June 30, 2023 (Continued)

NOTE 6—CAPITAL ASSETS:

Primary Government

The following is a summary of changes in capital assets for the fiscal year ending June 30, 2023:

	Balance July 1, 2022	GASB 96 Adjustment	Additions	Deletions	Balance June 30, 2023
<u>Governmental Activities:</u>					
Capital assets not being depreciated:					
Land	\$ 14,193,099	\$ -	-	-	\$ 14,193,099
Construction in progress	-	-	1,468,685	-	1,468,685
Other non-depreciable assets	387,070	-	-	-	387,070
Total capital assets not being depreciated	\$ 14,580,169	\$ -	\$ 1,468,685	\$ -	\$ 16,048,854
Capital assets being depreciated:					
Buildings and improvements	\$ 214,830,805	\$ -	\$ 224,183	\$ 150,392	\$ 214,904,596
Improvements other than buildings	4,747,458	-	225,426	-	4,972,884
Machinery, equipment and vehicles	14,868,780	-	509,311	77,213	15,300,878
Lease equipment	278,004	-	45,098	206,499	116,603
Subscription assets	-	123,017	9,392	-	132,409
Total capital assets being depreciated	\$ 234,725,047	\$ 123,017	\$ 1,013,410	\$ 434,104	\$ 235,427,370
Accumulated depreciation:					
Buildings and improvements	\$ 46,872,188	\$ -	\$ 4,522,958	\$ 61,260	\$ 51,333,886
Improvements other than buildings	2,019,556	-	219,909	-	2,239,465
Machinery, equipment and vehicles	9,760,904	-	1,068,953	77,213	10,752,644
Lease equipment	132,792	-	113,773	206,499	40,066
Subscription assets	-	-	52,103	-	52,103
Total accumulated depreciation	\$ 58,785,440	\$ -	\$ 5,977,696	\$ 344,972	\$ 64,418,164
Net capital assets governmental activities	\$ 190,519,776	\$ 123,017	\$ (3,495,601)	\$ 89,132	\$ 187,058,060

COUNTY OF WARREN, VIRGINIA

Notes to Financial Statements
June 30, 2023 (Continued)

NOTE 6—CAPITAL ASSETS: (CONTINUED)

Component Unit—School Board

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023
Capital assets not being depreciated:				
Land	\$ 1,656,064	\$ -	\$ -	\$ 1,656,064
Construction in progress	698,985	6,558,665	-	7,257,650
Total capital assets not being depreciated	\$ 2,355,049	\$ 6,558,665	\$ -	\$ 8,913,714
Capital assets being depreciated:				
Buildings and improvements	\$ 25,339,401	\$ 92,898	\$ -	\$ 25,432,299
Machinery, equipment and vehicles	10,457,564	775,852	-	11,233,416
Lease equipment	187,207	-	162,367	24,840
Total capital assets being depreciated	\$ 35,984,172	\$ 868,750	\$ 162,367	\$ 36,690,555
Accumulated depreciation:				
Buildings and improvements	\$ 13,324,763	\$ 479,868	\$ -	\$ 13,804,631
Machinery, equipment and vehicles	8,524,629	390,489	-	8,915,118
Lease equipment	116,592	69,341	162,367	23,566
Total accumulated depreciation	\$ 21,965,984	\$ 939,698	\$ 162,367	\$ 22,743,315
Net capital assets component unit school board	\$ 16,373,237	\$ 6,487,717	\$ -	\$ 22,860,954

- 1) Legislation enacted during the year ended June 30, 2002, Section 15.2-1800.1 of the Code of Virginia 1950, as amended, has changed the reporting of local capital assets and related debt for financial statement purposes. Historically, debt incurred by local governments "on-behalf" of school boards was reported in the school board's discrete column along with the related capital assets. Under the law, local governments have a "tenancy in common" with the school board whenever the locality incurs any financial obligation for any school property which is payable over more than one year. For financial reporting purposes, the legislation permits the locality to report the portion of school property related to any outstanding financial obligation eliminating any potential deficit from capitalizing assets financed with debt. The net effect on the County of Warren, Virginia for the year ended June 30, 2023, is that school financed assets in the net amount of \$118,380,532 are reported in the Primary Government for financial reporting purposes.

Depreciation expense was charged to functions as follows:

Governmental activities:	
General government administration	\$ 872,408
Judicial administration	99,341
Public safety	844,154
Public works	240,758
Health and welfare	343,133
Education	3,105,400
Parks, recreation and cultural	278,341
Community Development	194,161
Total Governmental activities	\$ 5,977,696
Component Unit School Board	\$ 939,698

COUNTY OF WARREN, VIRGINIA

Notes to Financial Statements
June 30, 2023 (Continued)

NOTE 7—LONG-TERM OBLIGATIONS:

Primary Government and Component Unit—School Board

The following is a summary of changes in long-term obligations for the primary government and school board for the year ended June 30, 2023.

	Balance July 1, 2022	GASB 96 Adjustment	Issuances/ Increases	Retirements/ Decreases	Balance June 30, 2023	Amounts Due Within One Year
Governmental Activities Obligations:						
Primary Government:						
Direct borrowings and placements:						
General obligation bonds	\$ 45,507,004	\$ -	\$ -	\$ 2,894,802	\$ 42,612,202	\$ 3,004,838
Lease revenue bonds	70,528,000	-	-	4,945,000	65,583,000	5,062,000
Revenue bonds	7,489,000	-	-	369,000	7,120,000	388,000
Note payable	377,531	-	-	7,717	369,814	369,814
Line of credit - EDA	541,071	-	-	-	541,071	-
Compensated absences	1,140,153	-	570,077	683,072	1,027,157	102,716
Net OPEB liabilities	9,659,285	-	1,230,595	2,475,789	8,414,091	-
Net pension liability	-	-	5,475,238	5,023,182	452,056	-
Landfill postclosure costs	701,070	-	1,130,502	-	1,831,572	-
Financed purchases	1,437,863	-	-	928,084	509,779	233,605
Lease liabilities	156,501	-	45,098	123,938	77,661	26,787
Subscription liabilities	-	123,017	9,392	37,829	94,580	65,191
Totals	\$ 137,537,478	\$ 123,017	\$ 8,460,902	\$ 17,488,413	\$ 128,632,983	\$ 9,252,951
Premium on bonds	\$ 1,522,552	\$ -	\$ -	\$ 304,575	\$ 1,217,977	\$ 266,172
Total for financial statement presentation - Primary Government	\$ 139,060,030	\$ 123,017	\$ 8,460,902	\$ 17,792,988	\$ 129,850,960	\$ 9,519,123
Component Unit - School Board:						
Compensated absences	\$ 1,903,614	\$ -	\$ 951,807	\$ 1,298,432	\$ 1,556,989	\$ 155,699
Net pension liability	28,152,096	-	27,939,964	20,133,711	35,958,349	-
Net OPEB liabilities	8,801,522	-	2,472,100	2,407,549	8,866,073	-
Lease liabilities	69,670	-	-	68,671	999	999
Total School Board	\$ 38,926,902	\$ -	\$ 31,363,871	\$ 23,908,363	\$ 46,382,410	\$ 156,698

COUNTY OF WARREN, VIRGINIA

Notes to Financial Statements
June 30, 2023 (Continued)

NOTE 7—LONG-TERM OBLIGATIONS: (CONTINUED)

Primary Government and Component Unit—School Board (Continued)

The general fund and school operating and cafeteria funds are used to fund the liability for compensated absences, net pension liability and OPEB liabilities, for the County and School Board, respectively.

Details of the primary government's debt at June 30, 2023 are as follows:

	<u>Amount Outstanding</u>
<u>Direct Borrowings and Placements</u>	
<u>General obligation bonds:</u>	
\$13,416,124 (including premium of \$686,698) general obligation school bonds issued November 8, 2007, payable in variable amounts; interest rate of 5.1% through July 15, 2028.	\$ 3,569,102
\$3,692,300 general obligation refunding bonds issued December 16, 2009 to completely defease the outstanding balance of the \$3.5 million general obligation bonds issued on December 15, 1998 and provide financing for courthouse improvements. The refunding general obligation bonds are payable in variable amounts; interest rate of 3.09% through December 2023.	223,100
\$42,440,000 general obligation bonds issued December 9, 2014 with a premium of \$2,601,367, payable in semi-annual installments in variable amounts, with variable interest rates of 3.0% to 5.0% through December 30, 2039. The bonds were issued to finance various school projects including the design and construction of a second middle school.	13,920,000
\$3,725,000 general obligation refunding bonds Series 2020A, issued November 10, 2020, payable in variable amounts; interest rate 5.05%, through July 15, 2028. The bonds were issued to advance refund Series 2013B lease revenue refunding bonds for an economic gain of \$402,305.	2,955,000
\$11,910,000 general obligation refunding bonds Series 2020B, issued November 10, 2020, payable in variable amounts; with a variable interest rate, through July 15, 2036. The bonds were issued to advance refund a portion of Series 2014 general obligation bonds for an economic gain of \$519,929.	11,700,000
\$10,535,000 general obligation refunding bonds Series 2021B, issued May 11, 2021, payable in variable amounts; with a variable interest rate, through July 15, 2039. The bonds were issued to advance refund a portion of Series 2014 general obligation bonds for an economic gain of \$763,027.	10,245,000
Total general obligation bonds	\$ <u>42,612,202</u>

COUNTY OF WARREN, VIRGINIA

Notes to Financial Statements
June 30, 2023 (Continued)

NOTE 7—LONG-TERM OBLIGATIONS: (CONTINUED)

Primary Government and Component Unit—School Board (Continued)

Details of the primary government's debt at June 30, 2023 are as follows: (Continued)

	<u>Amount Outstanding</u>
<u>Direct Borrowings and Placements (Continued)</u>	
<u>Lease Revenue Bonds:</u>	
\$5,885,000 lease revenue bonds Series 2014B issued August 13, 2014 with a premium of \$696,727, payable in variable amounts; with variable interest rates of 1.895% to 5.125%, through October 1, 2034. The bonds were issued to finance the Leach Run Parkway, jointly with the Town of Front Royal, VA.	\$ 4,165,000
\$11,248,000 lease revenue bonds Series 2019, issued April 24, 2019, payable in variable amounts; with a fixed interest rate of 3.58%, through April 1, 2044. The bonds were issued to current refund the lines of credit issued to finance Ressie Jeffries Elementary School, Health & Human Services Complex and Rivermont Fire Station.	10,028,000
\$57,270,000 lease revenue refunding bonds Series 2019C, issued November 20, 2019, payable in variable amounts; with a variable interest rate, through April 1, 2035. The bonds were issued to advance refund a portion of Series 2011B and 2012A lease revenue refunding bonds for an economic gain of \$4,392,109.	<u>51,390,000</u>
Total lease revenue bonds	<u>\$ 65,583,000</u>
<u>Revenue Bonds:</u>	
\$8,691,000 taxable qualified energy conservation revenue bond issued February 24, 2016, payable annually in variable amounts; with a fixed interest rate of 4.1%, through August 15, 2036. The bonds were issued to finance energy efficient improvements in Warren County Schools.	\$ 7,000,000
\$600,000 Variable rate demand revenue bonds Series 2005A, issued May 24, 2007, payable in annual fixed principal amount of \$30,000, with interest at a variable rate through June 2027.	<u>120,000</u>
Total revenue bonds	<u>\$ 7,120,000</u>
<u>Note payable:</u>	
\$400,000 note payable to partially finance the purchase of land in April 2019. The note bears interest at a rate of 4.25% and is payable in monthly installments through April 1, 2024.	<u>\$ 369,814</u>

COUNTY OF WARREN, VIRGINIA

Notes to Financial Statements
June 30, 2023 (Continued)

NOTE 7—LONG-TERM OBLIGATIONS: (CONTINUED)

Primary Government and Component Unit—School Board (Continued)

Details of the primary government's debt at June 30, 2023 are as follows: (Continued)

	<u>Amount Outstanding</u>
<u>Lease liabilities:</u>	
On 07/01/2021, Warren County,VA entered into a 46 month lease as Lessee for the use of Ricoh Copiers - IM & MP. An initial lease liability was recorded in the amount of \$30,020. Warren County,VA is required to make monthly fixed payments of \$650. The lease has an interest rate of 0.8930%.	\$ 14,811
On 07/01/2021, Warren County,VA entered into a 44 month lease as Lessee for the use of Ricoh Copier - IM. An initial lease liability was recorded in the amount of \$9,034. Warren County,VA is required to make monthly fixed payments of \$204. The lease has an interest rate of 0.8930%	4,250
On 07/01/2021, Warren County,VA entered into a 47 month lease as Lessee for the use of Konica Minolta - BHC360i. An initial lease liability was recorded in the amount of \$18,349. Warren County,VA is required to make monthly fixed payments of \$389. The lease has an interest rate of 0.8930%.	9,250
On 07/01/2021, Warren County,VA entered into a 49 month lease as Lessee for the use of Pitney Bowes - Elections and Voter Registration. An initial lease liability was recorded in the amount of \$14,102 Warren County,VA is required to make quarterly fixed payments of \$898. The lease has an interest rate of 0.8930%.	7,109
On 01/02/2023, Warren County,VA entered into a 60 month lease as Lessee for the use of Finance Toshiba. An initial lease liability was recorded in the amount of \$5,983. Warren County,VA is required to make monthly fixed payments of \$107. The lease has an interest rate of 2.7200%.	5,514
On 01/02/2023, Warren County,VA entered into a 60 month lease as Lessee for the use of Sheriff's Office Toshiba . An initial lease liability was recorded in the amount of \$5,983. Warren County,VA is required to make monthly fixed payments of \$107. The lease has an interest rate of 2.7200%.	5,514
On 01/02/2023, Warren County,VA entered into a 60 month lease as Lessee for the use of Planning Toshiba . An initial lease liability was recorded in the amount of \$5,983. Warren County,VA is required to make monthly fixed payments of \$107. The lease has an interest rate of 2.7200%.	5,514
On 03/01/2023, Warren County,VA entered into a 60 month lease as Lessee for the use of Government Center Postage Machine. An initial lease liability was recorded in the amount of \$27,149. Warren County,VA is required to make quarterly fixed payments of \$1,450. The lease has an interest rate of 2.7200%.	25,699
Total lease liabilities	\$ <u>77,661</u>

COUNTY OF WARREN, VIRGINIA

Notes to Financial Statements
June 30, 2023 (Continued)

NOTE 7—LONG-TERM OBLIGATIONS: (CONTINUED)

Primary Government and Component Unit—School Board (Continued)

Details of the primary government's debt at June 30, 2023 are as follows: (Continued)

	<u>Amount Outstanding</u>
<u>Subscription liabilities:</u>	
On 07/01/2022, Warren County, VA entered into a 29 month subscription for the use of WC UKG READY. An initial subscription liability was recorded in the amount of \$123,017. Warren County, VA is required to make monthly fixed payments of \$5,279. The subscription has an interest rate of 2.0237%.	\$ 88,387
On 07/28/2022, Warren County, VA entered into a 36 month subscription for the use of WC Proprietary Remote Monitoring Software. An initial subscription liability was recorded in the amount of \$9,392. Warren County, VA is required to make annual fixed payments of \$3,199. The subscription has an interest rate of 2.1843%.	<u>6,193</u>
Total subscription liabilities	\$ <u><u>94,580</u></u>
<u>Line of Credit:</u>	
The County obtained a line of credit financing with the Industrial Development Authority of The Town of Front Royal and The County of Warren, Virginia ("EDA") to finance various projects. The County will pay the EDA interest accrued on the outstanding debt annually. The line of credit will be paid in full upon completion of the receipt and sale of tax credits or upon obtaining other permanent financing.	\$ <u><u>541,071</u></u>

Details of the component unit-school board's debt at June 30, 2023 are as follows:

	<u>Amount Outstanding</u>
<u>Lease liabilities:</u>	
On 07/01/2021, the School Board entered into a 25 month lease as Lessee for the use of Ressie Jeffries Elementary School Copier. An initial lease liability was recorded in the amount of \$24,842. The School Board is required to make monthly fixed payments of \$999. The lease has an interest rate of 0.5140%.	\$ 999
Total lease liabilities	\$ <u><u>999</u></u>

COUNTY OF WARREN, VIRGINIA

Notes to Financial Statements
June 30, 2023 (Continued)

NOTE 7—LONG-TERM OBLIGATIONS: (CONTINUED)

Primary Government and Component Unit—School Board (Continued)

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

Year Ending June 30,	County Obligations									
	Direct Borrowings and Placements				Financed Purchases		Lease Liabilities		Subscription Liabilities	
	Bonds Payable		Notes Payable		Principal	Interest	Principal	Interest	Principal	Interest
	Principal	Interest	Principal	Interest						
2024	\$ 8,454,838	\$ 3,372,491	\$ 369,814	\$ 12,992	\$ 233,605	\$ 15,775	\$ 26,787	\$ 1,358	\$ 65,191	\$ 1,350
2025	8,478,588	3,096,525	-	-	229,412	8,681	25,983	901	29,389	201
2026	8,759,112	2,807,415	-	-	46,762	1,436	9,065	577	-	-
2027	9,007,344	2,535,526	-	-	-	-	9,314	328	-	-
2028-2032	38,823,320	9,008,545	-	-	-	-	6,512	79	-	-
2033-2037	30,011,000	3,639,590	-	-	-	-	-	-	-	-
2038-2042	10,470,000	788,573	-	-	-	-	-	-	-	-
2043-2044	1,311,000	47,381	-	-	-	-	-	-	-	-
Total	\$ 115,315,202	\$ 25,296,046	\$ 369,814	\$ 12,992	\$ 509,779	\$ 25,892	\$ 77,661	\$ 3,243	\$ 94,580	\$ 1,551

Year Ending June 30,	School Board Obligations	
	Lease Liabilities	
	Principal	Interest
2024	\$ 999	\$ 1
Total	\$ 999	\$ 1

NOTE 8—PENSION PLAN:

Plan Description

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

NOTE 8—PENSION PLAN: (CONTINUED)

Benefit Structures

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

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

Average Final Compensation and Service Retirement Multiplier

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

COUNTY OF WARREN, VIRGINIA

Notes to Financial Statements
June 30, 2023 (Continued)

NOTE 8—PENSION PLAN: (CONTINUED)

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

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

Employees Covered by Benefit Terms

As of the June 30, 2021 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	Primary Government	Component Unit School Board Nonprofessional
Inactive members or their beneficiaries currently receiving benefits	152	99
Inactive members:		
Vested inactive members	54	47
Non-vested inactive members	69	116
Inactive members active elsewhere in VRS	164	37
Total inactive members	287	200
Active members	270	57
Total covered employees	709	356

Contributions

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

The County's contractually required employer contribution rate for the year ended June 30, 2023 was 11.66% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the County were \$1,713,841 and \$1,414,073 for the years ended June 30, 2023 and June 30, 2022, respectively.

NOTE 8—PENSION PLAN: (CONTINUED)

Contributions: (Continued)

The Component Unit School Board’s contractually required employer contribution rate for nonprofessional employees for the year ended June 30, 2023 was 3.63% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Component Unit School Board’s nonprofessional employees were \$42,884 and \$28,302 for the years ended June 30, 2023 and June 30, 2022, respectively.

Net Pension Liability (Asset)

The net pension liability (NPLA) is calculated separately for each employer and represents that particular employer’s total pension liability determined in accordance with GASB Statement No. 68, less that employer’s fiduciary net position. The County’s and Component Unit School Board’s (nonprofessional) net pension liabilities (asset) were measured as of June 30, 2022. The total pension liabilities used to calculate the net pension liabilities were determined by an actuarial valuation performed as of June 30, 2021, and rolled forward to the measurement date of June 30, 2022.

Actuarial Assumptions - General Employees

The total pension liability for General Employees in the County’s and Component Unit School Board’s (nonprofessional) Retirement Plan was based on an actuarial valuation as of June 30, 2021, 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, 2022.

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

Mortality rates:

- All Others (Non-10 Largest) - Non-Hazardous Duty: 15% of deaths are assumed to be service-related
- Pre-Retirement:
 - Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years
- Post-Retirement:
 - Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years
- Post-Disablement:
 - Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years

COUNTY OF WARREN, VIRGINIA

Notes to Financial Statements
June 30, 2023 (Continued)

NOTE 8—PENSION PLAN: (CONTINUED)

Actuarial Assumptions - General Employees: (Continued)

Mortality rates: (Continued)

Beneficiaries and Survivors:

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

Mortality Improvement:

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, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

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

Actuarial Assumptions - Public Safety Employees with Hazardous Duty Benefits

The total pension liability for Public Safety employees with Hazardous Duty Benefits in the County's Retirement Plan was based on an actuarial valuation as of June 30, 2021, 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, 2022.

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

COUNTY OF WARREN, VIRGINIA

Notes to Financial Statements
June 30, 2023 (Continued)

NOTE 8—PENSION PLAN: (CONTINUED)

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

Mortality rates:

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

Pre-Retirement:

Pub-2010 Amount Weighted Safety Employee Rates projected generationally with a Modified MP-2020 Improvement Scale; 95% of rates for males; 105% 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, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

All Others (Non 10 Largest) - Hazardous Duty:

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

COUNTY OF WARREN, VIRGINIA

Notes to Financial Statements
June 30, 2023 (Continued)

NOTE 8—PENSION PLAN: (CONTINUED)

Long-Term Expected Rate of Return

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

Asset Class (Strategy)	Long-Term Target Asset Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-term Expected Rate of Return
Public Equity	34.00%	5.71%	1.94%
Fixed Income	15.00%	2.04%	0.31%
Credit Strategies	14.00%	4.78%	0.67%
Real Assets	14.00%	4.47%	0.63%
Private Equity	14.00%	9.73%	1.36%
MAPS - Multi-Asset Public Strategies	6.00%	3.73%	0.22%
PIP - Private Investment Partnership	3.00%	6.55%	0.20%
Total	100.00%		5.33%
		Inflation	2.50%
	**Expected arithmetic nominal return		7.83%

*The above allocation provides a one-year expected return of 7.83%. 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 6.72%, including expected inflation of 2.50%.

**On October 10, 2019, the VRS Board elected a long-term rate of return of 6.75% which was roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11%, including expected inflation of 2.50%.

Discount Rate

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

COUNTY OF WARREN, VIRGINIA

Notes to Financial Statements
June 30, 2023 (Continued)

NOTE 8—PENSION PLAN: (CONTINUED)

Discount Rate: (Continued)

June 30, 2023, the alternate rate was the employer contribution rate used in FY 2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2021 actuarial valuations, whichever was greater. Through the fiscal year ended June 30, 2022, the rate contributed by the school division for the VRS Teacher Retirement Plan was subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 100% of the actuarially determined contribution rate. From July 1, 2022 on, participating employers and school divisions are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability (Asset)

	Primary Government		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at June 30, 2021	\$ 52,594,454	\$ 54,785,704	\$ (2,191,250)
Changes for the year:			
Service cost	\$ 1,794,235	\$ -	\$ 1,794,235
Interest	3,582,529	-	3,582,529
Differences between expected and actual experience	(740,808)	-	(740,808)
Changes of assumptions	-	-	-
Contributions - employer	-	1,413,507	(1,413,507)
Contributions - employee	-	676,345	(676,345)
Net investment income	-	(64,595)	64,595
Benefit payments, including refunds	(2,628,379)	(2,628,379)	-
Administrative expenses	-	(33,879)	33,879
Other changes	-	1,272	(1,272)
Net changes	\$ 2,007,577	\$ (635,729)	\$ 2,643,306
Balances at June 30, 2022	\$ 54,602,031	\$ 54,149,975	\$ 452,056

COUNTY OF WARREN, VIRGINIA

Notes to Financial Statements
June 30, 2023 (Continued)

NOTE 8—PENSION PLAN: (CONTINUED)

Changes in Net Pension Liability (Asset)

	Component School Board (nonprofessional)		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at June 30, 2021	\$ 10,370,527	\$ 11,858,978	\$ (1,488,451)
Changes for the year:			
Service cost	\$ 142,155	\$ -	\$ 142,155
Interest	686,063	-	686,063
Differences between expected and actual experience	(250,345)	-	(250,345)
Changes of assumptions	-	-	-
Contributions - employer	-	28,714	(28,714)
Contributions - employee	-	80,127	(80,127)
Net investment income	-	(1,621)	1,621
Benefit payments, including refunds	(697,576)	(697,576)	-
Administrative expenses	-	(7,538)	7,538
Other changes	-	265	(265)
Net changes	\$ (119,703)	\$ (597,629)	\$ 477,926
Balances at June 30, 2022	\$ 10,250,824	\$ 11,261,349	\$ (1,010,525)

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

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

	Rate		
	1% Decrease	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
County Net Pension Liability (Asset)	\$ 8,087,066	\$ 452,056	\$ (5,735,477)
Component Unit School Board (nonprofessional) Net Pension Liability (Asset)	61,739	(1,010,525)	(1,910,283)

COUNTY OF WARREN, VIRGINIA

Notes to Financial Statements
June 30, 2023 (Continued)

NOTE 8—PENSION PLAN: (CONTINUED)

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

For the year ended June 30, 2023, the County and Component Unit School Board (nonprofessional) recognized pension expense of \$648,302 and \$(349,811), respectively. At June 30, 2023, the County and Component Unit School Board (nonprofessional) reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Primary Government		Component Unit School Board (nonprofessional)	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 1,033,265	\$ -	\$ 11,921
Change in assumptions	788,189	-	-	-
Net difference between projected and actual earnings on pension plan investments	-	1,526,223	-	362,410
Employer contributions subsequent to the measurement date	1,713,841	-	42,884	-
Total	<u>\$ 2,502,030</u>	<u>\$ 2,559,488</u>	<u>\$ 42,884</u>	<u>\$ 374,331</u>

\$1,713,841 and \$42,884 reported as deferred outflows of resources related to pensions resulting from the County's and Component Unit School Board's (nonprofessional) contributions, respectively, subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

	Year Ended June 30	Primary Government	Component Unit School Board (nonprofessional)
2024	\$	(609,385)	\$ (148,705)
2025		(786,077)	(143,420)
2026		(1,124,507)	(238,605)
2027		748,670	156,399
2028		-	-
Thereafter		-	-

COUNTY OF WARREN, VIRGINIA

Notes to Financial Statements
June 30, 2023 (Continued)

NOTE 8—PENSION PLAN: (CONTINUED)

Pension Plan Data

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

Component Unit School Board (professional)

Plan Description

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

Contributions

The contribution requirement for active employees is governed by §51.1-145 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement. Each school division's contractually required employer contribution rate for the year ended June 30, 2023 was 16.62% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the school division were \$5,827,523 and \$5,610,796 for the years ended June 30, 2023 and June 30, 2022, respectively.

In June 2022, the Commonwealth made a special contribution of approximately \$442.4 million to the VRS Teacher Retirement Plan. This special payment was authorized by a budget amendment included in Chapter 1 of the 2022 Appropriation Act, and is classified as a non-employer contribution.

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

At June 30, 2022, the school division reported a liability of \$35,958,349 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2022 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation performed as of June 30, 2021, and rolled forward to the measurement date of June 30, 2022. The school division's proportion of the Net Pension Liability was based on the school division's actuarially determined employer contributions to the pension plan for the year ended June 30, 2022, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2022, the school division's proportion was 0.37769% as compared to 0.36264% at June 30, 2021.

COUNTY OF WARREN, VIRGINIA

Notes to Financial Statements
June 30, 2023 (Continued)

NOTE 8—PENSION PLAN: (CONTINUED)

Component Unit School Board (professional) (Continued)

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

For the year ended June 30, 2023, the school division recognized pension expense of \$2,136,327. Since there was a change in proportionate share between measurement dates, a portion of the pension expense was related to deferred amounts from changes in proportion and from differences between employer contributions and the proportionate share of employer contributions. Beginning with the June 30, 2022 measurement date, the difference between expected and actual contributions is included with the pension expense calculation.

At June 30, 2023, the school division reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 2,479,470
Change in assumptions	3,390,148	-
Net difference between projected and actual earnings on pension plan investments	-	4,688,216
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,740,033	321,105
Employer contributions subsequent to the measurement date	<u>5,827,523</u>	<u>-</u>
Total	<u>\$ 10,957,704</u>	<u>\$ 7,488,791</u>

\$5,827,523 reported as deferred outflows of resources related to pensions resulting from the school division's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

<u>Year Ended June 30</u>	
2024	\$ (921,366)
2025	(1,250,115)
2026	(2,640,508)
2027	2,453,379
2028	-

NOTE 8—PENSION PLAN: (CONTINUED)

Component Unit School Board (professional) (Continued)

Actuarial Assumptions

The total pension liability for the VRS Teacher Retirement Plan was based on an actuarial valuation as of June 30, 2021, 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, 2022.

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

Mortality rates:

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

COUNTY OF WARREN, VIRGINIA

Notes to Financial Statements
June 30, 2023 (Continued)

NOTE 8—PENSION PLAN: (CONTINUED)

Component Unit School Board (professional) (Continued)

Actuarial Assumptions: (Continued)

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

Net Pension Liability

The net pension liability (NPL) is calculated separately for each system and represents that particular system's total pension liability determined in accordance with GASB Statement No. 67, less that system's fiduciary net position. As of June 30, 2022, NPL amounts for the VRS Teacher Employee Retirement Plan is as follows (amounts expressed in thousands):

		Teacher Employee Retirement Plan
Total Pension Liability	\$	54,732,329
Plan Fiduciary Net Position		45,211,731
Employers' Net Pension Liability (Asset)	\$	<u>9,520,598</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		82.61%

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

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

COUNTY OF WARREN, VIRGINIA

Notes to Financial Statements
June 30, 2023 (Continued)

NOTE 8—PENSION PLAN: (CONTINUED)

Component Unit School Board (professional) (Continued)

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

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

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
School division's proportionate share of the VRS Teacher Employee Retirement Plan			
Net Pension Liability (Asset)	\$ 64,224,364	\$ 35,958,349	\$ 12,943,597

Pension Plan Fiduciary Net Position

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

Primary Government and Component Unit School Board

Aggregate Pension Information

	VRS Pension Plans:			
	Deferred Outflows	Deferred Inflows	Net Pension Liability (Asset)	Pension Expense
Primary Government	\$ 2,502,030	\$ 2,559,488	\$ 452,056	\$ 648,302
Component Unit School Board				
School Board Nonprofessional	\$ 42,884	\$ 374,331	\$ (1,010,525)	\$ (349,811)
School Board Professional	10,957,704	7,488,791	35,958,349	2,136,327
	\$ 11,000,588	\$ 7,863,122	\$ 34,947,824	\$ 1,786,516

COUNTY OF WARREN, VIRGINIA

Notes to Financial Statements
June 30, 2023 (Continued)

NOTE 9—UNAVAILABLE/UNEARNED REVENUE AND DEFERRED INFLOWS OF RESOURCES:

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

Primary Government - Deferred Inflows of Resources

General fund:

Delinquent taxes not collected within 60 days	\$	7,027,573
Prepaid property taxes - property taxes paid in advance		2,910,640
2nd half property tax assessments		13,000,231
Unavailable revenue - opioid settlement		720,150
Lease related		1,602,443

Sanitary districts fund:

Delinquent taxes not collected within 60 days		583,177
Prepaid property taxes - property taxes paid in advance		78,325
2nd half property tax assessments		1,176,185
Total deferred inflows of resources - governmental funds (Exhibit 3)	\$	<u>27,098,724</u>

Primary Government - Unearned Revenue

Unearned grant revenue:

Unused ARPA funding	\$	4,958,010
General fund		3,626
Total unearned revenue - governmental funds (Exhibit 3)	\$	<u>4,961,636</u>

NOTE 10—COMMITMENTS AND CONTINGENCIES:

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

NOTE 11—LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS:

The County has closed a previously operated solid waste landfill and transfer station in such a manner as to comply with laws and regulations administered by the United States Environmental Protection Agency and Virginia Department of Waste Management. State and federal laws and regulations require the County to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for after closure. The \$1,831,572 reported as landfill closure care, postclosure care and corrective action liability at June 30, 2023, represents the cumulative amount reported based on the use of 100% percent of the estimated capacity of the landfill. Postclosure and corrective action liabilities represented \$1,084,380 and \$747,192, respectively. The County has closed the landfill. These amounts are based on what it would cost to perform all postclosure care in 2023. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

COUNTY OF WARREN, VIRGINIA

Notes to Financial Statements
June 30, 2023 (Continued)

NOTE 11—LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS: (CONTINUED)

The County has demonstrated financial assurance requirements for postclosure care, and corrective action costs by establishing a trust fund that conforms to the requirements stipulated in Section 9VAC20-70 of the Virginia Administrative Code. The County intends to fund these costs from accumulated funds held in the general fund. The liability the County provides financial assurance is different than the actual liability reported in the financial statements due to actual costs expended.

NOTE 12—SURETY BONDS:

	<u>Amount</u>
VA Department of General Services:	
Angela M. Moore, Clerk of the Circuit Court	\$ 400,000
Jamie Spiker, Treasurer	400,000
Sherry T. Sours, Commissioner of the Revenue	3,000
Mark A. Butler, Sheriff	30,000
All Social Service Employees - Blanket Bond	100,000
Virginia School Board Association Pool:	
All School Board Employees - Blanket Bond	50,000
Fidelity and Deposit Company of Maryland:	
Chris Ballenger, Superintendent, Deputy Clerk of the School Board	10,000
Robert H. Ballentine, Finance Director, Clerk of the School Board	10,000

NOTE 13—COMMITTED FUND BALANCE—CAPITAL IMPROVEMENTS:

	<u>Amount</u>
Permanent Reserves (Twice-a-year billing)	\$ 4,213,840
Contingency Reserve	500,000
Tourism Reserve	129,780
Staffing Initiatives	294,079
Community Development	175,992
Infrastructure	930,000
Capital Improvement	5,619,248
Asset Replacement	<u>3,730,902</u>
Total Special Projects Fund	<u>\$ 15,593,841</u>

COUNTY OF WARREN, VIRGINIA

Notes to Financial Statements
June 30, 2023 (Continued)

NOTE 14—RISK MANAGEMENT:

Primary Government

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County carries a broad range of insurance coverage, which management considers prudent for the protection of the County's assets and operations. Coverage currently includes \$5,000,000 commercial general liability, \$5,000,000 automobile liability, and \$3,000,000 public officials liability. The property policy provides insurance coverage for all of the County's real and personal property up to the replacement cost value of the asset.

The Schools are exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The School carries a broad range of insurance coverage, which management considers prudent for the protection of the Schools assets and operations. Coverage currently includes \$2,000,000 commercial general liability, \$2,000,000 automobile liability, and \$2,000,000 public official liability. The property policy provides insurance coverage for all of the Schools' real and personal property up to the replacement cost value of the asset.

NOTE 15—OTHER POSTEMPLOYMENT BENEFITS:

Health Insurance (Single-employer Defined Benefit Plan)

Plan Description

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

Benefits Provided

County:

Employees hired before July 1, 2013 and who retire from County with service eligible for VRS benefits (i.e. 50 years of age and 30 years of continuous service) and 10 years of service with the County, will receive a subsidy contribution from 50% - 100% based on years of service, for their health insurance premium until age 65 when they become eligible for Medicare, at which time benefits cease. The retiree's spouse can receive benefits under the plan with the premium to be paid by the retiree. Retirees not yet eligible for Medicare coverage have one coverage choice, just as active employees have. Retirees eligible for Medicare coverage have access to plans that supplement Medicare, however, the retiree is responsible for the full cost of the plan. The County establishes employer contribution rates for plan participants as part of the budgetary process each year. The County also determines how the plan will be funded each year, whether it will partially fund the plan or fully fund the plan. Again, this is determined annually as part of the budgetary process. For participating retirees the County pays 50%, 75%, or 100% of the health insurance premium for retirees with 10-14, 15-19, or 20 plus years of service, respectively. Retirees pay 100% of spousal premiums. Coverage ceases when retirees reach the age of 65. Surviving spouses are not allowed access to the plan.

COUNTY OF WARREN, VIRGINIA

Notes to Financial Statements
June 30, 2023 (Continued)

NOTE 15—OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

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

Benefits Provided: (Continued)

School Board:

Individuals who retire from the School Board with full VRS benefits (i.e. 50 years of age and 30 years of continuous service) including 5 years of service with the School Board are eligible for health insurance benefits under the School Board’s plan for active employees. The retiree’s spouse can receive benefits under the plan with the premium to be paid by the retiree. The School Board establishes employer contribution rates for plan participants as part of the budgetary process each year. The School Board also determines how the plan will be funded each year, whether it will partially fund the plan or fully fund the plan. Again, this is determined annually as part of the budgetary process. Retirees pay the full premium for health insurance coverage. Retirees pay 100% of spousal premiums. Coverage ceases when retirees reach the age of 65. Surviving spouses are not allowed access to the plan.

Plan Membership

At July 1, 2022 (measurement date), the following employees were covered by the benefit terms:

	County	School Board
Total active employees with coverage	121	656
Total inactive employees or retirees with coverage	15	15
Total	136	671

Contributions

The County and School Board do not pre-fund benefits; therefore, no assets are accumulated in a trust fund. The current funding policy is to pay benefits directly from general assets on a pay-as-you-go basis. The funding requirements are established and may be amended by the County and School Board. The County and School Board paid \$260,900 and \$101,300, respectively, in fiscal year 2023.

Total OPEB Liability

The County and School Board’s total OPEB liabilities were measured as of July 1, 2022. The total OPEB liabilities were determined by an actuarial valuation as of July 1, 2022.

Actuarial Assumptions

The total OPEB liability in the July 1, 2022 actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

County and School Board	
Salary Increases	Increases of 2.50%
Discount Rate	3.69%
Healthcare Cost Trend Rates	7.52% for fiscal year end 2023, then 6.50% for fiscal year end 2024, decreasing 0.25% per year to an ultimate rate of 5.00%

COUNTY OF WARREN, VIRGINIA

Notes to Financial Statements
June 30, 2023 (Continued)

NOTE 15—OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

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

Actuarial Assumptions: (Continued)

Mortality rates for active employees and healthy retirees were based on a RP-2014 Mortality Table fully generational, with base year 2006, projected using two-dimensional mortality improvement scale MP-2021.

Discount Rate

The discount rate represents the Municipal GO AA 20-year yield curve rate as of July 1, 2021. The final equivalent single discount rate used for this year's valuation is 3.69% as of the end of the fiscal year with the expectation that the County and School Board will continue contributing the Actuarially Determined Contribution on a pay-as-you-go basis.

Changes in Total OPEB Liability

	Primary Government- County Total OPEB Liability	Component Unit- School Board Total OPEB Liability
Balances at June 30, 2022	\$ 8,939,300	\$ 2,047,300
Changes for the year:		
Service cost	291,600	155,200
Interest	174,700	41,300
Difference between expected and actual experience	236,400	15,000
Changes in assumptions	(1,764,000)	(304,200)
Benefit payments	(260,900)	(101,300)
Net changes	(1,322,200)	(194,000)
Balances at June 30, 2023	\$ 7,617,100	\$ 1,853,300

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

The following amounts present the total OPEB liability of the County and School Board, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.69%) or one percentage point higher (4.69%) than the current discount rate:

County Rate			School Board Rate		
1% Decrease (2.69%)	Current Discount Rate (3.69%)	1% Increase (4.69%)	1% Decrease (2.69%)	Current Discount Rate (3.69%)	1% Increase (4.69%)
\$ 8,418,400	\$ 7,617,100	\$ 6,899,900	\$ 1,995,900	\$ 1,853,300	\$ 1,720,900

COUNTY OF WARREN, VIRGINIA

Notes to Financial Statements
June 30, 2023 (Continued)

NOTE 15—OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

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

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

The following presents the total OPEB liabilities of the County and School Board, as well as what the total OPEB liabilities would be if it were calculated using healthcare cost trend rates that are one percentage point lower (6.52%) or one percentage point higher (8.52%) than the current healthcare cost trend rate used of 7.52%:

County Rates			School Board Rates		
1% Decrease (6.52%)	Healthcare Cost Trend (7.52%)	1% Increase (8.52%)	1% Decrease (6.52%)	Healthcare Cost Trend (7.52%)	1% Increase (8.52%)
\$ 6,764,100	\$ 7,617,100	\$ 8,615,600	\$ 1,671,900	\$ 1,853,300	\$ 2,063,500

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

For the year ended June 30, 2023, the County and School Board recognized OPEB expense in the amount of \$480,000 and \$(16,300), respectively. At June 30, 2023, the County and School Board had the following deferred outflows and inflows of resources related to OPEB.

	Deferred Outflows of Resources	Deferred Inflows of Resources
County:		
Differences between expected and actual experience	\$ 521,600	\$ 374,000
Change of assumptions	1,138,600	1,471,900
Employer contributions subsequent to the measurement date	260,900	-
Total	<u>\$ 1,921,100</u>	<u>\$ 1,845,900</u>
School Board:		
Differences between expected and actual experience	\$ 172,400	\$ 1,089,800
Change of assumptions	289,400	325,500
Employer contributions subsequent to the measurement date	101,300	-
Total	<u>\$ 563,100</u>	<u>\$ 1,415,300</u>

COUNTY OF WARREN, VIRGINIA

Notes to Financial Statements
June 30, 2023 (Continued)

NOTE 15—OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

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

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources: (Continued)

Amounts reported as deferred inflows of resources related to the Health Insurance (single-employer defined benefit plan) will be recognized in the OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>	<u>County</u>	<u>School Board</u>
2024	\$ 10,200	\$ (216,300)
2025	53,200	(216,300)
2026	82,100	(190,200)
2027	(89,500)	(175,500)
2028	(236,300)	(141,800)
Thereafter	(5,400)	(13,400)

Group Life Insurance:

Plan Description

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

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

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

Eligible Employees

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

Benefit Amounts

The GLI Plan is a defined benefit plan with several components. The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled. The accidental death benefit is double the natural death benefit. In addition to basic natural and accidental death benefits,

COUNTY OF WARREN, VIRGINIA

Notes to Financial Statements
June 30, 2023 (Continued)

NOTE 15—OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

Group Life Insurance (Continued)

Benefit Amounts: (Continued)

the plan provides additional benefits provided under specific circumstances that include the following: accidental dismemberment benefit, seatbelt benefit, repatriation benefit, felonious assault benefit, and accelerated death benefit option. The benefit amounts are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value. For covered members with at least 30 years of service credit, the minimum benefit payable was set at \$8,000 by statute in 2015. This will be increased annually based on the VRS Plan 2 cost-of-living adjustment calculation. The minimum benefit adjusted for the COLA was \$8,984 as of June 30, 2023.

Contributions

The contribution requirements for the GLI Plan are governed by §51.1-506 and §51.1-508 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the GLI Plan was 1.34% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.80% (1.34% x 60%) and the employer component was 0.54% (1.34% x 40%). Employers may elect to pay all or part of the employee contribution; however, the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2023 was 0.54% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the Group Life Insurance Plan from the County were \$83,712 and \$77,744 for the years ended June 30, 2023 and June 30, 2022, respectively and \$210,915 (\$201,265 professional and \$9,650 nonprofessional) and \$200,086 (\$191,799 professional and \$8,287 nonprofessional) from the School Board.

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

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

At June 30, 2023, the County reported a liability of \$796,991, School Board-Professional employees \$1,966,049 and the School Board Nonprofessional employees \$84,889 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2022 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation performed as of June 30, 2021, and rolled forward to the measurement date of June 30, 2022. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the GLI Plan for the year ended June 30, 2022, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2022, the participating employer's proportion was .06620% as compared to .06180% at June 30, 2021. The employer's proportion for the School-professional employees and School-Nonprofessional employees was .16330% and .00700%, respectively, as compared to .15670% and .00720%, respectively, at June 30, 2021.

COUNTY OF WARREN, VIRGINIA

Notes to Financial Statements
June 30, 2023 (Continued)

NOTE 15—OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

Group Life Insurance (Continued)

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

For the year ended June 30, 2023, the County, School Board-Professional employees and School Board-Nonprofessional employees recognized GLI OPEB expense of \$54,824, \$82,922 and \$(6,519). Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

At June 30, 2023, the employer reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the following sources:

County:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 63,112	\$ 31,973
Net difference between projected and actual earnings on GLI OPEB program investments	-	49,800
Change in assumptions	29,727	77,630
Changes in proportion	101,399	2,403
Employer contributions subsequent to the measurement date	<u>83,712</u>	<u>-</u>
Total	\$ <u><u>277,950</u></u>	\$ <u><u>161,806</u></u>

School Board - Professional:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 155,686	\$ 78,873
Net difference between projected and actual earnings on GLI OPEB program investments	-	122,849
Change in assumptions	73,331	191,501
Changes in proportion	103,379	16,868
Employer contributions subsequent to the measurement date	<u>201,265</u>	<u>-</u>
Total	\$ <u><u>533,661</u></u>	\$ <u><u>410,091</u></u>

COUNTY OF WARREN, VIRGINIA

Notes to Financial Statements
June 30, 2023 (Continued)

NOTE 15—OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

Group Life Insurance (Continued)

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

School Board - Nonprofessional:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 6,722	\$ 3,406
Net difference between projected and actual earnings on GLI OPEB program investments	-	5,304
Change in assumptions	3,166	8,269
Changes in proportion	-	27,853
Employer contributions subsequent to the measurement date	<u>9,650</u>	<u>-</u>
Total	<u>\$ 19,538</u>	<u>\$ 44,832</u>

\$83,712, \$201,625 and \$9,650 (County, School Board-Professional and School Board-Nonprofessional) reported as deferred outflows of resources related to the GLI OPEB resulting from the employer's contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>	<u>County</u>	<u>School Board</u>	
		<u>Professional</u>	<u>Nonprofessional</u>
2024	\$ 13,672	\$ (16,305)	\$ (10,718)
2025	9,871	(16,982)	(9,872)
2026	(20,458)	(80,498)	(11,753)
2027	25,224	35,540	(1,689)
2028	4,123	550	(912)
Thereafter	-	-	-

NOTE 15—OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

Group Life Insurance (Continued)

Actuarial Assumptions

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2021, 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, 2022. The assumptions include several employer groups. Salary increases and mortality rates included herein are for relevant employer groups. Information for other groups can be referenced in the VRS Annual Report.

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

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

COUNTY OF WARREN, VIRGINIA

Notes to Financial Statements
June 30, 2023 (Continued)

NOTE 15—OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

Group Life Insurance (Continued)

Actuarial Assumptions (Continued)

Mortality Rates - Teachers: (Continued)

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:

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

COUNTY OF WARREN, VIRGINIA

Notes to Financial Statements
June 30, 2023 (Continued)

NOTE 15—OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

Group Life Insurance (Continued)

Actuarial Assumptions (Continued)

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

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

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 WARREN, VIRGINIA

Notes to Financial Statements
June 30, 2023 (Continued)

NOTE 15—OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

Group Life Insurance (Continued)

Actuarial Assumptions (Continued)

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

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

NET GLI OPEB Liability

The net OPEB liability (NOL) for the Group Life Insurance Plan represents the program's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of the measurement date of June 30, 2022, NOL amounts for the Group Life Insurance Plan is as follows (amounts expressed in thousands):

		GLI OPEB Plan
Total GLI OPEB Liability	\$	3,672,085
Plan Fiduciary Net Position		2,467,989
Employers' Net GLI OPEB Liability (Asset)	\$	<u>1,204,096</u>
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability		67.21%

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 WARREN, VIRGINIA

Notes to Financial Statements
June 30, 2023 (Continued)

NOTE 15—OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

Group Life Insurance (Continued)

Long-Term Expected Rate of Return

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

<u>Asset Class (Strategy)</u>	<u>Long-term Target Asset Allocation</u>	<u>Arithmetic Long-term Expected Rate of Return</u>	<u>Weighted Average Long-term Expected Rate of Return</u>
Public Equity	34.00%	5.71%	1.94%
Fixed Income	15.00%	2.04%	0.31%
Credit Strategies	14.00%	4.78%	0.67%
Real Assets	14.00%	4.47%	0.63%
Private Equity	14.00%	9.73%	1.36%
MAPS - Multi-Asset Public Strategies	6.00%	3.73%	0.22%
PIP - Private Investment Partnership	3.00%	6.55%	0.20%
Total	<u>100.00%</u>		<u>5.33%</u>
		Inflation	2.50%
		**Expected arithmetic nominal return	<u>7.83%</u>

*The above allocation provides a one-year expected return of 7.83%. 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 6.72%, including expected inflation of 2.50%.

**On October 10, 2019, the VRS Board elected a long-term rate of return of 6.75% which was roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11%, including expected inflation of 2.50%.

COUNTY OF WARREN, VIRGINIA

Notes to Financial Statements
June 30, 2023 (Continued)

NOTE 15—OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

Group Life Insurance (Continued)

Discount Rate

The discount rate used to measure the total GLI OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ended June 30, 2022, the rate contributed by the entity for the GLI OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly. From July 1, 2022 on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the GLI OPEB's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total GLI OPEB liability.

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

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

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
County's proportionate share of the Group Life Insurance Program Net OPEB Liability	\$ 1,159,716	\$ 796,991	\$ 503,860
School Board - Professional employees proportionate share of the Group Life Insurance Program Net OPEB Liability	\$ 2,860,831	\$ 1,966,049	\$ 1,242,942
School Board - Nonprofessional employees proportionate share of the Group Life Insurance Program Net OPEB Liability	\$ 123,523	\$ 84,889	\$ 53,667

Group Life Insurance Plan Fiduciary Net Position

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

COUNTY OF WARREN, VIRGINIA

Notes to Financial Statements
June 30, 2023 (Continued)

NOTE 15—OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

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

Plan Description

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

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

Eligible Employees

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

Benefit Amounts

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

HIC Plan Notes

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

COUNTY OF WARREN, VIRGINIA

Notes to Financial Statements
June 30, 2023 (Continued)

NOTE 15—OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

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

Employees Covered by Benefit Terms

As of the June 30, 2021 actuarial valuation, the following employees were covered by the benefit terms of the HIC OPEB plan:

	<u>Number</u>
Inactive members or their beneficiaries currently receiving benefits	<u>31</u>
Inactive members:	
Vested inactive members	4
Non-vested inactive members	-
Inactive members active elsewhere in VRS	-
Total inactive members	<u>4</u>
Active members	<u>57</u>
Total covered employees	<u><u>92</u></u>

Contributions

The contribution requirements for active employees is governed by §51.1-1402(E) of the Code of Virginia, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. The School Board's contractually required employer contribution rate for the year ended June 30, 2023 was 0.93% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the School Board to the HIC Plan were \$16,619 and \$12,665 for the years ended June 30, 2023 and June 30, 2022, respectively.

Net HIC OPEB Liability

The School Board's net HIC OPEB liability was measured as of June 30, 2022. The total HIC OPEB liability was determined by an actuarial valuation performed as of June 30, 2021, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2022.

Actuarial Assumptions

The total HIC OPEB liability was based on an actuarial valuation as of June 30, 2021, 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, 2022.

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

COUNTY OF WARREN, VIRGINIA

Notes to Financial Statements
June 30, 2023 (Continued)

NOTE 15—OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

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

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement Scale:

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

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

COUNTY OF WARREN, VIRGINIA

Notes to Financial Statements
June 30, 2023 (Continued)

NOTE 15—OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

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

Long-Term Expected Rate of Return

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

<u>Asset Class (Strategy)</u>	<u>Long-term Target Asset Allocation</u>	<u>Arithmetic Long-term Expected Rate of Return</u>	<u>Weighted Average Long-term Expected Rate of Return*</u>
Public Equity	34.00%	5.71%	1.94%
Fixed Income	15.00%	2.04%	0.31%
Credit Strategies	14.00%	4.78%	0.67%
Real Assets	14.00%	4.47%	0.63%
Private Equity	14.00%	9.73%	1.36%
MAPS - Multi-Asset Public Strategies	6.00%	3.73%	0.22%
PIP - Private Investment Partnership	3.00%	6.55%	0.20%
Total	<u>100.00%</u>		<u>5.33%</u>
		Inflation	<u>2.50%</u>
		Expected arithmetic nominal return**	<u>7.83%</u>

*The above allocation provides a one-year expected return of 7.83%. 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 6.72%, including expected inflation of 2.50%.

**On October 10, 2019, the VRS Board elected a long-term rate of return of 6.75% which was roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11%, including expected inflation of 2.50%.

COUNTY OF WARREN, VIRGINIA

Notes to Financial Statements
June 30, 2023 (Continued)

NOTE 15—OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

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

Discount Rate

The discount rate used to measure the total HIC OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ended June 30, 2022, the rate contributed by the entity for the HIC OPEB was 100% of the actuarially determined contribution rate. From July 1, 2022 on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the HIC OPEB's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total HIC OPEB liability.

Changes in Net HIC OPEB Liability

	Increase (Decrease)		
	Total HIC OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net HIC OPEB Liability (Asset) (a) - (b)
Balances at June 30, 2021	\$ 167,673	\$ 13,943	\$ 153,730
Changes for the year:			
Service cost	\$ 2,020	\$ -	\$ 2,020
Interest	11,154	-	11,154
Differences between expected and actual experience	(8,541)	-	(8,541)
Assumption changes	58,958	-	58,958
Contributions - employer	-	12,665	(12,665)
Net investment income	-	(94)	94
Benefit payments	(8,885)	(8,885)	-
Administrative expenses	-	(33)	33
Other changes	-	941	(941)
Net changes	\$ 54,706	\$ 4,594.00	\$ 50,112
Balances at June 30, 2022	\$ 222,379	\$ 18,537	\$ 203,842

COUNTY OF WARREN, VIRGINIA

Notes to Financial Statements
June 30, 2023 (Continued)

NOTE 15—OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

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

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

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

	Rate		
	1% Decrease	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
School Board Nonprofessional Net HIC OPEB Liability	\$ 222,239	\$ 203,842	\$ 187,869

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

For the year ended June 30, 2023, the School Board recognized HIC Plan OPEB expense of \$25,707. At June 30, 2023, the School Board reported deferred outflows of resources and deferred inflows of resources related to the School Board Nonprofessional's HIC Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 6,395
Net difference between projected and actual earnings on HIC OPEB plan investments	182	-
Change in assumptions	47,887	-
Employer contributions subsequent to the measurement date	16,619	-
Total	\$ 64,688	\$ 6,395

\$16,619 reported as deferred outflows of resources related to the HIC OPEB resulting from the School Board's contributions subsequent to the measurement date will be recognized as a reduction of the Net HIC OPEB Liability in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIC OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

Year Ended June 30	
2024	\$ 14,540
2025	14,501
2026	12,396
2027	237
2028	-
Thereafter	-

COUNTY OF WARREN, VIRGINIA

Notes to Financial Statements
June 30, 2023 (Continued)

NOTE 15—OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

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

HIC Plan Data

Information about the VRS Political Subdivision HIC Plan is available in the separately issued VRS 2022 Annual Comprehensive Financial Report (Annual Report). A copy of the 2022 VRS Annual Report may be downloaded from the VRS website at <https://www.varetire.org/pdf/publications/2022-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

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

Plan Description

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

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

Eligible Employees

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

Benefit Amounts

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

COUNTY OF WARREN, VIRGINIA

Notes to Financial Statements
June 30, 2023 (Continued)

NOTE 15—OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

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

HIC Plan Notes

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

Contributions

The contribution requirements for active employees is governed by §51.1-1401(E) of the Code of Virginia, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Each school division's contractually required employer contribution rate for the year ended June 30, 2023 was 1.21% of covered employee compensation for employees in the VRS Teacher Employee HIC Plan. This rate was the final approved General Assembly rate, which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the school division to the VRS Teacher Employee HIC Plan were \$450,546 and \$429,591 for the years ended June 30, 2023 and June 30, 2022, respectively.

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

At June 30, 2023, the school division reported a liability of \$4,757,993 for its proportionate share of the VRS Teacher Employee HIC Net OPEB Liability. The Net VRS Teacher Employee HIC OPEB Liability was measured as of June 30, 2022 and the total VRS Teacher Employee HIC OPEB liability used to calculate the Net VRS Teacher Employee HIC OPEB Liability was determined by an actuarial valuation performed as of June 30, 2021 and rolled forward to the measurement date of June 30, 2022. The school division's proportion of the Net VRS Teacher Employee HIC OPEB Liability was based on the school division's actuarially determined employer contributions to the VRS Teacher Employee HIC OPEB plan for the year ended June 30, 2022, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2022, the school division's proportion of the VRS Teacher Employee HIC was .38093% as compared to .36559% at June 30, 2021.

For the year ended June 30, 2023, the school division recognized VRS Teacher Employee Health Insurance Credit Plan OPEB expense of \$404,888. Since there was a change in proportionate share between measurement dates, a portion of the VRS Teacher Employee Health Insurance Credit Plan Net OPEB expense was related to deferred amounts from changes in proportionate share and differences between actual and expected contributions.

COUNTY OF WARREN, VIRGINIA

Notes to Financial Statements
June 30, 2023 (Continued)

NOTE 15—OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

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

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

At June 30, 2023, the school division reported deferred outflows of resources and deferred inflows of resources related to the VRS Teacher Employee Health Insurance Credit Plan OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 193,943
Net difference between projected and actual earnings on Teacher HIC OPEB plan investments	-	4,776
Change in assumptions	139,005	12,150
Change in proportionate share and differences between actual and expected contributions	216,576	42,422
Employer contributions subsequent to the measurement date	<u>450,546</u>	<u>-</u>
Total	<u>\$ 806,127</u>	<u>\$ 253,291</u>

\$450,546 reported as deferred outflows of resources related to the Teacher Employee HIC OPEB resulting from the school division's contributions subsequent to the measurement date will be recognized as a reduction of the Net Teacher Employee HIC OPEB Liability in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Teacher Employee HIC OPEB will be recognized in the Teacher Employee HIC OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>	
2024	\$ 10,118
2025	12,482
2026	12,199
2027	30,469
2028	20,529
Thereafter	16,493

NOTE 15—OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

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

Actuarial Assumptions

The total Teacher Employee HIC OPEB liability for the VRS Teacher Employee Health Insurance Credit Plan was based on an actuarial valuation as of June 30, 2021, 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, 2022.

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

Mortality Rates - Teachers

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

COUNTY OF WARREN, VIRGINIA

Notes to Financial Statements
June 30, 2023 (Continued)

NOTE 15—OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

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

Actuarial Assumptions (Continued)

Mortality Rates - Teachers (Continued)

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020 except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

Net Teacher Employee HIC OPEB Liability

The net OPEB liability (NOL) for the Teacher Employee Health Insurance Credit Plan 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, 2022, NOL amounts for the VRS Teacher Employee Health Insurance Credit Plan is as follows (amounts expressed in thousands):

		Teacher Employee HIC OPEB Plan
Total Teacher Employee HIC OPEB Liability	\$	1,470,891
Plan Fiduciary Net Position		221,845
Teacher Employee net HIC OPEB Liability (Asset)	\$	<u>1,249,046</u>
Plan Fiduciary Net Position as a Percentage of the Total Teacher Employee HIC OPEB Liability		
		15.08%

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 WARREN, VIRGINIA

Notes to Financial Statements
June 30, 2023 (Continued)

NOTE 15—OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

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

Long-Term Expected Rate of Return

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

<u>Asset Class (Strategy)</u>	<u>Long-Term Target Asset Allocation</u>	<u>Arithmetic Long-term Expected Rate of Return</u>	<u>Weighted Average Long-term Expected Rate of Return</u>
Public Equity	34.00%	5.71%	1.94%
Fixed Income	15.00%	2.04%	0.31%
Credit Strategies	14.00%	4.78%	0.67%
Real Assets	14.00%	4.47%	0.63%
Private Equity	14.00%	9.73%	1.36%
MAPS - Multi-Asset Public Strategies	6.00%	3.73%	0.22%
PIP - Private Investment Partnership	3.00%	6.55%	0.20%
Total	<u>100.00%</u>		<u>5.33%</u>
		Inflation	2.50%
	**Expected arithmetic nominal return		<u>7.83%</u>

*The above allocation provides a one-year expected return of 7.83%. 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 6.72%, including expected inflation of 2.50%.

**On October 10, 2019, the VRS Board elected a long-term rate of return of 6.75% which was roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11%, including expected inflation of 2.50%.

NOTE 15—OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)**Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan) (Continued)*****Discount Rate***

The discount rate used to measure the total Teacher Employee HIC OPEB was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ended June 30, 2022, the rate contributed by each school division for the VRS Teacher Employee Health Insurance Credit Plan will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 100% of the actuarially determined contribution rate. From July 1, 2022 on, all agencies are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the Teacher Employee HIC OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total Teacher Employee HIC OPEB liability.

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

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

		Rate		
		1% Decrease	Current Discount	1% Increase
		(5.75%)	(6.75%)	(7.75%)
School division's proportionate share of the VRS Teacher Employee HIC OPEB Plan Net HIC OPEB Liability		\$ 5,362,313	\$ 4,757,993	\$ 4,245,726

Teacher Employee HIC OPEB Fiduciary Net Position

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

COUNTY OF WARREN, VIRGINIA

Notes to Financial Statements
June 30, 2023 (Continued)

NOTE 15—OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

Primary Government and Component Unit School Board

Aggregate OPEB Information

VRS OPEB Plans:	Deferred Outflows	Deferred Inflows	Net OPEB Liability	OPEB Expense
Primary Government				
Group Life Insurance Program:				
County	\$ 277,950	\$ 161,806	\$ 796,991	\$ 54,824
County Stand-Alone Plan	1,921,100	1,845,900	7,617,100	480,000
Totals	<u>\$ 2,199,050</u>	<u>\$ 2,007,706</u>	<u>\$ 8,414,091</u>	<u>\$ 534,824</u>
Component Unit School Board				
Group Life Insurance Program:				
School Board Nonprofessional	\$ 19,538	\$ 44,832	\$ 84,889	\$ (6,519)
School Board Professional	533,661	410,091	1,966,049	82,922
Nonprofessional Health Insurance Credit Program	64,688	6,395	203,842	25,707
Teacher Health Insurance Credit Program	806,127	253,291	4,757,993	404,888
School Stand-Alone Plan	563,100	1,415,300	1,853,300	(16,300)
Totals	<u>\$ 1,987,114</u>	<u>\$ 2,129,909</u>	<u>\$ 8,866,073</u>	<u>\$ 490,698</u>

NOTE 16—UPCOMING PRONOUNCEMENTS:

Statement No. 99, *Omnibus 2022*, enhances the comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The effective dates differ based on the requirements of the Statement, ranging from April 2022 to reporting periods beginning after June 15, 2023.

Statement No. 100, *Accounting Changes and Error Corrections* - an amendment of GASB Statement No. 62, enhances accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for reporting periods beginning after June 15, 2023.

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

Implementation Guide No. 2021-1, *Implementation Guidance Update—2021*, with dates ranging from reporting periods beginning after June 15, 2022 to reporting periods beginning after June 15, 2023.

Implementation Guide No. 2023-1, *Implementation Guidance Update—2023*, effective for fiscal years beginning after June 15, 2023.

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

COUNTY OF WARREN, VIRGINIA

Notes to Financial Statements
June 30, 2023 (Continued)

NOTE 17—COMMITMENTS AND CONTINGENCIES:

Federal programs in which the County and its component units participate were audited in accordance with the provisions of Title 2, Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements Cost Principles and Audit Requirements for Federal Awards. Pursuant to the provisions of this circular all major programs and certain other programs were tested for compliance with applicable grant requirements. While no matters of noncompliance were disclosed by audit, the Federal Government may subject grant programs to additional compliance tests which may result in disallowed expenditures. In the opinion of management, any future disallowances of current grant program expenditures, if any, would be immaterial.

NOTE 18—LEASES RECEIVABLE:

Details of the primary government's leases receivable at June 30, 2023 are as follows:

	<u>Amount Receivable</u>
<u>Leases receivable:</u>	
On 07/01/2021, Warren County,VA entered into a 30 month lease as Lessor for the use of 201 E. 2nd St.. An initial lease receivable was recorded in the amount of \$31,305. The lessee is required to make monthly fixed payments of \$1,050. The lease has an interest rate of 0.5140%.	\$ 6,291
On 07/01/2021, Warren County,VA entered into a 174 month lease as Lessor for the use of 465 W. 15th St., Ste. 200. An initial lease receivable was recorded in the amount of \$1,149,820. The lessee is required to make monthly fixed payments of \$6,712. The lease has an interest rate of 1.3620%.	1,017,001
On 07/01/2021, Warren County,VA entered into a 41 month lease as Lessor for the use of 200 N. Commerce Ave.. An initial lease receivable was recorded in the amount of \$252,995. The lessee is required to make monthly fixed payments of \$6,246. The lease has an interest rate of 0.7270%.	105,600
On 01/01/2022, Warren County,VA entered into a 84 month lease as Lessor for the use of Airport - Aero Services, LLC. An initial lease receivable was recorded in the amount of \$55,424. The lessee is required to make monthly fixed payments of \$800. The lease has an interest rate of 0.9780%.	51,385
On 07/01/2021, Warren County,VA entered into a 180 month lease as Lessor for the use of Airport - Silent Falcon. An initial lease receivable was recorded in the amount of \$81,453. The lessee is required to make monthly fixed payments of \$500. The lease has an interest rate of 1.3620%.	71,448
On 07/01/2021, Warren County,VA entered into a 160 month lease as Lessor for the use of PSB - Verizon Tower Lease. An initial lease receivable was recorded in the amount of \$452,723. The lessee is required to make monthly fixed payments of \$2,636. The lease has an interest rate of 0.0000%.	387,761
Total leases receivable	\$ <u><u>1,639,486</u></u>

COUNTY OF WARREN, VIRGINIA

Notes to Financial Statements
June 30, 2023 (Continued)

NOTE 18—LEASES RECEIVABLE: (CONTINUED)

Expected future payments at June 30, 2023 are as follows:

Year Ending June 30,	Leases Receivable	
	Principal	Interest
2024	\$ 196,243	\$ 15,366
2025	147,774	13,815
2026	122,009	12,647
2027	125,348	11,457
2028	126,560	10,245
2029-2033	626,304	33,076
2034-2036	295,248	4,497
Total	\$ <u>1,639,486</u>	\$ <u>101,103</u>

The County recognized \$194,774 of lease revenue and \$17,238 of lease interest revenue during the fiscal year ended June 30, 2023.

NOTE 19—RESTATEMENT OF BEGINNING BALANCES:

The County and discretely presented component unit School Board restated beginning balances as follows:

	Primary Government	
	Government-wide	General Fund
June 30, 2022, as previously reported	\$ 101,321,993	\$ 21,998,312
Correction to prior year cash balance due to payroll error upon implementation of new payroll system	(590,904)	(590,904)
Correction to prior year health insurance payables	(343,027)	(343,027)
June 30, 2022, as restated	\$ <u>100,388,062</u>	\$ <u>21,064,381</u>
	Discretely Presented Component Unit School Board	
	Government-wide	Textbook Fund
June 30, 2022, as previously reported	\$ (27,798,247)	\$ -
Include activity of Textbook Fund previously excluded from the financial statements	(316,303)	(316,303)
June 30, 2022, as restated	\$ <u>(28,114,550)</u>	\$ <u>(316,303)</u>

NOTE 20 - REISSUANCE OF ANNUAL COMPREHENSIVE FINANCIAL REPORT:

The Annual Comprehensive Financial Report (ACFR) for the year ended June 30, 2023 was reissued for the following reasons:

- To correct transfers between the School Operating Fund and the School Capital Improvements Fund thereby reducing the County's local appropriation amount to the School Operating Fund.
- To correct the Schedule of Expenditures of Federal Awards by showing the Virginia Department of Criminal Justice Services as a pass-through entity for a portion of the Coronavirus State and Local Fiscal Recovery Funds.
- To correct the Schedule of Expenditures of Federal Awards by reclassifying an amount previously reported under the Coronavirus State and Local Fiscal Recovery Funds program to the Crime Victim Assistance program.

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REQUIRED SUPPLEMENTARY INFORMATION

Note to Required Supplementary Information:

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

General Fund

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

For the Year Ended June 30, 2023

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
General property taxes	\$ 57,691,000	\$ 57,691,000	\$ 58,463,139	\$ 772,139
Other local taxes	11,219,000	11,219,000	11,665,805	446,805
Permits, privilege fees, and regulatory licenses	784,797	784,797	779,063	(5,734)
Fines and forfeitures	90,000	90,000	106,397	16,397
Revenue from the use of money and property	656,425	656,425	588,302	(68,123)
Charges for services	2,911,115	2,911,115	3,218,023	306,908
Miscellaneous	3,406,186	3,406,186	3,541,244	135,058
Recovered costs	310,000	310,000	710,852	400,852
Intergovernmental:				
Local government	-	-	15,988	15,988
Commonwealth	11,824,705	11,824,705	11,591,416	(233,289)
Federal	3,156,278	3,156,278	5,968,519	2,812,241
Total revenues	\$ 92,049,506	\$ 92,049,506	\$ 96,648,748	\$ 4,599,242
EXPENDITURES				
Current:				
General government administration				
Board of supervisors	\$ 212,150	\$ 212,150	\$ 180,744	\$ 31,406
County administrator	628,866	628,866	432,857	196,009
County attorney	356,375	356,375	395,160	(38,785)
Personnel	304,194	304,194	474,723	(170,529)
Commissioner of revenue	782,495	782,495	798,246	(15,751)
Reassessment	320,386	320,386	174,937	145,449
Treasurer	572,819	572,819	620,848	(48,029)
Finance and purchasing	538,803	538,803	527,822	10,981
Information technology	891,033	891,033	991,824	(100,791)
Other general and financial administration	-	-	2,760,000	(2,760,000)
Electoral board and officials	476,939	476,939	406,072	70,867
Total general government administration	\$ 5,084,060	\$ 5,084,060	\$ 7,763,233	\$ (2,679,173)
Judicial administration				
Circuit court	\$ 82,977	\$ 82,977	\$ 25,534	\$ 57,443
General district court	24,300	24,300	27,444	(3,144)
Special magistrates	5,400	5,400	4,635	765
Drug court	70,160	70,160	52,873	17,287
Clerk of the circuit court	711,805	711,805	819,911	(108,106)
Juvenile and domestic relations court	11,755	11,755	13,360	(1,605)
Sheriff - courts	-	-	551	(551)
Law library	59,147	59,147	17,728	41,419
Commonwealth's attorney	1,176,829	1,176,829	1,211,719	(34,890)
Total judicial administration	\$ 2,142,373	\$ 2,142,373	\$ 2,173,755	\$ (31,382)
Public safety				
Sheriff - law enforcement	\$ 7,557,649	\$ 7,557,649	\$ 7,009,462	\$ 548,187
E - 911 system	1,026,782	1,026,782	1,057,081	(30,299)
Cost recovery fees	-	-	2,094	(2,094)
Other fire and rescue costs	558,000	558,000	251,468	306,532
Cost recovery reimbursement to fire companies	411,000	411,000	378,672	32,328
Contributions to fire and rescue squads	1,031,471	1,031,471	978,275	53,196
Emergency services	5,391,881	5,391,881	5,679,882	(288,001)
Regional jail	3,429,100	3,429,100	2,446,847	982,253
Probation office	41,000	41,000	40,067	933
Juvenile detention center	240,000	240,000	233,373	6,627
Building	736,097	736,097	765,141	(29,044)
Animal control	-	-	302,333	(302,333)
Medical examiner	1,000	1,000	660	340
Total public safety	\$ 20,423,980	\$ 20,423,980	\$ 19,145,355	\$ 1,278,625

General Fund

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

For the Year Ended June 30, 2023

Expenditures (Continued)	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Public works				
Management of sanitary districts	\$ 443,385	\$ 443,385	\$ 471,757	\$ (28,372)
Streets and highways	20,000	20,000	1,880	18,120
Refuse collection	1,074,189	1,074,189	1,272,823	(198,634)
Refuse disposal	2,530,618	2,530,618	3,073,440	(542,822)
General properties	1,641,150	1,641,150	2,871,159	(1,230,009)
Total public works	\$ 5,709,342	\$ 5,709,342	\$ 7,691,059	\$ (1,981,717)
Health and welfare				
Local health department	\$ 373,600	\$ 373,600	\$ 349,815	\$ 23,785
Northwestern community services	343,000	343,000	342,748	252
Public assistance and welfare administration	4,960,993	4,960,993	4,896,607	64,386
Other social services	149,000	149,000	185,676	(36,676)
Children's Services Act	1,994,647	1,994,647	2,414,787	(420,140)
Total health and welfare	\$ 7,821,240	\$ 7,821,240	\$ 8,189,633	\$ (368,393)
Education				
Contribution to local school board	\$ 26,532,541	\$ 26,532,541	\$ 27,041,029	\$ (508,488)
Contributions to community college	40,200	40,200	-	40,200
Total education	\$ 26,572,741	\$ 26,572,741	\$ 27,041,029	\$ (468,288)
Parks, recreation, and cultural				
Programs and operations	\$ 2,441,953	\$ 2,441,953	\$ 1,675,584	\$ 766,369
Blue ridge arts council	-	-	4,500	(4,500)
Contribution to Samuels Public Library	1,024,000	1,024,000	1,024,000	-
Total parks, recreation and cultural	\$ 3,465,953	\$ 3,465,953	\$ 2,736,377	\$ 906,276
Community development				
Planning and zoning administration	\$ 515,229	\$ 515,229	\$ 476,452	\$ 38,777
Industrial development authority	1,275,305	1,275,305	1,275,305	-
Other community development	2,117,742	2,117,742	1,806,039	311,703
Contribution to soil and water conservation district	15,000	15,000	15,000	-
Other environmental management	37,659	37,659	24,159	13,500
Airport Commission operations	559,265	559,265	317,666	241,599
VPI extension service	139,515	139,515	129,326	10,189
Total community development	\$ 4,659,715	\$ 4,659,715	\$ 4,043,947	\$ 615,768
Nondepartmental				
Retiree medical insurance and unemployment insurance	\$ 156,300	\$ 156,300	\$ 224,244	\$ (67,944)
Route 340/522 Revenue Sharing Agreement Payment	-	-	300,211	(300,211)
Central equipment and maintenance	-	-	9,131	(9,131)
Other nondepartmental	2,930,159	2,930,159	240,635	2,689,524
Total nondepartmental	\$ 3,086,459	\$ 3,086,459	\$ 774,221	\$ 2,312,238
Debt service				
Principal retirement	\$ 8,100,498	\$ 8,100,498	\$ 8,100,498	\$ -
Interest	3,058,880	3,058,880	3,113,306	(54,426)
Total debt service	\$ 11,159,378	\$ 11,159,378	\$ 11,213,804	\$ (54,426)
Total expenditures	\$ 90,301,941	\$ 90,301,941	\$ 90,772,413	\$ (470,472)
Excess (deficiency) of revenues over (under) expenditures	\$ 1,747,565	\$ 1,747,565	\$ 5,876,335	\$ 4,128,770
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 476,409	\$ 476,409	\$ 426,438	\$ (49,971)
Transfers out	(8,160,442)	(8,160,442)	(5,094,136)	3,066,306
Insurance proceeds	44,491	44,491	97,729	53,238
Total other financing sources (uses)	\$ (7,639,542)	\$ (7,639,542)	\$ (4,569,969)	\$ 3,069,573
Net change in fund balances	\$ (5,891,977)	\$ (5,891,977)	\$ 1,306,366	\$ 7,198,343
Fund balances - beginning, as restated	5,891,977	5,891,977	21,064,381	15,172,404
Fund balances - ending	\$ -	\$ -	\$ 22,370,747	\$ 22,370,747

COUNTY OF WARREN, VIRGINIA

Schedule of Changes in Net Pension Liability and Related Ratios

Primary Government

Pension Plans

For the Measurement Dates of June 30, 2014 through June 30, 2022

	2022	2021	2020	2019	2018
Total pension liability					
Service cost	\$ 1,794,235	\$ 1,465,884	\$ 1,364,429	\$ 1,280,172	\$ 1,211,705
Interest	3,582,529	3,260,921	3,155,677	2,972,645	2,854,513
Differences between expected and actual experience	(740,808)	(1,224,712)	(458,784)	953,339	(248,388)
Changes in assumptions	-	2,059,459	-	1,440,774	-
Benefit payments, including refunds of employee contributions	(2,628,379)	(2,554,070)	(2,450,253)	(2,274,766)	(1,985,707)
Net change in total pension liability	\$ 2,007,577	\$ 3,007,482	\$ 1,611,069	\$ 4,372,164	\$ 1,832,123
Total pension liability - beginning	52,594,454	49,586,972	47,975,903	43,603,739	41,771,616
Total pension liability - ending (a)	\$ 54,602,031	\$ 52,594,454	\$ 49,586,972	\$ 47,975,903	\$ 43,603,739
Plan fiduciary net position					
Contributions - employer	\$ 1,413,507	\$ 1,255,178	\$ 1,008,393	\$ 976,942	\$ 957,477
Contributions - employee	676,345	616,927	579,295	553,276	553,248
Net investment income	(64,595)	11,888,556	829,138	2,764,899	2,896,521
Benefit payments, including refunds of employee contributions	(2,628,379)	(2,554,070)	(2,450,253)	(2,274,766)	(1,985,707)
Administrative expense	(33,879)	(29,417)	(28,349)	(27,486)	(24,860)
Other	1,272	1,124	(983)	(1,743)	(2,587)
Net change in plan fiduciary net position	\$ (635,729)	\$ 11,178,298	\$ (62,759)	\$ 1,991,122	\$ 2,394,092
Plan fiduciary net position - beginning	54,785,704	43,607,406	43,670,165	41,679,043	39,284,951
Plan fiduciary net position - ending (b)	\$ 54,149,975	\$ 54,785,704	\$ 43,607,406	\$ 43,670,165	\$ 41,679,043
County's net pension liability - ending (a) - (b)	\$ 452,056	\$ (2,191,250)	\$ 5,979,566	\$ 4,305,738	\$ 1,924,696
Plan fiduciary net position as a percentage of the total pension liability	99.17%	104.17%	87.94%	91.03%	95.59%
Covered payroll	\$ 14,391,498	\$ 12,757,325	\$ 11,927,497	\$ 11,424,285	\$ 10,904,355
County's net pension liability as a percentage of covered payroll	3.14%	-17.18%	50.13%	37.69%	17.65%

Schedule is intended to show information for 10 years. Information prior to the 2014 valuation is not available. However, additional years will be included as they become available.

Exhibit 13

	2017	2016	2015	2014
\$	1,198,533	\$ 1,176,281	\$ 1,258,260	\$ 1,300,026
	2,710,955	2,598,660	2,491,805	2,333,930
	264,255	(332,064)	(626,648)	-
	(158,008)	-	-	-
	(1,944,095)	(1,733,230)	(1,460,618)	(1,296,578)
\$	2,071,640	\$ 1,709,647	\$ 1,662,799	\$ 2,337,378
	39,699,976	37,990,329	36,327,530	33,990,152
\$	<u>41,771,616</u>	<u>39,699,976</u>	<u>37,990,329</u>	<u>36,327,530</u>
\$	911,215	\$ 1,156,426	\$ 1,111,161	\$ 1,212,641
	528,537	482,585	485,091	486,779
	4,306,187	618,544	1,536,746	4,527,083
	(1,944,095)	(1,733,230)	(1,460,618)	(1,296,578)
	(24,834)	(21,587)	(20,580)	(23,831)
	(3,839)	(260)	(327)	239
\$	<u>3,773,171</u>	<u>502,478</u>	<u>1,651,473</u>	<u>4,906,333</u>
	35,511,780	35,009,302	33,357,829	28,451,496
\$	<u>39,284,951</u>	<u>35,511,780</u>	<u>35,009,302</u>	<u>33,357,829</u>
\$	2,486,665	\$ 4,188,196	\$ 2,981,027	\$ 2,969,701
	94.05%	89.45%	92.15%	91.83%
\$	10,291,665	\$ 9,824,708	\$ 9,411,440	\$ 9,756,199
	24.16%	42.63%	31.67%	30.44%

COUNTY OF WARREN, VIRGINIA

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios
 Component Unit School Board (nonprofessional)
 Pension Plans
 For the Measurement Dates of June 30, 2014 through June 30, 2022

	2022	2021	2020	2019
Total pension liability				
Service cost	\$ 142,155	\$ 153,495	\$ 149,578	\$ 185,424
Interest	686,063	625,677	609,272	630,676
Differences between expected and actual experience	(250,345)	179,969	136,407	(405,849)
Changes in assumptions	-	471,364	-	225,216
Benefit payments, including refunds of employee contributions	(697,576)	(658,539)	(645,886)	(591,881)
Net change in total pension liability	\$ (119,703)	\$ 771,966	\$ 249,371	\$ 43,586
Total pension liability - beginning	10,370,527	9,598,561	9,349,190	9,305,604
Total pension liability - ending (a)	\$ 10,250,824	\$ 10,370,527	\$ 9,598,561	\$ 9,349,190
Plan fiduciary net position				
Contributions - employer	\$ 28,714	\$ 28,664	\$ 54,118	\$ 71,546
Contributions - employee	80,127	67,482	68,734	89,010
Net investment income	(1,621)	2,617,982	191,229	647,283
Benefit payments, including refunds of employee contributions	(697,576)	(658,539)	(645,886)	(591,881)
Administrative expense	(7,538)	(6,882)	(6,831)	(6,717)
Other	265	243	(278)	(405)
Net change in plan fiduciary net position	\$ (597,629)	\$ 2,048,950	\$ (338,914)	\$ 208,836
Plan fiduciary net position - beginning	11,858,978	9,810,028	10,148,942	9,940,106
Plan fiduciary net position - ending (b)	\$ 11,261,349	\$ 11,858,978	\$ 9,810,028	\$ 10,148,942
School Division's net pension liability (asset) - ending (a) - (b)	\$ (1,010,525)	\$ (1,488,451)	\$ (211,467)	\$ (799,752)
Plan fiduciary net position as a percentage of the total pension liability	109.86%	114.35%	102.20%	108.55%
Covered payroll	\$ 1,525,896	\$ 1,481,570	\$ 1,498,545	\$ 1,957,816
School Division's net pension liability (asset) as a percentage of covered payroll	-66.23%	-100.46%	-14.11%	-40.85%

Schedule is intended to show information for 10 years. Information prior to the 2014 valuation is not available. However, additional years will be included as they become available.

Exhibit 14

	2018	2017	2016	2015	2014
\$	197,650	\$ 196,224	\$ 207,929	\$ 362,362	\$ 363,215
	609,221	607,042	606,765	580,063	550,481
	111,904	(173,660)	(246,769)	15,972	-
	-	(2,908)	-	-	-
	(632,661)	(558,464)	(569,479)	(584,416)	(397,751)
\$	286,114	\$ 68,234	\$ (1,554)	\$ 373,981	\$ 515,945
	9,019,490	8,951,256	8,952,810	8,578,829	8,062,884
\$	9,305,604	\$ 9,019,490	\$ 8,951,256	\$ 8,952,810	\$ 8,578,829
\$	81,242	\$ 82,987	\$ 144,630	\$ 193,055	\$ 330,326
	90,635	91,718	90,844	122,376	152,969
	706,784	1,077,002	153,305	411,657	1,232,240
	(632,661)	(558,464)	(569,479)	(584,416)	(397,751)
	(6,370)	(6,467)	(5,842)	(5,814)	(6,502)
	(617)	(948)	(66)	(85)	65
\$	239,013	\$ 685,828	\$ (186,608)	\$ 136,773	\$ 1,311,347
	9,701,093	9,015,265	9,201,873	9,065,100	7,753,753
\$	9,940,106	\$ 9,701,093	\$ 9,015,265	\$ 9,201,873	\$ 9,065,100
\$	(634,502)	\$ (681,603)	\$ (64,009)	\$ (249,063)	\$ (486,271)
	106.82%	107.56%	100.72%	102.78%	105.67%
\$	1,954,160	\$ 1,973,870	\$ 1,917,874	\$ 2,519,459	\$ 3,059,236
	-32.47%	-34.53%	-3.34%	-9.89%	-15.90%

Schedule of Employer's Share of Net Pension Liability (Asset) VRS Teacher Retirement Plan
For the Measurement Dates of June 30, 2014 through June 30, 2022

Date (1)	Employer's Proportion of the Net Pension Liability (Asset) (2)	Employer's Proportionate Share of the Net Pension Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (6)
2022	0.37769%	\$ 35,958,349	\$ 35,503,371	101.28%	82.61%
2021	0.36264%	28,152,096	32,332,233	87.07%	85.46%
2020	0.35900%	52,241,018	31,722,797	164.68%	71.47%
2019	0.35966%	47,333,300	30,329,689	156.06%	73.51%
2018	0.36798%	43,274,000	29,808,438	145.17%	74.81%
2017	0.36687%	45,117,000	28,925,850	155.97%	72.92%
2016	0.36687%	51,414,000	27,973,986	183.79%	68.28%
2015	0.37348%	47,008,000	27,765,923	169.30%	70.68%
2014	0.38456%	46,473,000	28,102,102	165.37%	70.88%

Schedule is intended to show information for 10 years. Information prior to the 2014 valuation is not available. However, additional years will be included as they become available.

Schedule of Employer Contributions - Pension

Pension Plans

For the Years Ended June 30, 2014 through June 30, 2023

Date	Contractually Required Contribution (1) *	Contributions in Relation to Contractually Required Contribution (2) *	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Employee Payroll (5)
Primary Government					
2023	\$ 1,713,841	\$ 1,713,841	\$ -	\$ 15,496,560	11.06%
2022	1,414,073	1,414,073	-	14,391,498	9.83%
2021	1,255,178	1,255,178	-	12,757,325	9.84%
2020	1,010,738	1,010,738	-	11,927,497	8.47%
2019	978,882	978,882	-	11,424,285	8.57%
2018	957,477	957,477	-	10,904,355	8.78%
2017	909,186	909,186	-	10,291,665	8.83%
2016	1,156,616	1,156,616	-	9,824,708	11.77%
2015	1,116,197	1,116,197	-	9,411,440	11.86%
2014	1,213,671	1,213,671	-	9,756,199	12.44%
Component Unit School Board (nonprofessional)					
2023	\$ 42,884	\$ 42,884	\$ -	\$ 1,787,028	2.40%
2022	28,302	28,302	-	1,525,896	1.85%
2021	28,325	28,325	-	1,481,570	1.91%
2020	56,208	56,208	-	1,498,545	3.75%
2019	72,021	72,021	-	1,957,816	3.68%
2018	81,242	81,242	-	1,954,160	4.16%
2017	93,424	93,424	-	1,973,870	4.73%
2016	144,913	144,913	-	1,917,874	7.56%
2015	196,770	196,770	-	2,519,459	7.81%
2014	330,703	330,703	-	3,059,236	10.81%
Component Unit School Board (professional) *					
2023	\$ 5,827,523	\$ 5,827,523	\$ -	\$ 37,235,213	15.65%
2022	5,610,796	5,610,796	-	35,503,371	15.80%
2021	5,130,430	5,130,430	-	32,332,233	15.87%
2020	4,770,146	4,770,146	-	31,722,797	15.04%
2019	4,609,126	4,609,126	-	30,329,689	15.20%
2018	4,798,005	4,798,005	-	29,808,438	16.10%
2017	4,624,709	4,624,709	-	28,925,850	15.99%
2016	3,906,383	3,906,383	-	27,973,986	13.96%
2015	4,026,059	4,026,059	-	27,765,923	14.50%

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

* Schedule is intended to show information for 10 years. Information prior to the 2014 valuation is not available. However, additional years will be included as they become available.

Notes to Required Supplementary Information
Pension Plans
For the Year Ended June 30, 2023

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

Changes of assumptions - The actuarial assumptions used in the June 30, 2021, valuations were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

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

All Others (Non 10 Largest) - Hazardous Duty:

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

Component Unit School Board - Professional Employees

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

Schedule of Changes in Total OPEB Liability (Asset) and Related Ratios
Primary Government and Component Unit - School Board
Health Insurance (Single-Employer Defined Benefit Plan)
For the Years Ended June 30, 2018 through June 30, 2023

	2023	2022	2021	2020	2019	2018
County:						
Total OPEB liability						
Service cost	\$ 291,600	\$ 240,900	\$ 213,000	\$ 193,100	\$ 239,300	\$ 233,500
Interest	174,700	196,000	206,500	228,200	229,500	217,600
Changes in assumptions	(1,764,000)	1,098,700	548,900	317,100	(3,900)	-
Differences between expected and actual experience	236,400	(233,500)	636,800	(302,600)	(467,600)	-
Benefit payments	(260,900)	(244,300)	(216,800)	(106,400)	(83,900)	(160,200)
Net change in total OPEB liability	\$ (1,322,200)	\$ 1,057,800	\$ 1,388,400	\$ 329,400	\$ (86,600)	\$ 290,900
Total OPEB liability - beginning	8,939,300	7,881,500	6,493,100	6,163,700	6,250,300	5,959,400
Total OPEB liability - ending	\$ 7,617,100	\$ 8,939,300	\$ 7,881,500	\$ 6,493,100	\$ 6,163,700	\$ 6,250,300
Covered employee payroll	\$ 8,010,000	\$ 7,569,400	\$ 7,569,400	\$ 7,462,700	\$ 7,462,700	\$ 7,914,900
County's total OPEB liability (asset) as a percentage of covered employee payroll	95.09%	118.10%	104.12%	87.01%	82.59%	78.97%
School Board:						
Total OPEB liability						
Service cost	\$ 155,200	\$ 153,400	\$ 196,200	158,700	171,200	\$ 167,000
Interest	41,300	53,700	99,400	93,800	103,900	97,600
Changes in assumptions	(304,200)	225,500	111,600	119,900	(208,400)	-
Differences between expected and actual experience	15,000	(370,400)	(1,198,700)	337,500	(285,500)	-
Benefit payments	(101,300)	(105,000)	(194,400)	(133,400)	(56,400)	(126,700)
Net change in total OPEB liability	\$ (194,000)	\$ (42,800)	\$ (985,900)	576,500	(275,200)	\$ 137,900
Total OPEB liability - beginning	2,047,300	2,090,100	3,076,000	2,499,500	2,774,700	2,636,800
Total OPEB liability - ending	\$ 1,853,300	\$ 2,047,300	\$ 2,090,100	3,076,000	2,499,500	\$ 2,774,700
Covered employee payroll	\$ 34,372,400	\$ 28,553,200	\$ 28,553,200	29,634,300	29,634,300	\$ 28,969,300
School Boards total OPEB liability (asset) as a percentage of covered employee payroll	5.39%	7.17%	7.32%	10.38%	8.43%	9.58%

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

Notes to Required Supplementary Information
 Primary Government and Component Unit - School Board
 Health Insurance (Single-Employer Defined Benefit Plan)
 For the Year Ended June 30, 2023

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

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

Methods and assumptions used to determine OPEB liability - County and School Board:

Actuarial Cost Method	Entry age actuarial cost method
Discount Rate	3.69%
Healthcare Trend Rate	The healthcare trend rate assumption is 7.52% for fiscal year end 2023, then 6.50% for fiscal year end 2024, decreasing 0.25% per year to an ultimate rate of 5.00%.
Salary Increase Rates	Increases of 2.50%
Retirement Age	The average age at retirement is 62
Mortality Rates	RP-2014 Mortality Table, fully generational with base year 2006, projected using two-dimensional mortality improvement scale MP-2021.

Schedule of County's Share of Net OPEB Liability
 Group Life Insurance (GLI) Plan
 For the Measurement Dates of June 30, 2017 through June 30, 2022

Date (1)	Employer's Proportion of the Net GLI OPEB Liability (Asset) (2)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total GLI OPEB Liability (6)
County:					
2022	0.06620% \$	796,991 \$	14,396,998	5.54%	67.21%
2021	0.06180%	719,985	12,766,437	5.64%	67.45%
2020	0.05802%	968,259	11,940,566	8.11%	52.64%
2019	0.05831%	948,859	11,431,136	8.30%	52.00%
2018	0.05745%	873,000	10,904,583	8.01%	51.22%
2017	0.05580%	840,000	10,291,665	8.16%	48.86%
School Board - Professional:					
2022	0.16330% \$	1,966,049 \$	35,518,302	5.54%	67.21%
2021	0.15670%	1,824,413	32,353,640	5.64%	67.45%
2020	0.15423%	2,573,846	31,741,298	8.11%	52.64%
2019	0.15476%	2,518,357	30,377,402	8.29%	52.00%
2018	0.15689%	2,383,000	29,831,844	7.99%	51.22%
2017	0.15701%	2,363,000	28,925,850	8.17%	48.86%
School Board - Nonprofessional:					
2022	0.00700% \$	84,889 \$	1,534,681	5.53%	67.21%
2021	0.00720%	83,479	1,481,570	5.63%	67.45%
2020	0.00740%	123,493	1,524,043	8.10%	52.64%
2019	0.01001%	162,889	1,961,498	8.30%	52.00%
2018	0.01032%	156,000	1,961,389	7.95%	51.22%
2017	0.01077%	162,000	1,973,870	8.21%	48.86%

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

Schedule of Employer Contributions
 Group Life Insurance (GLI) Plan
 For the Years Ended June 30, 2017 through June 30, 2023

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
County:					
2023	\$ 83,712	\$ 83,712	\$ -	\$ 15,502,233	0.54%
2022	77,744	77,744	-	14,396,998	0.54%
2021	68,939	68,939	-	12,766,437	0.54%
2020	62,091	62,091	-	11,940,566	0.52%
2019	59,442	59,442	-	11,431,136	0.52%
2018	56,808	56,808	-	10,904,583	0.52%
2017	53,517	53,517	-	10,291,665	0.52%
School Board - Professional:					
2023	\$ 201,265	\$ 201,265	\$ -	\$ 37,271,351	0.54%
2022	191,799	191,799	-	35,518,302	0.54%
2021	174,710	174,710	-	32,353,640	0.54%
2020	165,055	165,055	-	31,741,298	0.52%
2019	157,754	157,754	-	30,377,402	0.52%
2018	156,196	156,196	-	29,831,844	0.52%
2017	150,599	150,599	-	28,925,850	0.52%
School Board - Nonprofessional:					
2023	\$ 9,650	\$ 9,650	\$ -	\$ 1,787,028	0.54%
2022	8,287	8,287	-	1,534,681	0.54%
2021	8,000	8,000	-	1,481,570	0.54%
2020	7,925	7,925	-	1,524,043	0.52%
2019	10,200	10,200	-	1,961,498	0.52%
2018	10,199	10,199	-	1,961,389	0.52%
2017	10,328	10,328	-	1,954,160	0.53%

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

Notes to Required Supplementary Information
Group Life Insurance (GLI) Plan
For the Year Ended June 30, 2023

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

Changes of assumptions - The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Teachers

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

Non-Largest Ten Locality Employers - General Employees

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

Non-Largest Ten Locality Employers - Hazardous Duty Employees

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

Schedule of Changes in the School Board (Nonprofessional)
 Net OPEB Liability and Related Ratios
 Health Insurance Credit (HIC) Plan
 For the Measurement Dates of June 30, 2020 through June 30, 2022

	2022	2021	2020
Total HIC OPEB liability			
Service cost	\$ 2,020	\$ 1,963	\$ -
Interest	11,154	10,002	-
Changes in benefit terms	-	-	148,183
Changes in assumptions	58,958	7,525	-
Differences between expected and actual experience	(8,541)	-	-
Benefit payments	(8,885)	-	-
Net change in total HIC OPEB liability	\$ 54,706	\$ 19,490	\$ 148,183
Total HIC OPEB Liability - beginning	167,673	148,183	-
Total HIC OPEB Liability - ending (a)	\$ 222,379	\$ 167,673	\$ 148,183
Plan fiduciary net position			
Contributions - employer	\$ 12,665	\$ 12,297	\$ -
Net investment income	(94)	1,701	-
Benefit payments	(8,885)	-	-
Administrative expense	(33)	(55)	-
Other	941	-	-
Net change in plan fiduciary net position	\$ 4,594	\$ 13,943	\$ -
Plan fiduciary net position - beginning	13,943	-	-
Plan fiduciary net position - ending (b)	\$ 18,537	\$ 13,943	\$ -
School Board's net HIC OPEB liability - ending (a) - (b)	\$ 203,842	\$ 153,730	\$ 148,183
Plan fiduciary net position as a percentage of the total HIC OPEB liability	8.34%	8.32%	0.00%
Covered payroll	1,525,896	1,481,570	-
School Board's net HIC OPEB liability as a percentage of covered payroll	13.36%	10.38%	N/A

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

Schedule of School Board's Share of Net OPEB Liability
Teacher Employee Health Insurance Credit (HIC) Plan
For the Measurement Dates of June 30, 2017 through June 30, 2022

Date	Employer's Proportion of the Net HIC OPEB Liability (Asset)	Employer's Proportionate Share of the Net HIC OPEB Liability (Asset)	Employer's Covered Payroll	Employer's	Plan Fiduciary Net Position as a Percentage of Total HIC OPEB Liability
				Proportionate Share of the Net HIC OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4)	
(1)	(2)	(3)	(4)	(5)	(6)
School Board - Professional:					
2022	0.38093% \$	4,757,993 \$	35,503,371	13.40%	15.08%
2021	0.36559%	4,692,600	32,332,233	14.51%	13.15%
2020	0.36185%	4,720,393	31,722,797	14.88%	9.95%
2019	0.36160%	4,733,696	30,329,689	15.61%	8.97%
2018	0.36852%	4,679,000	29,803,925	15.70%	8.08%
2017	0.36649%	4,649,000	28,925,850	16.07%	7.04%

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

Schedule of Employer Contributions
 Health Insurance Credit (HIC) Plans
 For the Years Ended June 30, 2017 through June 30, 2023

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
School Board - Non-professional:					
2023	\$ 16,619	\$ 16,619	\$ -	\$ 1,787,028	0.93%
2022	12,665	12,665	-	1,525,896	0.83%
2021	12,297	12,297	-	1,481,570	0.83%
School Board - Professional:					
2023	\$ 450,546	\$ 450,546	\$ -	\$ 37,235,213	1.21%
2022	429,591	429,591	-	35,503,371	1.21%
2021	391,220	391,220	-	32,332,233	1.21%
2020	380,674	380,674	-	31,722,797	1.20%
2019	363,956	363,956	-	30,329,689	1.20%
2018	366,378	366,378	-	29,803,925	1.23%
2017	321,046	321,046	-	28,923,040	1.11%

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

Notes to Required Supplementary Information
Health Insurance Credit (HIC) Plans
For the Year Ended June 30, 2023

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

Changes of assumptions - The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Non-Largest Ten Locality Employers - General Employees

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

Teachers

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

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OTHER SUPPLEMENTARY INFORMATION

Balance Sheet
Nonmajor Governmental Funds
June 30, 2023

	<u>Special Revenue Funds</u>
ASSETS	
Receivables (net of allowance for uncollectibles):	
Taxes receivable	\$ 1,815,256
Restricted assets:	
Cash and cash equivalents	4,676,253
Total assets	\$ <u>6,491,509</u>
LIABILITIES	
Liabilities:	
Accounts payable	\$ 64,478
Total liabilities	\$ <u>64,478</u>
DEFERRED INFLOWS OF RESOURCES	
Unavailable revenue - property taxes	\$ 1,837,687
Total deferred inflows of resources	\$ <u>1,837,687</u>
FUND BALANCES	
Restricted:	
Construction	\$ 699,205
Public safety	103,426
Sanitary districts - roads, etc.	3,786,713
Total fund balances	\$ <u>4,589,344</u>
Total liabilities, deferred inflows of resources and fund balances	\$ <u>6,491,509</u>

Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2023

	Special Revenue Funds
REVENUES	
General property taxes	\$ 2,499,652
Miscellaneous	75,423
Intergovernmental:	
Commonwealth	12,785
Federal	56,380
Total revenues	<u>\$ 2,644,240</u>
EXPENDITURES	
Current:	
Public works	\$ 2,403,492
Debt service:	
Principal retirement	30,000
Interest and other fiscal charges	107,030
Total expenditures	<u>\$ 2,540,522</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 103,718</u>
OTHER FINANCING SOURCES (USES)	
Transfers in	\$ 2,093,484
Transfers out	(153,456)
Total other financing sources (uses)	<u>\$ 1,940,028</u>
Net change in fund balances	\$ 2,043,746
Fund balances - beginning	2,545,598
Fund balances - ending	<u><u>\$ 4,589,344</u></u>

Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2023

	<u>Drug Forfeiture</u>	<u>Proffers</u>	<u>Sanitary Districts</u>	<u>Total</u>
ASSETS				
Receivables (net of allowance for uncollectibles):				
Taxes receivable	\$ -	\$ -	\$ 1,815,256	\$ 1,815,256
Restricted assets:				
Cash and cash equivalents	103,426	699,205	3,873,622	4,676,253
Total assets	<u>\$ 103,426</u>	<u>\$ 699,205</u>	<u>\$ 5,688,878</u>	<u>\$ 6,491,509</u>
LIABILITIES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 64,478	\$ 64,478
Total liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 64,478</u>	<u>\$ 64,478</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	\$ -	\$ -	\$ 1,837,687	\$ 1,837,687
Total deferred inflows of resources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,837,687</u>	<u>\$ 1,837,687</u>
FUND BALANCES				
Restricted:				
Construction	\$ -	\$ 699,205	\$ -	\$ 699,205
Public safety	103,426	-	-	103,426
Sanitary districts - roads, etc.	-	-	3,786,713	3,786,713
Total fund balances	<u>\$ 103,426</u>	<u>\$ 699,205</u>	<u>\$ 3,786,713</u>	<u>\$ 4,589,344</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 103,426</u>	<u>\$ 699,205</u>	<u>\$ 5,688,878</u>	<u>\$ 6,491,509</u>

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2023

	Drug Forfeiture	Proffers	Sanitary Districts	Total
REVENUES				
General property taxes	\$ -	\$ -	\$ 2,499,652	\$ 2,499,652
Miscellaneous	-	4,400	71,023	75,423
Intergovernmental:				
Commonwealth	12,785	-	-	12,785
Federal	56,380	-	-	56,380
Total revenues	<u>\$ 69,165</u>	<u>\$ 4,400</u>	<u>\$ 2,570,675</u>	<u>\$ 2,644,240</u>
EXPENDITURES				
Current:				
Public works	\$ -	\$ -	\$ 2,403,492	\$ 2,403,492
Debt service:				
Principal retirement	-	-	30,000	30,000
Interest and other fiscal charges	-	-	107,030	107,030
Total expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,540,522</u>	<u>\$ 2,540,522</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 69,165</u>	<u>\$ 4,400</u>	<u>\$ 30,153</u>	<u>\$ 103,718</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ -	\$ 2,093,484	\$ 2,093,484
Transfers out	(1,511)	-	(151,945)	(153,456)
Total other financing sources (uses)	<u>\$ (1,511)</u>	<u>\$ -</u>	<u>\$ 1,941,539</u>	<u>\$ 1,940,028</u>
Net change in fund balances	\$ 67,654	\$ 4,400	\$ 1,971,692	\$ 2,043,746
Fund balances - beginning	35,772	694,805	1,815,021	2,545,598
Fund balances - ending	<u>\$ 103,426</u>	<u>\$ 699,205</u>	<u>\$ 3,786,713</u>	<u>\$ 4,589,344</u>

COUNTY OF WARREN, VIRGINIA

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2023

	Drug Forfeiture			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
General property taxes	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	-	-	-
Intergovernmental:				
Commonwealth	1,511	1,511	12,785	11,274
Federal	-	-	56,380	56,380
Total revenues	\$ 1,511	\$ 1,511	\$ 69,165	\$ 67,654
EXPENDITURES				
Current:				
Public works	\$ -	\$ -	\$ -	\$ -
Debt service:				
Principal retirement	-	-	-	-
Interest and other fiscal charges	-	-	-	-
Total expenditures	\$ -	\$ -	\$ -	\$ -
Excess (deficiency) of revenues over (under) expenditures	\$ 1,511	\$ 1,511	\$ 69,165	\$ 67,654
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ -	\$ -	\$ -
Transfers out	(1,511)	(1,511)	(1,511)	-
Total other financing sources (uses)	\$ (1,511)	\$ (1,511)	\$ (1,511)	\$ -
Net change in fund balances	\$ -	\$ -	\$ 67,654	\$ 67,654
Fund balances - beginning	-	-	35,772	35,772
Fund balances - ending	\$ -	\$ -	\$ 103,426	\$ 103,426

Proffers				Sanitary Districts			
Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
Original	Final			Original	Final		
\$ -	\$ -	\$ -	\$ -	\$ 2,235,872	\$ 2,235,872	\$ 2,499,652	\$ 263,780
-	-	4,400	4,400	-	-	71,023	71,023
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
\$ -	\$ -	\$ 4,400	\$ 4,400	\$ 2,235,872	\$ 2,235,872	\$ 2,570,675	\$ 334,803
\$ -	\$ -	\$ -	\$ -	\$ 4,223,519	\$ 4,223,519	\$ 2,403,492	\$ 1,820,027
-	-	-	-	30,000	30,000	30,000	-
-	-	-	-	-	-	107,030	(107,030)
\$ -	\$ -	\$ -	\$ -	\$ 4,253,519	\$ 4,253,519	\$ 2,540,522	\$ 1,712,997
\$ -	\$ -	\$ 4,400	\$ 4,400	\$ (2,017,647)	\$ (2,017,647)	\$ 30,153	\$ 2,047,800
\$ -	\$ -	\$ -	\$ -	\$ 2,093,484	\$ 2,093,484	\$ 2,093,484	\$ -
-	-	-	-	(75,837)	(75,837)	(151,945)	(76,108)
\$ -	\$ -	\$ -	\$ -	\$ 2,017,647	\$ 2,017,647	\$ 1,941,539	\$ (76,108)
\$ -	\$ -	\$ 4,400	\$ 4,400	\$ -	\$ -	\$ 1,971,692	\$ 1,971,692
-	-	694,805	694,805	-	-	1,815,021	1,815,021
\$ -	\$ -	\$ 699,205	\$ 699,205	\$ -	\$ -	\$ 3,786,713	\$ 3,786,713

Combining Statement of Fiduciary Net Position
 Fiduciary Funds - Private-Purpose Trust Funds
 June 30, 2023

	Private-Purpose Trust Funds						
	Woodward Cook Scholarship	Louise Bolling Scholarship	Elizabeth P. Denny Scholarship	Warren County Education Foundation	Thompson Scholarship	Winnie Nicholls Scholarship	Total
ASSETS							
Cash and cash equivalents	\$ 9	\$ 157	\$ 59,045	\$ 185,243	\$ -	\$ -	\$ 244,454
Total assets	<u>\$ 9</u>	<u>\$ 157</u>	<u>\$ 59,045</u>	<u>\$ 185,243</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 244,454</u>
LIABILITIES							
Reconciled overdraft	\$ -	\$ -	\$ -	\$ -	\$ 5,557	\$ -	\$ 5,557
Total liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,557</u>	<u>\$ -</u>	<u>\$ 5,557</u>
NET POSITION							
Restricted for:							
Scholarships	\$ 9	\$ 157	\$ 59,045	\$ 185,243	\$ (5,557)	\$ -	\$ 238,897
Total net position	<u>\$ 9</u>	<u>\$ 157</u>	<u>\$ 59,045</u>	<u>\$ 185,243</u>	<u>\$ (5,557)</u>	<u>\$ -</u>	<u>\$ 238,897</u>

Combining Statement of Changes in Fiduciary Net Position
 Fiduciary Funds - Private-Purpose Trust Funds
 For the Year Ended June 30, 2023

	Private-Purpose Trust Funds						
	Woodward Cook Scholarship	Louise Bolling Scholarship	Elizabeth P. Denny Scholarship	Warren County Education Foundation	Thompson Scholarship	Winnie Nicholls Scholarship	Total
ADDITIONS							
Revenue from the use of money	\$ -	\$ -	\$ -	\$ 546	\$ 18,982	\$ 594	\$ 20,122
Total additions	\$ -	\$ -	\$ -	\$ 546	\$ 18,982	\$ 594	\$ 20,122
DEDUCTIONS							
Scholarships	\$ -	\$ 5,000	\$ 4,000	\$ 1,250	\$ 11,000	\$ 1,250	\$ 22,500
Total deductions	\$ -	\$ 5,000	\$ 4,000	\$ 1,250	\$ 11,000	\$ 1,250	\$ 22,500
Change in net position	\$ -	\$ (5,000)	\$ (4,000)	\$ (704)	\$ 7,982	\$ (656)	\$ (2,378)
Total net position - beginning	9	5,157	63,045	185,947	(13,539)	656	241,275
Total net position - ending	<u>\$ 9</u>	<u>\$ 157</u>	<u>\$ 59,045</u>	<u>\$ 185,243</u>	<u>\$ (5,557)</u>	<u>\$ -</u>	<u>\$ 238,897</u>

COUNTY OF WARREN, VIRGINIA

Combining Statement of Fiduciary Net Position
Fiduciary Funds - Custodial Funds
June 30, 2023

	Custodial Funds				
	Special Welfare Fund	Undistributed Local Sales Tax Fund	Flexible Spending Fund	North Warren Fire Department Building Fund	North Warren Fire Department Fund
ASSETS					
Cash and cash equivalents	\$ 68,316	\$ -	\$ 3,986	\$ 160,482	\$ 3,917
Due from other governmental units	-	1,332,738	-	-	-
Total assets	<u>\$ 68,316</u>	<u>\$ 1,332,738</u>	<u>\$ 3,986</u>	<u>\$ 160,482</u>	<u>\$ 3,917</u>
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 870
Reconciled overdraft	-	-	-	-	-
Due to general fund	-	1,088,847	5,000	-	-
Due to other governmental units	-	243,891	-	-	-
Total liabilities	<u>\$ -</u>	<u>\$ 1,332,738</u>	<u>\$ 5,000</u>	<u>\$ -</u>	<u>\$ 870</u>
NET POSITION					
Restricted for:					
Special welfare	\$ 68,316	\$ -	\$ -	\$ -	\$ -
Employee benefits	-	-	(1,014)	-	-
North Warren Fire Department	-	-	-	160,482	3,047
Shenandoah Farms Volunteer Fire Department	-	-	-	-	-
South Warren Volunteer Fire Department	-	-	-	-	-
Shenandoah Shores Volunteer Fire Department	-	-	-	-	-
Linden Volunteer Fire Department	-	-	-	-	-
Fourtsmouth Volunteer Fire Department	-	-	-	-	-
Rivermont Volunteer Fire Department	-	-	-	-	-
Skyline Regional Criminal Justice Training Academy	-	-	-	-	-
Celebrate Shenandoah	-	-	-	-	-
Total net position	<u>\$ 68,316</u>	<u>\$ -</u>	<u>\$ (1,014)</u>	<u>\$ 160,482</u>	<u>\$ 3,047</u>

Custodial Funds								
Shenandoah Farms Vol. Fire Department Fund	South Warren Vol. Fire Department Fund	Shenandoah Shores Vol. Fire Department Fund	Linden Vol. Fire Department Fund	Fortsmouth Vol. Fire Department Fund	Rivermont Vol. Fire Department Fund	Skyline Regional Criminal Justice Training Academy	Celebrate Shenandoah	Total
\$ 363,490	\$ 31,653	\$ 21,742	\$ -	\$ 16,370	\$ 3,935	\$ 26,137	\$ 11,002	\$ 711,030
-	-	-	-	-	-	21,121	-	1,353,859
<u>\$ 363,490</u>	<u>\$ 31,653</u>	<u>\$ 21,742</u>	<u>\$ -</u>	<u>\$ 16,370</u>	<u>\$ 3,935</u>	<u>\$ 47,258</u>	<u>\$ 11,002</u>	<u>\$ 2,064,889</u>
\$ 52	\$ -	\$ 103	\$ 754	\$ 4	\$ 155	\$ 8,307	\$ -	\$ 10,245
-	-	-	45,971	-	-	-	-	45,971
-	-	-	-	-	-	-	-	1,093,847
-	-	-	-	-	-	-	-	243,891
<u>\$ 52</u>	<u>\$ -</u>	<u>\$ 103</u>	<u>\$ 46,725</u>	<u>\$ 4</u>	<u>\$ 155</u>	<u>\$ 8,307</u>	<u>\$ -</u>	<u>\$ 1,393,954</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 68,316
-	-	-	-	-	-	-	-	(1,014)
-	-	-	-	-	-	-	-	163,529
363,438	-	-	-	-	-	-	-	363,438
-	31,653	-	-	-	-	-	-	31,653
-	-	21,639	-	-	-	-	-	21,639
-	-	-	(46,725)	-	-	-	-	(46,725)
-	-	-	-	16,366	-	-	-	16,366
-	-	-	-	-	3,780	-	-	3,780
-	-	-	-	-	-	38,951	-	38,951
-	-	-	-	-	-	-	11,002	11,002
<u>\$ 363,438</u>	<u>\$ 31,653</u>	<u>\$ 21,639</u>	<u>\$ (46,725)</u>	<u>\$ 16,366</u>	<u>\$ 3,780</u>	<u>\$ 38,951</u>	<u>\$ 11,002</u>	<u>\$ 670,935</u>

COUNTY OF WARREN, VIRGINIA

Combining Statement of Changes in Fiduciary Net Position

Fiduciary Funds - Custodial Funds

For the Year Ended June 30, 2023

	Custodial Funds				
	Special Welfare Fund	Undistributed Local Sales Tax Fund	Flexible Spending Fund	North Warren Fire Department Building Fund	North Warren Fire Department Fund
ADDITIONS					
Special welfare collections	\$ 32,135	\$ -	\$ -	\$ -	\$ -
Local sales tax collections	-	7,570,883	-	-	-
Revenue from the use of money	-	-	(15,259)	-	-
Collections for agencies	-	-	-	81,928	66,347
Total additions	\$ 32,135	\$ 7,570,883	\$ (15,259)	\$ 81,928	\$ 66,347
DEDUCTIONS					
Welfare costs	\$ 32,698	\$ -	\$ -	\$ -	\$ -
Local sales tax disbursements	-	7,570,883	-	-	-
Disbursements for/to agencies	-	-	-	138,505	87,939
Total deductions	\$ 32,698	\$ 7,570,883	\$ -	\$ 138,505	\$ 87,939
Change in net position	\$ (563)	\$ -	\$ (15,259)	\$ (56,577)	\$ (21,592)
Total net position - beginning	68,879	-	14,245	217,059	24,639
Total net position - ending	\$ 68,316	\$ -	\$ (1,014)	\$ 160,482	\$ 3,047

Custodial Funds								
Shenandoah Farms Vol. Fire Department Fund	South Warren Vol. Fire Department Fund	Shenandoah Shores Vol. Fire Department Fund	Linden Vol. Fire Department Fund	Fortsmouth Vol. Fire Department Fund	Rivermont Vol. Fire Department Fund	Skyline Regional Criminal Justice Training Academy	Celebrate Shenandoah	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 32,135
-	-	-	-	-	-	-	-	7,570,883
-	-	-	-	-	-	-	-	(15,259)
66,727	320,021	66,347	67,452	66,347	93,202	337,564	-	1,165,935
\$ 66,727	\$ 320,021	\$ 66,347	\$ 67,452	\$ 66,347	\$ 93,202	\$ 337,564	\$ -	\$ 8,753,694
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 32,698
-	-	-	-	-	-	-	-	7,570,883
29,114	367,769	80,791	58,716	67,822	89,422	758,243	-	1,678,321
\$ 29,114	\$ 367,769	\$ 80,791	\$ 58,716	\$ 67,822	\$ 89,422	\$ 758,243	\$ -	\$ 9,281,902
\$ 37,613	\$ (47,748)	\$ (14,444)	\$ 8,736	\$ (1,475)	\$ 3,780	\$ (420,679)	\$ -	\$ (528,208)
325,825	79,401	36,083	(55,461)	17,841	-	459,630	11,002	1,199,143
\$ 363,438	\$ 31,653	\$ 21,639	\$ (46,725)	\$ 16,366	\$ 3,780	\$ 38,951	\$ 11,002	\$ 670,935

Combining Balance Sheet
Discretely Presented Component Unit - School Board
June 30, 2023

	School Operating Fund	School Cafeteria Fund	Capital Improvements Fund	Vocational Building Fund	School Activity Fund	Textbook Fund	Total Governmental Funds
ASSETS							
Cash and cash equivalents	\$ 1,299,823	\$ 2,692,098	\$ 770,420	\$ 83,670	\$ 751,730	\$ 63,318	\$ 5,661,059
Accounts receivable	252,600	-	-	-	-	-	252,600
Due from other funds	-	82,072	2,786,021	-	-	-	2,868,093
Due from primary government	899,926	-	-	-	-	-	899,926
Due from other governmental units	5,501,053	-	-	-	-	-	5,501,053
Prepaid items	169,106	-	-	-	-	-	169,106
Total assets	<u>\$ 8,122,508</u>	<u>\$ 2,774,170</u>	<u>\$ 3,556,441</u>	<u>\$ 83,670</u>	<u>\$ 751,730</u>	<u>\$ 63,318</u>	<u>\$ 15,351,837</u>
LIABILITIES							
Accounts payable	\$ 1,618,747	\$ 119,681	\$ 784	\$ -	\$ -	\$ -	\$ 1,739,212
Reconciled overdraft	-	-	1,517,773	-	-	-	1,517,773
Accrued liabilities	3,154,866	-	-	-	-	-	3,154,866
Retainage payable	311,696	-	-	-	-	-	311,696
Due to other funds	2,868,093	-	-	-	-	-	2,868,093
Total liabilities	<u>\$ 7,953,402</u>	<u>\$ 119,681</u>	<u>\$ 1,518,557</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,591,640</u>
FUND BALANCES							
Nonspendable:							
Prepaid items	\$ 169,106	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 169,106
Restricted:							
School Construction	-	-	2,037,884	-	-	-	2,037,884
Committed:							
Education - capital improvements	-	-	-	83,670	-	-	83,670
Education - school activities	-	-	-	-	751,730	-	751,730
Education - textbooks	-	-	-	-	-	63,318	63,318
Assigned:							
Education	-	2,654,489	-	-	-	-	2,654,489
Total fund balances	<u>\$ 169,106</u>	<u>\$ 2,654,489</u>	<u>\$ 2,037,884</u>	<u>\$ 83,670</u>	<u>\$ 751,730</u>	<u>\$ 63,318</u>	<u>\$ 5,760,197</u>
Total liabilities and fund balances	<u>\$ 8,122,508</u>	<u>\$ 2,774,170</u>	<u>\$ 3,556,441</u>	<u>\$ 83,670</u>	<u>\$ 751,730</u>	<u>\$ 63,318</u>	<u>\$ 15,351,837</u>

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

Total fund balances per above \$ 5,760,197

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

Capital assets	\$ 45,604,270	
Accumulated depreciation	<u>(22,743,315)</u>	22,860,955

The net pension asset is not an available resource and, therefore, is not reported in the funds - Nonprofessional group 1,010,525

Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. The assets and liabilities of the internal service funds are included in School Board activities in the statement of net position. 977,661

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

Pension related items	\$ 11,000,588	
OPEB related items	<u>1,987,114</u>	12,987,702

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

Pension related items	\$ (7,863,122)	
OPEB related items	<u>(2,129,909)</u>	(9,993,031)

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

Leases	\$ (999)	
Compensated absences	(1,556,989)	
Net pension liability - professional group	(35,958,349)	
Net OPEB liability	<u>(8,866,073)</u>	(46,382,410)

Net position of governmental activities \$ (12,778,401)

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Governmental Funds - Discretely Presented Component Unit - School Board
 For the Year Ended June 30, 2023

	School Operating Fund	School Cafeteria Fund	Capital Improvements Fund	Vocational Building Fund	School Activity Fund	Textbook Fund	Total Governmental Funds
REVENUES							
Revenue from the use of money and property	\$ 27,154	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,154
Charges for services	348,644	387,449	-	-	-	-	736,093
Miscellaneous	297,331	-	-	-	1,452,985	-	1,750,316
Intergovernmental:							
Local government	26,289,064	-	371,600	-	-	380,365	27,041,029
Commonwealth	38,603,763	-	-	-	-	-	38,603,763
Federal	16,133,644	-	-	-	-	-	16,133,644
Total revenues	<u>\$ 81,699,600</u>	<u>\$ 387,449</u>	<u>\$ 371,600</u>	<u>\$ -</u>	<u>\$ 1,452,985</u>	<u>\$ 380,365</u>	<u>\$ 84,291,999</u>
EXPENDITURES							
Current:							
Education	\$ 69,094,334	\$ 4,185,679	\$ -	\$ 32,499	\$ 1,409,652	\$ 744	\$ 74,722,908
Capital projects	311,696	-	6,329,681	-	-	-	6,641,377
Debt service:							
Principal retirement	339,000	-	-	-	-	-	339,000
Interest and other fiscal charges	319,247	-	-	-	-	-	319,247
Total expenditures	<u>\$ 70,064,277</u>	<u>\$ 4,185,679</u>	<u>\$ 6,329,681</u>	<u>\$ 32,499</u>	<u>\$ 1,409,652</u>	<u>\$ 744</u>	<u>\$ 82,022,532</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 11,635,323</u>	<u>\$ (3,798,230)</u>	<u>\$ (5,958,081)</u>	<u>\$ (32,499)</u>	<u>\$ 43,333</u>	<u>\$ 379,621</u>	<u>\$ 2,269,467</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	\$ -	\$ 3,498,014	\$ 7,968,203	\$ -	\$ -	\$ -	\$ 11,466,217
Transfers out	(11,466,217)	-	-	-	-	-	(11,466,217)
Total other financing sources (uses)	<u>\$ (11,466,217)</u>	<u>\$ 3,498,014</u>	<u>\$ 7,968,203</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balances	\$ 169,106	\$ (300,216)	\$ 2,010,122	\$ (32,499)	\$ 43,333	\$ 379,621	\$ 2,269,467
Fund balances - beginning, as restated	-	2,954,705	27,762	116,169	708,397	(316,303)	3,490,730
Fund balances - ending	<u>\$ 169,106</u>	<u>\$ 2,654,489</u>	<u>\$ 2,037,884</u>	<u>\$ 83,670</u>	<u>\$ 751,730</u>	<u>\$ 63,318</u>	<u>\$ 5,760,197</u>
Amounts reported for governmental activities in the statement of activities (Exhibit 2) are different because:							
Net change in fund balances - total governmental funds - per above							\$ 2,269,467
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The following are adjustments related to capital assets reported in the current period.							
Capital asset additions					\$ 7,427,415		
Depreciation expense					(939,698)		6,487,717
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds.							
Change in OPEB related items					\$ 386,089		
Change in pension related items					5,755,094		
Repayment of lease liabilities					68,671		
(Increase) decrease in compensated absences					346,625		6,556,479
Internal service funds are used by management to charge the costs of certain activities, such as insurance and telecommunications, to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities.							
							22,486
Change in net position of governmental activities							<u>\$ 15,336,149</u>

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Discretely Presented Component Unit - School Board
For the Year Ended June 30, 2023

	School Operating Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts			
	Original	Final	Actual	
REVENUES				
Revenue from the use of money and property	\$ 22,391	\$ 22,391	\$ 27,154	\$ 4,763
Charges for services	287,487	287,487	348,644	61,157
Miscellaneous	245,178	245,178	297,331	52,153
Intergovernmental:				
Local government	26,504,541	26,504,541	26,289,064	(215,477)
Commonwealth	37,573,750	37,573,750	38,603,763	1,030,013
Federal	6,304,620	6,304,620	16,133,644	9,829,024
Total revenues	<u>\$ 70,937,967</u>	<u>\$ 70,937,967</u>	<u>\$ 81,699,600</u>	<u>\$ 10,761,633</u>
EXPENDITURES				
Current:				
Education	\$ 70,279,720	\$ 70,279,720	\$ 69,094,334	\$ 1,185,386
Capital projects	-	-	311,696	(311,696)
Debt service:				
Principal retirement	339,000	339,000	339,000	-
Interest and other fiscal charges	319,247	319,247	319,247	-
Total expenditures	<u>\$ 70,937,967</u>	<u>\$ 70,937,967</u>	<u>\$ 70,064,277</u>	<u>\$ 873,690</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,635,323</u>	<u>\$ 11,635,323</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ -	\$ -	\$ -
Transfers out	-	-	(11,466,217)	(11,466,217)
Total other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (11,466,217)</u>	<u>\$ (11,466,217)</u>
Net change in fund balances	\$ -	\$ -	\$ 169,106	\$ 169,106
Fund balances - beginning, as restated	-	-	-	-
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 169,106</u>	<u>\$ 169,106</u>

School Cafeteria Fund				Capital Improvements Fund			
Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
Original	Final			Original	Final		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	387,449	387,449	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	28,000	28,000	371,600	343,600
-	-	-	-	2,000,000	2,000,000	-	(2,000,000)
-	-	-	-	8,100,025	8,100,025	-	(8,100,025)
\$ -	\$ -	\$ 387,449	\$ 387,449	\$ 10,128,025	\$ 10,128,025	\$ 371,600	\$ (9,756,425)
\$ 4,375,290	\$ 4,375,290	\$ 4,185,679	\$ 189,611	\$ -	\$ -	\$ -	\$ -
-	-	-	-	12,399,642	12,399,642	6,329,681	6,069,961
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
\$ 4,375,290	\$ 4,375,290	\$ 4,185,679	\$ 189,611	\$ 12,399,642	\$ 12,399,642	\$ 6,329,681	\$ 6,069,961
\$ (4,375,290)	\$ (4,375,290)	\$ (3,798,230)	\$ 577,060	\$ (2,271,617)	\$ (2,271,617)	\$ (5,958,081)	\$ (3,686,464)
\$ 4,375,290	\$ 4,375,290	\$ 3,498,014	\$ (877,276)	\$ 2,271,617	\$ 2,271,617	\$ 7,968,203	\$ 5,696,586
-	-	-	-	-	-	-	-
\$ 4,375,290	\$ 4,375,290	\$ 3,498,014	\$ (877,276)	\$ 2,271,617	\$ 2,271,617	\$ 7,968,203	\$ 5,696,586
\$ -	\$ -	\$ (300,216)	\$ (300,216)	\$ -	\$ -	\$ 2,010,122	\$ 2,010,122
-	-	2,954,705	2,954,705	-	-	27,762	27,762
\$ -	\$ -	\$ 2,654,489	\$ 2,654,489	\$ -	\$ -	\$ 2,037,884	\$ 2,037,884

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Discretely Presented Component Unit - School Board

	Vocational Building Fund				School Activity Fund			
	Budgeted		Actual	Variance with Final Budget Positive (Negative)	Budgeted		Actual	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
REVENUES								
Revenue from the use of money and property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	1,452,985	1,452,985
Intergovernmental:								
Local government	-	-	-	-	-	-	-	-
Commonwealth	-	-	-	-	-	-	-	-
Federal	-	-	-	-	-	-	-	-
Total revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,452,985	\$ 1,452,985
EXPENDITURES								
Current:								
Education	\$ -	\$ -	\$ 32,499	\$ (32,499)	\$ -	\$ -	\$ 1,409,652	\$ (1,409,652)
Capital projects	-	-	-	-	-	-	-	-
Debt service:								
Principal retirement	-	-	-	-	-	-	-	-
Interest and other fiscal charges	-	-	-	-	-	-	-	-
Total expenditures	\$ -	\$ -	\$ 32,499	\$ (32,499)	\$ -	\$ -	\$ 1,409,652	\$ (1,409,652)
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ (32,499)	\$ (32,499)	\$ -	\$ -	\$ 43,333	\$ 43,333
OTHER FINANCING SOURCES (USES)								
Transfers in	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net change in fund balances	\$ -	\$ -	\$ (32,499)	\$ (32,499)	\$ -	\$ -	\$ 43,333	\$ 43,333
Fund balances - beginning, as restated	-	-	116,169	116,169	-	-	708,397	708,397
Fund balances - ending	\$ -	\$ -	\$ 83,670	\$ 83,670	\$ -	\$ -	\$ 751,730	\$ 751,730

Textbook Fund			
Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
Original	Final		
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	380,365	380,365
-	-	-	-
-	-	-	-
\$ -	\$ -	\$ 380,365	\$ 380,365
\$ -	\$ -	\$ 744	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
\$ -	\$ -	\$ 744	\$ -
\$ -	\$ -	\$ 379,621	\$ 380,365
\$ -	\$ -	\$ -	\$ -
-	-	-	-
\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ 379,621	\$ 380,365
-	-	(316,303)	(316,303)
\$ -	\$ -	\$ 63,318	\$ 64,062

Statement of Net Position
Internal Service Fund - Discretely Presented Component Unit - School Board
June 30, 2023

	Health Insurance Fund
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 977,661
Total assets	<u>\$ 977,661</u>
NET POSITION	
Unrestricted	\$ 977,661
Total net position	<u><u>\$ 977,661</u></u>

Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Fund - Discretely Presented Component Unit - School Board
For the Year Ended June 30, 2023

	<u>Health Insurance Fund</u>
OPERATING REVENUES	
Charges for services:	
Insurance premiums	\$ 6,829,594
Total operating revenues	<u>\$ 6,829,594</u>
OPERATING EXPENSES	
Insurance claims and expenses	\$ 6,807,021
Total operating expenses	<u>\$ 6,807,021</u>
Operating income (loss)	<u>\$ 22,573</u>
NONOPERATING REVENUES (EXPENSES)	
Interest expense	<u>\$ (87)</u>
Change in net position	\$ 22,486
Total net position - beginning	955,175
Total net position - ending	<u><u>\$ 977,661</u></u>

Statement of Cash Flows

Internal Service Fund - Discretely Presented Component Unit - School Board

For the Year Ended June 30, 2023

	Health Insurance Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts for insurance premiums	\$ 6,829,594
Payments for claims	(6,807,021)
Net cash provided by (used for) operating activities	<u>\$ 22,573</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Other	\$ (87)
Net cash provided by (used for) investing activities	<u>\$ (87)</u>
Net increase (decrease) in cash and cash equivalents	\$ 22,486
Cash and cash equivalents - beginning	955,175
Cash and cash equivalents - ending	<u><u>\$ 977,661</u></u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:	
Operating income (loss)	\$ 22,573
Net cash provided by (used for) operating activities	<u><u>\$ 22,573</u></u>

Supporting Schedules

Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2023

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 32,720,000	\$ 32,720,000	\$ 31,235,520	\$ (1,484,480)
Real and personal public service corporation taxes	5,500,000	5,500,000	4,662,712	(837,288)
Personal property taxes	16,660,000	16,660,000	19,425,583	2,765,583
Mobile home taxes	8,000	8,000	9,223	1,223
Machinery and tools taxes	1,800,000	1,800,000	1,758,198	(41,802)
Rollback taxes	50,000	50,000	99,277	49,277
Mineral rights	3,000	3,000	5,371	2,371
Penalties	550,000	550,000	748,592	198,592
Interest	400,000	400,000	518,663	118,663
Total general property taxes	\$ 57,691,000	\$ 57,691,000	\$ 58,463,139	\$ 772,139
Other local taxes:				
Local sales and use taxes	\$ 5,600,000	\$ 5,600,000	\$ 6,185,774	\$ 585,774
Consumers' utility taxes	760,800	760,800	697,755	(63,045)
Cigarette taxes	100,000	100,000	-	(100,000)
Business license taxes	1,150,000	1,150,000	1,255,064	105,064
Motor vehicle licenses	950,000	950,000	1,007,491	57,491
Taxes on recordation and wills	1,058,200	1,058,200	775,749	(282,451)
Hotel and motel room taxes	350,000	350,000	534,100	184,100
Meal taxes	1,250,000	1,250,000	1,209,872	(40,128)
Total other local taxes	\$ 11,219,000	\$ 11,219,000	\$ 11,665,805	\$ 446,805
Permits, privilege fees, and regulatory licenses:				
Animal licenses	\$ 39,485	\$ 39,485	\$ 36,229	\$ (3,256)
Building and related permits	409,220	409,220	409,220	-
Zoning, subdivision fees and rezoning permits	115,598	115,598	132,297	16,699
Land use application fees	-	-	701	701
Transfer fees	2,000	2,000	1,617	(383)
Weapon permits	-	-	30,657	30,657
Bank franchise fees	56,494	56,494	22,026	(34,468)
Septage fees	150,000	150,000	145,375	(4,625)
Other fees	12,000	12,000	941	(11,059)
Total permits, privilege fees, and regulatory licenses	\$ 784,797	\$ 784,797	\$ 779,063	\$ (5,734)
Fines and forfeitures:				
Court fines and forfeitures	\$ 90,000	\$ 90,000	\$ 104,338	\$ 14,338
Other fines	-	-	2,059	2,059
Total fines and forfeitures	\$ 90,000	\$ 90,000	\$ 106,397	\$ 16,397
Revenue from use of money and property:				
Revenue from use of money	\$ 200,000	\$ 200,000	\$ 358,004	\$ 158,004
Revenue from use of property	456,425	456,425	230,298	(226,127)
Total revenue from use of money and property	\$ 656,425	\$ 656,425	\$ 588,302	\$ (68,123)
Charges for services:				
Sheriff's fees	\$ 2,000	\$ 2,000	\$ 4,792	\$ 2,792
Courthouse security fees	80,000	80,000	93,423	13,423
Administrative fee	200,000	200,000	228,062	28,062
Charges for Commonwealth's Attorney	4,000	4,000	4,420	420
Airport hangar rental fees and fuel sales	215,165	215,165	287,067	71,902

Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2023

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Revenue from local sources: (Continued)				
Charges for sanitation and waste removal	\$ 1,300,000	\$ 1,300,000	\$ 1,237,450	\$ (62,550)
Other charges for services	19,000	19,000	224,321	205,321
Parks and rec user fees	121,950	121,950	94,802	(27,148)
Courthouse maintenance fees	-	-	33,039	33,039
Cost recovery	969,000	969,000	1,002,205	33,205
Charges for law library	-	-	8,442	8,442
Total charges for services	\$ 2,911,115	\$ 2,911,115	\$ 3,218,023	\$ 306,908
Miscellaneous:				
Miscellaneous	\$ 336,186	\$ 336,186	\$ 1,167,699	\$ 831,513
Sale of recyclable materials	120,000	120,000	163,657	43,657
EDA recovery	2,950,000	2,950,000	2,209,888	(740,112)
Total miscellaneous	\$ 3,406,186	\$ 3,406,186	\$ 3,541,244	\$ 135,058
Recovered costs:				
Other recovered costs	\$ 260,000	\$ 260,000	\$ 671,264	\$ 411,264
Expenditure refunds	50,000	50,000	39,588	(10,412)
Total recovered costs	\$ 310,000	\$ 310,000	\$ 710,852	\$ 400,852
Total revenue from local sources	\$ 77,068,523	\$ 77,068,523	\$ 79,072,825	\$ 2,004,302
Intergovernmental:				
Revenue from Local Government				
Town of Front Royal - elections	\$ -	\$ -	\$ 15,988	\$ 15,988
Revenue from the Commonwealth:				
Noncategorical aid:				
Motor vehicle carriers' tax	\$ 65,000	\$ 65,000	\$ 74,495	\$ 9,495
Mobile home titling tax	1,000	1,000	3,563	2,563
Personal property tax relief funds	4,514,220	4,514,220	4,541,220	27,000
Communication taxes	650,000	650,000	617,984	(32,016)
Other noncategorical aid	-	-	1,210	1,210
Total noncategorical aid	\$ 5,230,220	\$ 5,230,220	\$ 5,238,472	\$ 8,252
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	\$ 545,000	\$ 545,000	\$ 523,289	\$ (21,711)
Sheriff	1,970,000	1,970,000	1,955,265	(14,735)
Commissioner of revenue	205,000	205,000	218,581	13,581
Treasurer	140,000	140,000	142,057	2,057
Registrar/electoral board	45,000	45,000	81,977	36,977
Clerk of the Circuit Court	365,000	365,000	378,518	13,518
Total shared expenses	\$ 3,270,000	\$ 3,270,000	\$ 3,299,687	\$ 29,687
Other categorical aid:				
Welfare administration and public assistance	\$ 1,422,000	\$ 1,422,000	\$ 1,255,224	\$ (166,776)
Children services act	1,168,000	1,168,000	1,277,230	109,230
Emergency medical services	44,000	44,000	-	(44,000)
Litter control grant	24,159	24,159	24,159	-
Technology trust funds	37,000	37,000	47,164	10,164
Abandoned vehicle program	9,500	9,500	-	(9,500)

Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2023

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Intergovernmental: (Continued)				
Revenue from the Commonwealth: (Continued)				
Categorical aid: (Continued)				
Other categorical aid: (Continued)				
Victim-witness grant	\$ 68,000	\$ 68,000	\$ 9,309	\$ (58,691)
Fire programs funds	88,000	88,000	103,175	15,175
Juvenile crime control	36,630	36,630	5,968	(30,662)
Airport grants	5,274	5,274	12,193	6,919
Other categorical aid	421,922	421,922	318,835	(103,087)
Total other categorical aid	<u>\$ 3,324,485</u>	<u>\$ 3,324,485</u>	<u>\$ 3,053,257</u>	<u>\$ (271,228)</u>
Total categorical aid	<u>\$ 6,594,485</u>	<u>\$ 6,594,485</u>	<u>\$ 6,352,944</u>	<u>\$ (241,541)</u>
Total revenue from the Commonwealth	<u>\$ 11,824,705</u>	<u>\$ 11,824,705</u>	<u>\$ 11,591,416</u>	<u>\$ (233,289)</u>
Revenue from the Federal government:				
Noncategorical aid:				
Payments in lieu of taxes	\$ 54,000	\$ 54,000	\$ 63,037	\$ 9,037
Total noncategorical aid	<u>\$ 54,000</u>	<u>\$ 54,000</u>	<u>\$ 63,037</u>	<u>\$ 9,037</u>
Categorical aid:				
Welfare administration and public assistance	\$ 2,074,000	\$ 2,074,000	\$ 2,330,145	\$ 256,145
Emergency management performance grant	-	-	17,300	17,300
Bulletproof vest program	14,086	14,086	14,829	743
Crime victims assistance	-	-	60,168	60,168
Coronavirus State and Local Fiscal Recovery Funds	356,899	356,899	2,760,000	2,403,101
Airport improvement program	133,863	133,863	133,862	(1)
Other federal categorical aid	500,000	500,000	554,010	54,010
Total categorical aid	<u>\$ 3,102,278</u>	<u>\$ 3,102,278</u>	<u>\$ 5,905,482</u>	<u>\$ 2,803,204</u>
Total revenue from the federal government	<u>\$ 3,156,278</u>	<u>\$ 3,156,278</u>	<u>\$ 5,968,519</u>	<u>\$ 2,812,241</u>
Total General Fund	<u><u>\$ 92,049,506</u></u>	<u><u>\$ 92,049,506</u></u>	<u><u>\$ 96,648,748</u></u>	<u><u>\$ 4,599,242</u></u>
Special Revenue Funds:				
Drug Forfeiture Fund:				
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Drug forfeiture funds	\$ 1,511	\$ 1,511	\$ 12,785	\$ 11,274
Total categorical aid	<u>\$ 1,511</u>	<u>\$ 1,511</u>	<u>\$ 12,785</u>	<u>\$ 11,274</u>
Total revenue from the Commonwealth	<u>\$ 1,511</u>	<u>\$ 1,511</u>	<u>\$ 12,785</u>	<u>\$ 11,274</u>
Revenue from the federal government:				
Categorical aid:				
Drug forfeiture funds	\$ -	\$ -	\$ 56,380	\$ 56,380
Total categorical aid	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 56,380</u>	<u>\$ 56,380</u>
Total revenue from the federal government	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 56,380</u>	<u>\$ 56,380</u>
Total Drug Forfeiture Fund	<u><u>\$ 1,511</u></u>	<u><u>\$ 1,511</u></u>	<u><u>\$ 69,165</u></u>	<u><u>\$ 67,654</u></u>

Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2023

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Proffers Fund:				
Revenue from local sources:				
Miscellaneous:				
Other miscellaneous	\$ -	\$ -	\$ 4,400	\$ 4,400
Total miscellaneous	\$ -	\$ -	\$ 4,400	\$ 4,400
Total revenue from local sources	\$ -	\$ -	\$ 4,400	\$ 4,400
Total Proffers Fund	\$ -	\$ -	\$ 4,400	\$ 4,400
Sanitary District Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 2,235,872	\$ 2,235,872	\$ 2,499,652	\$ 263,780
Total general property taxes	\$ 2,235,872	\$ 2,235,872	\$ 2,499,652	\$ 263,780
Miscellaneous:				
New construction fee	\$ -	\$ -	\$ 71,023	\$ 71,023
Total miscellaneous	\$ -	\$ -	\$ 71,023	\$ 71,023
Total revenue from local sources	\$ 2,235,872	\$ 2,235,872	\$ 2,570,675	\$ 334,803
Total Sanitary District Fund	\$ 2,235,872	\$ 2,235,872	\$ 2,570,675	\$ 334,803
Capital Projects Funds:				
Capital Improvement Fund:				
Revenue from local sources:				
Miscellaneous revenue:				
Other miscellaneous	\$ 88,224	\$ 88,224	\$ 88,224	\$ -
Total miscellaneous revenue	\$ 88,224	\$ 88,224	\$ 88,224	\$ -
Total revenue from local sources	\$ 88,224	\$ 88,224	\$ 88,224	\$ -
Revenue from the Commonwealth:				
Categorical aid:				
Recreation grants	\$ 200,000	\$ 200,000	\$ -	\$ (200,000)
Wildlife grants	251,956	251,956	100,000	(151,956)
VDOT - revenue sharing	1,299,704	1,299,704	38,173	(1,261,531)
Total categorical aid	\$ 1,751,660	\$ 1,751,660	\$ 138,173	\$ (1,613,487)
Total revenue from the Commonwealth	\$ 1,751,660	\$ 1,751,660	\$ 138,173	\$ (1,613,487)
Revenue from the federal government:				
Categorical aid:				
Other categorical aid	\$ 400,000	\$ 400,000	\$ -	\$ (400,000)
Total categorical aid	\$ 400,000	\$ 400,000	\$ -	\$ (400,000)
Total revenue from the federal government	\$ 400,000	\$ 400,000	\$ -	\$ (400,000)
Total Capital Improvement Fund	\$ 2,239,884	\$ 2,239,884	\$ 226,397	\$ (2,013,487)
Asset Replacement Fund:				
Miscellaneous:				
Miscellaneous	\$ 300,000	\$ 300,000	\$ 300,000	\$ -
Total miscellaneous	\$ 300,000	\$ 300,000	\$ 300,000	\$ -
Total Asset Replacement Fund	\$ 300,000	\$ 300,000	\$ 300,000	\$ -
Total Capital Projects Funds	\$ 2,539,884	\$ 2,539,884	\$ 526,397	\$ (2,013,487)
Total Primary Government	\$ 96,526,773	\$ 96,526,773	\$ 99,819,385	\$ 2,992,612

Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2023

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Discretely Presented Component Unit - School Board:				
School Operating Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of property	\$ 22,391	\$ 22,391	\$ 27,154	\$ 4,763
Total revenue from use of money and property	\$ 22,391	\$ 22,391	\$ 27,154	\$ 4,763
Charges for services:				
Other charges for services	\$ 287,487	\$ 287,487	\$ 348,644	\$ 61,157
Total charges for services	\$ 287,487	\$ 287,487	\$ 348,644	\$ 61,157
Miscellaneous:				
Other miscellaneous	\$ 245,178	\$ 245,178	\$ 297,331	\$ 52,153
Total miscellaneous	\$ 245,178	\$ 245,178	\$ 297,331	\$ 52,153
Total revenue from local sources	\$ 555,056	\$ 555,056	\$ 673,129	\$ 118,073
Intergovernmental:				
Revenues from local governments:				
Contribution from Warren, Virginia	\$ 26,504,541	\$ 26,504,541	\$ 26,289,064	\$ (215,477)
Total revenues from local governments	\$ 26,504,541	\$ 26,504,541	\$ 26,289,064	\$ (215,477)
Revenue from the Commonwealth:				
Categorical aid:				
Share of state sales tax	\$ 8,309,959	\$ 8,309,959	\$ 8,537,761	\$ 227,802
Basic school aid	13,630,756	13,630,756	14,004,417	373,661
Remedial summer education	68,597	68,597	70,477	1,880
Gifted and talented	151,851	151,851	156,014	4,163
Remedial education	542,327	542,327	557,194	14,867
Homebound education	4,333	4,333	4,452	119
Textbook payment	358,966	358,966	368,806	9,840
Vocational SOQ payments	553,586	553,586	568,762	15,176
Social security fringe benefits	921,955	921,955	947,229	25,274
Retirement fringe benefits	2,153,037	2,153,037	2,212,058	59,021
Group life insurance benefits	65,079	65,079	66,863	1,784
State lottery payments	1,168,968	1,168,968	1,201,013	32,045
Early reading intervention	202,890	202,890	208,452	5,562
Jail education	130,224	130,224	133,794	3,570
GED program	15,967	15,967	16,405	438
School food	34,141	34,141	35,077	936
Compensation supplement	1,066,176	1,066,176	1,095,403	29,227
Special education - foster children	19,351	19,351	19,881	530
At risk payments	1,214,270	1,214,270	1,247,557	33,287
Technology	276,422	276,422	284,000	7,578
Standards of Learning algebra readiness	61,591	61,591	63,279	1,688
English as a second language	151,343	151,343	155,492	4,149
K-3 initiative	542,694	542,694	557,571	14,877
Special education	1,890,599	1,890,599	1,942,426	51,827
School construction funds	2,042,946	2,042,946	2,098,949	56,003
Other state funds	1,995,722	1,995,722	2,050,431	54,709
Total categorical aid	\$ 37,573,750	\$ 37,573,750	\$ 38,603,763	\$ 1,030,013
Total revenue from the Commonwealth	\$ 37,573,750	\$ 37,573,750	\$ 38,603,763	\$ 1,030,013

Schedule of Revenues - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2023

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Discretely Presented Component Unit - School Board: (Continued)				
School Operating Fund: (Continued)				
Intergovernmental: (Continued)				
Revenue from the federal government:				
Noncategorical aid:				
Interest rate subsidy - Qualified Energy Conservation Bonds	\$ 86,893	\$ 86,893	\$ 222,361	\$ 135,468
Total noncategorical aid	\$ 86,893	\$ 86,893	\$ 222,361	\$ 135,468
Categorical aid:				
Federal land use	\$ 325	\$ 325	\$ 832	\$ 507
Title I; Grants to local educational agencies	513,817	513,817	1,314,867	801,050
Title VI-B; Special education grants to states	611,537	611,537	1,564,935	953,398
Title VI-B; Special education preschool grants	13,109	13,109	33,545	20,436
Vocational education	51,780	51,780	132,505	80,725
English language acquisition grant	7,883	7,883	20,173	12,290
Title II Part A; Improving teacher quality state grants	95,411	95,411	244,158	148,747
Student support and academic enrichment	31,184	31,184	79,801	48,617
National school lunch and breakfast program	1,365,808	1,365,808	3,495,130	2,129,322
School meals equipment	2,838	2,838	7,262	4,424
Education stabilization fund	3,256,644	3,256,644	8,333,816	5,077,172
Coronavirus state and local fiscal recovery fund	212,497	212,497	543,783	331,286
Emergency connectivity fund	54,894	54,894	140,476	85,582
Total categorical aid	\$ 6,217,727	\$ 6,217,727	\$ 15,911,283	\$ 9,693,556
Total revenue from the federal government	\$ 6,304,620	\$ 6,304,620	\$ 16,133,644	\$ 9,829,024
Total School Operating Fund	\$ 70,937,967	\$ 70,937,967	\$ 81,699,600	\$ 10,761,633
School Cafeteria Fund:				
Revenue from local sources:				
Charges for services:				
Cafeteria sales	\$ -	\$ -	\$ 387,449	\$ 387,449
Total charges for services	\$ -	\$ -	\$ 387,449	\$ 387,449
Total revenue from local sources	\$ -	\$ -	\$ 387,449	\$ 387,449
Total School Cafeteria Fund	\$ -	\$ -	\$ 387,449	\$ 387,449
School Activity Fund:				
Miscellaneous revenue:				
Other miscellaneous	\$ -	\$ -	\$ 1,452,985	\$ 1,452,985
Total miscellaneous revenue	\$ -	\$ -	\$ 1,452,985	\$ 1,452,985
Total revenue from local sources	\$ -	\$ -	\$ 1,452,985	\$ 1,452,985
Total School Activity Fund	\$ -	\$ -	\$ 1,452,985	\$ 1,452,985
Textbook Fund:				
Intergovernmental:				
Revenues from local governments:				
Contribution from Warren, Virginia	\$ -	\$ -	\$ 380,365	\$ 380,365
Total revenues from local governments	\$ -	\$ -	\$ 380,365	\$ 380,365
Total Textbook Fund	\$ -	\$ -	\$ 380,365	\$ 380,365

Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2023

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Discretely Presented Component Unit - School Board: (Continued)				
Capital Improvements Fund				
Intergovernmental revenues:				
Revenues from local governments:				
Contribution from County of Warren, Virginia	\$ 28,000	\$ 28,000	\$ 371,600	\$ 343,600
Total revenues from local governments	<u>\$ 28,000</u>	<u>\$ 28,000</u>	<u>\$ 371,600</u>	<u>\$ 343,600</u>
Revenue from the Commonwealth:				
Categorical aid:				
Other categorical aid	2,000,000	2,000,000	-	(2,000,000)
Total categorical aid	<u>2,000,000</u>	<u>2,000,000</u>	<u>-</u>	<u>(2,000,000)</u>
Total revenue from the Commonwealth	<u>2,000,000</u>	<u>2,000,000</u>	<u>-</u>	<u>(2,000,000)</u>
Revenue from the federal government:				
Categorical aid:				
Other categorical aid	\$ 8,100,025	\$ 8,100,025	\$ -	\$ (8,100,025)
Total categorical aid	<u>\$ 8,100,025</u>	<u>\$ 8,100,025</u>	<u>\$ -</u>	<u>\$ (8,100,025)</u>
Total revenue from the federal government	<u>\$ 8,100,025</u>	<u>\$ 8,100,025</u>	<u>\$ -</u>	<u>\$ (8,100,025)</u>
Total Capital Improvements Fund	<u>\$ 10,128,025</u>	<u>\$ 10,128,025</u>	<u>\$ 371,600</u>	<u>\$ (9,756,425)</u>
Total Component Unit - School Board	<u>\$ 81,065,992</u>	<u>\$ 81,065,992</u>	<u>\$ 84,291,999</u>	<u>\$ 3,226,007</u>

Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2023

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund:				
General government administration:				
Legislative:				
Board of supervisors	\$ 212,150	\$ 212,150	\$ 180,744	\$ 31,406
General and financial administration:				
County administrator	\$ 628,866	\$ 628,866	\$ 432,857	\$ 196,009
County attorney	356,375	356,375	395,160	(38,785)
Personnel	304,194	304,194	474,723	(170,529)
Commissioner of revenue	782,495	782,495	798,246	(15,751)
Reassessment	320,386	320,386	174,937	145,449
Treasurer	572,819	572,819	620,848	(48,029)
Finance and purchasing	538,803	538,803	527,822	10,981
Information technology	891,033	891,033	991,824	(100,791)
Other general and financial administration	-	-	2,760,000	(2,760,000)
Total general and financial administration	\$ 4,394,971	\$ 4,394,971	\$ 7,176,417	\$ (2,781,446)
Board of elections:				
Electoral board and officials	\$ 476,939	\$ 476,939	\$ 406,072	\$ 70,867
Total board of elections	\$ 476,939	\$ 476,939	\$ 406,072	\$ 70,867
Total general government administration	\$ 5,084,060	\$ 5,084,060	\$ 7,763,233	\$ (2,679,173)
Judicial administration:				
Courts:				
Circuit court	\$ 82,977	\$ 82,977	\$ 25,534	\$ 57,443
General district court	24,300	24,300	27,444	(3,144)
Special magistrates	5,400	5,400	4,635	765
Drug court	70,160	70,160	52,873	17,287
Clerk of the circuit court	711,805	711,805	819,911	(108,106)
Juvenile and domestic relations court	11,755	11,755	13,360	(1,605)
Sheriff - court security	-	-	551	(551)
Law library	59,147	59,147	17,728	41,419
Total courts	\$ 965,544	\$ 965,544	\$ 962,036	\$ 3,508
Commonwealth's attorney:				
Commonwealth's attorney	\$ 1,176,829	\$ 1,176,829	\$ 1,211,719	\$ (34,890)
Total commonwealth's attorney	\$ 1,176,829	\$ 1,176,829	\$ 1,211,719	\$ (34,890)
Total judicial administration	\$ 2,142,373	\$ 2,142,373	\$ 2,173,755	\$ (31,382)
Public safety:				
Law enforcement and emergency services:				
Sheriff - law enforcement	\$ 7,557,649	\$ 7,557,649	\$ 7,009,462	\$ 548,187
E - 911 system	1,026,782	1,026,782	1,057,081	(30,299)
Total law enforcement and emergency services	\$ 8,584,431	\$ 8,584,431	\$ 8,066,543	\$ 517,888
Fire and rescue services:				
Other fire and rescue costs	\$ 558,000	\$ 558,000	\$ 251,468	\$ 306,532
Cost recovery fees	-	-	2,094	(2,094)
Cost recovery reimbursement to fire companies	411,000	411,000	378,672	32,328
Contributions to fire and rescue squads	1,031,471	1,031,471	978,275	53,196
Emergency services	5,391,881	5,391,881	5,679,882	(288,001)
Total fire and rescue services	\$ 7,392,352	\$ 7,392,352	\$ 7,290,391	\$ 101,961

Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2023

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Public safety: (Continued)				
Correction and detention:				
Regional jail	\$ 3,429,100	\$ 3,429,100	\$ 2,446,847	\$ 982,253
Probation office	41,000	41,000	40,067	933
Juvenile detention center	240,000	240,000	233,373	6,627
Total correction and detention	\$ 3,710,100	\$ 3,710,100	\$ 2,720,287	\$ 989,813
Inspections:				
Building	\$ 736,097	\$ 736,097	\$ 765,141	\$ (29,044)
Total inspections	\$ 736,097	\$ 736,097	\$ 765,141	\$ (29,044)
Other protection:				
Animal control	\$ -	\$ -	\$ 302,333	\$ (302,333)
Medical examiner	1,000	1,000	660	340
Total other protection	\$ 1,000	\$ 1,000	\$ 302,993	\$ (301,993)
Total public safety	\$ 20,423,980	\$ 20,423,980	\$ 19,145,355	\$ 1,278,625
Public works:				
Maintenance of highways, streets, bridges and sidewalks:				
Management of sanitary districts	\$ 443,385	\$ 443,385	\$ 471,757	\$ (28,372)
Streets and highways	20,000	20,000	1,880	18,120
Total maintenance of highways, streets, bridges and sidewalks	\$ 463,385	\$ 463,385	\$ 473,637	\$ (10,252)
Sanitation and waste removal:				
Refuse collection	\$ 1,074,189	\$ 1,074,189	\$ 1,272,823	\$ (198,634)
Refuse disposal	2,530,618	2,530,618	3,073,440	(542,822)
Total sanitation and waste removal	\$ 3,604,807	\$ 3,604,807	\$ 4,346,263	\$ (741,456)
Maintenance of general buildings and grounds:				
General properties	\$ 1,641,150	\$ 1,641,150	\$ 2,871,159	\$ (1,230,009)
Total maintenance of general buildings and grounds	\$ 1,641,150	\$ 1,641,150	\$ 2,871,159	\$ (1,230,009)
Total public works	\$ 5,709,342	\$ 5,709,342	\$ 7,691,059	\$ (1,981,717)
Health and welfare:				
Health:				
Local health department	\$ 373,600	\$ 373,600	\$ 349,815	\$ 23,785
Total health	\$ 373,600	\$ 373,600	\$ 349,815	\$ 23,785
Mental health and mental retardation:				
Northwestern community services	\$ 343,000	\$ 343,000	\$ 342,748	\$ 252
Total mental health and mental retardation	\$ 343,000	\$ 343,000	\$ 342,748	\$ 252
Welfare:				
Public assistance and welfare administration	\$ 4,960,993	\$ 4,960,993	\$ 4,896,607	\$ 64,386
Other social services	149,000	149,000	185,676	(36,676)
Children's Services Act	1,994,647	1,994,647	2,414,787	(420,140)
Total welfare	\$ 7,104,640	\$ 7,104,640	\$ 7,497,070	\$ (392,430)
Total health and welfare	\$ 7,821,240	\$ 7,821,240	\$ 8,189,633	\$ (368,393)
Education:				
Contribution to local school board	\$ 26,532,541	\$ 26,532,541	\$ 27,041,029	\$ (508,488)
Contributions to community college	40,200	40,200	-	40,200
Total education	\$ 26,572,741	\$ 26,572,741	\$ 27,041,029	\$ (468,288)

Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2023

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Parks, recreation, and cultural:				
Parks and recreation:				
Programs and operations	\$ 2,441,953	\$ 2,441,953	\$ 1,675,584	\$ 766,369
Golf club operations	-	-	1,448	(1,448)
Total parks and recreation	\$ 2,441,953	\$ 2,441,953	\$ 1,677,032	\$ 764,921
Cultural enrichment:				
Blue ridge arts council	\$ -	\$ -	\$ 4,500	\$ (4,500)
Other cultural enrichment	176,700	176,700	30,845	145,855
Total cultural enrichment	\$ 176,700	\$ 176,700	\$ 35,345	\$ 141,355
Library:				
Contribution to Samuels Public Library	\$ 1,024,000	\$ 1,024,000	\$ 1,024,000	\$ -
Total library	\$ 1,024,000	\$ 1,024,000	\$ 1,024,000	\$ -
Total parks, recreation, and cultural	\$ 3,642,653	\$ 3,642,653	\$ 2,736,377	\$ 906,276
Community development:				
Planning and community development:				
Planning and zoning administration	\$ 515,229	\$ 515,229	\$ 476,452	\$ 38,777
Industrial development authority	1,275,305	1,275,305	1,275,305	-
Other community development	2,117,742	2,117,742	1,806,039	311,703
Total planning and community development	\$ 3,908,276	\$ 3,908,276	\$ 3,557,796	\$ 350,480
Environmental management:				
Contribution to soil and water conservation district	\$ 15,000	\$ 15,000	\$ 15,000	\$ -
Other environmental management	37,659	37,659	24,159	13,500
Total environmental management	\$ 52,659	\$ 52,659	\$ 39,159	\$ 13,500
Airport:				
Airport Commission operations	\$ 559,265	\$ 559,265	\$ 317,666	\$ 241,599
Total airport	\$ 559,265	\$ 559,265	\$ 317,666	\$ 241,599
Cooperative extension program:				
VPI extension service	\$ 139,515	\$ 139,515	\$ 129,326	\$ 10,189
Total cooperative extension program	\$ 139,515	\$ 139,515	\$ 129,326	\$ 10,189
Total community development	\$ 4,659,715	\$ 4,659,715	\$ 4,043,947	\$ 615,768
Nondepartmental:				
Retiree medical insurance and unemployment insurance	\$ 156,300	\$ 156,300	\$ 224,244	\$ (67,944)
Route 340/522 Revenue Sharing Agreement Payment	-	-	300,211	(300,211)
Central equipment and maintenance	-	-	9,131	(9,131)
Other nondepartmental	2,930,159	2,930,159	240,635	2,689,524
Total nondepartmental	\$ 3,086,459	\$ 3,086,459	\$ 774,221	\$ 2,312,238
Debt service:				
Principal retirement	\$ 8,100,498	\$ 8,100,498	\$ 8,100,498	\$ -
Interest and other fiscal charges	3,058,880	3,058,880	3,113,306	(54,426)
Total debt service	\$ 11,159,378	\$ 11,159,378	\$ 11,213,804	\$ (54,426)
Total General Fund	\$ 90,301,941	\$ 90,301,941	\$ 90,772,413	\$ (470,472)

Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2023

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Sanitary Districts Fund:				
Public works				
Maintenance of highways, streets, bridges and sidewalks:				
Highways, streets, bridges and sidewalks	\$ 4,223,519	\$ 4,223,519	\$ 2,403,492	\$ 1,820,027
Total maintenance of highways, streets, bridges and sidewalks	\$ 4,223,519	\$ 4,223,519	\$ 2,403,492	\$ 1,820,027
Total public works	\$ 4,223,519	\$ 4,223,519	\$ 2,403,492	\$ 1,820,027
Debt service:				
Principal retirement	\$ 30,000	\$ 30,000	\$ 30,000	\$ -
Interest and other fiscal charges	-	-	107,030	(107,030)
Total debt service	\$ 30,000	\$ 30,000	\$ 137,030	\$ (107,030)
Total Sanitary District Fund	\$ 4,253,519	\$ 4,253,519	\$ 2,540,522	\$ 1,712,997
Capital Projects Funds:				
Capital Improvement Fund:				
Capital projects expenditures:				
General government	\$ 37,638	\$ 37,638	\$ -	\$ 37,638
Public safety	7,027,122	7,027,122	236,787	6,790,335
Public works	6,339,659	6,339,659	1,488,238	4,851,421
Education	1,656,400	1,656,400	-	1,656,400
Parks, recreation, and cultural	899,587	899,587	326,833	572,754
Total capital projects	\$ 15,960,406	\$ 15,960,406	\$ 2,051,858	\$ 13,908,548
Total Capital Improvement Fund	\$ 15,960,406	\$ 15,960,406	\$ 2,051,858	\$ 13,908,548
Asset Replacement Fund:				
Capital projects expenditures:				
General government	\$ 163,550	\$ 163,550	\$ 31,813	\$ 131,737
Information technology	1,902,890	1,902,890	251,316	1,651,574
Public safety	2,391,539	2,391,539	255,093	2,136,446
Public works	446,895	446,895	49,785	397,110
Education	1,409,913	1,409,913	-	1,409,913
Parks, recreation, and cultural	1,086,000	1,086,000	4,800	1,081,200
Total capital projects	\$ 7,400,787	\$ 7,400,787	\$ 592,807	\$ 6,807,980
Debt service:				
Principal retirement	\$ 675,105	\$ 675,105	\$ 675,105	\$ -
Interest and other fiscal charges	277,995	277,995	28,022	249,973
Total debt service	\$ 953,100	\$ 953,100	\$ 703,127	\$ 249,973
Total Capital Improvement Fund	\$ 8,353,887	\$ 8,353,887	\$ 1,295,934	\$ 7,057,953
Total Capital Projects Funds	\$ 24,314,293	\$ 24,314,293	\$ 3,347,792	\$ 20,966,501
Total Primary Government	\$ 118,869,753	\$ 118,869,753	\$ 96,660,727	\$ 22,209,026
Discretely Presented Component Unit - School Board:				
School Operating Fund:				
Education:				
Instruction	\$ 55,275,737	\$ 55,275,737	\$ 52,479,848	\$ 2,795,889
Administration, attendance and health	2,891,704	2,891,704	3,049,846	(158,142)
Pupil transportation	3,342,073	3,342,073	3,478,918	(136,845)
Operation and maintenance	6,415,711	6,415,711	7,640,643	(1,224,932)
Technology	2,354,495	2,354,495	2,445,079	(90,584)
Total education	\$ 70,279,720	\$ 70,279,720	\$ 69,094,334	\$ 1,185,386

Schedule of Expenditures - Budget and Actual
Governmental Funds

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Discretely Presented Component Unit - School Board: (Continued)				
School Operating Fund: (Continued)				
Capital projects:				
School capital projects	\$ -	\$ -	\$ 311,696	\$ (311,696)
Total capital projects	\$ -	\$ -	\$ 311,696	\$ (311,696)
Debt service:				
Principal retirement	\$ 339,000	\$ 339,000	\$ 339,000	\$ -
Interest and other fiscal charges	319,247	319,247	319,247	-
Total debt service	\$ 658,247	\$ 658,247	\$ 658,247	\$ -
Total School Operating Fund	\$ 70,937,967	\$ 70,937,967	\$ 70,064,277	\$ 873,690
School Cafeteria Fund:				
Education:				
School food services:				
Administration of school food program	\$ 4,375,290	\$ 4,375,290	\$ 4,185,679	\$ 189,611
Total school food services	\$ 4,375,290	\$ 4,375,290	\$ 4,185,679	\$ 189,611
Total education	\$ 4,375,290	\$ 4,375,290	\$ 4,185,679	\$ 189,611
Total School Cafeteria Fund	\$ 4,375,290	\$ 4,375,290	\$ 4,185,679	\$ 189,611
Vocational Building Fund:				
Education:				
Vocational building	\$ -	\$ -	\$ 32,499	\$ (32,499)
Total education	\$ -	\$ -	\$ 32,499	\$ (32,499)
Total Vocational Building Fund	\$ -	\$ -	\$ 32,499	\$ (32,499)
School Activity Fund:				
Education:				
School activities	\$ -	\$ -	\$ 1,409,652	\$ (1,409,652)
Total education	\$ -	\$ -	\$ 1,409,652	\$ (1,409,652)
Total School Activity Fund	\$ -	\$ -	\$ 1,409,652	\$ (1,409,652)
Capital Improvements Fund:				
Capital projects expenditures:				
School capital projects	\$ 12,399,642	\$ 12,399,642	\$ 6,329,681	\$ 6,069,961
Total Capital Improvements Fund	\$ 12,399,642	\$ 12,399,642	\$ 6,329,681	\$ 6,069,961
Textbook Fund:				
Education:				
Purchase of textbooks	\$ -	\$ -	\$ 744	\$ (744)
Total education	\$ -	\$ -	\$ 744	\$ (744)
Total Textbook Fund	\$ -	\$ -	\$ 744	\$ (744)
Total Discretely Presented Component Unit - School Board	\$ 87,712,899	\$ 87,712,899	\$ 82,022,532	\$ 5,690,367

Other Statistical Information

Contents

Tables

Financial Trends

These tables contain trend information to help the reader understand how the the County's financial performance and well-being have changed over time.

1 - 6

Revenue Capacity

These tables contain information to help the reader assess the factors affecting the County's ability to generate its property and sales taxes.

7 - 11

Debt Capacity

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

12 - 13

Demographic and Economic Information

These tables offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place and to help make comparisons over time and with other governments.

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

Table 1

COUNTY OF WARREN, VIRGINIA

Net Position by Component

Last Ten Fiscal Years

(accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities										
Net investment in capital assets	\$ 44,643,308	\$ 50,608,195	\$ 50,390,918	\$ 47,493,851	\$ 46,396,078	\$ 53,144,977	\$ 56,236,417	\$ 61,784,432	\$ 65,430,009	\$ 71,234,328
Restricted	501,786	392,770	609,053	1,102,483	1,368,387	1,291,771	572,153	1,371,537	2,307,289	2,576,855
Unrestricted	39,844,691	31,397,108	23,597,887	29,397,300	25,619,321	27,770,044	26,581,523	29,843,839	33,584,693	35,974,652
Total governmental activities net position	\$ 84,989,785	\$ 82,398,073	\$ 74,597,858	\$ 77,993,634	\$ 73,383,786	\$ 82,206,792	\$ 83,390,093	\$ 92,999,808	\$ 101,321,991	\$ 109,785,835
Primary government										
Net investment in capital assets	\$ 44,643,308	\$ 50,608,195	\$ 50,390,918	\$ 47,493,851	\$ 46,396,078	\$ 53,144,977	\$ 56,236,417	\$ 61,784,432	\$ 65,430,009	\$ 71,234,328
Restricted	501,786	392,770	609,053	1,102,483	1,368,387	1,291,771	572,153	1,371,537	2,307,289	2,576,855
Unrestricted	39,844,691	31,397,108	23,597,887	29,397,300	25,619,321	27,770,044	26,581,523	29,843,839	33,584,693	35,974,652
Total primary government net position	\$ 84,989,785	\$ 82,398,073	\$ 74,597,858	\$ 77,993,634	\$ 73,383,786	\$ 82,206,792	\$ 83,390,093	\$ 92,999,808	\$ 101,321,991	\$ 109,785,835

COUNTY OF WARREN, VIRGINIA

Table 2
Page 1 of 2

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental activities:										
General government administration	\$ 3,851,326	\$ 3,955,083	\$ 3,833,474	\$ 3,871,325	\$ 3,897,066	\$ 4,857,017	\$ 5,705,438	\$ 3,960,439	\$ 5,598,524	\$ 8,677,193
Judicial administration	1,410,337	1,378,138	2,311,765	2,392,659	2,495,716	2,499,541	2,774,389	2,955,192	2,866,748	2,181,222
Public safety	14,381,005	13,964,875	15,056,861	14,860,539	15,249,315	14,131,400	16,156,532	23,026,059	18,177,668	18,860,308
Public works	6,365,453	6,462,172	8,652,338	10,922,208	8,335,668	6,964,539	8,730,730	7,983,645	8,639,729	11,555,956
Health and welfare	6,329,760	6,270,332	6,465,553	6,947,264	6,944,616	7,111,589	7,255,801	7,869,894	8,332,578	8,312,838
Education	21,089,704	22,694,712	33,441,555	22,500,264	25,533,790	28,389,802	29,429,249	26,247,774	29,744,193	29,488,182
Parks, recreation and cultural	3,488,039	3,802,849	3,565,915	3,713,029	3,946,163	3,826,634	3,955,750	3,482,591	3,659,136	3,231,994
Community development	1,020,028	1,444,078	1,287,614	1,348,846	1,473,827	1,539,067	1,661,861	5,157,656	4,466,411	4,257,211
Interest on long-term debt	4,349,138	5,281,135	5,436,533	5,538,416	5,675,570	6,446,381	4,897,997	6,122,748	2,631,517	3,443,997
Total governmental activities expenses	\$ 62,284,790	\$ 65,253,374	\$ 80,051,608	\$ 72,094,550	\$ 73,551,731	\$ 75,765,970	\$ 80,567,747	\$ 86,805,998	\$ 84,116,504	\$ 90,008,901
Total primary government expenses	\$ 62,284,790	\$ 65,253,374	\$ 80,051,608	\$ 72,094,550	\$ 73,551,731	\$ 75,765,970	\$ 80,567,747	\$ 86,805,998	\$ 84,116,504	\$ 90,008,901
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 258,425	\$ 264,237	\$ 267,603	\$ 236,808	\$ 180,987	\$ 311,603	\$ 239,658	\$ 212,663	\$ 425,217	\$ 656,634
Judicial administration	243,901	225,746	216,225	185,489	226,015	262,090	142,809	245,043	290,556	234,511
Public safety	1,341,592	937,881	1,053,953	1,211,691	1,104,443	1,321,886	1,430,286	1,405,422	1,672,460	1,494,252
Public works	965,738	982,071	1,045,223	1,096,644	1,148,332	1,151,032	1,337,461	1,165,181	1,405,045	1,382,825
Health and welfare	-	-	-	-	-	-	-	-	-	-
Parks, recreation and cultural	423,860	439,677	476,834	439,608	411,263	361,368	289,824	109,694	198,770	94,802
Community development	214,921	206,823	210,051	221,604	214,604	229,846	220,688	234,520	252,484	435,230
Operating grants and contributions	8,402,853	6,693,201	7,541,835	7,422,626	7,279,271	7,277,890	7,230,236	15,327,732	9,101,220	12,205,012
Capital grants and contributions	473,284	387,573	795,626	1,096,324	1,437,532	1,090,036	1,042,054	10,060	333,071	276,740
Total governmental activities program revenues	\$ 12,324,574	\$ 10,137,209	\$ 11,607,350	\$ 11,910,794	\$ 12,002,447	\$ 12,005,751	\$ 11,933,016	\$ 18,710,315	\$ 13,678,823	\$ 16,780,006
Total primary government program revenues	\$ 12,324,574	\$ 10,137,209	\$ 11,607,350	\$ 11,910,794	\$ 12,002,447	\$ 12,005,751	\$ 11,933,016	\$ 18,710,315	\$ 13,678,823	\$ 16,780,006
Net (expense) / revenue										
Governmental activities	\$ (49,960,216)	\$ (55,116,165)	\$ (68,444,258)	\$ (60,183,756)	\$ (61,549,284)	\$ (63,760,219)	\$ (68,634,731)	\$ (68,095,683)	\$ (70,437,681)	\$ (73,228,895)
Total primary government net expense	\$ (49,960,216)	\$ (55,116,165)	\$ (68,444,258)	\$ (60,183,756)	\$ (61,549,284)	\$ (63,760,219)	\$ (68,634,731)	\$ (68,095,683)	\$ (70,437,681)	\$ (73,228,895)

COUNTY OF WARREN, VIRGINIA

Table 2
Page 2 of 2

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	\$ 40,170,018	\$ 43,218,932	\$ 46,462,723	\$ 48,028,934	\$ 49,130,661	\$ 54,934,806	\$ 53,463,608	\$ 57,742,174	\$ 60,062,924	\$ 61,406,367
Local sales and use taxes	3,765,595	3,459,402	3,339,288	3,707,397	3,785,913	3,925,330	4,575,698	5,248,373	5,805,476	6,185,774
Taxes on recordation and wills	460,515	371,886	451,634	470,302	611,171	595,099	761,318	966,170	1,001,862	586,242
Consumer utility taxes	708,592	696,551	649,156	764,170	728,834	735,999	741,898	750,564	758,522	697,755
Business licenses taxes	858,661	773,355	765,773	837,612	811,476	831,320	977,437	1,151,487	1,285,288	1,255,064
Meals tax	824,351	874,721	917,662	940,928	947,737	1,015,726	898,042	1,088,125	1,252,151	1,209,872
Other local taxes	913,505	1,099,486	1,132,119	1,120,689	1,109,861	1,089,681	1,183,785	1,606,557	1,461,497	1,731,098
Unrestricted grants and contributions (1)	5,789,093	5,672,161	5,672,279	5,781,070	5,628,301	5,562,228	5,528,557	6,360,509	5,315,982	5,301,509
Unrestricted revenues from use of money and property	374,038	323,996	519,420	741,230	489,390	985,531	898,593	439,925	(311,526)	393,528
Miscellaneous	470,422	359,978	503,214	1,187,200	1,229,050	2,837,153	629,895	2,351,514	2,110,761	3,859,459
Gain on disposal of assets	-	-	230,775	-	-	70,352	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-
Total governmental activities	\$ 54,334,790	\$ 56,850,468	\$ 60,644,043	\$ 63,579,532	\$ 64,472,394	\$ 72,583,225	\$ 69,658,831	\$ 77,705,398	\$ 78,742,937	\$ 82,626,668
Total primary government	\$ 54,334,790	\$ 56,850,468	\$ 60,644,043	\$ 63,579,532	\$ 64,472,394	\$ 72,583,225	\$ 69,658,831	\$ 77,705,398	\$ 78,742,937	\$ 82,626,668
Change in Net Position										
Governmental activities	\$ 4,374,574	\$ 1,734,303	\$ (7,800,215)	\$ 3,395,776	\$ 2,923,110	\$ 8,823,006	\$ 1,024,100	\$ 9,609,715	\$ 8,305,256	\$ 9,397,773
Total primary government	\$ 4,374,574	\$ 1,734,303	\$ (7,800,215)	\$ 3,395,776	\$ 2,923,110	\$ 8,823,006	\$ 1,024,100	\$ 9,609,715	\$ 8,305,256	\$ 9,397,773

(1) The County implemented GASB Statement 63 and 65, effective July 1, 2012 - the implementation required the reclassification of certain expense items

(2) Commencing in fiscal year 2016, expenses related to court security is reported under judicial administration. Previously the costs were reported under public safety.

COUNTY OF WARREN, VIRGINIA

Table 3

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General fund										
Nonspendable	\$ -	\$ -	\$ 31,374	\$ 30,312	\$ 29,550	\$ 219,913	\$ 164,386	\$ 272,657	\$ 1,315,616	\$ 1,263,075
Restricted	-	-	-	-	-	6,698,497	3,031,433	1,293,405	1,344,091	1,712,847
Unassigned	16,693,295	15,505,815	15,710,784	15,736,735	13,528,579	11,989,240	12,712,426	16,928,533	21,361,572	19,394,825
Total general fund	\$ 16,693,295	\$ 15,505,815	\$ 15,742,158	\$ 15,767,047	\$ 13,558,129	\$ 18,907,650	\$ 15,908,245	\$ 18,494,595	\$ 24,021,279	\$ 22,370,747
All other governmental funds										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,979	\$ 1,182	\$ -	\$ -	\$ 1,100,000
Restricted	1,274,248	50,257,532	41,433,694	12,500,725	4,073,726	3,734,506	915,709	709,246	730,577	802,631
Committed	24,285,633	21,044,453	16,328,334	19,035,093	20,108,849	19,415,149	20,403,587	20,839,443	16,501,446	19,380,554
Assigned	153,514	153,514	-	-	-	-	-	-	-	-
Unassigned	(183,904)	-	-	-	-	-	-	-	-	-
Total all other governmental funds	25,529,491	71,455,499	57,762,028	31,535,818	24,182,575	23,151,634	21,320,478	21,548,689	17,232,023	21,283,185
Total fund balance, governmental funds	\$ 42,222,786	\$ 86,961,314	\$ 73,504,186	\$ 47,302,865	\$ 37,740,704	\$ 42,059,284	\$ 37,228,723	\$ 40,043,284	\$ 41,253,302	\$ 43,653,932

COUNTY OF WARREN, VIRGINIA

Table 4

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
General property taxes	\$ 39,547,607	\$ 43,189,446	\$ 45,985,664	\$ 48,137,667	\$ 49,007,643	\$ 51,898,098	\$ 55,513,734	\$ 57,387,476	\$ 58,985,962	\$ 60,962,791
Other local taxes (1)	7,531,219	7,275,401	7,255,632	7,841,098	7,994,992	8,193,155	9,138,178	10,810,488	11,564,796	11,665,805
Permits, privilege fees and regulatory licenses	679,907	685,234	818,327	525,014	497,776	565,796	634,291	670,204	761,353	779,063
Fines and forfeitures	97,416	103,259	103,564	103,806	85,029	94,467	114,556	114,556	120,608	106,397
Revenue from use of money and property	374,038	324,091	519,420	741,230	489,390	985,532	898,593	439,925	(311,526)	588,302
Charges for services	2,671,114	2,270,637	2,348,303	2,763,023	2,702,838	2,977,561	2,964,710	2,588,549	3,362,571	3,218,023
Miscellaneous	470,423	359,882	1,025,720	1,357,198	1,229,049	824,957	629,895	2,351,514	1,245,178	4,004,891
Recovered costs	72,885	139,172	65,608	93,762	193,809	911,569	253,972	217,100	280,988	710,852
Intergovernmental:										
Local government	-	-	501,468	375,200	149,175	157,705	147,504	871,801	14,458	15,988
Commonwealth	12,385,077	10,565,562	10,834,673	11,132,178	11,927,767	11,444,285	11,495,421	10,656,805	11,638,878	11,742,374
Federal	2,280,153	2,187,373	2,151,099	2,792,642	2,268,163	2,328,164	2,157,922	10,169,695	3,096,937	6,024,899
Total revenues	\$ 66,109,839	\$ 67,097,362	\$ 71,609,173	\$ 75,862,818	\$ 76,545,631	\$ 80,381,289	\$ 83,895,945	\$ 96,278,113	\$ 90,760,203	\$ 99,819,385
Expenditures										
General government administration	\$ 2,905,847	\$ 3,123,371	\$ 3,211,580	\$ 2,902,896	\$ 3,239,276	\$ 3,812,613	\$ 4,943,095	\$ 4,905,335	\$ 4,313,502	\$ 7,763,233
Judicial administration	1,578,791	1,611,596	2,242,720	2,285,963	2,418,499	2,465,679	2,621,744	2,802,965	2,845,859	2,173,755
Public safety	13,538,746	13,807,508	14,728,230	14,471,085	15,031,937	14,751,413	15,163,779	21,646,975	17,861,220	19,145,355
Public works	4,906,211	5,427,334	5,209,182	5,191,279	6,387,113	6,530,130	7,118,464	7,663,171	8,626,138	10,094,551
Health and welfare	6,213,147	6,313,085	6,444,670	6,628,743	6,730,444	6,835,174	6,821,862	7,396,595	8,179,276	8,189,633
Education	20,039,108	21,498,329	20,728,369	20,228,390	23,037,768	24,855,431	26,542,526	25,348,866	27,342,226	27,041,029
Parks, recreation and cultural	3,451,896	3,410,727	3,299,722	3,437,329	3,549,814	3,699,590	3,689,671	3,134,523	3,319,590	2,736,377
Community development	977,696	1,055,488	1,046,953	1,093,351	953,282	798,721	862,707	4,085,250	4,106,808	4,043,947
Non-departmental	250,523	269,080	276,784	515,049	511,636	913,208	681,512	1,394,320	741,872	774,221
Capital projects	5,000,468	7,531,305	24,512,900	33,472,111	14,724,613	5,247,282	8,771,404	5,068,101	1,410,264	2,644,665
Debt service										
Principal	11,010,125	5,470,583	6,607,594	5,649,214	5,861,999	13,931,283	6,665,897	7,478,722	8,500,186	8,805,603
Interest	4,591,060	5,429,201	6,554,940	6,018,728	5,882,155	5,677,957	5,099,251	3,193,245	2,723,203	3,248,358
Total expenditures	\$ 74,463,618	\$ 74,947,607	\$ 94,863,644	\$ 101,894,138	\$ 88,328,536	\$ 89,518,481	\$ 88,981,913	\$ 94,118,068	\$ 89,970,144	\$ 96,660,727
Excess of revenues over (under) expenditures	\$ (8,353,779)	\$ (7,850,245)	\$ (23,254,471)	\$ (26,031,320)	\$ (11,782,905)	\$ (9,137,192)	\$ (5,085,968)	\$ 2,160,045	\$ 790,059	\$ 3,158,658
Other financing sources (uses)										
Transfers in	\$ 7,009,008	\$ 8,363,969	\$ 13,313,568	\$ 8,684,074	\$ 4,112,437	\$ 7,204,194	\$ 2,538,197	\$ 234,693	\$ 4,894,543	\$ 16,314,058
Transfers out	(6,849,221)	(8,139,798)	(13,260,255)	(8,854,074)	(4,110,393)	(7,204,194)	(2,538,197)	(234,693)	(4,894,543)	(16,314,058)
Insurance proceeds	-	-	-	-	-	-	250,000	115,607	419,959	175,903
Issuance of bonds	-	-	-	-	-	11,248,000	57,270,000	26,170,000	-	-
Issuance of line of credit	-	-	-	-	-	1,954,931	-	-	-	-
Premium on bonds issued	-	-	-	-	2,218,700	-	-	-	-	-
Discount on bonds issued	-	3,298,094	-	-	-	-	-	736,733	-	-
Payments to refunded bond escrow agent	-	-	-	-	-	-	-	(172,303)	-	-
Bond issuance costs	-	-	-	-	-	-	(56,766,810)	(26,724,739)	-	-
Insurance capital leases	-	-	409,650	-	-	-	(503,190)	(464,479)	-	-
Sale of capital assets	-	741,508	-	-	-	-	-	993,697	-	-
Total other financing sources (uses)	\$ 10,159,787	\$ 52,588,773	\$ 9,797,343	\$ (170,000)	\$ 2,220,744	\$ 13,455,772	\$ 250,000	\$ 654,516	\$ 419,959	\$ 175,903
Net change in fund balances	\$ 1,806,008	\$ 44,738,528	\$ (13,457,128)	\$ (26,201,320)	\$ (9,562,161)	\$ 4,318,580	\$ (4,835,968)	\$ 2,814,561	\$ 1,210,018	\$ 3,334,561
Debt service as a percentage of noncapital expenditures	22.07%	15.97%	17.88%	15.68%	15.40%	23.23%	14.25%	12.17%	12.53%	12.80%

(1) Commencing in fiscal year 2016, expenses related to court security is reported under judicial administration. Previously the costs were reported under public safety.

COUNTY OF WARREN, VIRGINIA

Table 5

General Governmental Expenditures by Function (1)

Last Ten Fiscal Years

Fiscal Year	General Government		Judicial Administration	Public Safety		Public Works	Health and Welfare		Education (2)	Parks, Recreation, and Cultural		Community Development	Non-departmental	Debt Service		Total				
	Administration	Government																		
2014	\$	2,905,847	\$	1,578,791	\$	13,538,746	\$	4,906,211	\$	6,213,147	\$	3,451,896	\$	977,696	\$	250,523	\$	17,070,079	\$	101,764,634
2015		3,123,371		1,611,596		13,807,508		5,427,334		6,313,085		3,410,727		1,055,488		269,080		11,346,629		99,810,232
2016		3,211,580		2,242,720		14,728,230		5,209,182		6,444,670		3,299,722		1,046,953		276,784		12,819,206		103,320,682
2017		2,902,896		2,285,963		14,471,085		5,191,279		6,628,743		3,437,329		1,093,351		515,049		11,667,942		102,663,346
2018		3,239,276		2,418,499		15,031,937		6,387,113		6,730,444		3,549,814		953,282		511,636		12,349,213		108,693,073
2019		3,812,613		2,465,679		14,751,413		6,530,130		6,835,174		3,699,590		798,721		913,208		19,609,240		120,110,295
2020		4,943,095		2,621,744		15,163,779		7,118,464		6,821,862		3,689,672		862,707		681,512		11,765,148		116,154,906
2021		4,905,335		2,802,965		21,646,975		7,663,171		7,396,595		3,134,523		4,085,250		1,394,320		10,671,967		130,728,073
2022		4,313,502		2,845,859		17,861,220		8,626,138		8,179,276		3,319,590		4,106,808		741,872		11,223,389		127,120,536
2023		7,763,233		2,173,755		19,145,355		10,094,551		8,189,633		2,736,377		4,043,947		774,221		12,053,961		136,069,367

(1) Includes General and Special Revenue funds of the Primary Government and the Discretely Presented Component Unit - School Board.

(Does not include activity of the Discretely Presented Component Unit - Industrial Development Authority)

(2) Excludes contribution from Primary Government to Discretely Presented Component Unit.

Activity of the school self-insurance fund is not reported in the above table.

(3) Commencing in fiscal year 2016, expenses related to court security is reported under judicial administration. Previously the costs were reported under public safety.

COUNTY OF WARREN, VIRGINIA

Table 6

General Governmental Revenues by Source (1)
Last Ten Fiscal Years

Fiscal Year	General Property Taxes	Other Local Taxes (4)	Permits, Privilege Fees, Regulatory Licenses	Fines and Forfeitures	Revenue from the Use of Money and Property	Charges for Services	Miscellaneous	Recovered Costs	Inter-governmental (2)	Total
2014	\$ 39,547,607	\$ 7,531,219	\$ 679,907	\$ 97,416	\$ 372,850	\$ 3,975,882	\$ 931,270	\$ 72,885	\$ 44,860,064	\$ 98,069,100
2015	43,189,446	7,275,401	685,234	100,564	319,441	3,797,728	691,423	139,172	43,946,990	100,145,399
2016	45,985,664	7,255,632	818,327	103,259	379,854	4,058,886	1,419,020	65,608	45,071,412	105,157,662
2017	48,137,667	7,841,098	822,761	103,806	608,402	4,058,999	1,674,542	93,762	46,901,146	110,242,183
2018	49,007,643	7,994,992	497,776	85,029	438,756	4,255,101	1,477,412	193,809	47,666,392	111,616,910
2019	51,898,098	8,193,155	565,796	94,467	1,019,398	4,529,824	1,073,320	911,569	47,251,441	115,537,068
2020	55,513,734	9,138,178	634,291	61,725	926,759	4,383,808	740,429	253,972	49,150,993	120,803,889
2021	57,387,476	10,810,488	670,204	114,556	439,925	2,588,549	2,351,514	217,100	62,698,919	137,278,731
2022	58,985,962	11,564,796	761,353	120,608	(288,365)	3,865,468	2,711,688	280,988	58,374,622	136,377,120
2023	60,962,791	11,665,805	779,063	106,397	615,456	3,954,116	5,755,207	710,852	72,520,668	157,070,355

(1) Includes General and Special Revenue funds of the Primary Government and its Discretely Presented Component Unit - School Board.

(Does not include activity of the Discretely Presented Component Unit - Industrial Development Authority)

(2) Excludes contribution from Primary Government to Discretely Presented Component Unit.

Table 7

COUNTY OF WARREN, VIRGINIA

Governmental Activities Tax Revenues by Source

Last Ten Fiscal Years

(accrual basis of accounting)

Fiscal Year	Property Tax	Local sales and use Tax	Consumer Utility Tax	Recordation and Wills Tax	Business License Tax	Meals Tax (1)	Other Local Taxes (2)	Total
2014 \$	39,547,607	\$ 3,765,595	\$ 708,592	\$ 460,515	\$ 858,661	\$ 824,351	\$ 913,505	\$ 47,078,826
2015	43,189,446	3,459,402	696,551	482,158	773,357	871,933	992,000	50,464,847
2016	45,985,664	3,339,288	649,156	571,197	765,773	917,662	1,012,556	53,241,296
2017	48,137,667	3,707,397	764,170	599,921	837,612	940,928	991,070	55,978,765
2018	49,007,643	3,785,913	728,834	611,171	811,476	947,737	1,109,861	57,002,635
2019	51,898,098	3,925,330	735,999	595,099	831,320	1,015,726	1,089,681	60,091,253
2020	55,513,734	4,575,698	741,898	761,318	977,580	898,042	1,183,642	64,651,912
2021	57,387,476	5,248,373	750,564	1,181,514	1,156,411	1,088,125	1,385,501	68,197,964
2022	58,985,962	5,805,476	758,522	1,244,164	1,287,435	1,252,151	1,217,048	70,550,758
2023	61,406,367	6,185,774	697,755	775,749	1,254,876	1,209,872	1,541,779	73,072,172

COUNTY OF WARREN, VIRGINIA

Table 8

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

Fiscal Year	Real Estate	Personal Property and Mobile Homes	Machinery and Tools	Public Service	Total Taxable Assessed Value	Overlapping Tax Rate			Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
						Pers. Prop.	Mach. - Tools	Real Estate		
2014	\$ 3,813,780,900	\$ 361,209,652	\$ 53,266,515	\$ 384,518,870	\$ 4,612,775,937	\$ 0.64	\$ 0.64	\$ 0.13	\$ 4,612,775,937	100.00%
2015	3,924,829,100	367,502,458	53,266,515	693,556,225	5,039,154,298	0.64	0.64	0.13	5,039,154,298	100.00%
2016	4,039,047,050	379,410,581	60,371,995	960,963,480	5,439,793,106	0.64	0.64	0.13	5,439,793,106	100.00%
2017	4,068,221,600	392,547,103	63,065,930	1,072,950,545	5,596,785,178	0.64	0.64	0.135	5,596,785,178	100.00%
2018	4,117,282,950	402,113,393	68,125,550	1,017,740,775	5,605,262,668	0.64	0.64	0.135	5,605,262,668	100.00%
2019	4,394,054,150	423,738,556	84,411,975	953,592,583	5,855,797,264	0.64	0.64	0.131	5,855,797,264	100.00%
2020	4,660,813,450	443,939,299	94,697,880	991,420,935	6,190,871,564	0.64	0.64	0.131	6,190,871,564	100.00%
2021	4,712,439,650	478,235,917	89,218,545	1,025,269,113	6,305,163,225	0.64	0.64	0.131	6,305,163,225	100.00%
2022	4,817,269,500	568,132,202	85,200,830	941,476,231	6,412,078,763	0.64	0.64	0.131	6,412,078,763	100.00%
2023	5,745,119,511	595,943,537	81,624,560	856,185,466	7,278,873,074	0.64	0.64	0.131	7,278,873,074	100.00%

Source: Commissioner of Revenue

Notes: The County implemented semi-annual tax billings in fiscal year 2010.

Fiscal Year 2014 is comprised of the second half of calendar year 2013 and first half of calendar year 2014
Fiscal Year 2015 is comprised of the second half of calendar year 2014 and first half of calendar year 2015
Fiscal Year 2016 is comprised of the second half of calendar year 2015 and first half of calendar year 2016
Fiscal Year 2017 is comprised of the second half of calendar year 2016 and first half of calendar year 2017
Fiscal Year 2018 is comprised of the second half of calendar year 2017 and first half of calendar year 2018
Fiscal Year 2019 is comprised of the second half of calendar year 2018 and first half of calendar year 2019
Fiscal Year 2020 is comprised of the second half of calendar year 2019 and first half of calendar year 2020
Fiscal Year 2021 is comprised of the second half of calendar year 2020 and first half of calendar year 2021
Fiscal Year 2022 is comprised of the second half of calendar year 2021 and first half of calendar year 2022

COUNTY OF WARREN, VIRGINIA

Table 9

Property Tax Rates (1)
Last Ten Fiscal Years

Fiscal Year	Direct Rates			
	Real Estate (3)	Personal Property (2)(3)	Mobile Homes (3)	Machinery and Tools (2)(3)
2014	\$ 0.59/0.61	\$ 4.00/4.00	\$ 0.59/0.61	\$ 1.30/1.95
2015	0.61/0.595	4.00/4.00	0.61/0.595	1.95/1.95
2016	0.595/0.62	4.00/4.00	0.595/0.62	1.95/1.95
2017	0.62/0.65	4.00/4.00	0.62/0.65	1.95/1.95
2018	0.65/0.66	4.00/4.00	0.65/0.66	1.95/2.05
2019	0.66/0.655	4.00/4.00	0.66/0.655	2.05/2.05
2020	0.655/0.655	4.00/4.00	0.655/0.655	2.05/2.05
2021	0.655/0.655	4.00/4.00	0.655/0.655	2.05/2.05
2022	0.655/0.655	4.00/4.00	0.655/0.655	2.05/2.05
2023	0.655/0.655	4.00/4.00	0.655/0.655	2.05/2.05

(1) Per \$100 of assessed value

(2) In fiscal year 1996, assessments for personal property changed from

40% to 100% of value base. Additionally, value base changed from retail to loan NADA value.

(3) The County collects taxes semi-annually commencing fiscal year 2010.

COUNTY OF WARREN, VIRGINIA

Table 10

Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Total Original Tax Levy (1,2,4,5)	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years (1)	Total Collections to Date	
		Collections (1,3,4)	Percentage of Levy		Amount (1) (2)	Percentage of Levy (5)
2013	\$ 38,819,912	\$ 36,920,536	95.11%	1,092,250	\$ 38,012,786	97.92%
2014	41,713,051	41,073,133	98.47%	639,918	41,713,051	100.00%
2015	44,253,098	43,363,126	97.99%	889,969	44,253,095	100.00%
2016	47,761,913	46,775,488	97.93%	986,425	47,761,913	100.00%
2017	51,446,487	49,128,746	95.49%	2,132,590	51,261,336	99.64%
2018	52,980,354	50,483,164	95.29%	2,036,187	52,519,351	99.13%
2019	55,668,393	52,528,130	94.36%	1,774,853	54,302,983	97.55%
2020	58,793,454	56,562,316	96.21%	2,231,138	58,793,454	100.00%
2021	60,769,083	57,422,056	94.49%	1,979,994	59,402,050	97.75%
2022	64,144,799	60,037,110	93.60%	2,071,028	62,108,138	96.82%
2023	65,230,747	57,891,447	88.75%	-	57,891,447	88.75%

(1) Exclusive of penalties and interest.

(2) Includes personal property tax relief from the Commonwealth of Virginia.

(3) Original assessments, does not include supplemental or abatement assessments

COUNTY OF WARREN, VIRGINIA

Principal Property Taxpayers - Real Estate
Last Ten Fiscal Years

Taxpayer	Fiscal Year 2023				Taxpayer	Fiscal Year 2022				Taxpayer	Fiscal Year 2021			
	Taxable Assessed Valuation	Rank	% of Total Assessed Valuation			Taxable Assessed Valuation	Rank	% of Total Assessed Valuation			Taxable Assessed Valuation	Rank	% of Total Assessed Valuation	
Family Dollar Services Inc (2 parcels)	\$ 76,338,500	1	1.10%	Sysco Mdse & Supply Chain Svcs (Baugh Northeast)	\$ 61,339,300	1	1.29%	Sysco Mdse & Supply Chain Svcs (Baug \$	61,328,500	1	1.32%			
Sysco Merchandising & Supply	69,938,300	2	1.01%	Family Dollar Services Inc	44,743,600	2	0.94%	Family Dollar Services Inc	44,743,600	2	0.96%			
Cole FG Front Royal VA LLC C/O Ferguson Enterprises R/E Inc	46,239,900	3	0.67%	Cole FG Front Royal VA LLC	30,583,800	3	0.64%	Cole FG Front Royal VA LLC	30,583,800	3	0.66%			
SL Winners Court et als (formerly VA Inland Port LLC)	36,976,100	4	0.53%	Interbake Foods LLC	24,084,200	4	0.51%	Interbake Foods LLC	24,076,200	4	0.52%			
Axalta Coating Systems USA LLC	35,507,600	5	0.51%	Toray Plastics (America) The	21,064,000	5	0.44%	Axalta (DuPont Performance Coatings)	19,313,900	5	0.41%			
Flour Power LLC (formerly Interbake) (Multiple parcels)	33,342,200	6	0.48%	Axalta (DuPont Performance Coatings)	19,313,900	6	0.41%	Toray Plastics (America) The	20,924,500	6	0.35%			
Winchester Cold Storage	26,975,700	7	0.39%	Boisseau Family LC (The) et al	16,492,000	7	0.35%	Boisseau Family LC (The) et al	16,492,000	7	0.35%			
Toray Plastics (America) The (Multiple parcels)	24,130,500	8	0.35%	Walmart	16,208,300	8	0.34%	Walmart	16,208,300	8	0.31%			
Shenandoah Realty Holdings (Lynn Care & formerly Old WWH)	21,640,100	9	0.31%	Crooked Run LLC	16,164,900	9	0.34%	Crooked Run LLC	14,575,400	9	0.45%			
Crooked Run LLC	18,487,000	10	0.27%	JCR Riverton Investors	13,057,900	10	0.28%	JCR Riverton Investors	12,977,900	10	0.28%			
	\$ 389,575,900		5.62%		\$ 263,051,900		5.54%		\$ 261,224,100		5.60%			
Taxpayer	Fiscal Year 2020				Taxpayer	Fiscal Year 2019				Taxpayer	Fiscal Year 2018			
	Taxable Assessed Valuation	Rank	% of Total Assessed Valuation			Taxable Assessed Valuation	Rank	% of Total Assessed Valuation			Taxable Assessed Valuation	Rank	% of Total Assessed Valuation	
Sysco Mdse & Supply Chain Svcs (Baugh Northeast)	\$ 61,328,500	1	1.40%	Sysco Mdse & Supply Chain Svcs (Baugh Northeast)	\$ 64,942,100	1	1.58%	Sysco Mdse & Supply Chain Svcs	\$ 64,942,100	1	1.60%			
Family Dollar Services Inc	44,320,600	2	1.01%	Family Dollar Services Inc	57,633,600	2	1.40%	Family Dollar Services Inc	57,633,600	2	1.42%			
Cole FG Front Royal VA LLC	30,583,500	3	0.70%	Cole FG Front Royal VA LLC	37,869,800	3	0.92%	Cole FG Front Royal VA LLC	37,719,800	3	0.93%			
Interbake Foods LLC	23,410,800	4	0.53%	Interbake Foods LLC	21,678,700	4	0.53%	Interbake Foods LLC	21,678,700	4	0.53%			
Toray Plastics (America) The	20,924,500	5	0.48%	Axalta (DuPont Performance Coatings)	20,164,700	5	0.49%	Axalta (DuPont Perf. Coatings)	20,164,700	5	0.50%			
Axalta (DuPont Performance Coatings)	19,313,900	6	0.44%	Walmart	18,495,800	6	0.45%	Walmart	18,430,800	6	0.45%			
Boisseau Family LC (The) et al	16,492,000	7	0.38%	Boisseau Family LC (The) et al	17,496,200	7	0.42%	Boisseau Family LC (The) et al	17,496,200	7	0.43%			
Walmart	16,208,300	8	0.37%	Toray Plastics (America) The	16,620,900	8	0.40%	Toray Plastics (America) The	16,620,900	8	0.41%			
Crooked Run LLC	16,164,900	9	0.37%	Crooked Run LLC	14,880,300	9	0.36%	Crooked Run LLC	14,880,300	9	0.37%			
Green Mountain Hospitalty	13,046,600	10	0.30%	Green Mountain Hospitalty	12,158,600	10	0.30%	JCR Riverton Investors	13,006,300	10	0.32%			
	\$ 261,793,600		5.96%		\$ 281,940,700		6.85%		\$ 282,573,400		6.95%			

COUNTY OF WARREN, VIRGINIA

Principal Property Taxpayers - Real Estate
Last Ten Fiscal Years

Table 11
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Taxpayer	Fiscal Year 2017			Fiscal Year 2016			Fiscal Year 2015		
	Taxable Assessed Valuation	Rank	% of Total Assessed Valuation	Taxpayer	Taxable Assessed Valuation	Rank	% of Total Assessed Valuation	Taxpayer	Taxable Assessed Valuation
Sysco Mdse & Supply Chain Svcs	\$ 64,942,100	1	1.61%	Sysco Mdse & Supply Chain Svcs.	\$ 65,680,300	1	1.67%	Baugh Northeast Co-op Inc.	\$ 66,418,500
Family Dollar Services Inc	57,633,600	2	1.43%	Family Dollar Services Inc	57,413,750	2	1.46%	Family Dollar Services Inc	57,173,900
Cole FG Front Royal VA LLC	37,719,800	3	0.93%	Cole FG Front Royal VA LLC	37,016,550	3	0.94%	Cole FG Front Royal VA LLC	36,313,300
Interbake Foods LLC	21,678,700	4	0.54%	Interbake Foods LLC	21,953,150	4	0.56%	Interbake Foods LLC	22,227,600
Axalta (DuPont Perf. Coatings)	20,164,700	5	0.50%	Axalta (DuPont Perf. Coatings)	20,141,450	5	0.51%	Dupont E I De Nemours & Co.	20,118,200
Boisseau Family LC (The) et al	17,464,700	6	0.43%	Boisseau Family LC (The) et al	18,481,000	6	0.47%	Boisseau Family LC (The) et al	19,528,800
Walmart	18,430,800	7	0.46%	Walmart	16,752,250	7	0.43%	Walmart	15,073,300
Crooked Run LLC	14,880,300	8	0.37%	Crooked Run LLC	14,795,500	8	0.38%	Crooked Run LLC	14,710,700
Toray Plastics (America) The	15,530,400	9	0.38%	Toray Plastics (America) The	14,796,650	9	0.38%	Toray Plastics (America) The	14,062,900
Green Mountain Hospitality	11,768,700	10	0.29%	Winchester Road (E&A) LLC	11,073,050	10	0.28%	Winchester Road (E&A) LLC	11,722,500
	<u>\$ 280,213,800</u>		<u>6.94%</u>		<u>\$ 278,103,650</u>		<u>7.09%</u>		<u>\$ 277,349,700</u>
Taxpayer	Fiscal Year 2014			Fiscal Year 2013			Fiscal Year 2012		
	Taxable Assessed Valuation	Rank	% of Total Assessed Valuation	Taxpayer	Taxable Assessed Valuation	Rank	% of Total Assessed Valuation	Taxpayer	Taxable Assessed Valuation
Baugh Northeast Co-op Inc.	\$ 66,418,500	1	1.74%	Baugh Northeast Co-op Inc.	\$ 66,418,500	1	1.74%	Baugh Northeast Co-op Inc.	\$ 66,418,500
Family Dollar Services Inc	57,173,900	2	1.50%	Family Dollar Services Inc	57,173,900	2	1.50%	Family Dollar Services Inc	57,173,900
Cole FG Front Royal VA LLC	36,313,300	3	0.95%	Cole FG Front Royal VA LLC	36,313,300	3	0.95%	Cole FG Front Royal VA LLC	36,313,300
Interbake Foods LLC	22,227,600	4	0.58%	Interbake Foods LLC	22,227,600	4	0.58%	Interbake Foods LLC	22,227,600
Dupont E I De Nemours & Co.	20,118,200	5	0.53%	Dupont E I De Nemours & Co.	20,118,200	5	0.53%	Dupont E I De Nemours & Co.	20,118,200
Boisseau Family LC (The) et al	19,528,800	6	0.51%	Boisseau Family LC (The) et al	19,528,800	6	0.51%	Boisseau Family LC (The) et al	19,528,800
Walmart	15,073,300	7	0.40%	Walmart	15,073,300	7	0.40%	Walmart	15,073,300
Crooked Run LLC	14,710,700	8	0.39%	Crooked Run LLC	14,710,700	8	0.39%	Crooked Run LLC	14,710,700
Toray Plastics (America) The	14,062,900	9	0.37%	Toray Plastics (America) The	14,062,900	9	0.37%	Toray Plastics (America) The	14,062,900
Winchester Road (E&A) LLC	11,722,500	10	0.31%	Winchester Road (E&A) LLC	11,722,500	10	0.31%	Winchester Road (E&A) LLC	11,722,500
	<u>\$ 277,491,300</u>		<u>7.31%</u>		<u>\$ 277,491,300</u>		<u>7.31%</u>		<u>\$ 277,491,300</u>

Source: Commissioner of Revenue

Notes: The County implemented semi-annual tax billings in fiscal year 2010.

Fiscal Year 2014 is comprised of the second half of calendar year 2013 and first half of calendar year 2014
Fiscal Year 2015 is comprised of the second half of calendar year 2014 and first half of calendar year 2015
Fiscal Year 2016 is comprised of the second half of calendar year 2015 and first half of calendar year 2016
Fiscal Year 2017 is comprised of the second half of calendar year 2016 and first half of calendar year 2017
Fiscal Year 2018 is comprised of the second half of calendar year 2017 and first half of calendar year 2018
Fiscal Year 2019 is comprised of the second half of calendar year 2018 and first half of calendar year 2019

COUNTY OF WARREN, VIRGINIA

Table 12

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Years	Governmental Activities										
	General Obligation Bonds	Lease Revenue and Revenue Bonds	Line of Credit	Premium on Bonds	Other Notes/Bonds	Financed Purchases	Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)	Overlapping Debt (2)	Overlapping Percent
2013	\$ 14,079,600	\$ 89,443,928	\$ -	\$ 13,934,950	\$ 424,503	\$ 307,945	\$ 118,190,926	7.72%	\$ 3,113	n/a	n/a
2014	14,432,500	87,410,000	-	13,326,444	393,681	244,670	115,807,295	7.50%	3,000	n/a	n/a
2015	54,817,386	89,230,000	-	12,679,166	-	844,392	157,570,944	10.20%	4,042	n/a	n/a
2016	51,938,076	93,126,000	-	11,818,496	-	1,135,758	158,018,330	9.67%	4,043	15,274,979	37%
2017	50,029,634	89,566,000	-	10,983,988	-	954,986	151,534,608	9.13%	3,868	16,894,846	37%
2018	48,052,204	85,639,000	6,501,558	10,159,588	-	770,417	151,122,767	8.44%	3,820	17,240,561	37%
2019	46,005,806	92,804,000	586,270	9,346,450	398,812	581,938	149,723,276	8.01%	3,743	16,690,666	37%
2020	43,875,632	92,942,000	541,071	9,346,450	392,017	871,118	147,968,288	7.91%	3,699	16,181,333	37%
2021	48,271,752	83,150,000	541,071	2,089,898	384,928	1,635,063	136,072,712	7.07%	3,385	17,802,622	37%
2022	45,507,004	78,017,000	541,071	1,522,552	377,531	1,437,863	127,403,021	5.73%	3,113	16,782,983	37%
2023	42,612,202	72,703,000	541,071	1,217,977	369,814	509,779	117,953,843	5.07%	2,846	15,715,380	37%

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

(1) Reference the Table of Demographic and Economic Statistics - Table 14

(2) Overlapping debt for those Warren County residents that reside in the Town of Front Royal - general obligation debt

n/a - Information not available

COUNTY OF WARREN, VIRGINIA

Table 13

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

Fiscal Year	Gross Bonded Debt	Net Bonded Debt (3)	Ratio of Net	
			General Obligation Debt to Assessed Value (2)	Net Bonded Debt per Capita (1)
2014	\$ 115,168,944	\$ 115,168,944	2.50%	2,954
2015	156,726,552	156,726,552	3.11%	4,010
2016	156,882,572	156,882,572	2.88%	4,004
2017	150,579,622	150,579,622	2.69%	3,806
2018	150,352,350	150,352,350	2.68%	3,759
2019	148,742,526	148,742,526	2.54%	3,718
2020	146,705,153	146,705,153	2.37%	3,667
2021	134,052,721	134,052,721	2.13%	3,334
2022	125,587,627	125,587,627	1.99%	3,069
2023	117,074,250	117,074,250	1.61%	2,825

(1) Population data can be found in the Table of Demographic and Economic Statistics - Table 14

(2) See the Table of Assessed Value and Estimated Actual Value of Taxable Property - Table 8

(3) Includes all long-term general obligation bonded debt, lease revenue bonds and line of credit. Excludes capital leases, revenue bonds, OPEB liabilities, net pension liabilities, landfill related liabilities, notes payable and compensated absences.

The County is not subject to a legal debt margin

The County has no legally pledged revenue sources for long-term debt.

COUNTY OF WARREN, VIRGINIA

Table 14

Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population	Personal Income (in thousands)	Per Capita Personal Income	Median Age	September 30 School K-12 Membership	Unemploy- ment Rate
2014	38,607	\$ 1,544,352	\$ 39,907	39	5,408	4.80%
2015	38,987	1,544,352	39,907	39	5,341	4.81%
2016	39,083	1,634,254	41,815	41	5,296	4.10%
2017	39,181	1,659,160	42,374	41	5,277	3.40%
2018	39,563	1,790,520	45,257	41	5,171	2.80%
2019	40,003	1,869,873	46,743	41	5,242	2.90%
2020	40,202	1,925,126	47,932	41	4,964	4.30%
2021	40,727	2,056,876	50,504	41	4,977	2.90%
2022	40,925	2,221,822	54,290	41	5,170	2.80%
2023	41,440	2,326,593	56,144	41	5,006	2.80%

Source: Weldon Cooper Center, Annual school report - prepared by the County, www.census.gov, www.bea.gov

COUNTY OF WARREN, VIRGINIA

Table 15

Principal Employers
Current Year

Employer	Industry	2023		
		Employees	Rank	% of Total Employment
Warren County School Board	Educational Services	750-1000	1	6.0% - 8.1%
Family Dollar Services	Warehousing and Storage	250-499	2	2.0% - 4.0%
Valley Health System	Hospital - medical care	250-499	3	2.0% - 4.0%
Flour Power (Milti) LLC	Bakers-Wholesale	250-499	4	2.0% - 4.0%
Rural King	General Merchandise Stores	250-499	5	2.0% - 4.0%
Axalta Coatings Systems Usa LLC	Chemical Manufacturing	250-499	6	2.0% - 4.0%
Wal Mart	General Merchandise Stores	250-499	7	2.0% - 4.0%
Sysco Resources Services LLC	Administrative and Support Services	250-499	8	2.0% - 4.0%
County of Warren	General Government	250-499	9	0.8% - 2.0%
Christendom College	Higher Educational Services	100-249	10	0.8% - 2.0%

Total Employed 11,921

Source: Virginia Labor Market Services, Area Profile Summary, QCEW Data US Bureau of Labor Statistics

Note: Information nine years prior is unavailable. As information is available the data will be reported.

COUNTY OF WARREN, VIRGINIA

Table 16
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Full-Time County Government Employees By Function
Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Primary Government										
Department:										
General government administration	32	34	34	34	34	34	33	33	36	35
Board of Supervisors	0	0	0	0	0	0	0	0	0	0
County Administration	6	7	7	7	7	7	6	6	4	3
Human Resources	0	0	0	0	0	0	0	0	2	3
Information Technology	0	0	0	0	0	0	0	0	4	4
County Attorney's Office	3	3	3	3	3	3	3	3	2	1
Office of the Commissioner of Revenue	10	10	10	10	10	10	10	10	10	9
Reassessment	0	0	0	0	0	0	0	0	0	0
Treasurer's Office	7	7	7	7	7	7	7	7	7	7
Finance and Purchasing	4	5	5	5	5	5	5	5	4	5
Elections	2	2	2	2	2	2	2	2	3	3
Judicial administration	16	16	18	19	19	19	21	21	22	12
Circuit Court	0	0	0	0	0	0	0	0	0	0
General District Court	0	0	0	0	0	0	0	0	0	0
Magistrates	0	0	0	0	0	0	0	0	0	0
Juvenile and Domestic Court	0	0	0	0	0	0	0	0	0	0
Clerk of Circuit Court	8	8	9	9	9	9	9	9	9	0
Law Library	0	0	0	1	1	1	1	1	1	0
Commonwealth's Attorney	8	8	9	9	9	9	11	11	12	12
Public safety	130	109	111	112	118	122	122	121	129	146
Sheriff's Office	54	53	53	54	54	48	48	48	58	63
School Resource	0	0	0	0	0	10	10	10	5	9
Court Security	2	0	0	0	0	0	0	0	0	0
E-911 System	6	6	7	7	7	7	7	7	11	9
Volunteer Fire and Rescue	0	0	0	0	0	0	0	0	0	0
Corrections	31	10	10	10	10	10	10	10	0	0
Probation	1	1	1	1	1	1	1	0	0	0
Building Inspections	6	6	7	7	7	7	7	7	10	8
Animal Control	4	4	4	4	4	4	4	4	0	0
Medical Examiner	0	0	0	0	0	0	0	0	0	0
Fire and Rescue Department	26	29	29	29	35	35	35	35	45	56
Cost Recovery	0	0	0	0	0	0	0	0	0	1
Public works	8	10	11	12	12	13	18	19	36	21
Public Works/Sanitary Districts	0	0	0	1	1	3	4	5	4	6
Streets and Highways	0	0	0	0	0	0	0	0	6	0
Refuse Collection	0	0	0	0	0	0	0	0	0	0
Refuse Disposal	4	5	5	5	5	4	4	4	4	4
General Services	4	5	6	6	6	6	10	10	22	11

COUNTY OF WARREN, VIRGINIA

Table 16
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Full-Time County Government Employees By Function
Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Primary Government: (Continued)										
Department: (Continued)										
Health and welfare	39	42	42	42	42	42	42	42	47	35
Health	0	0	0	0	0	0	0	0	0	0
Mental Health and Retardation	0	0	0	0	0	0	0	0	0	0
Social Services	38	41	41	41	41	41	41	41	46	34
Other Social Services	0	0	0	0	0	0	0	0	0	0
Comprehensive Youth Service Act	1	1	1	1	1	1	1	1	1	1
Education	0	0	0	0	0	0	0	0	0	0
Community College	0	0	0	0	0	0	0	0	0	0
Parks, recreation and cultural	16	18	18	19	19	18	17	17	5	6
Parks and recreation	16	18	18	19	19	18	17	17	5	6
Library Museum Cultural Enrichment	0	0	0	0	0	0	0	0	0	0
Community development	4	5	5	6	6	6	6	6	8	8
Planning and Zoning	3	4	4	5	5	5	5	5	4	5
Economic Development	0	0	0	0	0	0	0	0	2	2
Front Royal/Warren County Airport	0	0	0	0	0	0	0	0	1	1
Environmental Management	0	0	0	0	0	0	0	0	0	0
Gypsy Moth Control	0	0	0	0	0	0	0	0	0	0
VPI Extension Service	1	1	1	1	1	1	1	1	1	0
Total	<u>245</u>	<u>234</u>	<u>239</u>	<u>244</u>	<u>250</u>	<u>254</u>	<u>259</u>	<u>259</u>	<u>283</u>	<u>263</u>
Component Unit - School Board										
Function:										
Education - full-time	750	720	723	742	742	755	740	740	740	740
Total Full-Time Employees	<u>995</u>	<u>954</u>	<u>962</u>	<u>986</u>	<u>992</u>	<u>1009</u>	<u>999</u>	<u>999</u>	<u>1023</u>	<u>1003</u>

Source: Warren County Fiscal Year Budget Documents and other payroll reports

COUNTY OF WARREN, VIRGINIA

Table 17

Operating Indicators By Function
Last Ten Fiscal Years

Function	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Public safety										
Sheriffs department:										
Physical arrests	454	369	438	403	457	322	430	672	558	435
Traffic violations	1,523	1,385	1,304	1,111	1,188	874	1,645	4,762	1,626	1,442
Court security manhours worked	7,419	5,083	5,136	4,447	4,848	4,900	4,652	4,924	5,544	11,869
Prisoner transports	579	579	748	445	456	495	158	218	229	233
DUIs	64	73	84	49	49	55	129	129	100	88
Fire and rescue:										
Number of calls answered****	8,137	5,526	5,867	5,962	6,300	6,133	6,322	7,614	7,358	7,321
Building Inspections:										
Permits issued	2,097	2,178	2,634	2,567	2,274	2,121	2,453	2,606	2,391	2,458
Public works										
General maintenance:										
Trucks/vehicles	3	3	3	5	3	3	3	4	1	37
Landfill:										
Refuse collected (tons/day)	89.96	94.11	99.45	103.64	105.13	108.57	119.61	119.50	119.53	117.43
Parks, recreation and cultural										
Parks and recreation attendees/participants:										
Youth sports participants	2,254	3,453	4,292	3,007	2,500	1,902	1,321	340	1,132	997
Adult sports participants (individuals)	360	443	644	790	1,055	856	453	112	357	269
Adult sports participants (teams)	22	18	9	4	-	-	-	-	-	44
Dance and crafts - youth and adult	50	160	233	236	837	890	197	156	481	366
Trips	431	178	550	609	404	192	199	-	37	37
CPR, Lifeguard, Dog Obedience classes	101	30	21	35	9	51	26	-	-	27
Open special events	2,351	1,793	1,729	1,988	2,069	2,073	1,244	18	582	482
Component Unit - School Board										
Education:										
School age population***	7,675	7,567	7,500	7,466	7,385	7,422	7,419	4,964	4,964	7,724
Sept. 30 K-12 school membership	5,408	5,398	5,309	5,313	5,186	5,242	5,244	4,977	5,170	5,002

Source: Recreation & Parks, Fire and Rescue, Sheriff's Department annual report, Solid Waste receiving facilities' record, and Warren County Budget Book.

*** Source from Virginia Department of Education and the Weldon Cooper Center, 2008, and 2010-2015 numbers available.

**** 2013 does not include all CAD sheets from dispatch

COUNTY OF WARREN, VIRGINIA

Table 18

Capital Asset Statistics By Function
Last Ten Fiscal Years

Function	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General government										
Vehicles	6	6	4	6	5	4	4	4	3	14
Public safety - insured vehicles										
Law enforcement										
Vehicles	65	67	68	74	69	80	80	71	68	70
Other public safety										
Vehicles	3	3	2	0	0	0	0	0	1	1
Building inspections										
Vehicles	5	6	6	6	6	5	5	6	5	5
Animal control										
Vehicles	4	5	4	4	5	4	4	3	1	0
Emergency services										
Vehicles	14	15	20	17	21	20	21	23	23	42
Public works										
Refuse										
Vehicles	1	2	2	5	4	4	6	10	40	2
Buildings and Grounds										
Vehicles	2	2	2	2	2	2	3	4	1	8
Health and welfare										
Department of Social Services										
Vehicles	8	8	8	8	8	8	8	9	7	8
Parks, recreation and cultural										
Parks and recreation										
Vehicles	14	17	22	23	21	23	26	28	2	15
Community development										
Planning and Zoning										
Vehicles	1	1	1	1	1	1	1	1	2	1
Other										
Vehicles	1	1	2	4	6	6	6	4	1	3



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the discretely presented component unit-school board, each major fund, and the aggregate remaining fund information of the County of Warren, Virginia, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the County of Warren, Virginia's basic financial statements, and have issued our report thereon dated June 14, 2024.

We have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements of the discretely presented component unit EDA of the Town of Front Royal and the County of Warren, Virginia. Accordingly, we do not express an opinion on these financial statements.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as items 2023-001 and 2023-002, that we consider to be material weaknesses.

Report on Compliance and Other Matters

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

County of Warren, Virginia's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on County of Warren, Virginia's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. County of Warren, Virginia's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no such 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Robinson, Farmer, Cox Associates

Charlottesville, Virginia
June 14, 2024

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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the County of Warren, Virginia's compliance with the types of compliance requirements, identified as subject to audit described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County of Warren, Virginia's major federal programs for the year ended June 30, 2023. County of Warren, Virginia's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the County of Warren, Virginia complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

Report on Internal Control Over Compliance: (Continued)

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

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

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

Robinson, Farnum, Cox Associates

Charlottesville, Virginia
June 14, 2024

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COUNTY OF WARREN, VIRGINIA

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
Department of Health and Human Services:			
Pass-Through Payments:			
Department of Social Services:			
Guardianship Assistance	93.090	1110123	\$ 177
Title IV-E Prevention Program	93.472	1140123	6,324
MaryLee Allen Promoting Safe and Stable Families Program	93.556	0950122/0950123	21,632
Temporary Assistance for Needy Families	93.558	0400122/0400123	276,372
Refugee and Entrant Assistance State/Replacement Designee Administered Program:	93.566	0500122/0500123	2,098
Low-Income Home Energy Assistance	93.568	0600422/0600423	51,108
CCDF Cluster:			
Child Care and Development Block Grant	93.575	0770122/0770123	1,913
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	0760122/0760123	63,867
Total CCDF Cluster			\$ 65,780
Stephanie Tubbs Jones Child Welfare Services Program	93.645	0900122/0900123	522
Foster Care - Title IV-E	93.658	1100122/1100123	230,102
Adoption Assistance	93.659	1120122/1120123	363,147
Social Services Block Grant	93.667	1000122/1000123	242,152
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	9150122/9150123	6,298
Elder Abuse Prevention Interventions Program	93.747	8000222/8000223	7,922
Children's Health Insurance Program	93.767	0540122/0540123	3,316
Medicaid Cluster:			
Medical Assistance Program	93.778	1200122/1200123	368,839
Total Department Health and Human Services			\$ 1,645,789
Department of Agriculture:			
Child Nutrition Cluster:			
Pass-Through Payments:			
Department of Education:			
School Breakfast Program	10.553	202222N11994/202323N11994	\$ 1,094,103
National School Lunch Program	10.555	202222N11994/202323N11994	\$ 2,090,431
Department of Agriculture:			
Food distribution - National School Lunch Program	10.555	Unavailable	269,095
Subtotal CFDA 10.555			\$ 2,359,526
Food distribution - Summer Food Service Program for Children	10.559	Unavailable	\$ 6,323
Department of Education:			
Summer Food Service Program for Children	10.559	202222N11941	26,972
Subtotal CFDA 10.559			\$ 33,295
Total Child Nutrition Cluster			\$ 3,486,924
Forest Services Schools and Roads Cluster:			
Schools and Roads - Grants to States	10.665	APE43841	\$ 832
Child and Adult Care Food Program	10.558	202323N119941	5,071
Child Nutrition Discretionary Grants Limited Availability	10.579	202121N810341	7,261
COVID-19 - Pandemic EBT Administrative Costs	10.649	202222S900941	3,135
Department of Social Services:			
SNAP Cluster:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	Unavailable	698,635
Total Department of Agriculture			\$ 4,201,858
Department of Justice:			
Direct Payments:			
Bulletproof Vest Partnership Program	16.607	Not applicable	\$ 14,829
Total Department of Justice - direct payments			\$ 14,829
Pass-Through Payments:			
Department of Criminal Justice Service:			
Crime Victim Assistance	16.575	2301184VW19	\$ 60,168
Edward Byrne Memorial Justice Assistance Grant Program	16.738	CJS5101701	4,101
Total Department of Justice - pass-through payments			\$ 64,269
Total Department of Justice			\$ 79,098
Department of Transportation:			
Direct Payments:			
Airport Improvement Program	20.106	Not applicable	\$ 133,862
Total Department of Transportation - direct payments			\$ 133,862

COUNTY OF WARREN, VIRGINIA

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023 (Continued)

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
Department of Transportation (Continued):			
Pass Through Payments:			
Department of Motor Vehicles:			
Alcohol Open Container Requirements	20.607	AL-2023-53060	\$ 8,077
Highway Safety Cluster:			
State and Community Highway Safety	20.600	BSC-2023-53188/FOP-2022-52426/FSC- 2022-52425	\$ 9,803
National Priority Safety Programs	20.616	FM6OT-2022-52424	\$ 3,009
Total Highway Safety Cluster			\$ 12,812
Total Department of Transportation - pass-through payments			\$ 20,889
Total Department of Transportation			\$ 154,751
Federal Communications Commission:			
Direct Payments:			
Emergency Connectivity Fund Program	32.009	Not applicable	\$ 140,476
Total Federal Communications Commission			\$ 140,476
Department of Homeland Security:			
Direct Payments:			
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	Not applicable	\$ 106,828
Total Department of Homeland Security - direct payments			\$ 106,828
Pass-Through Payments:			
Department of Emergency Management:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	451299120783	\$ 398,082
Emergency Management Performance Grants	97.042	FY202199098383	\$ 7,500
Homeland Security Grant Program	97.067	FY202199098381	\$ 9,800
Total Department of Homeland Security - pass-through payments			\$ 415,382
Total Department of Homeland Security			\$ 522,210
Department of the Treasury			
Direct Payments:			
Equitable sharing	21.016	Not applicable	\$ 56,380
Total Department of the Treasury - direct payments			\$ 56,380
Pass-Through Payments:			
Department of Accounts:			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	Unavailable	\$ 2,760,000
Department of Criminal Justice Services:			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	495059	\$ 45,000
Department of Education			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	SLFRP1026	\$ 543,783
Subtotal CFDA 21.027			\$ 3,348,783
Total Department of the Treasury - pass-through payments			\$ 3,348,783
Total Department of the Treasury			\$ 3,405,163
Department of Education:			
Pass-Through Payments:			
Department of Education:			
Title I: Grants to Local Educational Agencies	84.010	S010A210046/S010A220046	\$ 1,314,867
Special Education Cluster:			
Special Education Grants to States	84.027	H027A210107/H027A220107	\$ 1,564,935
Special Education Preschool Grants	84.173	H173A210112/H173A220112	\$ 33,545
Total Special Education Cluster			\$ 1,598,480
Career and Technical Education: Basic Grants to States	84.048	V048A210046/V048A220046	\$ 132,505
English Language Acquisition State Grants	84.365	S365A210046/S365A220046	\$ 20,173
Supporting Effective Instruction State Grants (formerly Improvement Teacher Quality State Grants)	84.367	S367A210044/S367A220044	\$ 244,158
Student Support and Academic Enrichment Program	84.424	S424A210048/S424A220048	\$ 79,801
COVID-19 - Governor's Emergency Education Relief Fund	84.425C	S425C200042	\$ 12,171
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425D	S425D200008	\$ 3,922,511
COVID-19 - American Rescue Plan - Elementary and Secondary School Emergency Relief Fund	84.425U	S425U210008	\$ 4,399,134
Subtotal Education Stabilization Fund (84.425)			\$ 8,333,816
Total Department of Education			\$ 11,723,800
Total Expenditures of Federal Awards			\$ 21,873,145

See accompanying notes to Schedule of Expenditures of Federal Awards.

COUNTY OF WARREN, VIRGINIA

Notes to Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2023

Note 1 - Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards ("Schedule") includes the federal award activity of the County of Warren, Virginia under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County of Warren, Virginia, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County of Warren, Virginia.

Note 2 - Summary of Significant Accounting Policies

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

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

Note 3 - Food Donation

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

Note 4 - Indirect Cost Rate

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

Note 5 - Loan Balances

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

Note 6 - Relationship to Financial Statements

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

Intergovernmental federal revenues per the basic financial statements:

Primary government:

General fund	\$ 5,968,519
Less: Department of the Interior - Payments in lieu of taxes	(63,037)
Drug forfeiture fund	56,380
Total Primary Government	\$ 5,961,862

Component Unit - Warren County School Board:

School operating fund	\$ 16,133,644
Less: Federal Interest Rate Subsidy - Qualified Energy Conservation Bonds	(222,361)
Total Component Unit - Warren County School Board	\$ 15,911,283

Total expenditures of federal awards per basic financial statements	\$ 21,873,145
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Total expenditures of federal awards per the Schedule of Expenditures of Federal Awards	\$ 21,873,145
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Note 7 - Subrecipients

No awards were passed through to subrecipients.

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

Section I - Summary of Auditors' Results**Financial Statements**

Type of auditors' report issued:

Unmodified: governmental activities; discretely presented component unit - School Board;
each major fund; and aggregate remaining fund information

Disclaimer: discretely presented component unit - EDA

Internal control over financial reporting:

Material weakness(es) identified?	Yes
Significant deficiency(ies) identified?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:

Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported

Type of auditors' report issued on compliance for major programs:	Unmodified
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Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)?	No
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Identification of major programs:

<u>Assistance Listing #</u>	<u>Name of Federal Program or Cluster</u>
10.561	State Administrative Matching Grants for the Supplemental Nutritional Assistance Program
21.027	Coronavirus State and Local Fiscal Recovery Funds
84.027 / 84.173	Special Education Cluster
84.425C / 84.425D / 84.425U	Education Stabilization Fund

Dollar threshold used to distinguish between Type A and Type B programs	\$750,000
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Auditee qualified as low-risk auditee?	No
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Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

Section II - Financial Statement Findings

2023-001 - Material Audit Adjustments Proposed by External Auditor

Criteria:	County management is responsible for developing and maintaining an effective system of internal controls over financial closing and reporting that provides reasonable assurance for the reliability of the reported financial information. Identification of material adjustments to the financial statements that were not detected by the County's internal controls in a timely manner indicates that a material weakness may exist.
Condition:	The financial statements did not include necessary adjustments to ensure such statements were in accordance with Generally Accepted Accounting Principles (GAAP).
Cause:	The County did not have proper controls in place to timely detect and correct errors in the financial reporting process.
Effect:	There is a reasonable possibility that a material misstatement of the financial statements will not be prevented or detected and corrected in a timely manner by the County's internal controls over financial reporting.
Recommendation:	We recommend the County should review the auditors' proposed audit adjustments for 2023 and develop a plan to ensure the financial statements are materially correct in accordance with Generally Accepted Accounting Principles.
Management's Response:	<p>The County has identified an internal controls source and is in the process of evaluating according to a phased approach for every department, division, and position. This is a thorough process. This process will identify and further clarify roles and responsibilities within each department. Documented procedures in accordance with Generally Accepted Accounting Principles (GAAP), are in the process of development.</p> <p>A review of the structure of the general ledger and related external software interfaces is additionally in process to address the large number of year-end adjustments.</p>

2023-002 - Inadequate Accounting, Financial Reporting, and Budgetary Review Throughout the Fiscal Year

Criteria:	County management is responsible for developing and maintaining an effective system of internal controls over accounting, financial reporting, and budgetary review throughout the year that provides reasonable assurance for the reliability of the reported financial information.
Condition:	During our audit we observed that the County's contracted audit preparation consultant was required to record a large number of adjustments after year-end and perform numerous reconciliations to prepare the County's accounting records for the audit and external reporting purposes. In addition, the County finance department provided numerous material adjustments more than 6 months after year-end to record budgeted transfers that occurred throughout the fiscal year. Further, we observed that material expenditures for the discretely presented component unit School Board were accounted for in a Fund that did not align with the Fund wherein the original budget was appropriated in the County's accounting system.
Cause:	The County did not have adequate controls in place to ensure that accounting reconciliations and budget-to-actual reviews were being performed in a timely manner for all funds throughout the year.
Effect:	There is a reasonable possibility that a material misstatement of the financial statements will not be prevented or detected and corrected in a timely manner by the County's internal controls over accounting, financial reporting, and budgetary review.
Recommendation:	We recommend that the County develop procedures that aid in timely performance of accounting reconciliations and that would require a specified individual to perform reviews of budget-to-actual results for revenues and expenditures as well as monitor the balance sheet accounts. By implementing procedures in the Finance Department to be performed by qualified Finance personnel, the County would benefit from reliable financial data throughout the fiscal year and should note a reduction to the number of adjustments required at year-end.
Management's Response:	A monthly reconciliation procedure has been documented and is in the process of being implemented.

Section III - Federal Award Findings and Questioned Costs

None

COUNTY OF WARREN, VIRGINIA

Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2023

2022-001 - Material Audit Adjustments Proposed by External Auditor

Condition:	The financial statements required material adjustments proposed by the auditor to ensure such statements were materially correct in accordance with Generally Accepted Account Principles (GAAP).
Recommendation:	We recommend the County implement procedures to ensure the financial statements are materially correct in accordance with Generally Accepted Accounting Principles.
Current Status:	Repeat finding in 2023. See finding 2023-001.