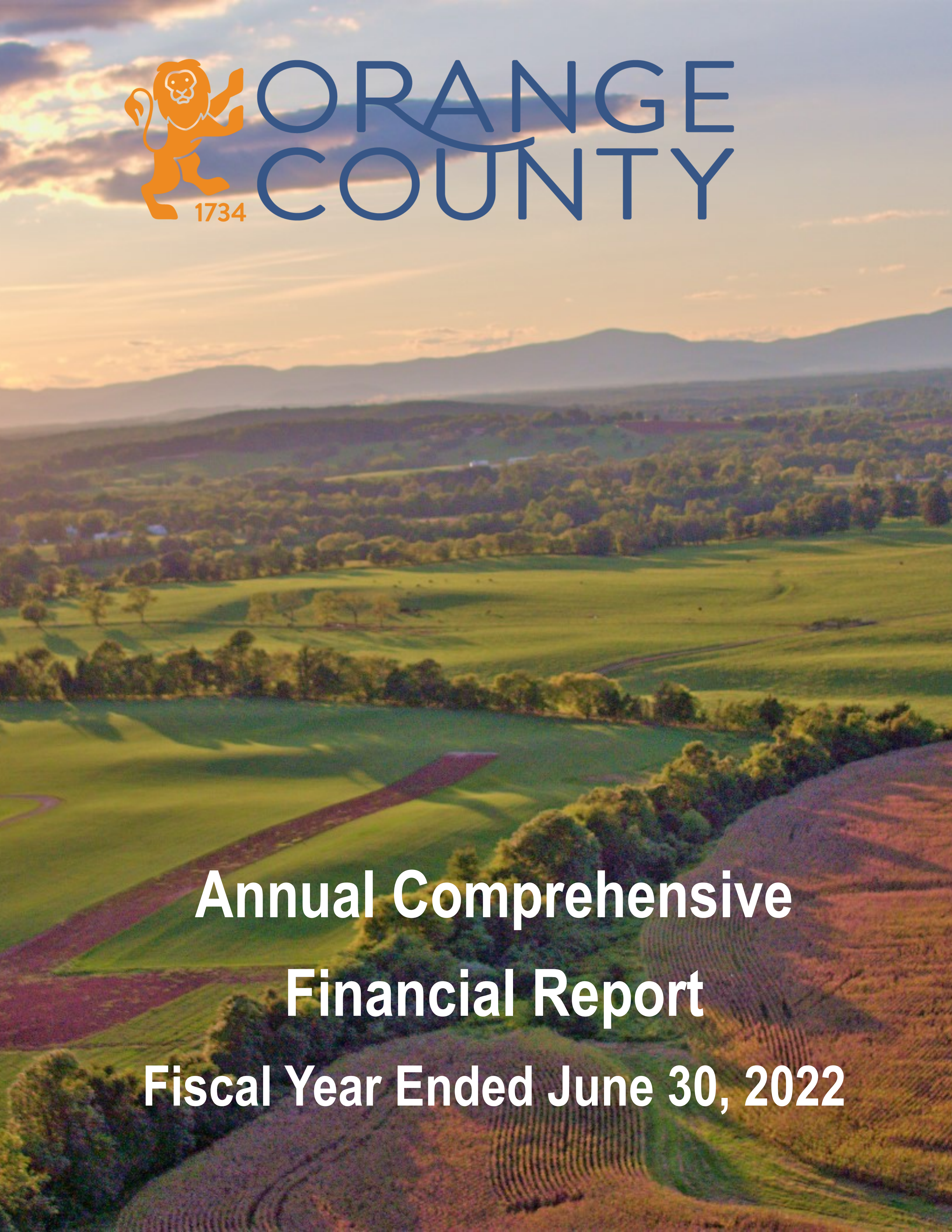


ORANGE COUNTY
1734

Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2022

COUNTY OF ORANGE, VIRGINIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

YEAR ENDED JUNE 30, 2022

PREPARED BY

FINANCE DEPARTMENT
ORANGE, VIRGINIA

COUNTY OF ORANGE, VIRGINIA

TABLE OF CONTENTS

INTRODUCTORY SECTION

FINANCIAL SECTION

COUNTY OF ORANGE, VIRGINIA

TABLE OF CONTENTS

FINANCIAL SECTION (Continued)

Required Supplementary Information

TABLE OF CONTENTS

FINANCIAL SECTION (Continued)

COUNTY OF ORANGE, VIRGINIA

TABLE OF CONTENTS

FINANCIAL SECTION (Continued)

STATISTICAL SECTION

COMPLIANCE SECTION

INTRODUCTORY SECTION

ORANGE COUNTY, VIRGINIA
Office of the County Administrator & Finance Department

THEODORE L. VOORHEES
COUNTY ADMINISTRATOR
tvoorhees@orangecountyva.gov
PHONE: (540) 672-3313
FAX: (540) 672-1679

SARA L. KEELER
FINANCE DIRECTOR
skeeler@orangecountyva.gov
PHONE: (540) 661-5379
FAX: (540) 672-0900

MAILING ADDRESS:
PO BOX 111
ORANGE, VA 22960

PHYSICAL ADDRESS:
112 WEST MAIN STREET
ORANGE, VA 22960

December 15, 2022

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

It is my pleasure to submit to you the Comprehensive Annual Financial Report for the fiscal year ended June 30, 2022. This report has been prepared in accordance with Section 15.2-2511 of the Code of Virginia, 1950, as amended. The report is designed to present fairly the respective financial position of the government activities, business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Orange, Virginia ("County" or "Orange County") in all material respects, and to demonstrate compliance with applicable finance-related legal and contractual provisions.

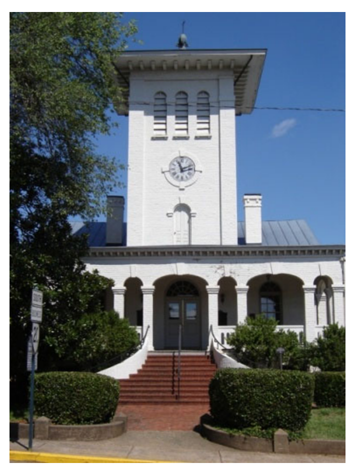
Management assumes full responsibility for the completeness and reliability of the information presented in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal controls should not outweigh their benefits, Orange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

PBMares, LLP, a firm of licensed certified public accountants, has audited and issued an unmodified "clean" opinion on the financial statements of Orange County for the fiscal year ended June 30, 2022. The Independent Auditor's report is presented as the first component of the financial section of this report.

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

PROFILE OF THE GOVERNMENT

Orange County, Virginia, is a rural, but developing county with a landscape dominated by gently rolling hillsides, spectacular views of the beautiful Blue Ridge Mountains, the Rapidan River and several of Virginia's most significant historic areas. Located in Virginia's north-central Piedmont region, the County is 72 miles northwest of Richmond, 55 miles southwest of Washington, D.C. and 25 miles northeast of Charlottesville. The County consists of 344 square miles of land that ranges in elevation from 175 feet above sea level along the Rapidan River to 1,200 feet above sea level in the mountains and has an estimated population of 37,188. The County was named after William IV, Prince of Orange, and was formed in 1734. The Town of Orange became Orange County's judicial seat in 1749 when Culpeper County was formed making the previous courthouse location at Raccoon Ford far from the center of the new County.


Orange County Courthouse

The County includes two incorporated towns, the Towns of Gordonsville (population 1,434) and Orange (population 5,157), which are two of the main centers of commercial and industrial activity. The Route 3 Corridor in the eastern end of the County is also a commercial center. A planned residential community known as the Lake of the Woods is located on this corridor within the County and offers a private residential setting with recreation and open space areas.

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

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

Orange County is financially accountable for a legally separate school district, which is reported separately within the financial statements as a component unit. Orange County Public Schools is the single largest service provided by the County. The School Board is composed of five elected members from each of the election districts. The School Board appoints a Superintendent to administer the policies of the School Board. The school system is comprised of one high school, two middle schools, five elementary schools and one primary school. The average daily membership for establishing the amounts of state school aid for school year 2021-2022 was 4,722. This represents an increase of 62 students from the prior year mainly due to population growth over prior year. The mission statement adopted by the Orange County Public Schools is: "*Improving the future by empowering our students to value learning, achieve their full potential, and pursue their dreams."*

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

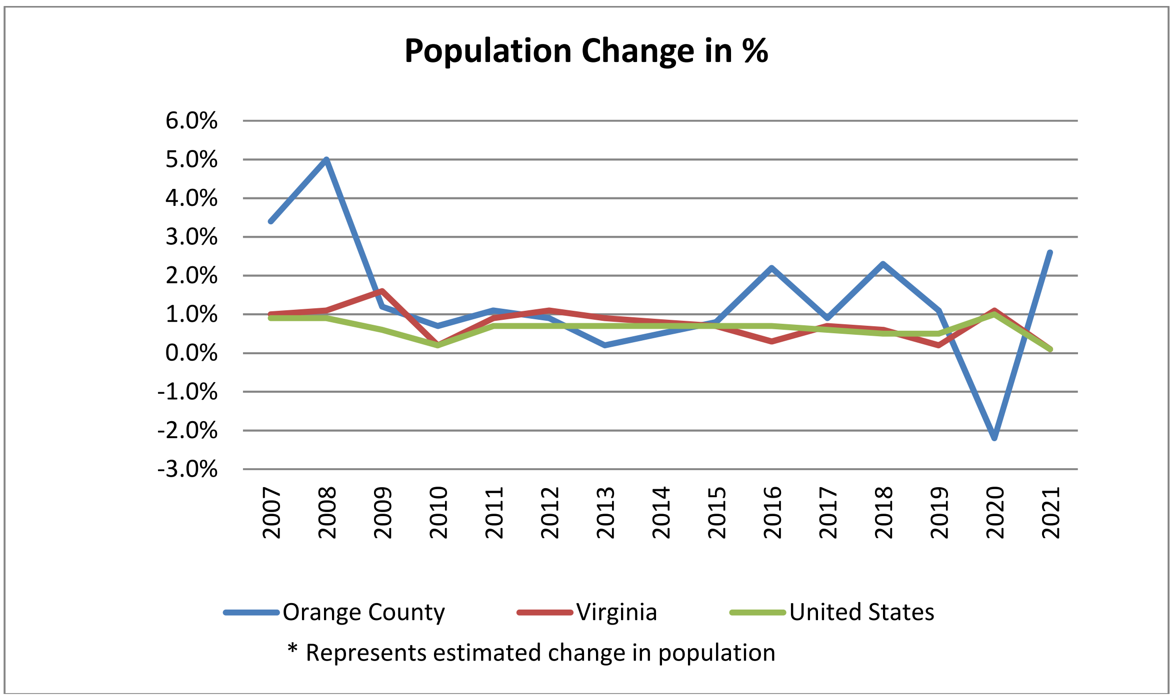
On April 26, 2016, the Board of Supervisors adopted a resolution authorizing the creation of the Orange County Broadband Authority, another component unit of the County. The Broadband Authority was created to facilitate the provision of affordable broadband service to businesses, governmental agencies, and the public. Access to affordable, reliable high-speed broadband, particularly in the rural geography of the County, is important for fostering economic development, improving educational opportunities, ensuring public safety, and enhancing the overall quality of life for the citizens of Orange County. In August 2020, Orange County Broadband Authority began operating under the name "FiberLync". On April 6, 2021, FiberLync connected its first customer. As of June 30, 2022, FiberLync has installed 261 miles of fiber passing over 5,012 potential subscribers. A total of 2,751 households and businesses signed up for FiberLync's internet services as of the end of fiscal year 2022.

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

Economic Conditions and Outlook

Like much of the world, Orange County's economy was impacted due to the Global Coronavirus (COVID-19) pandemic. In 2022, the County has experienced signs of recovery as travel, tourism, and hospitality industries are seeing growth from the original decline. Agricultural businesses and non-discretionary retail sectors have remained stable, the construction and real estate industry has seen a rapid increase. At June 30, 2022, Orange County had received a combined total of $17.1 Million in funds in 2020, 2021, and 2022 to help the County mitigate the spread of the virus. These funds were used to assist the economic recovery of small business, expand broadband to citizens, modify local government offices to provide social distancing, assist regional non-profits, provide personal protective equipment and supplies to emergency personnel, and financially assist citizens impacted by the virus, along with various other projects.

A major driver of the County's economy during the 2000's was population growth with many new residents moving in to enjoy the County's rural and picturesque location and proximity to the markets of Richmond, Charlottesville, Culpeper, Fredericksburg, and the Washington D.C./Northern Virginia metropolitan area. As indicated in the following chart, Orange County's population growth between 2007 and 2009 was well above the state and national rates and growth in the commercial and service sectors of the economy accompanied the new residents. Orange County's population change has been impacted by the pandemic and is uncertain at present, though 2021 saw significant growth over prior year.



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

Visitors to Orange County spent $50.5 million in 2021. This represents a 34.1 percent increase over 2020 expenditures. Local tourism-supported 442 jobs, generating $13.8 million in payroll, while state and local tourism-related taxes generated $3.1 million. All data was received by the Virginia Tourism Corporation (VTC) from US Travel Association and is based on domestic visitor spending (travelers from within the United States) from trips taken 50 miles or more away from home. 2022 data has not yet been published through the US Travel Association and Virginia Tourism Corporation.

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

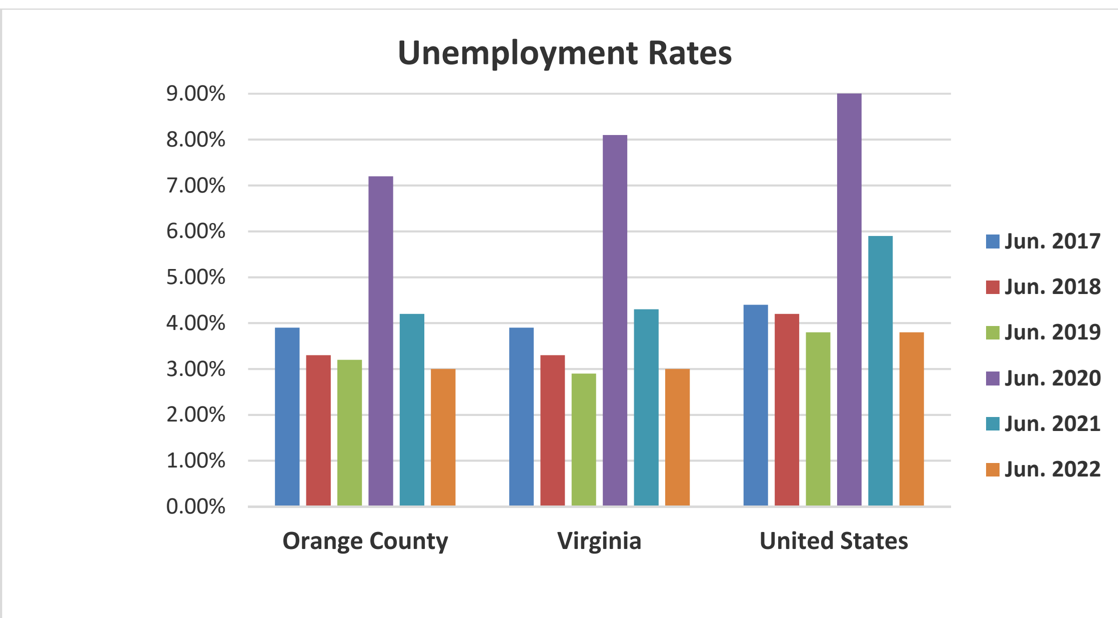
Orange County's largest attraction is James Madison's Montpelier, a 2,650-acre estate which was the lifelong home of James Madison. The estate was originally settled by James Madison's grandfather in the 1720s, and later served as an encampment for Civil War soldiers. In 1901, Montpelier was purchased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

James Madison's Montpelier

Following Mrs. Scott's death, and in accordance with her bequest, ownership of Montpelier was transferred to the National Trust for Historic Preservation which later established The Montpelier Foundation. In 2003, the Montpelier Foundation began restoration of the property to the 1820s home that James and Dolley Madison called home. Today, the lifelong home of James Madison, Father of the Constitution, Architect of the Bill of Rights, and fourth President of the United States, is more than a museum. As a monument to James Madison, a museum of American history, and a center for constitutional education, Montpelier engages the public with the enduring legacy of Madison's most powerful idea: government by the people. The historic home and 2,650-acre grounds are open to visitors and student groups throughout the year; and the Robert H. Smith Center for the Constitution at Montpelier offers world-class residential and online educational programs. Montpelier is a National Trust for Historic Preservation site. The estate currently receives an estimated 125,000 visitors a year and continues to also host the annual Montpelier Hunt Races.

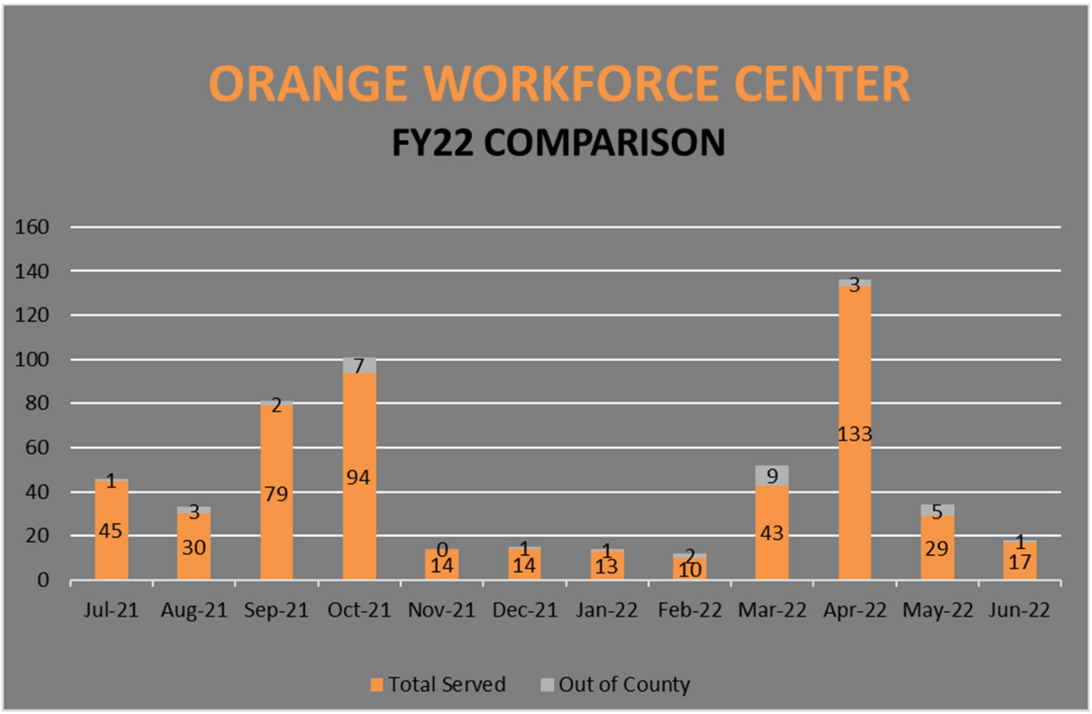
Agriculture continues to play a major role in the County's economic life. The number of farms in the County has grown over the last several years even though the acreage devoted to farming has declined slightly. In addition to farming, however, the County is home to several related agribusinesses including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

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



Due to recovery from the pandemic, unemployment rates in the County decreased in 2022 fiscal year along with state and national rates. Information provided by the Virginia Employment Commission indicates a County unemployment rate at June 30, 2022 of 3%; same as the state average of 3% and the national unemployment rate of 3.8%. According to the Bureau of Economic Analysis, in 2021 (the most recent year available), Orange County per capita personal income ($57,849) rose by 6.8% over the previous year compared to the state-wide increase of 6.7%. The national increase in per capita personal income was 7.5%.

The Orange Workforce Center served 521 people during 2022 with a monthly average of 43 people. A total of 62 jobseekers were hired during fiscal year 2022: 48 through the Orange Workforce Center and 14 through the Workforce Innovation and Opportunity Act program. The Orange Workforce Center provided recruitment and hiring services to 123 businesses and held three Orange County Job Fairs.



During fiscal year 2022, property taxes were billed as follows:

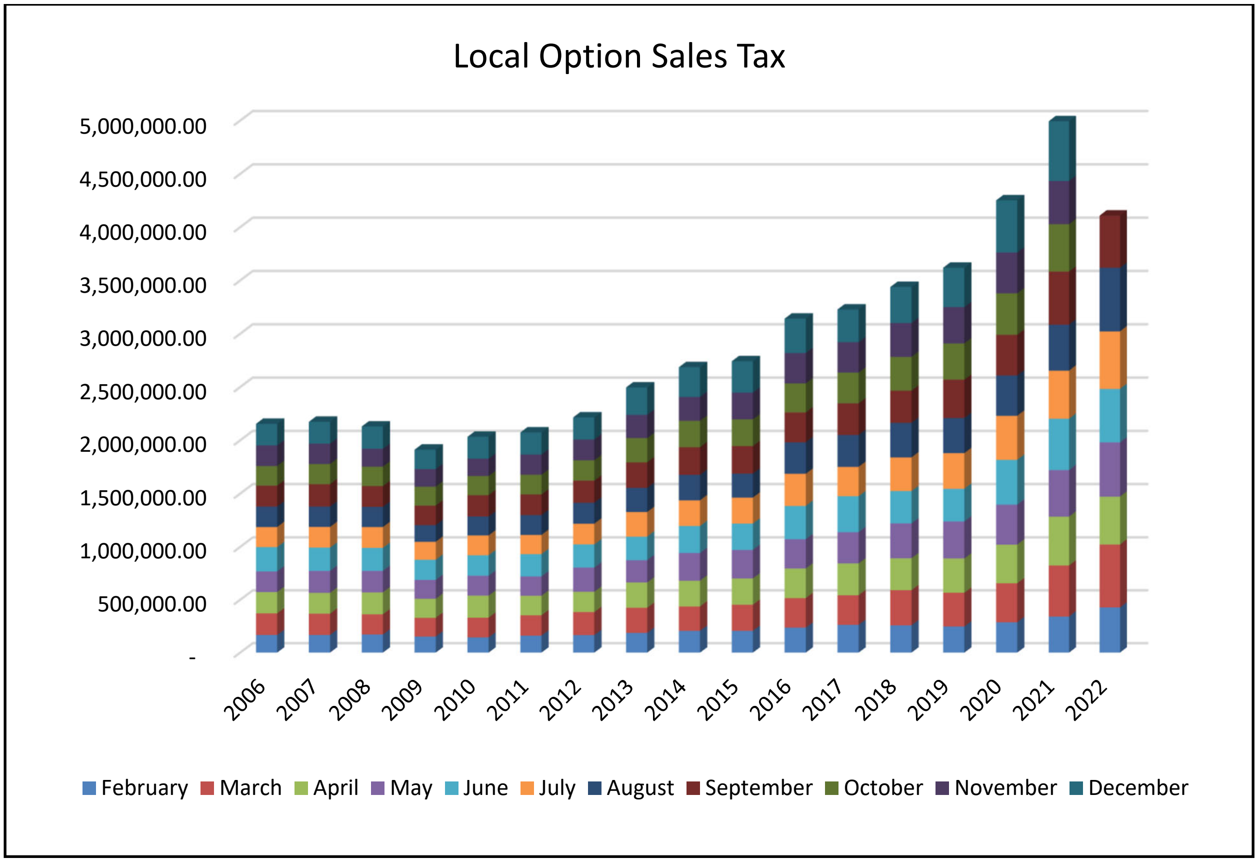
- 2nd Half Real Estate – 2021 Tax Year
- Public Service Companies – 2021 Tax Year
- All Personal Property – 2021 Tax Year
- 1st Half Real Estate– 2022 Tax Year

Real estate values for tax year 2022 increased by 1.3% over the 2021 values. Regular personal property values for tax year 2021, which includes automobiles, increased by 17.4%. Machinery and Tools assessed values increased by 27.7%. Business and Heavy Equipment values also increased by 21.8%. Merchants Capital assessed values decreased by 9.6% for the 2021 tax year and assessed values for RVs and Campers increased by approximately 8.1% over the prior year. Total 2021 assessed values for Aircraft increased by 8.0% and the assessed values for Boats increased by 21.1%. Total property assessments for all property types increased by 15.5% for tax year 2020 and increased by 2.3% for tax year 2021. For tax year 2022, total property assessments increased by 3.6%.

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

In tax year 2016, values for aircraft decreased reflecting the fact that several other neighboring localities with airports had reduced their property tax rates on aircraft. The Orange County Airport was experiencing a competitive disadvantage to recruit and locate new aircraft at the airport due to the continued assessment of the property tax. As an economic development strategy, the personal property tax on aircraft was eliminated in Orange County as part of the fiscal year 2016-2017 approved budget. It is anticipated that T-hanger and tie-down rentals at the Orange County Airport will increase by the elimination of the tax and by extension, fuel sales and service work at the airport should increase as well.

Orange County receives a 1% Local Option Sales Tax which is collected by the Virginia Department of Taxation and remitted to the County in which the sale occurred. Because this portion of sales tax is directly related to sales activity within the County, it provides a unique perspective on the County's local economy. The following chart is a historical representation of Local Option Sales Tax vendor collections through August 2022. The Local Option Sales Tax revenue is remitted to the County by the Virginia Department of Taxation two months after it is collected by the vendor.



According to a recent report by the Fredericksburg Area Association of Realtors, there was decrease of 32 sales (down by 31.7%) during the June of 2022 compared to prior year. The average home sales price within the county decreased by 6.3% during the twelve-month period ending June 2022, and the median length of time on the market has declined by 8 days during the same period. The supply of active units on the market increased in Orange County by 33.3%.

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

The following four focus areas were identified throughout this process:

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

Orange County Economic Development prioritizes the attraction, growth, and retention of industries that invigorate our communities. Orange County aligns its target industry list with Central Virginia Partnership for Economic Development (CVPED), the regional marketing arm out of Charlottesville, Virginia, which provides business attraction efforts for the nine communities of Albemarle County, City of Charlottesville, Culpeper County, Fluvanna County, Greene County, Louisa County, Madison County, Nelson County, and Orange County. In 2012, a base industry study detailed the region's labor supply. The results refined target industries for future growth. Many identified industries are in high-growth sectors, thus diversifying the economic base for Orange County, Virginia.

These industries inspire workforce development initiatives locally and inform the path forward. Looking ahead, a newly commissioned study will help the region affirm or amend industry targets. Based on the available data, CVPED's suggested target industries are as follows:

TARGETED INDUSTRIES BY LOCALITY

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

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

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

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

Major Initiatives

In September 2021, the Orange County Office of Economic Development and Tourism launched the Tourism Cooperative Marketing Grant program. The program offers a matching 1:1 reimbursement, up to $5,000, to Orange County tourism related businesses and organizations. This grant leverages Orange County Economic Development dollars with matching funds provided by the applicant for their proposed marketing project. The Tourism Advisory Committee (TAC) reviews and approves all grant applications and the Orange County Economic Development Authority is the fiscal agent. This grant program was created to assist tourism industry related businesses (non-franchise) and organizations located, operating a business, or hosting an event in Orange County, Virginia, with marketing and promotion. In FY22, TAC received 10 applications and awarded over $11,000 in matching funds to initiate new programs and support existing efforts in additional markets. In addition to awarding funds the grant process has allowed for continuing education in the local industry about what markets will yield the best results and targeting the right potential visitors.

In October 2021, the Orange County Office of Economic Development and Tourism co-hosted the 2021 Quad County Business Summit along with the Economic Development Offices of Fluvanna County, Greene County, Louisa County, Madison County, and the Central Virginia Small Business Development Center. The Summit also included the 3rd annual Quad Tank pitch competition, which offered entrepreneurs from each of the five localities a cash funding opportunity of $8,000, to take their business ideas to the next level.

In October 2021, Orange County announced that Worthington Architectural Millwork will invest $1.473 million, over the next three years, to expand its manufacturing operation in Orange County. Worthington Architectural Millwork specializes in high-end residential custom cabinetry, custom millwork, commercial interiors, and museum exhibit fabrication. The expansion is anticipated to create 26 new jobs over the next three (3) years. Worthington Architectural Millwork's sister company, Seabury Moore, LLC., which specializes in high-end custom home building, will co-locate in the future 20,000 sq. ft. building to be constructed on a 5-acre pad-ready site located in the Thomas E. Lee Industrial Park. The Economic Development Authority incentivized Worthington Architectural Millwork to keep its operations in the County by offering a discounted land sale in exchange for their $1.473 million investment.

In November 2021, the Orange County Office of Economic Development and Tourism hosted the first Locally Made Market at the Montpelier Hunt Races. To support and encourage local entrepreneurship, the Department extended to home-based businesses, the opportunity to compete for a free shared vendor tent to market and sell their product(s) at the 2021 Montpelier Hunt Races. Four, Orange County home-based businesses were featured during the inaugural event.

To support the growth of small businesses and entrepreneurship in Orange County, the Orange County Economic Development Authority manages a comprehensive incentive policy. In FY22 the Economic Development Authority (EDA) awarded a Start-up Incentive in the amount $2,000 to Pinnacle Physical Therapy. This incentive assisted Pinnacle Physical Therapy with build-out necessary to move into to a commercial space. The EDA also awarded an Expansion Assistance Incentive in the amount of $3,000 to Missy Moodies Sweet Treats, to assist with the purchase of additional equipment to increase production.

In January 2022, Orange County successfully secured a grant in the amount of $20,050, from the Virginia Brownfields Assistance Fund (VBAF). These funds supported needed Site Assessments, including a Phase I Environmental Site Assessment (ESA); a Phase II Environmental Site Assessment (ESA), and Surveying at the former Virginia Metal Industries property located at 0 Old Gordonsville Road. The funding will assist the property owner with creating plans for revitalization of the property and make the property more attractive for future economic development prospects.

In April 2022, the Orange County Office of Economic Development and Tourism crafted a Marketing plan for dedicated American Rescue Plan (ARPA) resources managed through the Virginia Tourism Corporation. The $60,000 plan was approved by the state and aspects of the program will begin to be implemented beginning in FY2023. Orange County's approved plan includes a Media Event highlighting the Grand Dame of Southern Cooking – Edna Lewis, a native content digital marketing campaign focused on Orange County history and hosting a Study Tour with staff from the Tourism Corporation in the Spring of 2023.

In May 2022, the Orange County Office of Economic Development and Tourism launched the Corks and Caps marketing program with a summer contest. Corks and Caps is a passport-style marketing initiative featuring all twelve (12) of the County's award-winning wineries and breweries. The Corks and Caps Summer Contest ran from Memorial Day through Labor Day 2022 and invited locals and visitors alike to create their own beverage trail by collecting stickers at each of the participating locations. Once their passports were completed, participants mailed their cards to the Office of Economic Development and Tourism to receive a free commemorative T-shirt.

In June 2022, Orange County received a $25,000 grant award from the Governor's Agriculture and Forestry Industry Development (AFID) Fund Infrastructure Grant Program to assist Piedmont Processing, LLC. with a freezer expansion. The Governor's AFID Fund Infrastructure Grant Program supports strategic investments into missing infrastructure that is impeding small-scale farmers and food producers from growing their operations. This 2:1 matching grant allowed for Piedmont Processing, LLC. to increase its cooler space by 40%.

Construction of a new public safety building began during fiscal year 2019 and officially held its opening ribbon cutting in December 2021. The new 33,000 square foot facility houses the Sheriff's Office, Fire & EMS Administration, Information Technology, and Emergency Communications as well as provides space with a designated ECC/Board Meeting Room and holds the P25 Radio System equipment. The building features single-story construction with one main public entrance into a central lobby space. The lobby is separated from the rest of the facility via access-controlled doorways. There are customer service windows in the lobby for the Sheriff's office and Fire and EMS administration office.

Emergency Communications and Sheriff's Office previously operated with two Computer Aided Dispatch (CAD) systems. Once for Fire/Rescue calls and another for law enforcement calls. The county consolidated these outdated systems with the implementation of a new CAD system in 2021. The new CAD allows for the elimination of some paper-based requirements as well as also for information sharing between the responders. Communication upgrades by construction of seven tower sites (Barboursville, Mountain Track, Macon Road, the Public Safety Building, and Wilderness are new builds) The existing Clark Mountain tower and a water tank structure were upgraded with new equipment. The P25 compliant Radio System increases coverage for public safety and school resources throughout the county to 95%. The project went live in phases in FY22.

Orange County earned nationwide attention focused on the related projects of our "Connected Public Safety Advancements." After reviewing our nomination, The National Association of Counties (NACo) determined that the effective implementation and revolutionary nature of our Public Safety Building, P25 Digital Radio infrastructure, and Computer-Aided Dispatch system were worthy of recognition with a 2022 Achievement Award.

In July 2020, the Board of Supervisors authorized a bond sale totaling $15,166,000 to fund the renovation of Gordon Barbour Elementary School, construction of an expansion to landfill cell II, continued Fiber Optics/Rural Broadband Initiative, facility securement for a Career Technical Center, and the purchase of an Ambulance. The new projects will provide new and updated spaces for the continued growth of our education system as well as ensure the county is able to serve our citizens in the future with their refuse needs. The broadband component of the project continues the County's initiative to serve unserved and underserved areas within Orange County. During fiscal year 2022, the broadband project continued to expand their construction efforts to provide residents and businesses consumer choice for affordable and reliable high-speed fiberoptic broadband. The Broadband Authority (FiberLync) has assumed the responsibility of maintaining and managing the broadband project. The expansion of Landfill Cell II is also under construction, and the renovation of Gordon Barbour Elementary is also in progress.

Long-Term Financial Planning

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

- 1% increases in assessed values for real property
- 2.5% increases in assessed values for personal property (excluding vehicle and trucks which were forecasted without an increase due to significant recent increases in values)
- 5% increases in other local taxes
- 5% increases in permits and privilege licenses
- 2% increases in fines and forfeitures

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

Orange County Government
Five-Year General Fund Forecast

	2021-2022 Budget	2022-2023 Budget	2023-2024 Forecast	2024-2025 Forecast	2025-2026 Forecast	2026-2027 Forecast
Revenue:						
General Property Taxes	39,680,208	44,191,973	44,766,469	45,348,433	45,937,962	46,535,156
Other Local Taxes	7,975,059	9,973,451	10,472,124	10,995,730	11,545,516	12,122,792
Permits, Fees, License	494,860	712,141	747,748	785,135	824,392	865,612
Fines and Forfeitures	173,600	118,150	120,513	122,923	125,382	127,889
Use of Money and Property	564,401	154,500	155,273	156,049	156,829	157,613
Charges for Service	768,892	866,601	892,599	919,377	946,958	975,367
Miscellaneous Revenue	276,500	198,750	204,713	210,854	217,179	223,695
Recovered Costs	1,628,959	1,554,222	1,528,024	1,522,700	1,525,323	1,530,646
State Aid	8,662,763	8,918,868	9,186,434	9,462,027	9,745,888	10,038,265
Federal Grants	75,574	77,096	79,409	81,791	84,245	86,772
Transfer In from Other Funds	88,069	97,834	99,791	101,786	103,822	105,899
Total Revenue & Other Sources	**60,388,885**	**66,863,586**	**68,253,095**	**69,706,806**	**71,213,497**	**72,769,706**

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

	2021-2022 Budget	2022-2023 Forecast	2023-2024 Forecast	2024-2025 Forecast	2025-2026 Forecast	2026-2027 Forecast
Revenue:						
General Property Taxes	$ 5,087,396	$ 6,915,667	$ 6,984,824	$ 7,054,672	$ 7,125,219	$ 7,196,471
Charges for Service	1,322,341	1,514,721	1,560,163	1,606,968	1,655,177	1,704,832
Miscellaneous Revenue						
State Aid	181,186	188,900	192,978	192,978	192,978	192,978
Federal Grants	0	563,472	375,648	187,824	-	-
Transfer In from Other Funds						
Total Fire/EMS Levy Fund Revenue	**$ 6,590,923**	**$ 9,182,760**	**$ 9,113,612**	**$ 9,042,441**	**$ 8,973,373**	**$ 9,094,280**

Relevant Financial Policies

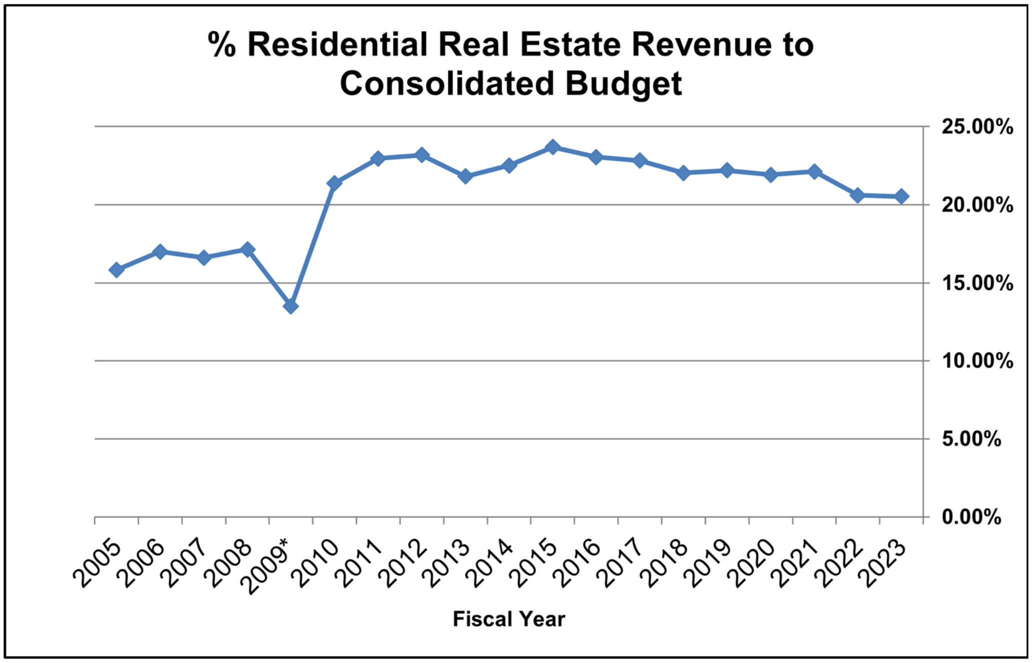
Following discussions at the 2014 planning retreat, the Board of Supervisors established a committee to draft several high-level financial policies for guiding future financial and budgetary decisions. The following policies were adopted by the Board on January 27, 2015 and amended on August 9, 2022.

Tax Revenue Generation

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

Supporting Financial Operations

- Budget should be based on plans to achieve specific outcomes and the assessment of priorities rather than simply across-the-board increases.
- County services are maintained at existing levels and standards as a function of population changes, keeping a strong focus on maintaining high quality law enforcement, Fire/EMS, and public education.
- County services are subject to continuous improvement and innovation to gain cost and operational efficiencies.
- Typically, Real Property will be reassessed every four years.
- The Board's first priority is to expand the County's economy as a growing source of tax revenue to lessen the tax burden on residential real estate, which currently funds 24% of the total consolidated annual budget.



Debt

- Short-Term Debt such as lease purchase agreements used primarily for capital equipment purchases should be used for aiding and smoothing cash flow.
- Long-Term Debt should only be used for durable infrastructure such as real estate, buildings, and major IT systems.
- Long-Term Debt should NEVER be used for cash flow purposes.

Capital Improvement Plan and Budget

- The County will prepare annual updates of a five-year Capital Improvements Plan (CIP) which will specify proposed funding sources for capital projects, estimate the impact of any new debt, and include the level of annual General Fund contributions required for capital and debt service.
- The County will establish a Capital Projects Reserve Account to serve as the primary source of monies for the CIP. The Reserve may be funded through a combination of sources including transfers from the General Fund, carry-forward funds, user fees, debt proceeds, grants, donations, reserves, and unbudgeted revenue.

- Future combined budgets for General Fund contributions for Debt Service *(net of the amounts reimbursable as an obligation of another entity)* and Capital Projects will be no less than the amounts approved in the fiscal year 2014-2015 adopted budget.
- The County will consider additional appropriations to the Capital Projects Reserve Account from the General Fund Unassigned Fund Balance when funds may be available above the minimum amount established by the adopted Reserves Policy.

Reserves

The Board continued its Reserves Policy which sets the minimum level of acceptable unassigned General Fund balance for a fiscal stability reserve at 15% of the combined budgeted operating expenditures of the General Fund and School Operating Fund (net of inter-fund transfers). In addition, the Board's policy states that unassigned general fund balance should not exceed 18%. At June 30, 2022, unassigned General Fund balance, which excludes the Fire and EMS Fund, increased from 25.02% to 26.70% of expenditures as defined in the policy. After June 30, 2022, reappropriation requests were approved, and additional fund balance amounts assigned of $2,676,392 bringing the percentage to 24.11% of operating expenditures. In addition, the Board will be considering an additional appropriation of $1,460,549 to fund increased contributions to the Health Insurance Fund. If approved, this will reduce the remaining available fund balance to 22.70%. The Board of Supervisors continues to discuss options to apply the excess balance to appropriate purposes.

The Board amended the Reserves Policy to include additional reporting requirements and disclosures of cash balances each quarter. The policy also stipulates that if the Unassigned Fund Balance falls below the 15% minimum level, the Board must approve and adopt a plan to restore this balance to the minimum level within 24 months.

AWARDS & ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County of Orange for its comprehensive annual financial report for the fiscal year ended June 30, 2021. The award for fiscal year 2021 was the sixteenth consecutive year the County has achieved this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

This report reflects the results of the Board of Supervisors' strong financial policies. The Board's support and cooperation in planning and conducting the financial operations of the County is acknowledged and appreciated. We also acknowledge and extend special recognition to the staffs of the Finance and Treasurer's departments for their efficient and dedicated service to the County. Their efforts to maintain the accounting and financial reporting system of the County have led to the high quality of information being reported to the Board of Supervisors and citizens of the County, as well as present and potential investors.

Respectfully submitted,

Theodore L. Voorhees
County Administrator

Sara L. Keeler
Finance Director

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Orange County
Virginia

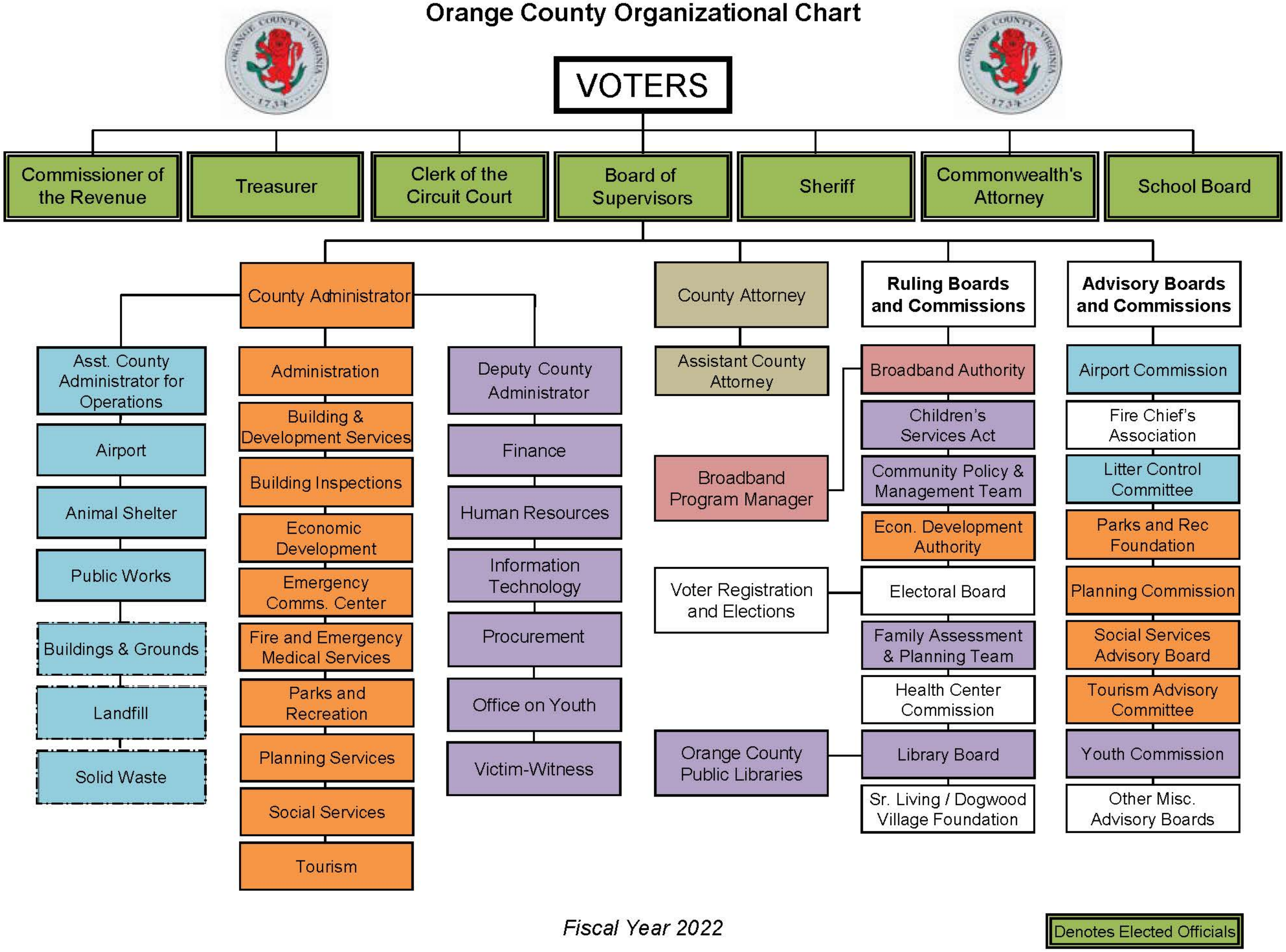
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morrill

Executive Director/CEO

Orange County Organizational Chart



Fiscal Year 2022

COUNTY OF ORANGE, VIRGINIA

Directory of Principal Officials
June 30, 2022

Board of Supervisors

R. Mark Johnson, Chair
James P. Crozier, Vice Chair

James K. White	Keith F. Marshall	Lee H. Frame

School Board

Sherrie Page, Chair
Jim Hopkins, Vice Chair

Melissa Anderson	Chelsea Quintern	Michael Jones

Other Officials

Chief Judge of the Circuit Court	Claude V. Worrell
Clerk of the Circuit Court	Teresa T. Carroll
Chief Judge of the General District Court	Claiborne H. Stokes, Jr.
Chief Judge of the Juvenile & Domestic Relations Court	Deborah S. Tinsley
Clerk of the General & Juvenile & Domestic Relations Court	Barbara B. Miller
County Attorney	Thomas E. Lacheney
Commonwealth's Attorney	Diana O'Connell
Commissioner of the Revenue	Renee Pope
Treasurer	Dawn Herndon
Sheriff	Mark A. Amos
Superintendent of Schools	Dr. Daniel Hornick
Clerk of the School Board	Laura Byram
Director of Social Services	Crystal Hale
County Administrator	Theodore L. Voorhees
Deputy County Administrator	Glenda Bradley
Assistant County Administrator for Operations	Stephanie Straub
School Board Chief Financial Officer	Gary Honaker
Finance Director	Sara Keeler

INDEPENDENT AUDITORS

PBMares, LLP

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Orange, Virginia (County), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 20 to the financial statements, the 2021 financial statements have been restated to correct a misstatement. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require Management's Discussion and Analysis and the required supplementary information on pages 4-14 and 115-139, respectively, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2022 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

PBMares, LLP

Harrisonburg, Virginia
December 15, 2022

Management's Discussion and Analysis

As management of the County of Orange (the County), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the year ended June 30, 2022. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i through xii of this report.

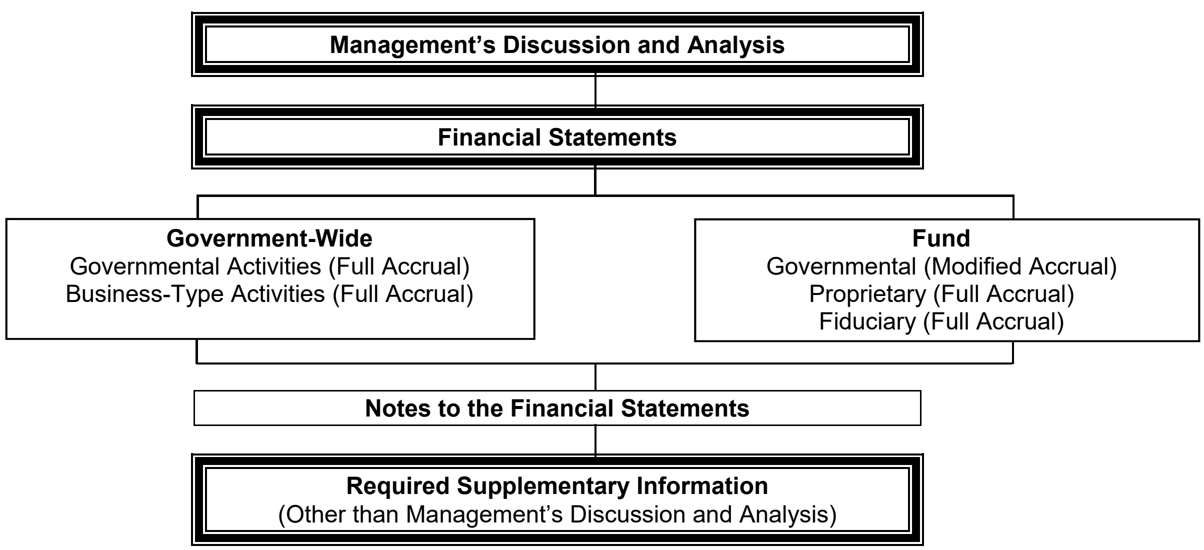
Financial Highlights

- Total assets and deferred outflows of resources of the County of Orange (primary government) exceeded total liabilities and deferred inflows of resources at the close of the most recent fiscal year by $55,294,050 (*net position*). Of this amount, $43,119,493 resulted from governmental activities and $12,174,557 from business-type activities.
- On a government-wide basis for governmental activities, the County had expenses net of program revenues of $54,019,531, which was $5,660,314 less than the general revenues and transfers of $59,679,845.
- On a government-wide basis for business-type activities, the County had expenses net of program revenues of $3,422,052. The net position for business-type activities was reduced by a total of $597,078.
- At June 30, 2022, unassigned General Fund balance was $27,593,883 or 26.70% of budgeted operating expenditures as defined by the County's fund balance policy.

Using the Annual Comprehensive Financial Report

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

<u>Components of the Financial Section</u>



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

Government-Wide Financial Statements

The government-wide statements report information about the County as a whole, using accounting methods similar to those used by private-sector companies. These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the accrual method of accounting. All of the year's revenue and expenses are considered, regardless of when the cash is received or paid.

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

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

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

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

- <u>Governmental Activities</u>: These activities are supported primarily by property taxes and report the County's basic services, such as general government and judicial administration, public safety, public works, health and welfare, education, parks, recreation and cultural, and community development.
- <u>Business-Type Activities</u>: These activities charge fees to customers to help cover the costs of the service. The County's Airport and Landfill Funds are the two business-type activities for Orange County.
- <u>Component Units</u>: The Orange County Public School Board, the Economic Development Authority, and the Broadband Authority are component units of the County. Component units are legally separate entities but are reported in the County's financial statements because the County is financially accountable and provides operating and capital funding.

Fund Financial Statements

Fund financial statements are the traditional governmental financial statements. They focus on the most significant funds instead of the County. Orange County operates three types of funds:

- <u>Governmental Funds</u>: The governmental funds report most of the County's basic services. The governmental funds serve essentially the same function as the governmental activities in the government-wide financial statements. The governmental fund financial statements focus on near-term cash flows and the amount of spendable resources available at the end of the fiscal year. It provides the reader a short-term view of the financial position. Since the information provides a narrow focus, the government-wide statements will provide additional information. Reconciliation from the fund statements is provided to facilitate this comparison.

- <u>Proprietary Funds</u>: There are two types of proprietary funds: Enterprise Funds and Internal Service Funds. Enterprise Funds report the same functions as the business-type activities in the government-wide financial statements. Internal Service Funds account for the goods and services provided by one department or agency to other departments or agencies of the County. The County of Orange currently has two Enterprise Funds and one Internal Service Fund. The Internal Service Fund accounts for the activities of a self-insured health plan and is classified as a governmental activity.

- <u>Fiduciary Funds</u>: Fiduciary funds are used to report assets held in trustee or agency capacity for others and cannot be used to support the government's own programs. The County is responsible for ensuring that the assets reported in these funds are used for their intended purpose. The County's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. Assets for Special Welfare and the Commonwealth of Virginia are held in fiduciary funds. These fiduciary activities are excluded from the County's government-wide financial statements because they are custodial fund activities and the County cannot use these assets to finance its operations.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on page 28 of this report.

Other Information

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

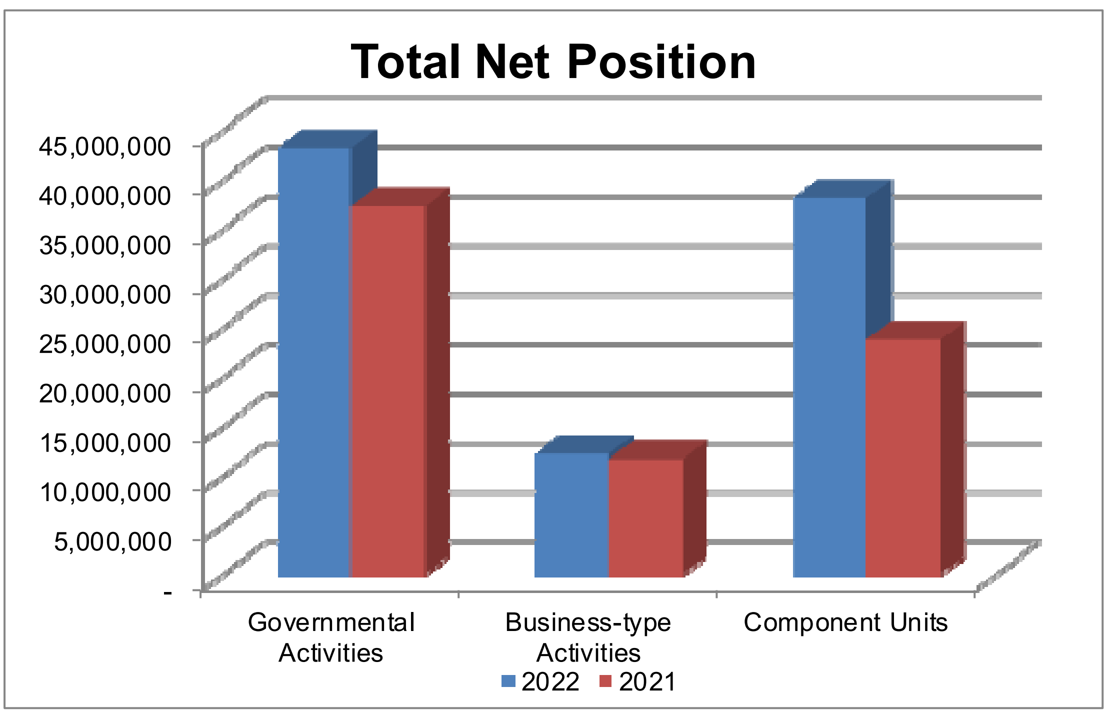
The combining statements, in connection with non-major governmental funds, are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found in the other supplementary information section of this report.

Government-Wide Financial Analysis

The following table presents the condensed Statement of Net Position:

Orange County, VA
Summary Statement of Net Position

	Primary Government					
	Governmental Activities		Business-type Activities		Component Units	
	2022	2021	2022	2021	2022	2021
Current and Other Assets	$ 77,777,750	$ 73,314,500	$ 7,007,035	$ 7,877,187	$ 15,531,293	$ 23,258,763
Capital Assets (net)	57,639,853	60,567,050	13,407,565	11,504,923	94,695,107	79,711,240
Total Assets	135,417,603	133,881,550	20,414,600	19,382,110	110,226,400	102,970,003
Total Deferred Outflows of Resources	3,643,193	4,102,752	209,221	196,480	11,361,287	13,908,555
Long-term Liabilities	81,020,422	89,763,167	7,522,956	7,138,667	55,140,995	79,827,828
Other Liabilities	8,327,237	9,728,390	435,838	751,588	5,101,885	7,231,685
Total Liabilities	89,347,659	99,491,557	7,958,794	7,890,255	60,242,880	87,059,513
Total Deferred Inflows of Resources	6,593,644	1,258,718	490,470	35,059	23,272,496	6,038,012
Net Position:						
Net Investment in Capital Assets	5,531,857	7,547,559	10,038,412	10,281,349	74,208,700	72,776,124
Restricted	-	1,016,331	-	-	2,390,961	1,869,865
Unrestricted (deficit)	37,587,636	28,670,137	2,136,145	1,371,927	(38,527,350)	(50,864,956)
Total Net Position	$ 43,119,493	$ 37,234,027	$ 12,174,557	$ 11,653,276	$ 38,072,311	$ 23,781,033



The following table presents the condensed Statement of Activities:

Orange County, VA
Summary Statement of Activities

	Primary Government					
	Governmental Activities		Business-type Activities		Component Units	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program Revenues:						
Charges for Services	$ 4,073,785	$ 3,790,070	$ 1,042,899	$ 934,274	$ 2,589,551	$ 531,179
Operating Grants and Contributions	13,464,979	14,576,622	241,174	1,007,703	43,294,384	39,651,313
Capital Grants and Contributions	214,871	150,000			3,389,275	5,571,513
General Revenues:						
General Property Taxes	48,430,839	45,022,564	-	-	-	-
Other Local Taxes	9,650,426	8,761,461	-	-	-	-
Grants and Contributions Not Restricted to Specific Programs	-	-	-	-	22,993,671	23,361,457
Intergovernmental, Non-Categorical Aid	3,921,889	3,958,536	-	-		-
Use of Property and Money	14,796	173,976	-	-	4,451	13,308
Miscellaneous	474,986	271,546	11,883	-	184,432	139,975
Gain on sale of land	-	-	-	-	115,000	25,600
Total Revenues	80,246,571	76,704,775	1,295,956	1,941,977	72,570,764	69,294,345
Expenses:						
General Government Administration	5,235,472	9,685,629	-	-	149,575	894,665
Judicial Administration	2,284,473	2,288,774	-	-	-	-
Public Safety	16,514,769	16,170,472	-	-	-	-
Public Works	3,590,009	1,559,100	-	-	1,988,664	1,537,977
Health and Human Services	8,609,225	8,424,107	-	-	-	-
Education	27,559,351	27,037,876	-	-	56,141,247	58,092,280
Parks, Recreation, and Cultural	1,584,918	2,568,205	-	-	-	-
Community Development	3,949,626	7,428,897	-	-	-	-
Interest	2,445,323	2,820,774	-	-	-	-
Airport	-	-	1,225,657	1,522,777	-	-
Landfill	-	-	3,480,468	4,340,547	-	-
Total Expenses	71,773,166	77,983,834	4,706,125	5,863,324	58,279,486	60,524,922
Change in Net Position Before Transfers	8,473,405	(1,279,059)	(3,410,169)	(3,921,347)	14,291,278	8,769,423
Transfers In (Out)	(2,813,091)	(3,004,537)	2,813,091	3,004,537	-	-
Change in Net Position	5,660,314	(4,283,596)	(597,078)	(916,810)	14,291,278	8,769,423
Net Position, beginning, as restated	37,459,179	41,517,623	12,771,635	12,570,086	23,781,033	15,011,610
Net Position, ending	$ 43,119,493	$ 37,234,027	$ 12,174,557	$ 11,653,276	$ 38,072,311	$ 23,781,033

Net Position

The Primary Government's governmental net position increased by $5,660,314 or 15.1% during the year ended June 30, 2022. This increase was primarily due to decreased contributions to the Broadband Authority and increased General Property Tax Revenue related to increased assessed values. The County's net position decreased in the business-type activities as expenses (including depreciation) continue to outpace revenues, particularly in the Landfill Fund. In fiscal year 2022, the change in net position decreased by less than fiscal year 2021, with the loss from the change in net position for the fiscal year $597,078 compared to $916,810 in the prior year. Leachate Management charges increased by $27,630 or 13.0% due to the increased rainfall in fiscal year 2022. The Landfill also saw increased expenses for interest and corrective action related to cell closure expenses. The interest increase was related to the 2020 bond issuance which included funds to construct a new landfill cell. Interest expenses were $65,688, or 98.2% higher than fiscal year 2021. Corrective Action expenses increased $194,855 or 70.8% over prior year. This expense is amortization of closure cost based capacity analysis completed annually. Offsetting these increases was a decrease in Employee retirement expenses by $109,081, or 128.3% primarily due to changes in the net pension liability determined in accordance with GASB Statement No. 67. Charges for Service in the Landfill Fund increased by 8.8% over the prior year. The decrease in Operating Grants and Contributions in business-type activities was due to federal grants received in the Airport Fund in prior year that did not repeat. Charges for Service in the Airport Fund (including fuel sales) increased 10.6% over the prior year. Net position in the County's component units increased by a total of $14,291,278 during fiscal year 2022.

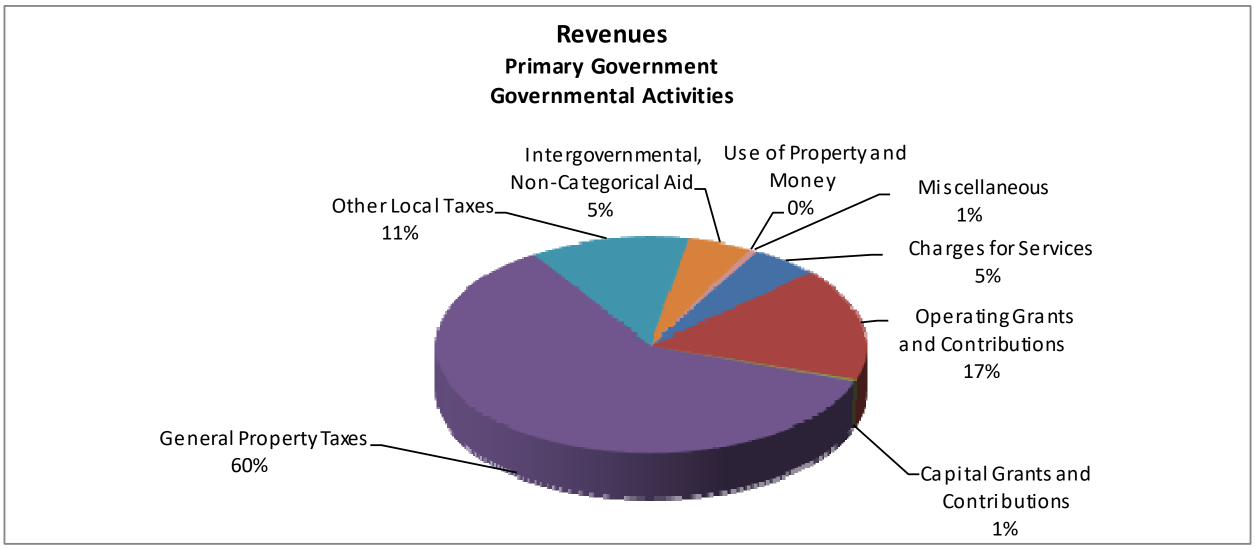
Unrestricted governmental net position increased by $8,917,499.

Revenues

For the fiscal year ended June 30, 2022, revenues generated by the Primary Government's governmental activities totaled $80,246,571. General property taxes, the County's largest revenue source, were $48,430,839. Included in this total are real and personal property levies, which are due on June 5th and December 5th each year. The real estate tax rate for fiscal year 2022 was $.75/$100. This rate represents a combined rate; one for general purposes and one specifically for Fire/EMS services. In fiscal year 2022, the county collects real estate taxes for the second half of tax year 2021 and the first half of tax year 2022. While the general real estate tax remained unchanged, the Fire/EMS tax rate increased by $.03/$100.

Fiscal year 2022 continues to reflect the changes in the Personal Property Tax Relief Act (PPTRA) that were approved by the General Assembly in 2005. This legislation capped the amount localities receive from the state. The new legislation established a fixed amount to be provided to localities for funding tax relief for vehicles valued at less than $20,000. The PPTRA became effective with the 2006 tax year and is based on the amount collected for 2004 taxes through December 2005. The total amount Orange County receives under the program is $2,763,073. This amount enabled the County to provide car tax relief of 27.19% up to the first $20,000 in value for fiscal year 2022.

The other local tax category includes sales tax, consumer utilities tax, consumption tax, recordation tax, motor vehicle license tax, and food and beverage tax. New in FY22, the other local tax category also includes $84,175 for Cigarette tax. Local sales and use tax revenue increased by $596,232 or 12.8% from the previous fiscal year. Consumption Tax revenue decreased by $14,623 or 12.6%, similarly overall Consumer Utility Tax also decreased by 10.9%. Motor Vehicle License Tax revenue was up 10.1% from the prior year, and Recordation Tax increased 18.6%. Restaurant Food Taxes revenue also reflected an increase of 13.8% from the prior year.



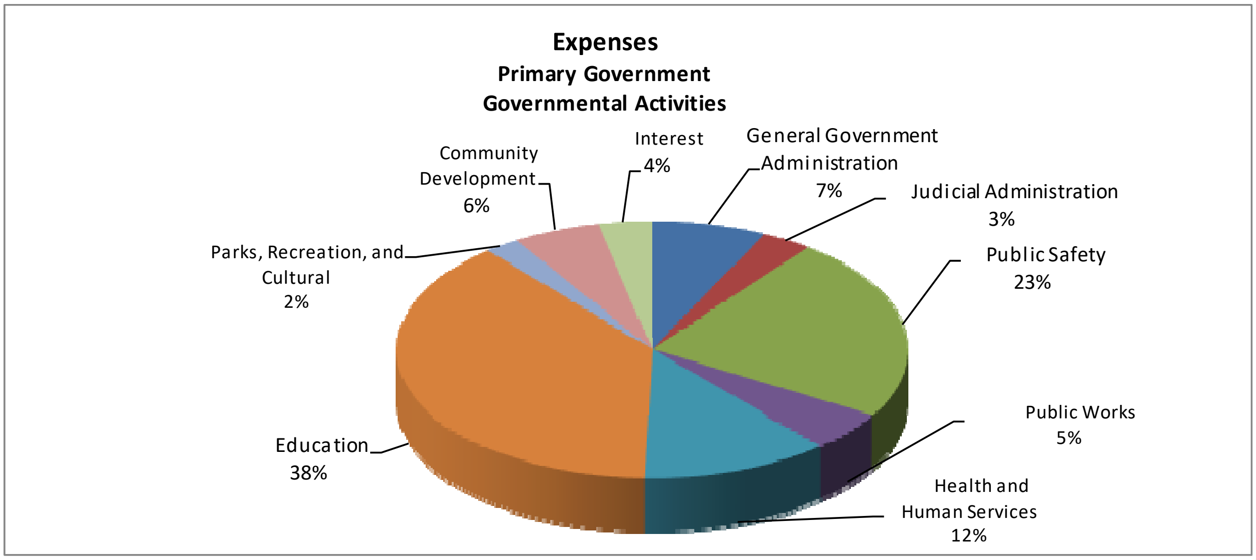
Program revenues are derived from the program itself and reduce the cost of the function to the County. This category includes charges for services and operating and capital grant revenues. Total program revenues for governmental activities were $17,753,635, a decrease of $763,057, or 4.1% from the previous year. This decrease is mainly attributable to the fact that the County received $1,000,000 pass through grant for Montpelier Foundation in FY21 that did not repeat. Program revenues in the governmental funds include charges for services that totaled $4,073,785 and includes charges for ambulance fees, recreation and childcare programs, and building permits. This category reflects an increase from the prior year of $283,715, which was distributed across functional areas of expenditures. Capital grant revenue increased by $64,781, or 43.2% over the prior year due to a grant for Emergency Services.

Proprietary funds generated program revenues of $1,042,899 from charges for services and $241,174 in operating grant revenues and contributions. Charges for services increased in the Landfill Fund and in the Airport Fund. Capital Grants and Contributions decreased $772,683 due to federal and state grants received in the Airport Fund in FY21 that did not repeat. Federal grants totaled $22,531 and were provided through the FAA Airport Improvement Program. Within the component units, program revenues increased by $3,519,205.

Expenses

For the fiscal year ended June 30, 2022, expenses for governmental activities totaled $71,773,166, a decrease of 8.0% or $6,210,668. Expenses include the cost of employee compensation, contributions to the school board, and interest on governmental debt. The largest changes are reflected in the Community Development category, which decreased by $3,479,271, and the General Government Administration category, which decreased $4,450,157. These decreases are mainly due to expenses related to mitigating the spread of COVID-19 Coronavirus, Economic Recovery from the pandemic, and contributions to the Broadband Authority in Fiscal year 2021 that decreased or did not repeat in Fiscal year 2022. Interest charges decreased $375,451 compared to the previous fiscal year.

In the Primary Government category, personnel expenses for fiscal year 2022 included increases in general government health insurance costs and increased personnel costs. In FY2022, the County added a Business Analyst, Communication Specialist, Code Compliance Inspector, Training Lieutenant/PIO Deputy Sheriff, additional Custodians and Maintenance Technicians, and additional Planning staff. A county-wide market wage adjustment of 5% was implemented for all positions. Required retirement contributions remained the same as prior year at 9.23% of covered payroll for the year.



Expenses within the other functional areas of governmental activities increased by amounts related to the allocation of expenses incurred by the self-insurance fund, changes in compensated absences, pension expenses, and other long-term liabilities included in the entity-wide financial statements. Interest on long-term debt reflects a decrease of $375,451.

The County's Proprietary Funds reflect a total of $4,706,125 in expenses compared to $5,863,324 for fiscal year 2021. The Airport Fund reflects expenses that were $297,120 or 19.5% lower than the previous year. This decrease is mainly attributed to a tree and obstruction removal project in fiscal year 2021 that did not repeat in fiscal year 2022. The Landfill Fund reflects a decrease in expenses of 19.8%, or $860,079. The decrease in the Landfill Fund was due to decreased pension expense related to GASB 68 and decreases related to Construction in Progress misstated in fiscal year 2021 as an expense in error. This misstatement is in the notes to our financial statements and the prior year balances have been restated on our financial statements.

Within the School Board component unit, overall expenses increased by $1,951,033 or 3.4%. The Economic Development Authority reflects expenses that are $745,090 lower than the prior year due to the issuance of grants to small business through the Bounce Back Orange Small Business Grant program in fiscal year 2021, using funds received through the federal CARES Act. Created during fiscal year 2017, the Orange County Broadband Authority expenses increased by $450,687, with most of these expenses being related to personnel expenses and internet service costs.

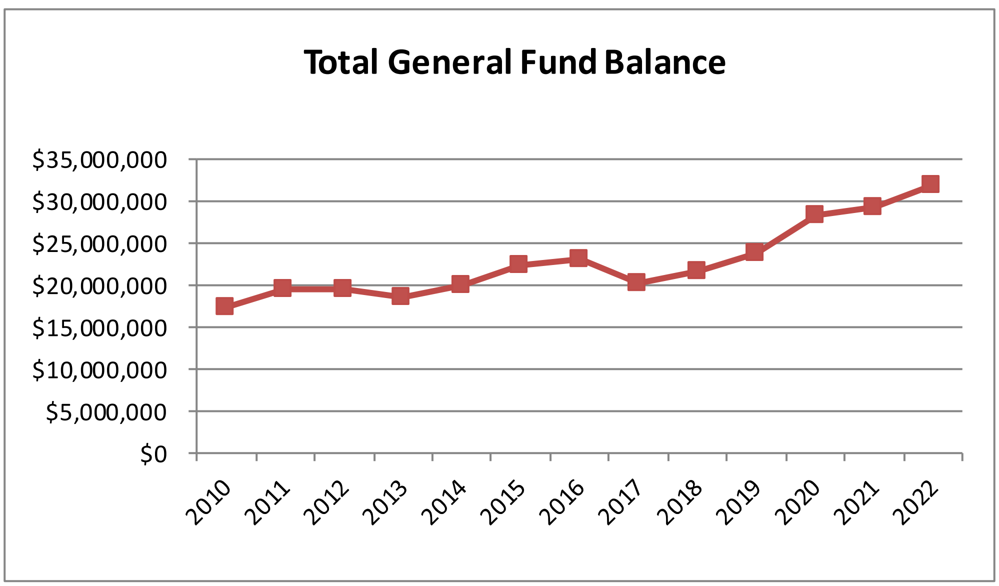
Financial Analysis of the Government's Funds

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

For the fiscal year ended June 30, 2022, the County's governmental funds reflected a combined fund balance of $52,730,941, some of which is reserved for specific purposes, such as capital outlay, debt service, and fire and EMS related expenditures. The increase of $4,842,427 over fiscal year 2021 reflects an increase in funds restricted to capital projects, which increased by $491,673 over prior year. The General Fund reflected an increase in fund balance of $3,664,471, which is attributable to a combination of favorable budget-to-actual variances for revenues and expenditures, and the ability to use ARPA funding for some expenditures such as employee Covid-sick leave.

At June 30, 2022, unassigned General Fund balance was $27,593,883 or 26.7% of budgeted operating expenditures as defined by the County's fund balance policy. Total general fund balance increased by $3,664,471 from fiscal year 2021. General Fund revenues were more than prior year by $3,912,897 due to increased General Property Tax Revenue and increased Operating Grants. General Fund expenditures were less than prior year by $3,057,363. This decrease was mainly due to items not repeating in fiscal year 2022 that were expenditures in fiscal year 2021. These include expenditures for transfers to other funds, a pass-through state grant for the Montpelier Foundation, and contributions to The Broadband Authority.

The Board of Supervisors has established a fund balance policy, which sets the minimum level of acceptable unreserved General Fund balance at 15% of the combined budgeted operating expenditures of the General Fund and School Operating Fund (net of inter-fund transfers). In addition, the Board's policy states that unassigned general fund balance should not exceed 18%. At June 30, 2022, unassigned General Fund balance, which excludes the Fire and EMS Fund, increased from 25.02% to 26.70% of expenditures as defined in the policy. In addition, the Board will be considering an additional appropriation of $1,460,549 to fund increased contributions to the Health Insurance Fund. If approved, this will reduce the remaining available fund balance to 22.70%. The Board of Supervisors continues to discuss options to apply the excess balance to appropriate purposes.



Fund balance in the Virginia Public Assistance Fund decreased by $50,633 for fiscal year 2022 mainly due to expenditures for budgeted use of fund balance to complete office renovation work. Fund balance within the Debt Service Fund balance remained $0. Normally, this fund does not accumulate a fund balance because it is funded solely by transfers from the General Fund in an amount equal to the annual debt service due.

Fund balance in the Capital Projects Fund increased by $491,673 mainly due to the 2020 bond issuance for multiple projects such as renovating an elementary school and locating/renovating space for a career technical facility. The Capital Projects Fund is assigned to specific capital projects as approved in the adopted Capital Improvements Plan.

General Fund Budgetary Highlights

Differences between the original operating budget and the final operating budget resulted in a net increase of $2,639,181 in additional appropriations. Highlights of the budget amendments are as follows:

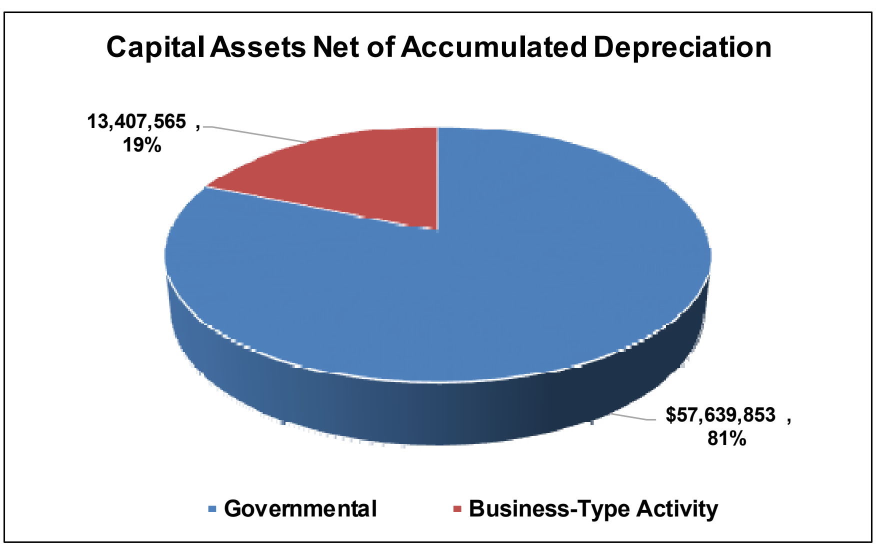
Budget Amendment		Amount
Reappropriations from FY21 for ongoing projects-County	$	1,512,171
Property Acquisition		330,000
Reappropriation for FY21 Open PO Balances		269,899
Rapidan Service Authority (RSA) Litigation (Greene County)		110,000
Establish new position mid-year (Business Analyst)		101,928
Insurance Recoveries for various property & equipment damage		54,185
Increase HI Employer Contr 9%		54,000
Animal Shelter Donations		36,354
Applicant-Funded Plan Review and Technical Assistance		32,846
Cigarette Tax Start-up Costs		23,393
Va. Brownfields Asst. Fund Grt		20,050
Sheriff's Triad Program Donations		17,966
E-rate Library Technology Reimbursement		16,662
Sheriff's Wage Adjustment		15,088
Increase Indigent Cremation Expense		8,000
Total	**$**	**2,602,541**

The largest budget amendments were for re-appropriations for ongoing projects. The next largest was for the purchase of land in Unionville for future use of the county. Carryforward of unspent funds from fiscal year 2021 for ongoing projects included appropriations of expenditures planned for projects, grants, and other items that were incomplete at the end of the fiscal year for a variety of reasons.

Differences between the final amended budget and actuals included property tax collections that exceeded budget estimates by a total of $2,580,545, primarily in the personal property tax category. Other local tax revenues exceeded budget estimates by $1,661,474, and Recovered Costs exceeded budget estimates by $29,713. Total commonwealth intergovernmental revenues were lower than budget estimates by $426,816. The largest expenditure variance between the final amended budget and actuals was in the Education category of $1,689,599. This variance represented less appropriations needed than budgeted to fund school operations due to some items not procured during the fiscal year as planned. Many of these items will be re-appropriated in fiscal year 2023.

Capital Assets

The County of Orange's investment in capital assets for its governmental and business-type activities as of June 30, 2022, amounted to $71,047,418 (net of accumulated depreciation). This investment in capital assets included land, construction in progress, landfill development, buildings and systems, improvements, machinery and equipment, park facilities, right to use leased assets.



Orange County, VA
Primary Government
Change in Capital Assets

	Balance June 30, 2021	Net Increase/ (Decrease)	Balance June 30, 2022
Governmental Activities:			
Non-Depreciable Assets:			
Land	$ 2,332,288	$ -	$ 2,332,288
Easements	41,990	-	41,990
Construction in Progress	23,964,233	316,490	24,280,723
Other Capital Assets:			
Buildings & Improvements	21,519,050	397,090	21,916,140
Right-to-use leased buildings	1,057,229	-	1,057,229
School Buildings & Improvements	23,019,687	(4,797,342)	18,222,345
Furniture, Equipment and Vehicles	13,906,454	437,032	14,343,486
Less: Accumulated Depreciation	(23,991,500)	(562,848)	(24,554,348)
Business-type Activities:			
Non-Depreciable Assets:			
Land	1,823,260	-	1,823,260
Construction in Progress	2,070,736	1,283,415	3,354,151
Other Capital Assets:			
Buildings & Improvements	12,034,768	-	12,034,768
Landfill Development Costs	3,349,705	-	3,349,705
Furniture and Other Equipment	1,625,994	3,524	1,629,518
Less: Accumulated Depreciation	(8,281,181)	(502,656)	(8,783,837)
Net Capital Assets	$ 74,472,713	$ (3,425,295)	$ 71,047,418

School Board capital assets are jointly owned by the County (Primary Government) and the Component Unit School Board for as long as the County owes general obligation debt on such assets. The County reports depreciation on these assets as an element of its share of the costs of the public-school system. Readers desiring more detailed information on capital asset activity should refer to Note 9 in the notes to the financial statements.

Long-Term Debt

The Constitution of Virginia, Article VII, Section 10, and the Public Finance Act provide the authority for a County to issue General Obligation (GO) Debt with no limit on the amount of GO Debt that a County may issue. All debt secured by the general obligation of the County must be approved by the Board of Supervisors and a public referendum, with the exception of Virginia Public School Authority (VPSA) Bonds and State Literary Fund Loans, which do not need approval by referendum.

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

The County occasionally uses lease-purchase financing (private placement notes) to acquire large equipment items as approved in the annual operating budget process. At June 30, 2022, the County had six such leases outstanding, which were for the purchase of a front loader for the landfill, an ambulance, a tanker unit, and five brush trucks, all in FY22; an ambulance in FY21; and a roll-off truck for the landfill in FY19. The FY22 financing for the front loader carries a four-year term with an interest rate of 3.696%. The FY22 financing for the ambulance and brush trucks carry a three-year term with an interest rate of 3.463%. The FY22 financing for the tanker unit carries a ten-year term with an interest rate of 3.916%. The financing for the FY21 lease-purchase for the ambulance carries a three-year term with an interest rate of 1.728%. The roll-off truck purchased during 2019 carries a seven-year term with an interest rate of 3.35%.

The School Board also occasionally uses lease-purchase financing to acquire large equipment items. During fiscal year 2013, the School Board entered an Energy Performance Contract for $6,198,242 at an interest rate of 2.59% over a fifteen-year term. The proceeds from this issue were spent to acquire energy-saving equipment throughout the division, which has generated energy savings over the term in amounts sufficient to fund the debt service. A second phase of the Energy Performance Contract was entered in fiscal year 2016 with a fifteen-year term, an interest rate of 2.39% and a total amount of $1,259,830. At June 30, 2022, the School board had one lease outstanding for bus purchases. The FY21 purchase of $709,572 for school buses carries a two-year term with an interest rate of 1.21%

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

In July 2020, the Board of Supervisors authorized a lease-revenue bond sale totaling $15,166,000 to fund the renovation of Gordon Barbour Elementary School ($6,300,000), construction of a new landfill cell ($3,000,000), continued Fiber Optics/Rural Broadband Initiative ($3,000,000), facility securement for a Career Technical Center ($2,500,000), and the purchase of an Ambulance ($225,000). The new projects will provide new and updated spaces for the continued growth of our education system as well as ensure the county is able to serve our citizens in the future with their refuse disposal needs. The broadband component of the project continues the County's initiative to serve unserved and underserved areas within Orange County. During fiscal year 2022, the broadband project continued to expand their construction efforts to provide residents and businesses consumer choice for affordable and reliable high-speed fiberoptic broadband. The Broadband Authority (FiberLync) has assumed the responsibility of maintaining and managing the broadband project. The expansion of Landfill Cell II is also under construction, and the renovation of Gordon Barbour Elementary is also in progress. These bonds mature in November 2028 and the true interest cost (TIC) on the entire issue was 2.29% in aggregate.

In January 2021, the Board of Supervisors authorized a short-term interest free line of credit to the Broadband Authority in the amount of $2,000,000 to begin operations as a separate unit from the county. The line of credit was utilized in FY2021 and held a balance due of $2,000,000 at June 30, 2021. In July 2021, the County forgave this $2,000,000 loan to the Broadband Authority. The County used funding from the American Rescue Plan Act to apply to the forgiveness of the loan.

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

The Primary Government's outstanding debt and other long-term liabilities at June 30, 2022 are as follows:

General Obligation Bonds:		
Series 2001	$	125,000
School Bond Series 2005D		2,960,004
General Obligation Bond Premiums		1,377,343
Virginia Public School Authority Bonds (VPSA):		
Series 2007 B		1,560,000
Series 2009 B		12,200,000
Lease Revenue Bonds:		
Series 2016		41,650,000
Series 2020		15,042,000
Lease Revenue Bond Premiums		3,124,910
Private Placement Notes		1,808,431
Leases Payable		893,767
Landfill Obligation		4,021,000
Other Postemployment Benefits		2,156,802
Compensated Absences		1,624,121
Grand Total	$	88,543,378

The Component Unit School Board's outstanding debt and other long-term liabilities at June 30, 2022 are as follows:

Private Placement Notes	$	4,606,922
Other Postemployment Benefits		9,405,109
Compensated Absences		1,314,912
Net Pension Liability		23,956,142
Grand Total	$	39,283,085

The Component Unit Broadband Authority's outstanding debt and other long-term liabilities at June 30, 2022 are as follows:

Lease Revenue Bonds:		
Series 2021	$	15,820,915
Leases Payable		13,242
Compensated Absences		23,753
Grand Total	$	15,857,910

Additional information on the County's long-term debt can be found in Note 10 of this report.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the funds it receives. Questions concerning this report or requests for additional information should be directed to:

Sara Keeler, Finance Director
P. O. Box 111, Orange, VA 22960
Phone (540) 661-5379
E-mail skeeler@orangecountyva.gov
http://orangecountyva.gov

BASIC FINANCIAL STATEMENTS

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 1

STATEMENT OF NET POSITION
June 30, 2022

	Primary Government			Component Units		
	Governmental Activities	Business-type Activities	Totals	School Board	EDA	Broadband Authority
ASSETS						
Cash and cash equivalents	$ 31,174,996	$ 4,953,863	$ 36,128,859	$ 3,317,239	$ 416,155	$ 2,288,447
Investments	6,350,882	1,247,583	7,598,465	311,429	527,857	1,233,450
Receivables, net:						
Taxes receivable	3,085,095	-	3,085,095	-	-	-
Accounts receivable	3,622,765	484,874	4,107,639	69,836	-	547,974
Due from other governments	1,332,211	67,700	1,399,911	3,177,539	-	-
Inventory	-	40,484	40,484	-	-	-
Other assets	-	-	-	-	-	14,076
Prepaid items	50,000	-	50,000	-	-	37,728
Note receivable	12,415,000	-	12,415,000	-	-	-
Restricted cash	17,338,723	-	17,338,723	-	-	1,157,511
Net pension asset	2,408,078	212,531	2,620,609	2,432,052	-	-
Capital assets:						
Land	2,332,288	1,823,260	4,155,548	1,855,343	1,087,388	-
Easements	41,990	-	41,990	-	-	-
Right-to-use leased buildings	1,057,229	-	1,057,229	-	-	29,370
Buildings and improvements	21,916,140	12,034,768	33,950,908	149,390,997	-	-
School buildings and improvements	18,222,345	-	18,222,345	(18,222,345)	-	-
Landfill development costs	-	3,349,705	3,349,705	-	-	-
Right-to-use leased equipment	-	-	-	-	-	2,403
Furniture, equipment and vehicles	14,343,486	1,629,518	15,973,004	15,104,976	-	372,645
Construction in progress	24,280,723	3,354,151	27,634,874	4,903,065	13,900	22,119,052
Less accumulated depreciation and amortization	(24,554,348)	(8,783,837)	(33,338,185)	(81,900,615)	-	(61,072)
Total assets	135,417,603	20,414,600	155,832,203	80,439,516	2,045,300	27,741,584
DEFERRED OUTFLOWS OF RESOURCES						
Deferred charge on refunding	949,741	-	949,741	-	-	-
Pension plan	2,163,986	190,952	2,354,938	9,211,396	-	-
Other postemployment benefits	529,466	18,269	547,735	2,149,891	-	-
Total deferred outflows of resources	3,643,193	209,221	3,852,414	11,361,287	-	-
LIABILITIES						
Accounts payable and accrued expenses	4,724,810	356,587	5,081,397	3,835,335	374	500,202
Accrued interest payable	724,529	76,751	801,280	20,241	-	73,057
Unearned revenue	1,913,928	2,500	1,916,428	-	-	672,676
Insurance benefit claims	963,970	-	963,970	-	-	-
Long-term liabilities:						
Due within one year:						
Bonds payable	6,557,990	-	6,557,990	-	-	-
Leases payable	165,990	-	165,990	-	-	12,968
Private placement notes	433,040	76,568	509,608	766,612	-	-
Compensated absences	1,157,517	47,328	1,204,845	110,000	-	10,689
Due in more than one year:						
Bonds payable, net	68,452,538	3,028,729	71,481,267	-	-	15,820,915
Leases payable	727,777	-	727,777	-	-	274
Private placement notes	1,034,968	263,855	1,298,823	3,840,310	-	-
Compensated absences	406,695	12,581	419,276	1,204,912	-	13,064
Total other postemployment benefits liability	2,083,907	72,895	2,156,802	9,405,109	-	-
Landfill obligation	-	4,021,000	4,021,000	-	-	-
Net pension liability	-	-	-	23,956,142	-	-
Total liabilities	89,347,659	7,958,794	97,306,453	43,138,661	374	17,103,845
DEFERRED INFLOWS OF RESOURCES						
Property taxes collected in advance	659,076	-	659,076	-	-	-
Pension plan	5,314,876	469,079	5,783,955	20,817,535	-	-
Other postemployment benefits	619,692	21,391	641,083	2,454,961	-	-
Total deferred inflows of resources	6,593,644	490,470	7,084,114	23,272,496	-	-
NET POSITION						
Net investment in capital assets	5,531,857	10,038,412	15,570,269	66,479,171	1,101,288	6,628,241
Restricted: Broadband	-	-	-	-	-	2,390,961
Unrestricted (deficit)	37,587,636	2,136,145	39,723,781	(41,089,525)	943,638	1,618,537
Total net position	$ 43,119,493	$ 12,174,557	$ 55,294,050	$ 25,389,646	$ 2,044,926	$ 10,637,739

See Notes to Financial Statements.

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 2

STATEMENT OF ACTIVITIES
Year Ended June 30, 2022

		Program Revenues			Net (Expense) Revenue and Changes in Net Position					
					Primary Government			Component Units		
			Operating	Capital						
		Charges	Grants and	Grants and	Governmental	Business-type		School		Broadband
Functions/Programs	Expenses	for Services	Contributions	Contributions	Activities	Activities	Totals	Board	EDA	Authority
Primary Government:										
Governmental activities:										
General government administration	$ 5,235,472	$ 943,606	$ 287,957	$ 60,679	$ (3,943,230)	$ -	$ (3,943,230)	$ -	$ -	$ -
Judicial administration	2,284,473	146,503	603,440	-	(1,534,530)	-	(1,534,530)	-	-	-
Public safety	16,514,769	2,445,147	7,778,540	154,192	(6,136,890)	-	(6,136,890)	-	-	-
Public works	3,590,009	8,075	-	-	(3,581,934)	-	(3,581,934)	-	-	-
Health and human services	8,609,225	364,100	4,617,273	-	(3,627,852)	-	(3,627,852)	-	-	-
Education	27,559,351	-	-	-	(27,559,351)	-	(27,559,351)	-	-	-
Parks, recreation and cultural	1,584,918	61,862	177,769	-	(1,345,287)	-	(1,345,287)	-	-	-
Community development	3,949,626	104,492	-	-	(3,845,134)	-	(3,845,134)	-	-	-
Interest	2,445,323	-	-	-	(2,445,323)	-	(2,445,323)	-	-	-
Total governmental activities	71,773,166	4,073,785	13,464,979	214,871	(54,019,531)	-	(54,019,531)	-	-	-
Business-type activities:										
Airport	1,225,657	351,672	226,573	-	-	(647,412)	(647,412)	-	-	-
Landfill	3,480,468	691,227	14,601	-	-	(2,774,640)	(2,774,640)	-	-	-
Total business-type activities	4,706,125	1,042,899	241,174	-	-	(3,422,052)	(3,422,052)	-	-	-
Total primary government	$ 76,479,291	$ 5,116,684	$ 13,706,153	$ 214,871	(54,019,531)	(3,422,052)	(57,441,583)	-	-	-
Component Units:										
School Board	$ 56,141,247	$ 88,058	$ 43,077,571	$ -	-	-	-	(12,975,618)	-	-
Economic Development Authority	149,575	9,376	216,813	-	-	-	-	-	76,614	-
Broadband Authority	1,988,664	2,492,117	-	3,389,275	-	-	-	-	-	3,892,728
Total component units	$ 58,279,486	$ 2,589,551	$ 43,294,384	$ 3,389,275	-	-	-	(12,975,618)	76,614	3,892,728

General Revenues:						
Taxes:						
General property taxes	48,430,839	-	48,430,839	-	-	-
Other local taxes:						
Local sales and use	5,243,821	-	5,243,821	-	-	-
Consumer utility tax	651,458	-	651,458	-	-	-
Consumption taxes	101,747	-	101,747	-	-	-
Motor vehicle licenses	1,099,823	-	1,099,823	-	-	-
Taxes on recordation and wills	1,126,347	-	1,126,347	-	-	-
Restaurant food taxes	1,099,713	-	1,099,713	-	-	-
Other taxes	327,517	-	327,517	-	-	-
Grants and contributions not restricted to specific programs	-	-	-	22,993,671	-	-
Intergovernmental, non-categorical aid	3,921,889	-	3,921,889	-	-	-
Use of money and property	14,796	-	14,796	1,023	2,153	1,275
Miscellaneous	474,986	11,883	486,869	174,407	10,025	-
Gain on sale of land	-	-	-	-	115,000	-
Transfers	(2,813,091)	2,813,091	-	-	-	-
Total general revenues and transfers	59,679,845	2,824,974	62,504,819	23,169,101	127,178	1,275
Change in net position	5,660,314	(597,078)	5,063,236	10,193,483	203,792	3,894,003
Net position, beginning, as restated	37,459,179	12,771,635	50,230,814	15,196,163	1,841,134	6,743,736
Net position, ending	$ 43,119,493	$ 12,174,557	$ 55,294,050	$ 25,389,646	$ 2,044,926	$ 10,637,739

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 3

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2022

	General	Virginia Public Assistance	EMS & Fire	COVID-19	Debt Service	Capital Projects	Other Governmental Funds	Total
ASSETS								
Cash and cash equivalents	$ 24,893,927	$ 59,150	$ -	$ 1,826,266	$ 200,963	$ 3,934,684	$ 9,112	$ 30,924,102
Investments	6,290,221	-	-	-	-	-	-	6,290,221
Receivables, net:								
Taxes	2,865,433	-	219,662	-	-	-	-	3,085,095
Accounts receivable	1,625,289	130	480,900	-	-	1,515,909	537	3,622,765
Due from other governments	921,484	285,437	105,290	-	-	20,000	-	1,332,211
Note receivable	12,415,000	-	-	-	-	-	-	12,415,000
Prepaid items	50,000	-	-	-	-	-	-	50,000
Restricted cash	1,326,005	-	1,918,144	1,913,928	-	12,125,986	54,660	17,338,723
Total assets	$ 50,387,359	$ 344,717	$ 2,723,996	$ 3,740,194	$ 200,963	$ 17,596,579	$ 64,309	$ 75,058,117
LIABILITIES								
Accounts payable and accrued expenditures	$ 3,354,760	$ 267,875	$ 388,333	$ 26,681	$ 200,963	$ 425,446	$ 21,603	$ 4,685,661
Unearned revenue	-	-	-	1,913,928	-	-	-	1,913,928
Total liabilities	3,354,760	267,875	388,333	1,940,609	200,963	425,446	21,603	6,599,589
DEFERRED INFLOWS OF RESOURCES								
Property taxes collected in advance	547,773	-	111,303	-	-	-	-	659,076
Unavailable revenue	14,604,687	-	463,824	-	-	-	-	15,068,511
Total deferred inflows of resources	15,152,460	-	575,127	-	-	-	-	15,727,587
FUND BALANCES								
Nonspendable	50,000	-	-	-	-	-	-	50,000
Committed	-	56,922	-	-	-	-	42,706	99,628
Assigned	4,236,256	19,920	1,760,536	1,799,585	-	17,171,133	-	24,987,430
Unassigned	27,593,883	-	-	-	-	-	-	27,593,883
Total fund balances	31,880,139	76,842	1,760,536	1,799,585	-	17,171,133	42,706	52,730,941
Total liabilities, deferred inflows of resources and fund balances	$ 50,387,359	$ 344,717	$ 2,723,996	$ 3,740,194	$ 200,963	$ 17,596,579	$ 64,309	$ 75,058,117

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 4

RECONCILIATION OF THE BALANCE SHEET OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
June 30, 2022

		Governmental Funds
Total fund balances - total governmental funds		$ 52,730,941
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.		
Governmental capital assets	$ 82,194,201	
Less accumulated depreciation and amortization	(24,554,348)	
Net capital assets		57,639,853
Long-term assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental fund.		
Net pension asset		2,408,078
Deferred outflows of resources represent a consumption of net position that applies to a future period and are not recognized as deferred outflows of resources in the governmental funds.		
Pension plan	2,163,986	
Other postemployment benefits	529,466	
		2,693,452
Unavailable revenue represents amounts that were not available to fund current expenditures and, therefore, is not reported as revenue in the governmental funds.		15,068,511
Internal service funds are used by management to charge the costs of goods provided to other departments or funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.		(691,564)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Bonds payable, including unamortized premiums and discounts	(75,010,528)	
Private placement note	(1,468,008)	
Compensated absences	(1,564,212)	
Leases payable	(893,767)	
Interest payable	(724,529)	
Deferred charge on refunding	949,741	
Total other postemployment benefits liability	(2,083,907)	
		(80,795,210)
Deferred inflows of resources represent an acquisition of net position that applies to a future period and are not recognized as deferred inflows of resources in the governmental funds.		
Pension plan	(5,314,876)	
Other postemployement benefits	(619,692)	
		(5,934,568)
Net position of governmental activities		$ 43,119,493

See Notes to Financial Statements.

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 5

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS Year Ended June 30, 2022

	General	Virginia Public Assistance	EMS & Fire	COVID-19	Debt Service	Capital Projects	Other Governmental Funds	Total
Revenues:								
General property taxes	$ 42,285,753	$ -	$ 5,863,655	$ -	$ -	$ -	$ -	$ 48,149,408
Other local taxes	9,659,926	-	-	-	-	-	-	9,659,926
Permits, privilege fees and regulatory licenses	710,396	-	-	-	-	-	-	710,396
Fines and forfeitures	108,845	-	-	-	-	-	-	108,845
Use of money and property	(23,297)	-	-	-	-	38,010	83	14,796
Charges for services	644,624	-	1,582,927	-	-	-	6,803	2,234,354
Miscellaneous	451,768	7,663	2,150	-	-	25,439	1,578	488,598
Recovered costs	1,712,849	-	24,987	-	-	-	-	1,737,836
Intergovernmental:								
Commonwealth	8,349,518	1,079,494	181,704	-	-	-	1,415	9,612,131
Federal	138,356	1,868,794	63,938	5,918,520	-	-	-	7,989,608
Total revenues	64,038,738	2,955,951	7,719,361	5,918,520	-	63,449	9,879	80,705,898
Expenditures:								
Current:								
General government administration	4,357,010	-	-	119,091	-	-	-	4,476,101
Judicial administration	2,307,594	-	-	-	-	-	6,273	2,313,867
Public safety	8,207,850	-	5,797,378	1,194,364	-	-	10,895	15,210,487
Public works	1,342,320	-	-	2,042,703	-	-	-	3,385,023
Health and human services	4,488,152	3,968,109	-	9,771	-	-	-	8,466,032
Education	23,037,270	-	-	-	-	-	-	23,037,270
Parks, recreation and cultural	1,514,192	-	-	21,847	-	-	-	1,536,039
Community development	1,769,610	-	-	73,534	-	-	-	1,843,144
Nondepartmental	120,264	-	-	-	-	-	-	120,264
Capital outlay	-	-	-	-	-	4,476,677	-	4,476,677
Debt service:								
Principal	-	-	163,462	-	6,434,380	-	-	6,597,842
Interest and fiscal charges	-	-	11,223	-	3,092,320	-	-	3,103,543
Total expenditures	47,144,262	3,968,109	5,972,063	3,461,310	9,526,700	4,476,677	17,168	74,566,289
Excess (deficiency) of revenues over (under) expenditures	16,894,476	(1,012,158)	1,747,298	2,457,210	(9,526,700)	(4,413,228)	(7,289)	6,139,609
Other financing sources (uses):								
Bond issuances	-	-	-	-	-	1,515,909	-	1,515,909
Transfers in	406,602	961,525	9,684	-	9,526,700	3,543,307	-	14,447,818
Transfers out	(13,636,607)	-	(1,012,777)	(2,457,210)	-	(154,315)	-	(17,260,909)
Other financing sources (uses), net	(13,230,005)	961,525	(1,003,093)	(2,457,210)	9,526,700	4,904,901	-	(1,297,182)
Net change in fund balances	3,664,471	(50,633)	744,205	-	-	491,673	(7,289)	4,842,427
Fund balance, beginning, as restated	28,215,668	127,475	1,016,331	1,799,585	-	16,679,460	49,995	47,888,514
Fund balance, ending	$ 31,880,139	$ 76,842	$ 1,760,536	$ 1,799,585	$ -	$ 17,171,133	$ 42,706	$ 52,730,941

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 6

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2022

		Governmental Funds
Net change in fund balances - total governmental funds		$ 4,842,427
Reconciliation of amounts reported for governmental activities in the Statement of Activities:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation and amortization expense. This is the amount by which capital outlays exceeded depreciation and amortization in the current period.		
Expenditures for capital assets	$ 1,342,325	
Less depreciation and amortization expense	(1,672,717)	
Excess of capital outlays over depreciation and amortization		(330,392)
Transfer of joint tenancy assets from Primary Government to the School Board Component Unit:		
Transfer of capital assets to component unit	(4,797,342)	
Transfer of depreciation to component unit	919,831	
		(3,877,511)
The net effect of miscellaneous transactions involving capital assets (i.e. sales, trade-ins and donations) is to decrease net position.		
Disposals of capital assets		(1,675)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		
Unavailable revenue		(459,327)
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		
Debt issued or incurred:		
Issuance of private placement notes	(1,515,909)	
		(1,515,909)
Principal repayments:		
General obligation debt	4,579,840	
Lease revenue refunding bonds	1,579,000	
Lease payable	163,462	
Private placement note	275,540	
		6,597,842
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Accrued interest	177,735	
Compensated absences	(200,860)	
Changes in OPEB liabilities and related deferred outflows and inflows of resources	(119,862)	
Amortization of deferred charge on refunding	(79,126)	
Amortization of premium	559,611	
Changes in pension liabilities and related deferred outflows and inflows of resources	1,166,616	
		1,504,114
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net income of the internal service funds are reported with governmental activities.		
Total revenues	8,505,207	
Total expenses	(9,604,462)	
		(1,099,255)
Change in net position of governmental activities		$ 5,660,314

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 7

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2022

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Airport	Landfill	Total	
ASSETS				
Current assets:				
Cash and cash equivalents	$ 847,638	$ 4,106,225	$ 4,953,863	$ 250,894
Investments	213,470	1,034,113	1,247,583	60,661
Receivables, net	28,022	456,852	484,874	-
Due from other governments	67,700	-	67,700	-
Inventory	40,484	-	40,484	-
Total current assets	1,197,314	5,597,190	6,794,504	311,555
Noncurrent assets:				
Net pension asset	51,626	160,905	212,531	-
Capital assets:				
Land	1,758,655	64,605	1,823,260	-
Buildings and improvements	11,967,647	67,121	12,034,768	-
Landfill development costs	-	3,349,705	3,349,705	-
Furniture, equipment and vehicles	200,672	1,428,846	1,629,518	-
Construction in progress	952,377	2,401,774	3,354,151	-
Less accumulated depreciation and amortization	(5,483,994)	(3,299,843)	(8,783,837)	-
Total capital assets, net of accumulated depreciation and amortization	9,395,357	4,012,208	13,407,565	-
Total noncurrent assets	9,446,983	4,173,113	13,620,096	-
Total assets	10,644,297	9,770,303	20,414,600	311,555
DEFERRED OUTFLOWS OF RESOURCES				
Pension plan	46,339	144,613	190,952	-
Other postemployment benefits	4,270	13,999	18,269	-
Total deferred outflows of resources	50,609	158,612	209,221	-
LIABILITIES				
Current liabilities:				
Accounts payable	98,572	210,547	309,119	39,149
Compensated absences	570	46,758	47,328	-
Accrued payroll	7,980	39,488	47,468	-
Accrued interest	-	76,751	76,751	-
Private placement note	-	76,568	76,568	-
Insurance and benefit claims	-	-	-	963,970
Total current liabilities	107,122	450,112	557,234	1,003,119
Noncurrent liabilities:				
Compensated absences	152	12,429	12,581	-
Private placement note	-	263,855	263,855	-
Total other postemployment benefits liability	16,797	56,098	72,895	-
Revenue Bonds	-	3,028,729	3,028,729	-
Landfill obligation	-	4,021,000	4,021,000	-
Unearned revenue	-	2,500	2,500	-
Total noncurrent liabilities	16,949	7,384,611	7,401,560	-
Total liabilities	124,071	7,834,723	7,958,794	1,003,119
DEFERRED INFLOWS OF RESOURCES				
Pension plan	113,944	355,135	469,079	-
Other postemployment benefits	4,992	16,399	21,391	-
Total deferred inflows of resources	118,936	371,534	490,470	-
NET POSITION				
Net investment in capital assets	9,395,357	643,055	10,038,412	-
Unrestricted (deficit)	1,056,542	1,079,603	2,136,145	(691,564)
Total net position	$ 10,451,899	$ 1,722,658	$ 12,174,557	$ (691,564)

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 8

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
Year Ended June 30, 2022

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Airport	Landfill	Totals	
Operating revenues:				
Charges for services	$ 351,672	$ 691,227	$ 1,042,899	$ 8,505,207
Miscellaneous	11,883	-	11,883	-
Total operating revenues	363,555	691,227	1,054,782	8,505,207
Operating expenses:				
Personal services	131,943	698,370	830,313	-
Fringe benefits	22,346	93,998	116,344	-
Contractual services	117,024	943,250	1,060,274	-
Other charges	539,883	1,167,955	1,707,838	-
Insurance claims and other expenses	-	-	-	9,604,462
Depreciation and amortization	414,461	444,334	858,795	-
Total operating expenses	1,225,657	3,347,907	4,573,564	9,604,462
Operating loss	(862,102)	(2,656,680)	(3,518,782)	(1,099,255)
Nonoperating revenues (expenses):				
Intergovernmental	226,573	14,601	241,174	-
Interest expense	-	(132,561)	(132,561)	-
Loss before transfers	(635,529)	(2,774,640)	(3,410,169)	(1,099,255)
Transfers in	268,720	2,544,371	2,813,091	-
Change in net position	(366,809)	(230,269)	(597,078)	(1,099,255)
Total net position, beginning, as restated	10,818,708	1,952,927	12,771,635	407,691
Total net position (deficit), ending	$ 10,451,899	$ 1,722,658	$ 12,174,557	$ (691,564)

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended June 30, 2022

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Airport	Landfill	Totals	
Cash flows from operating activities:				
Receipts from interfund services provided	$ -	$ -	$ -	$ 8,505,207
Receipts from customers	811,663	353,475	1,165,138	-
Claims and benefits paid	-	-	-	(9,570,381)
Payments to suppliers for goods and services	(591,582)	(2,032,547)	(2,624,129)	-
Payments to employees for services	(187,583)	(838,805)	(1,026,388)	-
Other receipts	11,883	-	11,883	-
Net cash provided by (used in) operating activities	44,381	(2,517,877)	(2,473,496)	(1,065,174)
Cash flows from noncapital financing activities:				
Transfers from other funds	268,720	2,544,371	2,813,091	-
Net cash provided by noncapital financing activities	268,720	2,544,371	2,813,091	-
Cash flows from capital and related financing activities:				
Intergovernmental	226,573	14,601	241,174	-
Principal payments on private placement notes	-	(53,813)	(53,813)	-
Interest payments on private placement notes	-	(132,561)	(132,561)	-
Proceeds from issuance of private placement notes	-	284,750	284,750	-
Acquisition and construction of capital assets	(46,501)	(1,596,577)	(1,643,078)	-
Net cash provided by (used in) capital and related financing activities	180,072	(1,483,600)	(1,303,528)	-
Cash flows from investing activities:				
Sale of investments	-	316,635	316,635	217,752
Purchase of investments	(97,192)	-	(97,192)	-
Net cash provided by (used in) investing activities	(97,192)	316,635	219,443	217,752
Net change in cash and cash equivalents	395,981	(1,140,471)	(744,490)	(847,422)
Cash and cash equivalents:				
Beginning	451,657	5,246,696	5,698,353	1,098,316
Ending	$ 847,638	$ 4,106,225	$ 4,953,863	$ 250,894

See Notes to Financial Statements.

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 9
Page 2

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended June 30, 2022

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service
	Airport	Landfill	Totals	Fund
Reconciliation of operating loss to net cash provided by (used in) operating activities:				
Operating loss	$ (862,102)	$ (2,656,680)	$ (3,518,782)	$ (1,099,255)
Adjustments to reconcile operating loss to net cash used in operating activities:				
Depreciation and amortization	414,461	444,334	858,795	-
Increase in pension & OPEB related deferred outflows of resources	(4,191)	(8,550)	(12,741)	-
Increase in pension & OPEB related deferred inflows of resources	110,761	344,650	455,411	-
Changes in assets and liabilities:				
Decrease (increase) in:				
Receivables	459,991	(337,752)	122,239	-
Inventory	(3,489)	-	(3,489)	-
Increase (decrease) in:				
Accounts payable	68,814	(448,060)	(379,246)	34,081
Accrued liabilities	(17,119)	71,318	54,199	-
Unearned revenue	-	2,500	2,500	-
Landfill obligation	-	463,000	463,000	-
Pension liability	(118,376)	(374,274)	(492,650)	-
OPEB liability	(4,369)	(18,363)	(22,732)	-
Net cash provided by (used in) operating activities	$ 44,381	$ (2,517,877)	$ (2,473,496)	$ (1,065,174)

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 10

STATEMENT OF NET POSITION
FIDUCIARY FUNDS
June 30, 2022

	Custodial Funds
ASSETS	
Restricted cash	$ 108,577
Total assets	108,577
LIABILITIES	
Accounts payable	11,677
Total liabilities	11,677
NET POSITION	
Restricted for:	
Individuals	40,134
Other governments	56,766
Total net position	$ 96,900

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 11

STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
Year Ended June 30, 2022

	Custodial Funds
ADDITIONS	
Benefits collected on behalf of others	$ 4,105,316
Total additions	4,105,316
DEDUCTIONS	
Payments to beneficiaries or other governments	4,095,225
Total deductions	4,095,225
Net increase in fiduciary net position	10,091
Total net position, beginning	86,809
Total net position, ending	$ 96,900

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

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

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

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

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

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

Note 1. Summary of Significant Accounting Policies (Continued)

B. Government-Wide and Fund Financial Statements

1. Government-Wide Financial Statements

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

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

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

2. Fund Financial Statements

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

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

The *Special Revenue Funds* account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. The major special revenue funds are the Virginia Public Assistance Fund, which accounts for the operation of various programs under the Orange County Department of Social Services, the EMS & Fire Fund, which accounts for emergency services performed by Orange County, and the Covid-19 Fund, which accounts for Covid-19 related revenues and expenditures. Revenues are derived primarily from state and federal grants.

Note 1. Summary of Significant Accounting Policies (Continued)

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

2. Fund Financial Statements (Continued)

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

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

The County reports the following major proprietary funds:

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

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

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

Major proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the fund's principal ongoing operations. The principal operating revenues of the County's major proprietary funds are charges to customers for sales and services. Operating expenses for major proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Additionally, the County reports the following fund types:

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

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

Note 1. Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

1. Deposits and Investments

Cash and Cash Equivalents

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

Investments

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

Note 1. Summary of Significant Accounting Policies (Continued)

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

2. Restricted Cash

The General Fund reports restricted cash of $1,326,005, which consists of bonds held, escrow funds, and surplus sale of LGIP funds.

The EMS & Fire Fund reports restricted cash of $1,918,144, which consists of unspent EMS & Fire levy proceeds. The Capital Projects Funds report restricted cash of $12,125,986, which consists of unspent bond proceeds. The Covid-19 Fund reports restricted cash at $1,913,928, which consists of unspent federal grant proceeds. Other Governmental Funds report restricted cash of $54,660, which consists of asset forfeiture amounts. The custodial funds report restricted cash of $108,577, which consists of special welfare amounts and taxes due to the state. The Broadband Authority reports restricted cash of $1,157,511, which consists of unspent bond proceeds.

3. Interfund Receivables and Payables

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

4. Prepaid Items

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

5. Inventories

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

6. Taxes Receivable

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

Note 1. Summary of Significant Accounting Policies (Continued)

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

7. Note Receivable

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

	Governmental Activities	
Year(s) Ending June 30,	Principal	Interest
2023	$ 785,000	$ 531,463
2024	825,000	491,213
2025	865,000	448,963
2026	910,000	404,588
2027	960,000	357,838
2028-2032	5,535,000	1,075,594
2033-2036	2,535,000	102,300
	$ 12,415,000	$ 3,411,959

8. Capital Assets

Capital assets, which include property, right-to-use lease buildings, buildings, right-to-use leased equipment, and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined as assets with an initial, individual cost of more than $10,000 for the County, $5,000 for the School Board, and $1,200 for the Broadband Authority and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed (except for intangible right-to-use lease assets, the measurement of which is discussed in Note 1.D.12. below). Donated capital assets are recorded at acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of contribution.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its life are not capitalized. There were no impaired capital assets at June 30, 2022.

Note 1. Summary of Significant Accounting Policies (Continued)

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

8. Capital Assets (Continued)

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

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

Buildings	50 years
Right-to-use lease buildings	2-7 years
Building improvements	10-50 years
Right-to-use leased equipment	3 years
Furniture, equipment and vehicles	5-12 years

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

9. Deferred Outflows and Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County and discretely presented component unit, the School Board, have several items that qualify for reporting in this category. One item is a deferred charge on refunding resulting from the difference in carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the life of the refunded or refunding debt. The remaining items relate to the pension and other postemployment benefits (OPEB) plans. See Notes 12 through 14 for more information.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. Several types of items qualify for reporting in this category. Accordingly, one item, unavailable revenue, which arises under the modified accrual basis of accounting, is reported only in the governmental funds Balance Sheet. The governmental funds report unavailable revenue from property taxes, EMS billings, a long-term note receivable, amounts due from the Towns of Gordonsville and Orange, and other items not collected within the available period. This amount is deferred and recognized as an inflow of resources in the period that the amounts become available. The remaining items relate to the pension and OPEB plans. See Notes 12 through 14 for more information.

Note 1. Summary of Significant Accounting Policies (Continued)

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

10. Compensated Absences

The County and School Board have policies to allow the accumulation and vesting of limited amounts of paid leave and sick leave until termination or retirement. Amounts of such absences are accrued when incurred in the government-wide, proprietary and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds when the amounts are due for payment.

11. Long-term Obligations

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

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

12. Leases

Lessee: The County and Broadband Authority are lessees for noncancellable leases of buildings and equipment. The County and Authority recognize lease liabilities and intangible right-to-use lease assets (lease assets) in the government-wide financial statements. The County recognized lease liabilities with an initial, individual value of $10,000 or more. The Broadband Authority recognizes lease liabilities with an initial, individual value of $1,200 or more.

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

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

Note 1. Summary of Significant Accounting Policies (Continued)

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

12. Leases (Continued)

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

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

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

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

13. Pensions

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

14. Other Postemployment Benefits

Medical Insurance Program

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

Note 1. Summary of Significant Accounting Policies (Continued)

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

14. Other Postemployment Benefits (Continued)

Group Life Insurance Program

The VRS Group Life Insurance Program (GLI) is a multiple employer, cost-sharing plan. It provides coverage to state employees, teachers, and employees of participating political subdivisions. The GLI was established pursuant to Section 51.1-500 et seq. of the *Code of Virginia*, as amended, and which provides the authority under which benefit terms are established or may be amended. The GLI is a defined benefit plan that provides a basic GLI benefit for employees of participating employers. For purposes of measuring the total GLI OPEB liability, deferred outflows of resources and deferred inflows of resources related to the GLI OPEB, and GLI OPEB expense, information about the fiduciary net position of the VRS GLI OPEB and the additions to/deductions from the VRS GLI OPEB's fiduciary net position have been determined on the same basis as they were reported by VRS. In addition, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Health Insurance Credit Program

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

15. Fund Balances/Net Position

a. Fund Balances

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

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

Note 1. Summary of Significant Accounting Policies (Continued)

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

15. Fund Balances/Net Position (Continued)

a. Fund Balances (Continued)

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

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

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

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

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

b. Restricted Amounts

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

Note 1. Summary of Significant Accounting Policies (Continued)

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

15. Fund Balances/Net Position (Continued)

c. Minimum Fund Balance Policy

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

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

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

d. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the appropriation, is employed as an extension of formal budgetary integration in the governmental funds. In accordance with the County's adopted budget process, encumbered funds are reappropriated annually by the Board of Supervisors in the succeeding year's budget amendment. Encumbrances outstanding at year end total $4,486,279 in the General Fund. These amounts are reported as assigned fund balance since they do not constitute expenditures or liabilities.

e. Net Position

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

Note 1. Summary of Significant Accounting Policies (Continued)

E. Use of Estimates

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

F. Subsequent Events

The County has evaluated subsequent events through December 15, 2022, the date on which the financial statements were available to be issued.

Note 2. Stewardship, Compliance, and Accountability

Budgetary Information

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

1. Prior to April 1, the County Administrator submits to the Board of Supervisors a proposed operating and capital budget for the fiscal year commencing July 1. The operating and capital budget includes proposed expenditures and the means of financing them. The following funds have legally adopted budgets: General Fund, Virginia Public Assistance Fund, EMS & Fire Fund, Law Library Fund, Asset Forfeiture Fund, Covid-19 Fund, School Operating Fund, School Textbook Adoptions Fund, and School Adult Education Fund.
2. Public hearings are conducted to obtain citizen comments.
3. Prior to June 30, the budget is legally enacted through passage of an Appropriations Resolution.
4. The Appropriations Resolution places legal restrictions on expenditures at the function level. The appropriation for each function can be revised by the Board of Supervisors only. Amounts that do not fall under a function’s control are categorized as non-departmental even though they may relate to a particular function.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund and Special Revenue Funds (except the School Funds). The School Funds are integrated only at the level of legal adoption.
6. All budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP).
7. Appropriations lapse on June 30.
8. Budget data presented in the accompanying financial statements includes the original adopted budget and the revised budget as of June 30.

Note 3. Deposits and Investments

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

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

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

The State Treasurer's Local Government Investment Pool (LGIP) is an external investment pool and a professionally managed money market fund which invests in qualifying obligations and securities as permitted by Virginia statutes. Pursuant to Section 2.2-4605 of the *Code of Virginia*, the Treasury Board of the Commonwealth sponsors the LGIP and has delegated certain functions to the State Treasurer. The LGIP reports to the Treasury Board at their regularly scheduled monthly meetings. The County's investments in the LGIP, totaling $22,756,645, are stated at amortized cost and classified as cash and cash equivalents. The LGIP has been assigned an "AAAm" rating by Standard & Poor's (S&P). The maturity of the LGIP is less than one year.

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

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

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

Note 3. Deposits and Investments (Continued)

Investment Policy (Continued): As of June 30, 2022, the County's investment policy establishes investment types and quality levels for use by the County in the investment of its public funds:

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

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

The County's investments as of June 30, 2022 are presented in the following table using the Standard & Poor's rating scale.

Rated Debt Investment	Fair Quality Ratings	
	AAAm	Aaf/S1
Local Government Investment Pool	$ 22,756,645	$ -
US Treasury Notes	1,233,450	-
Virginia Investment Pool	-	7,909,893
State Non-Arbitrage Pool	10,956,796	-

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

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

Note 3. Deposits and Investments (Continued)

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

	Fair Value	Investment Maturities: Less Than 1 Year	Investment Maturities: 1 - 5 Years
Certificates of deposit	$ 527,857	$ 262,381	$ 265,476
US Treasury Notes	1,233,450	-	1,233,450
Virginia Investment Pool	7,909,893	2,564,467	5,345,426
	$ 9,671,200	$ 2,826,848	$ 6,844,352

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

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

The County has the following recurring fair value measurement as of June 30, 2022:

- Certificates of deposit of $527,857 are valued using quoted market prices (Level 1 inputs).
- Virginia Investment Pool totaling $7,909,893 is valued using quoted market prices (Level 1 inputs).
- US Treasury Notes totaling $1,233,450 are valued using quoted market prices (Level 1 inputs).

Note 3. Deposits and Investments (Continued)

At June 30, 2022, the deposits and investments were as follows:

Deposits:	
Demand deposits	$ 25,769,588
Cash on hand	6,395
Total deposits	25,775,983
Investments:	
Certificates of deposit	527,857
Money market mutual funds	1,157,511
Local Government Investment Pool	22,756,645
US Treasury Notes	1,233,450
Virginia Investment Pool	7,909,893
State Non-Arbitrage Pool	10,956,796
Total investments	44,542,152
Total deposits and investments	$ 70,318,135

Total deposits and investments are composed as follows:

Deposits and investments:	
Cash and cash equivalents:	
Governmental Activities	$ 31,174,996
Business-type Activities	4,953,863
Component Unit - School Board	3,317,239
Component Unit - EDA	416,155
Component Unit - Broadband Authority	2,288,447
Total cash and cash equivalents	42,150,700
Restricted cash:	
Governmental Activities	17,338,723
Component Unit - Broadband Authority	1,157,511
Total restricted cash	18,496,234
Investments:	
Governmental Activities	6,350,882
Business-type Activities	1,247,583
Component Unit - School Board	311,429
Component Unit - EDA	527,857
Component Unit - Broadband Authority	1,233,450
Total investments	9,671,201
Total deposits and investments	$ 70,318,135

Note 4. Receivables

Receivables consist of the following:

	Governmental Activities	Business-type Activities	Total Primary Government	Component Unit - School Board	Component Unit - Broadband Authority
Receivables:					
Taxes	$ 3,663,072	$ -	$ 3,663,072	$ -	$ -
Less allowance for uncollectible accounts	(577,977)	-	(577,977)	-	-
Net taxes receivable	3,085,095	-	3,085,095	-	-
Accounts	3,898,899	484,874	4,383,773	69,836	547,974
Less allowance for uncollectible accounts	(276,134)	-	(276,134)	-	-
Net accounts receivable	3,622,765	484,874	4,107,639	69,836	547,974
Total receivables	$ 6,707,860	$ 484,874	$ 7,192,734	$ 69,836	$ 547,974

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

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

Note 5. Unavailable Revenue

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

	Unavailable
Property taxes receivable, net of allowance	$ 2,301,586
EMS transport fees	320,440
Long-term note receivable	12,415,000
Other	31,485
	$ 15,068,511

Note 6. Due from Other Governmental Units

Amounts due from other governments consist of the following:

Primary Government:		
Governmental Funds:		
General Fund:		
Other local government:		
Town of Gordonsville	$	38,000
Commonwealth of Virginia:		
Communications sales and use taxes		163,649
Children's Services Act		469,808
Categorical aid:		
Shared costs:		
Commissioner of the Revenue		10,613
Commonwealth Attorney		14,493
Sheriff		128,450
Clerk of Circuit Court		25,721
Treasurer		10,784
Other		41,055
Federal government:		
Public safety		18,911
Total General Fund		921,484
Virginia Public Assistance Fund:		
Commonwealth of Virginia:		
Public assistance		110,597
Federal government:		
Public assistance		174,840
Total Virginia Public Assistance Fund		285,437
EMS & Fire Fund:		
Federal government:		
Public safety		105,290
Total EMS & Fire Fund		105,290
County Capital Projects Fund:		
Commonwealth of Virginia:		
Miscellaneous		20,000
Total County Capital Projects Fund		20,000
Total Primary Government - Governmental Funds	$	1,332,211
Total Primary Government - Governmental Activities	$	1,332,211

Note 6. Due from Other Governmental Units (Continued)

Component Unit - School Board:		
School Operating Fund:		
Commonwealth of Virginia:		
State sales tax receipts	$	1,466,283
Federal government:		
Education grants		573,550
Total School Operating Fund		2,039,833
Adult Education Fund:		
Federal government:		
Adult literacy services		113,531
Total Adult Education Fund		113,531
School Cafeteria Fund:		
Federal government:		
School food program		56,225
Total School Cafeteria Fund		56,225
Head Start Fund:		
Federal government:		
Head Start program		255,646
Total Head Start Fund		255,646
ESSER Fund:		
Federal government:		
Education grants		712,304
Total Head Start Fund		712,304
Total Component Unit - School Board	$	3,177,539

Note 7. Interfund Transfers

Interfund transfers consist of the following:

Fund	Transfer In	Transfer Out
Primary Government:		
Governmental Activities:		
General	$ 406,602	$ 13,636,607
Virginia Public Assistance	961,525	-
EMS & Fire	9,684	1,012,777
Covid-19	-	2,457,210
Debt Service	9,526,700	-
Capital Projects	3,543,307	154,315
Total Governmental Activities	14,447,818	17,260,909
Business-type Activities:		
Airport	268,720	-
Landfill	2,544,371	-
Total Business-type Activities	2,813,091	-
Total Primary Government	$ 17,260,909	$ 17,260,909
Component Unit - School Board:		
School Board:		
School Operating	$ -	$ 719,108
School Textbook Adoptions	507,442	-
School Capital Projects	211,666	-
Total Component Unit - School Board	$ 719,108	$ 719,108

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

Note 8. Interfund Receivables and Payables

Interfund and due to (from) primary government / component unit balances at June 30, 2022 are as follows:

Fund	Interfund Receivable	Interfund Payable
School Board Component Unit:		
School Operating	$ 702,670	$ -
Adult Education	-	103,960
Head Start	-	177,173
ESSER	-	421,537
Total Component Unit - School Board	$ 702,670	$ 702,670

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

Note 9. Capital Assets

Capital asset activity for the year consists of the following:

	Beginning* Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets not being depreciated or amortized:					
Land	$ 2,332,288	$ -	$ -	$ -	$ 2,332,288
Easements	41,990	-	-	-	41,990
Construction in progress	23,964,233	803,789	-	(487,299)	24,280,723
Total capital assets not being depreciated or amortized	26,338,511	803,789	-	(487,299)	26,655,001
Capital assets being depreciated or amortized:					
Buildings and improvements	21,519,050	-	-	397,090	21,916,140
Right-to-use leased buildings	1,057,229	-	-	-	1,057,229
School buildings and improvements	23,019,687	-	(4,797,342)	-	18,222,345
Furniture, equipment and vehicle	13,906,454	538,536	(191,713)	90,209	14,343,486
Total capital assets being depreciated or amortized	59,502,420	538,536	(4,989,055)	487,299	55,539,200
Less accumulated depreciation and amortization:					
Buildings and improvements	8,039,309	498,517	-	-	8,537,826
Right-to-use leased buildings	-	165,113	-	-	165,113
School buildings and improvements	5,236,169	364,447	(1,284,278)	-	4,316,338
Furniture, equipment and vehicle	10,716,022	1,009,087	(190,038)	-	11,535,071
Total accumulated depreciation and amortization	23,991,500	2,037,164	(1,474,316)	-	24,554,348
Total capital assets being depreciated or amortized, net	35,510,920	(1,498,628)	(3,514,739)	487,299	30,984,852
Governmental activities capital assets, net	$ 61,849,431	$ (694,839)	$ (3,514,739)	$ -	$ 57,639,853

*Beginning balance was restated due to prior year errors being discovered in the current fiscal year and the implementation of GASB 87, *Leases.*

Note 9. Capital Assets (Continued)

	Beginning* Balance	Increases	Decreases	Transfers	Ending Balance
Business-type activities:					
Capital assets not being depreciated or amortized:					
Land	$ 1,823,260	$ -	$ -	$ -	$ 1,823,260
Construction in progress	2,070,736	1,283,415	-	-	3,354,151
Total capital assets not being depreciated or amortized	3,893,996	1,283,415	-	-	5,177,411
Capital assets being depreciated or amortized:					
Buildings and improvements	12,034,768	-	-	-	12,034,768
Landfill development costs	3,349,705	-	-	-	3,349,705
Furniture, equipment and vehicle	1,625,994	359,663	(356,139)	-	1,629,518
Total capital assets being depreciated or amortized	17,010,467	359,663	(356,139)	-	17,013,991
Less accumulated depreciation and amortization:					
Buildings and improvements	4,971,387	396,475	-	-	5,367,862
Landfill development costs	1,997,365	318,465	-	-	2,315,830
Furniture, equipment and vehicle	1,312,429	143,855	(356,139)	-	1,100,145
Total accumulated depreciation and amortization	8,281,181	858,795	(356,139)	-	8,783,837
Total capital assets being depreciated or amortized, net	8,729,286	(499,132)	-	-	8,230,154
Business-type activities capital assets, net	$ 12,623,282	$ 784,283	$ -	$ -	$ 13,407,565

*Beginning balance was restated due to prior year errors being discovered in the current fiscal year.

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

	Governmental Activities	Business-type Activities	Total Primary Government
General government administration	$ 539,739	$ -	$ 539,739
Judicial administration	7,552	-	7,552
Public safety	974,532	-	974,532
Public works	96,891	-	96,891
Health and human services	21,683	-	21,683
Parks, recreation, and cultural	25,178	-	25,178
Community development	7,142	-	7,142
Joint tenancy - education	364,447	-	364,447
Airport	-	414,461	414,461
Landfill	-	444,334	444,334
Total depreciation expense, primary government	$ 2,037,164	$ 858,795	$ 2,895,959

Note 9. Capital Assets (Continued)

Discretely Presented Component Unit – School Board

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

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Component Unit - School Board:					
Capital assets not being depreciated or amortized:					
Land	$ 1,855,343	$ -	$ -	$ -	$ 1,855,343
Construction in progress	3,749,552	1,472,122	-	(318,609)	4,903,065
Total capital assets not being depreciated or amortized	5,604,895	1,472,122	-	(318,609)	6,758,408
Capital assets being depreciated or amortized:					
Buildings and improvements	149,181,233	209,764	-	-	149,390,997
Allocated to County	(23,019,687)	4,797,342	-	-	(18,222,345)
Furniture, equipment and vehicle	16,063,801	1,286,076	(2,563,510)	318,609	15,104,976
Total capital assets being depreciated or amortized	142,225,347	6,293,182	(2,563,510)	318,609	146,273,628
Less accumulated depreciation and amortization:					
Buildings and improvements	73,452,292	3,065,475	-	-	76,517,767
Allocated to County	(5,236,169)	(364,447)	1,284,278	-	(4,316,338)
Furniture, equipment and vehicle	10,937,542	1,088,962	(2,327,318)	-	9,699,186
Total accumulated depreciation and amortization	79,153,665	3,789,990	(1,043,040)	-	81,900,615
Total capital assets being depreciated or amortized, net	63,071,682	2,503,192	(1,520,470)	318,609	64,373,013
School Board capital assets, net	$ 68,676,577	$ 3,975,314	$ (1,520,470)	$ -	$ 71,131,421

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

Note 9. Capital Assets (Continued)

Discretely Presented Component Unit – EDA

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

	Beginning Balance	Increases	Decreases	Ending Balance
Component Unit - EDA:				
Capital assets not being depreciated:				
Land	$ 1,112,388	$ -	$ (25,000)	$ 1,087,388
Construction in progress	-	13,900	-	13,900
Total capital assets not being depreciated or amortized	1,112,388	13,900	(25,000)	1,101,288
EDA capital assets	$ 1,112,388	$ 13,900	$ (25,000)	$ 1,101,288

Discretely Presented Component Unit – Broadband Authority

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

	Beginning* Balance	Increases	Ending Balance
Component Unit - Broadband Authority:			
Capital assets not being depreciated:			
Construction in progress	$ 9,739,675	$ 12,379,377	$ 22,119,052
Capital assets being depreciated or amortized:			
Right-to-use leased buildings	29,370	-	29,370
Furniture, equipment and vehicles	189,559	183,086	372,645
Right-to-use leased equipment	2,403	-	2,403
Total capital assets being depreciated or amortized	221,332	183,086	404,418
Less accumulated depreciation and amortization:			
Right-to-use leased buildings	-	17,622	17,622
Furniture, equipment and vehicles	6,959	35,423	42,382
Right-to-use leased equipment	-	1,068	1,068
Total accumulated depreciation and amortization	6,959	54,113	61,072
Total capital assets being depreciated or amortized, net	214,373	128,973	343,346
Broadband Authority capital assets, net	$ 9,954,048	$ 12,508,350	$ 22,462,398

*Beginning balance was restated due to the implementation of GASB 87, *Leases*.

Note 10. Long-Term Liabilities

Changes in long-term liabilities consist of the following:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental activities:					
General obligation bonds	$ 21,424,844	$ -	$ 4,579,840	$ 16,845,004	$ 2,641,990
Premium on bonds	1,594,844	-	217,501	1,377,343	-
	23,019,688	-	4,797,341	18,222,347	2,641,990
Lease revenue/refunding bond	55,242,271	-	1,579,000	53,663,271	3,916,000
Premium on bonds	3,467,020	-	342,110	3,124,910	-
	58,709,291	-	1,921,110	56,788,181	3,916,000
Bonds payable, net	81,728,979	-	6,718,451	75,010,528	6,557,990
Leases payable	1,057,229	-	163,462	893,767	165,990
Private placement notes	227,639	1,515,909	275,540	1,468,008	433,040
Compensated absences	1,363,352	3,796,173	3,595,313	1,564,212	1,157,517
	2,648,220	5,312,082	4,034,315	3,925,987	1,756,547
	$ 84,377,199	$ 5,312,082	$ 10,752,766	$ 78,936,515	$ 8,314,537
Business-type activities:					
Private placement notes	$ 109,486	$ 284,750	$ 53,813	$ 340,423	$ 76,568
Compensated absences	66,706	150,913	157,710	59,909	47,328
Lease revenue/refunding bond	3,028,729	-	-	3,028,729	-
Landfill obligation	3,558,000	463,000	-	4,021,000	-
	$ 6,762,921	$ 898,663	$ 211,523	$ 7,450,061	$ 123,896

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

Discretely Presented Component Unit – School Board

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental activities:					
Compensated absences	$ 1,487,619	$ 1,013,951	$ 1,186,658	$ 1,314,912	$ 110,000
Private placement notes	5,823,229	-	1,216,307	4,606,922	766,612
	$ 7,310,848	$ 1,013,951	$ 2,402,965	$ 5,921,834	$ 876,612

Note 10. Long-Term Liabilities (Continued)

Discretely Presented Component Unit – Broadband Authority

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Business-Type activities:					
VRA revenue bond	$ 15,830,000	$ -	$ -	$ 15,830,000	$ -
Discount on bond	(9,085)	-	-	(9,085)	-
Leases payable	31,773	-	(18,531)	13,242	12,968
Compensated absences	40,040	49,921	(66,208)	23,753	10,689
	$ 15,892,728	$ 49,921	$ (84,739)	$ 15,857,910	$ 23,657

Details of long-term obligations are as follows:

General Obligation Bonds:

School Board Projects:	
$1,615,000 VPSA general obligation bond, issued November 2002, due in annual installment of $125,000 through July 2023, plus semi-annual interest at 4.85%. The bond was issued at a premium of $60,150 which will be amortized over the life of the bond.	$ 125,000
$13,935,316 school improvement general obligation bond, issued November 2005, due in annual installments of $731,990 to $747,800 through July 2025, plus semi-annual interest at 4.00 to 5.10%. The bond was issued at a premium of $1,064,684 which will be amortized over the life of the bond.	2,960,004
$5,220,000 VPSA general obligation bond, issued November 2007, due in annual installments of $260,000 through July 2027, plus semi-annual interest at 4.35% to 5.10%. The bond was issued at a premium of $280,267 which will be amortized over the life of the bond.	1,560,000
$30,550,000 VPSA general obligation bond, issued November 2009, due in annual installments of $1,525,000 through July 2029, plus semi-annual interest at 4.05% to 5.05%. The bond was issued at a premium of $2,700,808 which will be amortized over the life of the bond.	12,200,000
Total General Obligation Bonds	$ 16,845,004

Lease Revenue and Refunding Bond - Governmental:

$48,110,000 lease revenue and refunding bonds for the public safety communications system, consolidated E-911 dispatch and facility, and rural broadband initiative, issued December 2016, due in annual installments of $1,345,000 to $4,035,000 through June 2037, plus interest payable annually at 3.13% to 5.00%. The bond was issued at a premium of $4,398,303 which will be amortized over the life of the bond.	$ 41,650,000
$15,166,000 lease revenue and refunding bonds (split between governmental activities and business-type activities below) for ambulance chassis, landfill expansion cell, capital projects, and rural broadband initiative, issued July 2020, due in annual installments of $401,000 to $1,289,000 through November 2028, plus interest payable annually at 2.16% to 2.28%.	12,013,271
Total Lease Revenue and Refunding Bonds for Governmental Activities	$ 53,663,271

Note 10. Long-Term Liabilities (Continued)

Lease Revenue and Refunding Bond - Business-type:

$15,166,000 lease revenue and refunding bonds (split between governmental activities above and business-type activities) for ambulance chassis, landfill expansion cell, capital projects, and rural broadband initiative, issued July 2020, due in annual installments of $124,000 to $1,289,000 through November 2028, plus interest payable annually at 2.16% to 2.28%.	$ 3,028,729
Total Lease Revenue and Refunding Bond for Business-Type Activities	$ 3,028,729
$15,830,000 VRA bond, issued May 2021, due in annual installments of $1,020,000 to $1,295,000 commencing October 2023 through October 2036, plus semi-annual interest at 0.698% to 2.596%. The bond was issued at a discount of $9,085 which will be amortized over the life of the bond.	$ 15,830,000
Total Lease Revenue and Refunding Bond for Broadband Authority Component Unit	$ 15,830,000

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

Year(s) Ending June 30,	General Obligation Bonds Principal	General Obligation Bonds Interest	Governmental Activities Lease Revenue and Refunding Bond Principal	Governmental Activities Lease Revenue and Refunding Bond Interest	Private Placement Notes Principal	Private Placement Notes Interest
2023	$ 2,641,990	$ 739,372	$ 3,916,000	$ 2,036,058	$ 433,040	$ 47,077
2024	2,522,620	611,412	3,893,000	1,854,511	447,045	33,072
2025	2,527,594	486,167	4,035,000	1,667,482	214,818	24,886
2026	2,532,800	368,312	4,239,000	1,471,363	51,461	16,872
2027	1,785,000	268,465	4,444,000	1,265,277	53,496	54,056
2028-2032	4,835,000	323,639	18,194,271	4,141,636	268,148	26,928
2033-2037	-	-	14,942,000	976,939	-	-
	$ 16,845,004	$ 2,797,367	$ 53,663,271	$ 13,413,266	$ 1,468,008	$ 202,891

Year(s) Ending June 30,	Business-Type Activities Lease Revenue and Refunding Bond Principal	Business-Type Activities Lease Revenue and Refunding Bond Interest
2023	$ -	$ 65,405
2024	450,000	60,545
2025	624,000	48,946
2026	637,000	35,327
2027	651,000	21,416
2028-2030	666,729	7,193
	$ 3,028,729	$ 238,832

Note 10. Long-Term Liabilities (Continued)

Year(s) Ending June 30,	Broadband Component Unit Lease Revenue and Refunding Bond Principal	Interest
2023	$ -	$ 292,229
2024	1,020,000	288,667
2025	1,030,000	280,744
2026	1,040,000	270,784
2027	1,050,000	258,615
2028-2032	5,530,000	1,020,106
2033-2037	6,160,000	388,908
	$ 15,830,000	$ 2,800,053

Private Placement Notes – Governmental:

$227,639 private placement note (payable from the General Fund), issued June 2021, secured by vehicles, semi-annual maturity from $37,773 to $38,761 through June 2024, plus semi-annual interest at 1.728%.	$ 153,062
$268,243 private placement note (payable from the General Fund), issued June 2022, secured by vehicles, semi-annual maturity from $42,811 to $45,854 through June 2025, plus semi-annual interest at 3.463%.	221,595
$698,840 private placement note (payable from the General Fund), issued June 2022, secured by vehicles, semi-annual maturity from $111,532 to $119,460 through June 2025, plus semi-annual interest at 3.463%.	577,311
$548,826 private placement note (payable from the General Fund), issued June 2022, secured by vehicles, semi-annual maturity from $22,683 to $32,157 through June 2032, plus semi-annual interest at 3.916%.	516,040
Total private placement notes	$ 1,468,008

Private Placement Notes – Business-type:

$163,600 private placement note, issued July 2018, secured by vehicles, semi-annual maturity from $11,757 to $12,989 through January 2026, plus semi-annual interest at 3.35%.	$ 86,550
$284,750 private placement note, issued June 2022, secured by vehicles, semi-annual maturity from $26,671 to $30,318 through December 2026, plus semi-annual interest at 3.696%.	253,873
Total private placement notes	$ 340,423

Note 10. Long-Term Liabilities (Continued)

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

	Private Placement Notes	
Year Ending June 30,	Principal	Interest
2023	$ 76,568	$ 11,601
2024	79,340	8,829
2025	82,213	5,956
2026	71,984	2,978
2027	30,318	560
	$ 340,423	$ 29,924

Private Placement Notes – School Board:

$6,198,242 private placement note, issued March 2013, secured by equipment, semi-annual maturity from $317,940 to $605,315 through September 2028, plus semi-annual interest at 2.59%.	$ 3,477,429
$1,259,830 private placement note, issued July 2015, secured by equipment, semi-annual maturity from $76,990 to $123,475 through January 2031, plus semi-annual interest at 2.39%.	892,029
$709,572 private placement note, issued July 2020, secured by vehicles, annual maturity of $237,476 through November 2022, plus annual interest at 1.21%.	237,464
	$ 4,606,922

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

	Private Placement Notes	
Year(s) Ending June 30,	Principal	Interest
2023	$ 766,612	$ 111,342
2024	562,243	94,744
2025	596,775	80,158
2026	632,796	64,679
2027	670,364	48,269
2028-2031	1,378,132	52,081
	$ 4,606,922	$ 451,273

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

Note 11. Leases

Lease Payable

During the current fiscal year, the County had two agreements as a lessee for buildings, ranging in lease length of five to seven years. In accordance with the implementation of GASB Statement 87, an initial lease liability was recorded in the amount of $1,057,229 during the current fiscal year. As of June 30, 2022, the value of the lease liability was $893,767. The County is required to make yearly principal and interest payments for $52,000 and monthly principal and interest payments ranging from $10,224 to $10,435. The leases had interest rates ranging from 1.2166% to 1.3746%. The equipment has a five to seven-year estimated useful life. The value of the right-to-use leased assets as of the end of the current fiscal year was $1,052,229 and had accumulated amortization of $165,113.

The future principal and interest lease payments as of June 30, 2022 are as follows:

	Primary Government	
	Leases	
Year Ending June 30,	Principal	Interest
2023	$ 165,990	$ 11,235
2024	168,204	9,021
2025	170,447	6,778
2026	172,720	4,505
2027	123,024	2,201
2028	93,382	536
	$ 893,767	$ 34,276

Component Unit – Broadband Authority

Lease Payable

During the current fiscal year, the Authority had a lease agreement for equipment for three years. In accordance with the implementation of GASB Statement 87, an initial lease liability was recorded in the amount of $2,403 during the current fiscal year. As of June 30, 2022, the value of the lease liability was $1,351. The Authority is required to make monthly principal and interest payments of $92. The lease has an interest rate of 2.44%. The equipment has a three-year estimated useful life. The value of the right-to-use leased assets as of the end of the current fiscal year was $2,403 and had accumulated amortization of $1,068.

Note 11. Leases (Continued)

During the current fiscal year, the Authority had a lease agreement for a building for two years. In accordance with the implementation of GASB Statement 87, an initial lease liability was recorded in the amount of $29,370 during the current fiscal year. As of June 30, 2022, the value of the lease liability was $11,891. The County is required to make monthly principal and interest payments of $1,500. The lease has an interest rate of 2.44%. The equipment has a two-year estimated useful life. The value of the right-to-use leased assets as of the end of the current fiscal year was $29,370 and had accumulated amortization of $17,622.

The future principal and interest lease payments as of June 30, 2022 are as follows:

	Broadband Authority Leases	
Year Ending June 30,	Principal	Interest
2023	$ 12,968	$ 130
2024	274	1
	$ 13,242	$ 131

Note 12. Pension Plan

Name of Plan: Virginia Retirement System (VRS)

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

Administering Entity: Virginia Retirement System (System)

A. Plan Description

All full-time, salaried permanent (professional) employees of the County and its component unit, the School Board, are automatically covered by the VRS Retirement Plan or the VRS Teacher Retirement Plan upon employment. These plans are administered by the Virginia Retirement System (the System) along with plans for other employer groups in the Commonwealth of Virginia. Members earn one month of service credit for each month they are employed and for which they and their employer pay contributions to VRS. Members are eligible to purchase prior service, based on specific criteria as defined in the *Code of Virgini*a, as amended. Eligible prior service that may be purchased includes prior public service, active military service, certain periods of leave, and previously refunded service.

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

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
About Plan 1 Plan 1 is a defined benefit plan. The retirement benefit is based on a member's age, service credit and average final compensation at retirement using a formula.	**About Plan 2** Same as Plan 1.	**About the Hybrid Retirement Plan** The Hybrid Retirement Plan combines the features of a defined benefit plan and a defined contribution plan. • The defined benefit is based on a member's age, service credit and average final compensation at retirement using a formula. • The benefit from the defined contribution component of the plan depends on the member and employer contributions made to the plan and the investment performance of those contributions. • In addition to the monthly benefit payment payable from the defined benefit plan at retirement, a member may start receiving distributions from the balance in the defined contribution account, reflecting the contributions, investment gains or losses, and any required fees.

Note 12. Pension Plan (Continued)

A. Plan Description (Continued)

PLAN 1

Eligible Members
Members are in Plan 1 if their membership date is prior to July 1, 2010, they were vested before January 1, 2013, and they have not taken a refund.

Hybrid Opt-In Election
Plan 1 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014. The Hybrid Retirement Plan's effective date for eligible Plan 1 members who opted in was July 1, 2014.

If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.

Members who were eligible for an optional retirement plan (ORP) and had prior service under Plan 1 were not eligible to elect the Hybrid Retirement Plan and remain as Plan 1 or ORP.

PLAN 2

Eligible Members
Political subdivision employees: Members are in Plan 2 if their membership date is on or after July 1, 2010, or their membership date is before July 1, 2010, and they were not vested as of January 1, 2013.
School division employees (teachers): Members are in Plan 2 if their membership date is from July 1, 2010, to December 31, 2013, and they have not taken a refund. Members are covered under Plan 2 if they have a membership date prior to July 1, 2010, and they were not vested before January 1, 2013.

Hybrid Opt-In Election
Eligible Plan 2 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014. The Hybrid Retirement Plan's effective date for eligible Plan 2 members who opted in was July 1, 2014.

If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.

Members who were eligible for an optional retirement plan (ORP) and have prior service under Plan 2 were not eligible to elect the Hybrid Retirement Plan and remain as Plan 2 or ORP.

HYBRID RETIREMENT PLAN

Eligible Members
Members are in the Hybrid Retirement Plan if their membership date is on or after January 1, 2014. This includes:

- Political subdivision employees.*
- School division employees (teachers).
- Members in Plan 1 or Plan 2 who elected to opt into the plan during the election window held January 1 through April 30, 2014; the plan's effective date for opt-in members was July 1, 2014.

*Non-Eligible Members
Some employees are not eligible to participate in the Hybrid Retirement Plan. They include:

- Political subdivision employees who are covered by enhanced benefits for hazardous duty employees.

Those employees eligible for an optional retirement plan (ORP) must elect the ORP plan or the Hybrid Retirement Plan. If these members have prior service under Plan 1 or Plan 2, they are not eligible to elect the Hybrid Retirement Plan and must select Plan 1 or Plan 2 (as applicable) or ORP.

Note 12. Pension Plan (Continued)

A. Plan Description (Continued)

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

Note 12. Pension Plan (Continued)

A. Plan Description (Continued)

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
Vesting Vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members become vested when they have at least five years (60 months) of service credit. Vesting means members are eligible to qualify for retirement if they meet the age and service requirements for their plan. Members also must be vested to receive a full refund of their member contribution account balance if they leave employment and request a refund. Members are always 100% vested in the contributions that they make.	**Vesting** Same as Plan 1.	**Vesting** *Defined Benefit Component* Defined benefit vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members are vested under the defined benefit component of the Hybrid Retirement Plan when they reach five years (60 months) of service credit. Plan 1 or Plan 2 members with at least five years (60 months) of service credit who opted into the Hybrid Retirement Plan remain vested in the defined benefit component. *Defined Contribution Component* Defined contribution vesting refers to the minimum length of service a member needs to be eligible to withdraw the employer contributions from the defined contribution component of the plan. Members are always 100% vested in the contributions that they make. Upon retirement or leaving covered employment, a member is eligible to withdraw a percentage of employer contributions to the defined contribution component of the plan, based on service. • After two years, a member is 50% vested and may withdraw 50% of employer contributions. • After three years, a member is 75% vested and may withdraw 75% of employer contributions. • After four or more years, a member is 100% vested and may withdraw 100% of employer contributions. Distribution is not required, except as governed by law.

Note 12. Pension Plan (Continued)

A. Plan Description (Continued)

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

Note 12. Pension Plan (Continued)

A. Plan Description (Continued)

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
Normal Retirement Age ***VRS:*** Age 65. **Political subdivisions hazardous duty employees:** Age 60.	**Normal Retirement Age** ***VRS:*** Normal Social Security retirement age. **Political subdivisions hazardous duty employees:** Same as Plan 1.	**Normal Retirement Age** *Defined Benefit Component* ***VRS:*** Same as Plan 2. **Political subdivisions hazardous duty employees:** Not applicable. *Defined Contribution Component* Members are eligible to receive distributions upon leaving employment, subject to restrictions.
Earliest Unreduced Retirement Eligibility ***VRS:*** Age 65 with at least five years (60 months) of service credit or at age 50 with at least 30 years of service credit. **Political subdivisions hazardous duty employees:** Age 60 with at least five years of service credit or age 50 with at least 25 years of service credit.	**Earliest Unreduced Retirement Eligibility** ***VRS:*** Normal Social Security retirement age and have at least 5 years (60 months) of service credit or when their age plus service credit equals 90. **Political subdivision hazardous duty employees:** Same as Plan 1.	**Earliest Unreduced Retirement Eligibility** *Defined Benefit Component* ***VRS:*** Normal Social Security retirement age and have at least 5 years (60 months) of service credit or when their age plus service credit equals 90. **Political subdivision hazardous duty employees:** Not applicable. *Defined Contribution Component* Members are eligible to receive distributions upon leaving employment, subject to restrictions.
Earliest Reduced Retirement Eligibility ***VRS:*** Age 55 with at least five years (60 months) of service credit or age 50 with at least 10 years of service credit. **Political subdivision hazardous duty employees:** Age 50 with at least five years of service credit.	**Earliest Reduced Retirement Eligibility** ***VRS:*** Age 60 with at least five years (60 months) of service credit. **Political subdivision hazardous duty employees:** Same as Plan 1.	**Earliest Reduced Retirement Eligibility** *Defined Benefit Component* ***VRS:*** Age 60 with at least five years (60 months) of service credit. **Political subdivision hazardous duty employees:** Not applicable. *Defined Contribution Component* Members are eligible to receive distributions upon leaving employment, subject to restrictions.

Note 12. Pension Plan (Continued)

A. Plan Description (Continued)

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
Cost-of-Living Adjustment (COLA) in Retirement The Cost-of-Living Adjustment (COLA) matches the first 3% increase in the Consumer Price Index for all Urban Consumers (CPI-U) and half of any additional increase (up to 4%) up to a maximum COLA of 5%.	**Cost-of-Living Adjustment (COLA) in Retirement** The Cost-of-Living Adjustment (COLA) matches the first 2% increase in the Consumer Price Index for all Urban Consumers (CPI-U) and half of any additional increase (up to 2%) up to a maximum COLA of 3%.	**Cost-of-Living Adjustment (COLA) in Retirement** *Defined Benefit Component* Same as Plan 2. *Defined Contribution Component* Not applicable.
Eligibility: For members who retire with an unreduced benefit or with a reduced benefit with at least 20 years of service credit, the COLA will go into effect on July 1 after one full calendar year from the retirement date. For members who retire with a reduced benefit and who have less than 20 years of service credit, the COLA will go into effect on July 1 after one calendar year following the unreduced retirement eligibility date.	*Eligibility*: Same as Plan 1.	*Eligibility*: **Same as Plan 1 and Plan 2.**
Exceptions to COLA Effective Dates:	*Exceptions to COLA Effective Dates:*	Exceptions to COLA Effective Dates:
School Division (Teachers) and Political Subdivision Employees: The COLA is effective July 1 following one full calendar year (January 1 to December 31) under any of the following circumstances: • The member is within five years of qualifying for an unreduced retirement benefit as of January 1, 2013. • The member retires on disability.	**School Division (Teachers) and Political Subdivision Employees:** Same as Plan 1.	**School Division (Teachers) and Political Subdivision Employees:** Same as Plan 1 and Plan 2.

Note 12. Pension Plan (Continued)

A. Plan Description (Continued)

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
Cost-of-Living Adjustment (COLA) in Retirement (Continued) ***Exceptions to COLA Effective Dates*:** **School Division (Teachers) and Political Subdivision Employees (Continued):** • The member is involuntarily separated from employment for causes other than job performance or misconduct and is eligible to retire under the Workforce Transition Act or the Transitional Benefits Program. • The member dies in service and the member's survivor or beneficiary is eligible for a monthly death-in-service benefit. • The COLA will go into effect on July 1 following one full calendar year (January 1 to December 31) from the date the monthly benefit begins. • **Political Subdivision Employees:** The member retires directly from short-term or long-term disability.		

Note 12. Pension Plan (Continued)

A. Plan Description (Continued)

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
Disability Coverage **Political subdivision employees:** For members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.70% on all service, regardless of when it was earned, purchased or granted.	**Disability Coverage** **Political subdivision employees:** For members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.65% on all service regardless of when it was earned, purchased or granted.	**Disability Coverage** Employees of political subdivisions and school divisions (teachers), including Plan 1 and Plan 2 opt-ins, participate in the Virginia Local Disability Program (VLDP) unless their local governing body provides an employer-paid comparable program for its members. Hybrid members (including Plan 1 and Plan 2 opt-ins) covered under VLDP are subject to a one-year waiting period before becoming eligible for non-work related disability benefits.
Purchase of Prior Service Members may be eligible to purchase service from previous public employment, active duty military service, an eligible period of leave or VRS refunded service as service credit in their plan. Prior service credit counts toward vesting, eligibility for retirement and the health insurance credit. Only active members are eligible to purchase prior service. Members also may be eligible to purchase periods of leave without pay.	**Purchase of Prior Service** Same as Plan 1.	**Purchase of Prior Service** *Defined Benefit Component* Same as Plan 1, with the following exception: • Hybrid Retirement Plan members are ineligible for ported service. *Defined Contribution Component* Not applicable.

Note 12. Pension Plan (Continued)

B. Employees Covered by Benefit Terms

As of the June 30, 2020 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

County (Agent Plan)

	Number
Inactive members or their beneficiaries currently receiving benefits	144
Inactive members:	
Vested inactive members	59
Non-vested inactive members	100
Inactive members active elsewhere in VRS	116
Total inactive members	275
Active members	227
Total covered employees	646

School Board Non-Professional (Agent Plan)

	Number
Inactive members or their beneficiaries currently receiving benefits	118
Inactive members:	
Vested	31
Non-vested	65
Active elsewhere in VRS	28
Total inactive members	124
Active members	147
Total covered employees	389

Note 12. Pension Plan (Continued)

C. Contributions

County (Agent Plan)

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

The County's contractually required contribution rate for the year ended June 30, 2022 was 9.23% percent of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2020.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by an employee during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the County were $1,143,233 and $1,057,737 for the years ended June 30, 2022 and 2021, respectively.

School Board Non-Professional (Agent Plan)

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

The School Board non-professional's contractually required contribution rate for the year ended June 30, 2022 was 4.30% percent of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2020.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by an employee during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the School Board for the non-professional plan were $115,037 and $100,001 for the years ended June 30, 2022 and 2021, respectively.

Note 12. Pension Plan (Continued)

C. Contributions (Continued)

School Board Professional (Cost-Sharing Plan)

The contribution requirement for active employees is governed by Section 51.1-145 of the *Code of Virginia*, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. Employees are required to contribute 5.00 percent of their compensation toward their retirement. The School Board Professional's contractually required contribution rate for the year ended June 30, 2022 was 16.62 percent of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2020. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance the costs of any unfunded accrued liability. Contributions to the pension plan from the School Board for the professional plan were \$4,690,434 and \$4,362,302 for the years ended June 30, 2022 and 2021, respectively.

D. Net Pension Liability (Asset)

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

The County and the School Board's non-professional plan net pension liabilities (assets) (NPL) is calculated separately for each employer and represents that particular employer's total pension liability determined in accordance with GASB Statement No. 68, less that employer's fiduciary net position. For the County and the School Board non-professional, the NPL was measured as of June 30, 2021. The total pension liability used to calculate the NPL was determined by an actuarial valuation performed as of June 30, 2020 rolled forward to the measurement date of June 30, 2021.

School Board Professional Plan (Cost-Sharing Plan)

At June 30, 2022, the School Board reported a liability for the professional plan of \$23,956,142 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2020, and rolled forward to the measurement date of June 30, 2021. The School Board's proportion of the net pension liability was based on the School Board's actuarially determined employer contributions to the pension plan for the year ended June 30, 2021 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2021, the School Board's proportion was 0.30859 percent as compared to 0.31654 percent at June 30, 2020.

Note 12. Pension Plan (Continued)

D. Net Pension Liability (Continued)

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

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, 2021, NPL amounts for the VRS Teacher Employee Retirement Plan is as follow (amounts expressed in thousands):

	Teacher Employee Retirement Plan
Total pension liability	$ 53,381,141
Plan fiduciary net position	45,618,044
Employers' net pension liability	$ 7,763,097
Plan fiduciary net position as a percentage of the total pension liability	85.46%

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

E. Actuarial Assumptions

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

General Employees

The total pension liability for General Employee's in the County's retirement plan and the total pension liability for the General Employees in the School Board non-professional retirement plan were based on an actuarial valuation as of June 30, 2020, 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, 2021.

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

Note 12. Pension Plan (Continued)

E. Actuarial Assumptions (Continued)

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

***General Employees* (Continued)**

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

The actuarial assumptions used in the June 30, 2020 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
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Note 12. Pension Plan (Continued)

E. Actuarial Assumptions (Continued)

County Plan (Agent Plan) (Continued)

Public Safety Employees

The total pension liability for Public Safety employees with Hazardous Duty Benefits in the County and the School Board's retirement plan was based on an actuarial valuation as of June 30, 2020, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date as of June 30, 2021.

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

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

Note 12. Pension Plan (Continued)

E. Actuarial Assumptions (Continued)

County Plan (Agent Plan) (Continued)

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

The actuarial assumptions used in the June 30, 2020 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 Largest 10 Hazardous Duty
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

School Board Professional Plan (Cost-Sharing Plan)

The total pension liability for the VRS Teacher retirement plan was based on an actuarial valuation as of June 30, 2020, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date as of June 30, 2021.

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

Mortality Rates:

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

Note 12. Pension Plan (Continued)

E. Actuarial Assumptions (Continued)

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

The actuarial assumptions used in the June 30, 2020 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; and changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through nine years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

Note 12. Pension Plan (Continued)

F. Long-Term Expected Rate of Return

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

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

Asset Class (Strategy)	Long-Term Target Asset Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return*
Public Equity	34.00%	5.00%	1.70%
Fixed Income	15.00%	0.57%	0.09%
Credit Strategies	14.00%	4.49%	0.63%
Real Assets	14.00%	4.76%	0.67%
Private Equity	14.00%	9.94%	1.39%
MAPS	6.00%	3.29%	0.20%
PIP	3.00%	6.84%	0.21%
Total	100.00%		4.89%
	Inflation		2.50%
	* Expected arithmetic nominal return		7.39%

*The above allocation provides a one-year expected return of 7.39%. 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 6.94%, including expected inflation of 2.50%. On October 10, 2019, the VRS Board elected a long-term rate of 6.75% which is 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 12. Pension Plan (Continued)

G. Discount Rate

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

The discount rate used to measure the total pension liabilities was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions; political subdivisions were also provided with an opportunity to use an alternate employer contribution rate. For the year ended June 30, 2021, the alternate rate was the employer contribution rate used in fiscal year 2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2018 actuarial valuations, whichever was greater. From July 1, 2021 on, participating employers are assumed to continue to contribute 100 percent of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liabilities.

School Board Professional Plan (Cost-Sharing Plan)

The discount rate used to measure the total pension liabilities was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ended June 30, 2021, the rate contributed by the employer for the County and the School Board's retirement plans will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 100 percent of the actuarially determined contribution rate. From July 1, 2021 on, participating employers are assumed to contribute 100 percent of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liabilities.

Note 12. Pension Plan (Continued)

H. Changes in the Net Pension Liability (Asset)

County (Agent Plan)

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balances at June 30, 2020	$ 42,333,059	$ 38,054,469	$ 4,278,590
Changes for the year:			
Service cost	1,370,138	-	1,370,138
Interest	2,800,132	-	2,800,132
Changes of assumptions	1,743,845	-	1,743,845
Difference between expected and actual experience	(730,954)	-	(730,954)
Contributions – employer	-	1,057,737	(1,057,737)
Contributions – employee	-	573,664	(573,664)
Net investment income	-	10,475,359	(10,475,359)
Benefit payments, including refunds of employee contributions	(1,699,248)	(1,699,248)	-
Administrative expense	-	(25,394)	25,394
Other changes	-	994	(994)
Net changes	3,483,913	10,383,112	(6,899,199)
Balances at June 30, 2021	$ 45,816,972	$ 48,437,581	$ (2,620,609)

Note 12. Pension Plan (Continued)

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

School Board Non-Professional (Agent Plan)

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balances at June 30, 2020	$ 10,548,873	$ 10,749,554	$ (200,681)
Changes for the year:			
Service cost	256,209	-	256,209
Interest	688,410	-	688,410
Changes of assumptions	338,246	-	338,246
Difference between expected and actual experience	(393,176)	-	(393,176)
Contributions – employer	-	100,001	(100,001)
Contributions – employee	-	133,534	(133,534)
Net investment income	-	2,894,718	(2,894,718)
Benefit payments, including refunds of employee contributions	(700,402)	(700,402)	-
Administrative expense	-	(7,463)	7,463
Other changes	-	270	(270)
Net changes	189,287	2,420,658	(2,231,371)
Balances at June 30, 2021	$ 10,738,160	$ 13,170,212	$ (2,432,052)

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

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

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

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
County net pension liability (asset)	$ 3,827,878	$ (2,620,609)	$ (7,883,361)
School Board's non-professional net pension liability (asset)	(1,237,042)	(2,432,052)	(3,433,571)
School Board professional net pension liability	46,234,058	23,956,142	5,629,582

Note 12. Pension Plan (Continued)

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

County (Agent Plan)

For the year ended June 30, 2022, the County recognized pension (benefit) of $(91,554). At June 30, 2022, the County also reported deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ (553,345)
Changes in assumptions	1,211,705	-
Net difference between projected and actual earnings on pension plan investments	-	(5,230,610)
Employer contributions subsequent to the measurement date	1,143,233	-
Total	$ 2,354,938	$ (5,783,955)

The $1,143,233 reported as deferred outflows of resources related to pensions resulting from the County's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Amount
2023	$ (917,020)
2024	(869,586)
2025	(1,203,685)
2026	(1,581,959)
	$ (4,572,250)

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

Note 12. Pension Plan (Continued)

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

School Board Non-Professional (Agent Plan)

For the year ended June 30, 2022, School Board recognized pension (benefit) related to its non-professional plan of $(292,164). At June 30, 2022, the School Board also reported deferred outflows of resources and deferred inflows of resources related to its non-professional plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 5,385	$ (236,532)
Changes in assumptions	203,487	-
Net difference between projected and actual earnings on pension plan investments	-	(1,433,031)
Employer contributions subsequent to the measurement date	115,037	-
Total	$ 323,909	$ (1,669,563)

The $115,037 reported as deferred outflows of resources related to pensions resulting from the School Board non-professional plan's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2023. Other amounts reported as deferred inflows of resources related to pensions for the School Board non-professional plan will be recognized in pension expense (benefit) as follows:

Year Ending June 30,	Amount
2023	$ (352,140)
2024	(338,126)
2025	(333,402)
2026	(437,023)
	$ (1,460,691)

Note 12. Pension Plan (Continued)

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

School Board Professional (Cost-Sharing Plan)

For the year ended June 30, 2022, the School Board recognized pension expense related to the professional plan of $458,756 and the Commonwealth's special contribution of $189,302. Since there was a change in proportionate share between measurement dates, a portion of the pension expense was related to deferred amounts from changes in proportion and from differences between employer contributions and the proportionate share of employer contributions.

At June 30, 2022, the School Board reported deferred outflows of resources and deferred inflows of resources related to pensions for the professional plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in proportion and difference between employer contributions and proportionate share of contributions	$ -	$ (2,011,013)
Changes in assumptions	4,197,053	-
Differences between expected and actual experience	-	(2,040,439)
Net difference between projected and actual earnings on pension plan investments	-	(15,096,520)
Employer contributions subsequent to the measurement date	4,690,434	-
Total	$ 8,887,487	$ (19,147,972)

The $4,690,434 reported as deferred outflows of resources related to pensions resulting from the School Board contributions for the professional plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Amount
2023	$ (3,736,663)
2024	(3,275,356)
2025	(3,462,560)
2026	(4,478,337)
2027	1,997
	$ (14,950,919)

K. Pension Plan Data

Detailed information about the pension plans is also available in the separately issued VRS 2021 Annual (ACFR). A copy of the 2021 VRS ACFR may be downloaded from the VRS website at varetire.org/Pdf/Publications/2021-annual-report.pdf or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, Virginia 23218-2500.

Note 13. Other Postemployment Benefits
1. Medical Insurance Program

A. Plan Description

County and the School Board

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

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

MEDICAL INSURANCE PROGRAM PLAN PROVISIONS

General Employees Plan 1
Plan 1 includes all members vested as of January 1, 2013.

- Attain age 50 with at least 10 years of service with VRS for a reduced pension benefit, or
- Attain age 55 with at least 5 years of service with VRS for a reduced pension benefit, or
- Attain age 65 with at least 5 years of service with VRS for an unreduced pension benefit, or
- Attain age 50 with at least 30 years of service with VRS for an unreduced pension benefit.

General Employees Plan 2 and Hybrid Plan
Plan 2 includes all members not vested as of January 1, 2013, and members hired on or after July 1, 2010. The Hybrid Plan includes members hired on or after January 1, 2014 or by member election.

- Attain age 60 with at least 5 years of service with VRS for a reduced pension benefit, or
- Attain 90 points (age plus service) with VRS for an unreduced pension benefit, or
- Attain Social Security Normal Retirement Age with at least 5 years of service with VRS for an unreduced pension benefit.

Public Safety Employees Plan 1 and Plan 2
Plan 1 includes members hired prior to January 1, 2014, while Plan 2 includes members hired on or after January 1, 2014. There is no Hybrid Plan for Virginia Law Officers.

- Attain age 50 with at least 5 years of service with VRS for a reduced pension benefit, or
- Attain age 60 with at least 5 years of service with VRS for an unreduced pension benefit, or
- Attain age 50 with at least 25 years of service with VRS for an unreduced pension benefit.

Health benefits include medical, dental, and vision.

Retirees eligible for Medicare are permitted to continue coverage through one of the County's health plan offerings as a supplement to Medicare benefits.

Note 13. Other Postemployment Benefits (Continued)
1. Medical Insurance Program

A. Plan Description (Continued)

County and the School Board (Continued)

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

B. Employees Covered by Benefit Terms

At June 30, 2022, the following employees were covered by the benefit terms:

County and School Board

	County	School Board
Inactive employees or beneficiaries currently receiving benefit payments	12	174
Active employees	208	686
Total	220	860

Note 13. Other Postemployment Benefits (Continued)
1. Medical Insurance Program

C. Total Medical Insurance Program OPEB Liability

County and School Board

The County and the School Board's total Medical Insurance OPEB liability of $4,951,403 was measured as of June 30, 2022, and was determined by an actuarial valuation as of July 1, 2020.

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

D. Actuarial Assumptions and Other Inputs

County and the School Board

The total Medical Insurance Program OPEB liabilities were based on an actuarial valuation as of July 1, 2020 using the Entry Age Normal actuarial cost method and the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	3.00%
Discount rate	3.54%
Healthcare cost trend rates	The healthcare trend assumption used in this valuation (which covers medical, dental, and vision) is based on long-term healthcare trend rates generated by the Getzen Trend Model. Inputs to the model are consistent with other assumptions used in the valuation. These rates ranged from 4.00% to 5.60%.

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

Mortality Rates

The following mortality assumptions were chosen to match the mortality assumptions used in the June 30, 2016 Annual Financial Statement for the Virginia Retirement System.

Pre-Retirement: RP-2014 Employee to age 80, Healthy Annuitant Rates at age 81 and older projected with Scale BB to 2020; Males set back 1 year, 85% of rates and Females set back 1 year. 25% of deaths are assumed to be service related.

Post-Retirement: RP-2014 Employee Rate to age 49, Health Annuitant at ages 50 and older projected with Scale BB to 2020; Males set forward 1 year and Females set back 1 year with 1.5% increase compounded from ages 70 to 85.

Post-Disablement: RP-2014 Disabled Mortality Rates projected with Scale BB to 2020; Males 115% of rates and Females 130% of rates.

Note 13. Other Postemployment Benefits (Continued)
1. Medical Insurance Program

E. Changes in the Total Medical Insurance OPEB Liability

County and the School Board

	County	School Board	Total OPEB Liability
Balance at June 30, 2021	$ 1,591,119	$ 3,689,179	$ 5,280,298
Changes for the year:			
Service cost	127,486	336,153	463,639
Interest	36,682	85,401	122,083
Changes in assumptions or other inputs	(247,345)	(482,371)	(729,716)
Benefit payments	(40,971)	(143,930)	(184,901)
Net changes	(124,148)	(204,747)	(328,895)
Balance at June 30, 2022	$ 1,466,971	$ 3,484,432	$ 4,951,403

Changes of assumptions and other inputs reflect a change in the discount rate from 2.16% in 2021 to 3.54% in 2022.

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

The following presents the total OPEB liabilities of the County and the School Board calculated using the stated discount rate, as well as what the County and the School Board's total Medical Insurance OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.54%) or 1-percentage-point higher (4.54%) than the current discount rate:

	1% Decrease (2.54%)	Current Discount Rate (3.54%)	1% Increase (4.54%)
County	$ 1,640,778	$ 1,466,971	$ 1,317,996
School Board	3,825,021	3,484,432	3,185,042
Total OPEB liability	$ 5,465,799	$ 4,951,403	$ 4,503,038

Note 13. Other Postemployment Benefits (Continued)
1. Medical Insurance Program

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

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

	1% Decrease	Current Trend Rate	1% Increase
County	$ 1,255,296	$ 1,466,971	$ 1,727,413
School Board	2,992,012	3,484,432	4,091,977
Total OPEB liability	$ 4,247,308	$ 4,951,403	$ 5,819,390

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

For the year ended June 30, 2022, the County and the School Board recognized Medical Insurance OPEB expense of $186,077 and $404,148, respectively.

County and the School Board

At June 30, 2022, the County and the School Board reported deferred outflows of resources and deferred inflows of resources related to the Medical Insurance OPEB from the following sources:

	County		School Board		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ (146,376)	$ -	$ (824,255)	$ -	$ (970,631)
Change in assumptions	305,245	(220,171)	1,187,684	(431,266)	1,492,929	(651,437)
Total	$ 305,245	$ (366,547)	$ 1,187,684	$ (1,255,521)	$ 1,492,929	$ (1,622,068)

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

Year Ending June 30,	County	School Board	Total Amount
2023	$ 23,683	$ (13,142)	$ 10,541
2024	27,815	(3,188)	24,627
2025	(22,846)	(9,459)	(32,305)
2026	(22,846)	(9,459)	(32,305)
2027	(22,846)	(9,459)	(32,305)
Thereafter	(44,262)	(23,130)	(67,392)
Total	$ (61,302)	$ (67,837)	$ (129,139)

Note 13. Other Postemployment Benefits (Continued)
2. Group Life Insurance Program

A. Plan Description

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

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

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

GROUP LIFE INSURANCE PROGRAM PLAN PROVISIONS
Eligible Employees The GLI was established July 1, 1960, for state employees, teachers and employees of political subdivisions that elect the program. Basic GLI coverage is automatic upon employment. Coverage ends for employees who leave their position before retirement eligibility or who take a refund of their accumulated retirement member contributions and accrued interest.
Benefit Amounts The benefits payable under the GLI have several components. • Natural Death Benefit: The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled. • Accidental Death Benefit: The accidental death benefit is double the natural death benefit. • Other Benefit Provisions: In addition to the basic natural and accidental death benefits, the program provides additional benefits provided under specific circumstances. These include: o Accidental dismemberment benefit o Seat belt benefit o Repatriation benefit o Felonious assault benefit o Accelerated death benefit option
Reduction in Benefit Amounts The benefit amounts provided to members covered under the GLI are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value.
Minimum Benefit Amount and Cost-of-Living Adjustment (COLA) For covered members with at least 30 years of service credit, there is a minimum benefit payable under GLI. The minimum benefit was set at $8,000 by statute in 2015. This will be increased annually based on the VRS Plan 2 cost-of-living adjustment calculation. The minimum benefit adjusted for the COLA was $8,722 as of June 30, 2022.

Note 13. Other Postemployment Benefits (Continued)
2. Group Life Insurance Program

B. Contributions

The contribution requirements for the GLI are governed by Sections 51.1-506 and 51.1-508 of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the GLI was 1.34% 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, 2022 was 0.54% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2020. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the GLI from the participating employers for the years ended June 30, 2020 and June 30, 2021 were as follows:

	2022	2021
County	**$ 69,802**	$ 66,058
School Board Non-Professional	**19,176**	16,178
School Board Professional	**159,165**	147,132

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

At June 30, 2022, the participating employers' reported liabilities for its proportionate share of the net GLI OPEB liability as follows:

	Amount
County	$ 689,831
School Board Non-Professional	168,936
School Board Professional	1,536,489

The net GLI OPEB liability was measured as of June 30, 2021 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, 2020, and rolled forward to the measurement date of June 30, 2021. The covered employers' proportion of the net GLI OPEB liability was based on the covered employer's actuarially determined employer contributions to the GLI for the year ended June 30, 2020 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2021, comparisons of the participating employers' proportions to June 30, 2020 are as follows:

	2021	2020
County	0.05925%	0.05688%
School Board Non-Professional	0.01451%	0.01579%
School Board Professional	0.13197%	0.13481%

Note 13. Other Postemployment Benefits (Continued)
2. Group Life Insurance Program

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

For the year ended June 30, 2022, the County, School Board non-professional, and School Board professional employees recognized GLI OPEB expense of $40,197, $810, and $28,162, respectively. Since there was a change in the proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

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

At June 30, 2022, the employers reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the following sources:

County

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 78,678	$ (5,256)
Net difference between projected and actual earnings on GLI OPEB program investments	-	(164,648)
Change in assumptions	38,030	(94,384)
Changes in proportionate share	55,980	(10,248)
Employer contributions subsequent to the measurement date	69,802	-
Total	$ 242,490	$ (274,536)

The $69,802 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

Year Ending June 30,	Amount
2023	$ (22,048)
2024	(16,373)
2025	(15,920)
2026	(43,549)
2027	(3,958)
Total	$ (101,848)

Note 13. Other Postemployment Benefits (Continued)
2. Group Life Insurance Program

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

School Board Non-Professional Plan

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 19,268	$ (1,287)
Net difference between projected and actual earnings on GLI OPEB program investments	-	(40,321)
Change in assumptions	9,313	(23,114)
Changes in proportionate share	-	(23,918)
Employer contributions subsequent to the measurement date	19,176	-
Total	$ 47,757	$ (88,640)

The $19,176 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, 2023. Other amounts reported as deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

Year Ending June 30,	Amount
2023	$ (14,433)
2024	(11,818)
2025	(11,127)
2026	(16,923)
2027	(5,758)
Total	$ (60,059)

Note 13. Other Postemployment Benefits (Continued)
2. Group Life Insurance Program

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

School Board Professional Plan

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 175,242	$ (11,707)
Net difference between projected and actual earnings on GLI OPEB program investments	-	(366,727)
Change in assumptions	84,706	(210,224)
Changes in proportionate share	-	(113,810)
Employer contributions subsequent to the measurement date	159,165	-
Total	$ 419,113	$ (702,468)

The $159,165 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, 2023. Other amounts reported as deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

Year Ending June 30,	Amount
2023	$ (110,479)
2024	(89,227)
2025	(82,837)
2026	(130,067)
2027	(29,910)
Total	$ (442,520)

D. Actuarial Assumptions

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2020, 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, 2021.

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

Note 13. Other Postemployment Benefits (Continued)
2. Group Life Insurance Program

D. Actuarial Assumptions (Continued)

School Board Professional Plan

Mortality Rates – Teachers

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

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

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

The actuarial assumptions used in the June 30, 2020 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 PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through nine years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

County and School Board Non-Professional Plans

Mortality Rates – General Employees

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

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

Note 13. Other Postemployment Benefits (Continued)
2. Group Life Insurance Program

D. Actuarial Assumptions (Continued)

County and School Board Non-Professional Plans (Continued)

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

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

The actuarial assumptions used in the June 30, 2020 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 discount rate, which was based on VRS Board action effective 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 year age and service through nine years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Mortality Rates – Hazardous Duty Employees

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

Note 13. Other Postemployment Benefits (Continued)
2. Group Life Insurance Program

D. Actuarial Assumptions (Continued)

County and School Board Non-Professional Plans (Continued)

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

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

The actuarial assumptions used in the June 30, 2020 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 the 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 services to rates based on service only to better fit experience and to be more consistent with Locals Top 10 Hazardous Duty
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

E. Net GLI OPEB Liability

The net OPEB liability (NOL) for the GLI represents the program's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of the Measurement Date of June 30, 2021, NOL amounts for the GLI are as follows:

	Group Life Insurance OPEB Program
Total GLI OPEB liability	$ 3,577,346,000
Plan fiduciary net position	2,413,074,000
GLI Net OPEB liability	$ 1,164,272,000
Plan fiduciary net position as a percentage of the total GLI OPEB liability	67.45%

Note 13. Other Postemployment Benefits (Continued)
2. Group Life Insurance Program

E. Net GLI OPEB Liability (Continued)

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

F. Long-Term Expected Rate of Return

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

Asset Class (Strategy)	Long-Term Target Asset Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return*
Public Equity	34.00%	5.00%	1.70%
Fixed Income	15.00%	0.57%	0.09%
Credit Strategies	14.00%	4.49%	0.63%
Real Assets	14.00%	4.76%	0.67%
Private Equity	14.00%	9.94%	1.39%
MAPS	6.00%	3.29%	0.20%
PIP	3.00%	6.84%	0.21%
Total	100.00%		4.89%
		Inflation	2.50%
		* Expected arithmetic nominal return	7.39%

* The above allocation provides a one-year return of 7.39%. 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 6.94%, including expected inflation of 2.50%. On October 10, 2019, the VRS Board elected a long-term rate of 6.75% which is 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 13. Other Postemployment Benefits (Continued)
2. Group Life Insurance Program

G. Discount Rate

County and School Board Non-Professional Plans

The discount rate used to measure the total GLI OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made per the VRS guidance and the employer contributions will be made in accordance with the VRS funding policy and at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ended June 30, 2021, the rate contributed by the participating employers for the GLI OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 100 percent of the actuarially determined contribution rate. From July 1, 2021 on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the GLI OPEB's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total GLI OPEB liability.

School Board Professional Plan

The discount rate used to measure the total GLI OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made per the VRS guidance and the employer contributions will be made in accordance with the VRS funding policy and at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ending June 30, 2021, the rate contributed by the participating employers for the GLI OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly. From July 1, 2021 on, employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the GLI OPEB's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total GLI OPEB liability.

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

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

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
County	$ 1,007,868	$ 689,831	$ 433,002
School Board Non-Professional	246,821	168,936	106,040
School Board Professional	2,244,866	1,536,489	964,442

Note 13. Other Postemployment Benefits (Continued)
2. Group Life Insurance Program

I. GLI Fiduciary Net Position

Detailed information about the GLI's fiduciary net position is available in the separately issued VRS 2021 Annual Report (ACFR). A copy of the 2021 VRS ACFR may be downloaded from the VRS website at varetire.org/Pdf/Publications/2021-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, Virginia, 23218-2500.

3. Health Insurance Credit Program

A. Plan Description

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

School Board Non-Professional Plan

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

POLITICAL SUBDIVISION HIC PLAN PROVISIONS
Eligible Employees The Political Subdivision Retiree HIC was established July 1, 1993 for retired political subdivision employees of employers who elect the benefit and who retire with at least 15 years of service credit. Eligible employees are enrolled automatically upon employment. They include: • Full-time permanent salaried employees of the participating political subdivision who are covered under the VRS pension plan.
Benefit Amounts The political subdivision's Retiree HIC provides the following benefits for eligible employees: • At Retirement – for employees who retire, the monthly benefit is \$1.50 per year of service per month with a maximum benefit of \$45.00 per month. • Disability Retirement – for employees who retire on disability or go on long-term disability under the Virginia Local Disability Program (VLDP), the monthly benefit is \$45.00 per month.

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

A. Plan Description (Continued)

Health Insurance Credit Program Notes • The monthly HIC benefit cannot exceed the individual premium amount • No HIC for premiums paid and qualified under Line of Duty Act (LODA), however, the employee may receive the credit for premiums paid for other qualified health plans. Employees who retire after being on long-term disability under VLDP must have at least 15 years of service credit to qualify for the HIC as a retiree.

School Board Professional Plan

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

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

Benefit Amounts
The Teacher Employee Retiree HIC provides the following benefits for eligible employees:
• At Retirement – for teacher and other professional school employees who retire, the monthly benefit is $4.00 per year of service per month with no cap on the benefit amount.
• Disability Retirement – for teacher and other professional school employees who retire on disability or go on long-term disability under the VLDP, the monthly benefit is either:
  o $4.00 per month, multiplied by twice the amount of service credit, or
  o $4.00 per month, multiplied by the amount of service earned had the employee been active until age 60, whichever is lower.

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

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

	Number
Inactive members or their beneficiaries currently receiving benefits	52
Inactive members:	
Vested	2
Total inactive members	54
Active employees	147
Total covered employees	201

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

B. Contributions

The contribution requirement for active employees is governed by Section 51.1-1402(E) of the *Code of Virginia*, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. Each school division's contractually required employer contribution rates for the School Board non-professional and School Board professional plans for the year ended June 30, 2022 was 0.78% and 1.21%, respectively, of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2020. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the HIC from the participating employers for the years ended June 30, 2022 and June 30, 2021 were as follows:

	2022	2021
School Board Professional	**$ 355,538**	$ 329,281
School Board Non-Professional	**27,585**	23,349

C. Net HIC OPEB Liability

School Board Non-Professional Plan

The School Board Non-Professional plan's net HIC OPEB liability was measured as of June 30, 2021. The total HIC OPEB liability was determined by an actuarial valuation performed as of June 30, 2020, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2021.

School Board Professional Plan

The net OPEB liability (NOL) for the Teacher Employee HIC represents the program's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of June 30, 2021, NOL amounts for the Teacher Employee HIC are as follows:

	Teacher Employee HIC OPEB Plan
Total teacher employee HIC OPEB liability	$ 1,477,874
Plan fiduciary net position	194,305
Teacher employee net HIC OPEB liability	$ 1,283,569
Plan fiduciary net position as a percentage of the total teacher employee HIC OPEB liability	13.15%

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

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

D. Actuarial Assumptions

School Board Non-Professional and School Board Professional Plans

The total HIC OPEB liability was based on an actuarial valuation as of June 30, 2020, 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, 2021.

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

School Board Non-Professional Plan

Mortality Rates – General Employees

Pre-retirement:	Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years.
Post-retirement:	Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years.
Post-disablement:	Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years.
Beneficiaries and Survivors	Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years.
Mortality Improvement Scale	Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

The actuarial assumptions used in the June 30, 2020 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 PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through nine years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

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

D. Actuarial Assumptions (Continued)

School Board Professional Plan

Mortality Rates – Teachers

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

The actuarial assumptions used in the June 30, 2020 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 PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service decrement through nine years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

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

E. Long-Term Expected Rate of Return

School Board Non-Professional and School Board Professional Plans

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

Asset Class (Strategy)	Long-Term Target Asset Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return*
Public Equity	34.00%	5.00%	1.70%
Fixed Income	15.00%	0.57%	0.09%
Credit Strategies	14.00%	4.49%	0.63%
Real Assets	14.00%	4.76%	0.67%
Private Equity	14.00%	9.94%	1.39%
MAPS	6.00%	3.29%	0.20%
PIP	3.00%	6.84%	0.21%
Total	100.00%		4.89%
		Inflation	2.50%
		* Expected arithmetic nominal return	7.39%

* The above allocation provides a one-year return of 7.39%. 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 6.94%, including expected inflation of 2.50%. On October 10, 2019, the VRS Board elected a long-term rate of 6.75% which is 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 13. Other Postemployment Benefits (Continued)
3. Health Insurance Credit Program

F. Discount Rate

School Board Non-Professional and School Board Professional Plans

The discount rate used to measure the total HIC OPEB was 6.75%. The projection of cash flows used to determine the discount rate assumed 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 ending June 30, 2021, the rate contributed by School Board non-professional and School Board professional plans for the HIC OPEB was 100% of the actuarially determined contribution rate. From July 1, 2021 on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the HIC OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total HIC OPEB liability.

G. Changes in Net HIC OPEB Liability

	Increase (Decrease)		
	Total HIC OPEB Liability	Plan Fiduciary Net Pension	Net HIC OPEB Liability
Balances at June 30, 2020	$ 261,858	$ -	$ 261,858
Changes for the year:			
Service cost	5,600	-	5,600
Interest	17,676	-	17,676
Changes of assumptions	6,869	-	6,869
Contributions – employer	-	23,349	(23,349)
Net investment income	-	3,177	(3,177)
Administrative expense	-	(104)	104
Net changes	30,145	26,422	3,723
Balances at June 30, 2021	$ 292,003	$ 26,422	$ 265,581

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

School Board Non-Professional and School Board Professional Plans

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

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
School Board Professional	$ 4,446,235	$ 3,949,671	$ 3,529,460
School Board Non-Professional	293,792	265,581	241,371

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

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

School Board Non-Professional Plan

For the year ended June 30, 2022, the School Board non-professional plan recognized HIC OPEB expense of $23,539. At June 30, 2022, the School Board non-professional plan reported deferred outflows of resources and deferred inflows of resources related to the HIC OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change in assumptions	$ 5,447	$ -
Changes in proportion	-	(1,914)
Employer contributions subsequent to the measurement date	27,585	-
Total	$ 33,032	$ (1,914)

The $27,585 reported as deferred outflows of resources related to the HIC OPEB resulting from the school Board non-professional plan's contributions subsequent to the measurement date will be recognized as a reduction of the total HIC OPEB liability in the fiscal year ending June 30, 2023. No other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIC OPEB are reported until the second year of participation.

Year Ending June 30,	Amount
2023	$ 944
2024	944
2025	944
2026	701
Total	$ 3,533

School Board Professional Plan

At June 30, 2022, the School Board professional plan reported a liability of $3,949,671 for its proportionate share of the Teacher Employee HIC total OPEB liability. The total Teacher Employee HIC OPEB liability was measured as of June 30, 2021 and the total Teacher Employee HIC OPEB liability used to calculate the total Teacher Employee HIC OPEB liability was determined by an actuarial valuation performed as of June 30, 2020 and rolled forward to the measurement date of June 30, 2021. The School Board professional plan's proportion of the total Teacher Employee HIC OPEB liability was based on the School Board professional plan's actuarially determined employer contributions to the Teacher Employee HIC OPEB plan for the year ended June 30, 2021 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2021, the School Board professional plan's proportion of the Teacher Employee HIC was 0.30771% as compared to 0.31635% at June 30, 2020.

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

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

For the year ended June 30, 2022, the School Board professional plan recognized Teacher Employee HIC OPEB expense of $258,733. Since there was a change in proportionate share between measurement dates, a portion of the Teacher Employee HIC net OPEB expense was related to deferred amounts from changes in proportion.

At June 30, 2022, the School Board professional plan reported deferred outflows of resources and deferred inflows of resources related to the Teacher Employee HIC OPEB from the following sources (amounts expressed in the thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ (68,921)
Net difference between projected and actual earnings on HIC OPEB program investments	-	(52,029)
Change in assumptions	106,767	(15,873)
Changes in proportionate share	-	(269,595)
Employer contributions subsequent to the measurement date	355,538	-
Total	$ 462,305	$ (406,418)

The $355,538 reported as deferred outflows of resources related to the Teacher Employee HIC OPEB resulting from the School Board professional plan's contributions subsequent to the measurement date will be recognized as a reduction of the total Teacher Employee HIC OPEB liability in the fiscal year ending June 30, 2023. Other amounts reported as deferred inflows of resources related to the HIC OPEB will be recognized in the HIC OPEB expense in future reporting periods as follows (amounts expressed in the thousands):

Year Ending June 30,	Amount
2023	$ (67,769)
2024	(68,360)
2025	(61,353)
2026	(51,081)
2027	(30,107)
Thereafter	(20,981)
Total	$ (299,651)

J. HIC Credit Program Plan Data

Information about the VRS Political Subdivision and Teacher Employee Health Insurance Credit Program is available in the separately issued VRS 2021 Annual Comprehensive Financial Report (ACFR). A copy of the 2021 VRS ACFR may be downloaded from the VRS website at varetire.org/Pdf/Publications/2021-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, Virginia, 23218-2500.

Note 14. Pension and Other Postemployment Benefits

Pension and other postemployment benefits (OPEB) are long term liabilities created by a commitment to provide benefits to employees postemployment. The net pension liability and net OPEB liability are determined by an actuarial assessment and presented on the face of the financial statements. Amounts for deferred inflows and deferred outflows are also presented on the face of the financial statements. Details about the actuarial assessment and inflows and outflows are presented in the pension and OPEB note disclosures. Individual plan expenses are also presented in those notes. Aggregate amounts of the recognized pension expense and OPEB expense for the fiscal year ended June 30, 2022 are presented below.

Aggregate pension expense, liabilities (assets), deferred outflows, and deferred inflows recognized for the fiscal year ended June 30, 2022:

	Primary Government			Component Unit		
	Governmental Activities	Business Type Activities	Totals	School Board Professional	School Board Non-Professional	Totals, net
Pension Expense	$ (133,944)	$ 42,390	$ (91,554)	$ 458,756	$ 292,164	$ 750,920
Net Pension Liability (Asset)	(2,408,078)	(212,531)	(2,620,609)	23,956,142	(2,432,052)	21,524,090
Deferred Inflows	5,314,876	469,079	5,783,955	19,147,972	1,669,563	20,817,535
Deferred Outflows	2,163,986	190,952	2,354,938	8,887,487	323,909	9,211,396

Aggregate other postemployment benefits expense recognized for the fiscal year ended June 30, 2022:

	Primary Government			Component Unit		
	Governmental Activities	Business Type Activities	Totals	School Board Professional	School Board Non-Professional	Totals
Medical						
OPEB Expense	$ 185,408	$ 669	$ 186,077	$ 404,148	$ -	$ 404,148
Total OPEB Liability	1,415,599	51,372	1,466,971	3,484,432	-	3,484,432
Deferred Inflows	353,709	12,838	366,547	1,255,521	-	1,255,521
Deferred Outflows	294,556	10,689	305,245	1,187,684	-	1,187,684
GLI						
OPEB Expense	$ 38,445	$ 1,752	$ 40,197	$ 28,162	$ 810	$ 28,972
Total OPEB Liability	668,308	21,523	689,831	1,536,489	168,936	1,705,425
Deferred Inflows	265,983	8,553	274,536	702,468	88,640	791,108
Deferred Outflows	234,910	7,580	242,490	419,113	47,757	466,870
HIC						
OPEB Expense	$ -	$ -	$ -	$ 258,733	$ 23,539	$ 282,272
Total OPEB Liability	-	-	-	3,949,671	265,581	4,215,252
Deferred Inflows	-	-	-	406,418	1,914	408,332
Deferred Outflows	-	-	-	462,305	33,032	495,337
Total						
OPEB Expense	$ 223,853	$ 2,421	$ 226,274	$ 691,043	$ 24,349	$ 715,392
Total OPEB Liability	2,083,907	72,895	2,156,802	8,970,592	434,517	9,405,109
Deferred Inflows	619,692	21,391	641,083	2,364,407	90,554	2,454,961
Deferred Outflows	529,466	18,269	547,735	2,069,102	80,789	2,149,891

Note 15. Landfill Closure and Post-Closure Care Cost

Permit 90 – Closed Landfill

The County closed its former landfill in 2013. State and federal laws and regulations require the County to place a final cover and to perform certain maintenance and monitoring functions at the site for 30 years after closure. The cumulative amount of estimated post-closure care and corrective action costs for this site, less costs paid to date, totals $1,908,000. Actual costs may be higher due to inflation, changes in technology, changes in regulations, or other unforeseen circumstances. The County intends to fund these costs from funds accumulated for this purpose in the Landfill Fund as well as transfers from the General Fund.

Permit 566 – Open Landfill

The County owns and operates a landfill site from which it collects tipping fees based upon the source of the waste. The landfill began accepting waste in January 2013. State and federal laws will require the County to place a final cover on this site when it stops accepting waste and to perform maintenance and monitoring functions for 30 years after closure. Although closure and post-closure care costs are paid only near or after the date the landfill stops accepting waste, the County will report a portion of these closure and post-closure care costs as an operating expense in each period based on landfill capacity used. The $2,113,000 reported as landfill closure and post-closure liability as of June 30, 2022 represents the cumulative amount reported to date based on estimated use of approximately 76 percent of the estimated capacity of Cell #1, as well as anticipated future cells for closure costs, and use of approximately 8 percent of the estimated capacity of the entire landfill site for post-closure costs. The remaining estimated cost of closure and post-closure care of $3,242,000 will be recognized as remaining capacity is filled. Actual future costs may be higher due to inflation, changes in technology, changes in regulations, or other unforeseen circumstances.

Note 16. Commitments and Contingencies

Litigation

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

Federal Grants

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

Commitments

The County has entered into various construction contracts. Future amounts due under these agreements are approximately $521,660, $5,348,702 and $269,111 for the County, School Board and Broadband Authority, respectively, at year end.

Note 17. Risk Management

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

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

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

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

Changes in the claims liability amount are shown below:

Fiscal Year Ended	Beginning Liability	Current Year Claims	Claim Payments	Ending Liability
June 30, 2022	$ 893,231	$ 7,684,429	$ 7,613,690	$ 963,970
June 30, 2021	779,216	7,303,238	7,189,223	893,231
June 30, 2020	401,846	6,992,061	6,614,691	779,216

Note 18. Fund Balances

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

	General	Virginia Public Assistance	EMS & Fire	Covid-19	County Capital Projects	Other	Total
Nonspendable:							
Prepaid items	$ 50,000	$ -	$ -	$ -	$ -	$ -	$ 50,000
Total nonspendable	50,000	-	-	-	-	-	50,000
Committed to:							
Judicial administration	-	-	-	-	-	8,408	8,408
Public safety	-	-	-	-	-	34,298	34,298
Public assistance	-	56,922	-	-	-	-	56,922
Total committed	-	56,922	-	-	-	42,706	99,628
Assigned to:							
FY23 Original Appropriations	3,036,670	-	-	-	-	-	3,036,670
Child care reserve	148,189	-	-	-	-	-	148,189
Broadband	332,850	-	-	-	-	-	332,850
Destroyed livestock	9,364	-	-	-	-	-	9,364
Dix Memorial Pool project	100,000	-	-	-	-	-	100,000
Wilderness Shores Streets	374,000	-	-	-	-	-	374,000
FY22 Encumbrances	235,183	19,920	61,610	-	-	-	316,713
Fire & EMS	-	-	1,698,926	-	-	-	1,698,926
COVID-19	-	-	-	1,799,585	-	-	1,799,585
Capital projects	-	-	-	-	17,171,133	-	17,171,133
Total assigned	4,236,256	19,920	1,760,536	1,799,585	17,171,133	-	24,987,430
Unassigned	27,593,883	-	-	-	-	-	27,593,883
Total fund balance	$ 31,880,139	$ 76,842	$ 1,760,536	$ 1,799,585	$ 17,171,133	$ 42,706	$ 52,730,941

Note 19. Tax Abatements and Commonwealth's Opportunity Fund

Pursuant to the provisions of Title 15.2, Chapter 9, Section 15.2-953 of the *Code of Virginia*, localities are permitted to make appropriations of money to industrial development authorities for the purposes of promoting economic development. Furthermore, Title 2.2, Chapter 1, Section 2.2-115 of the *Code of Virginia*, has created the Commonwealth's Development Opportunity Fund (the Fund) to be used by the Governor to attract economic development prospects and secure the expansion of existing industry in the Commonwealth. Amounts awarded from the Fund are categorized as grants or loans. The criteria for making such grants or loans shall include: (1) job creation, (2) private capital investment, and (3) anticipated additional state tax revenue expected to accrue to the state and affected localities as a result of the capital investment and jobs created.

Note 19. Tax Abatements and Commonwealth's Opportunity Fund (Continued)

The County currently has three companies that meet the criteria to receive this grant. The County has entered into agreements with each of these companies to act as a pass-through for the Fund's grant. Once the County has received the funds it will transfer the amount to the Economic Development Authority, who subsequently delivers the funds to the business. Grants are to be used for public or private construction projects which improve infrastructure.

For the fiscal year ended June 30, 2022, the County abated property taxes totaling $39,780 under this incentive program, including the following tax abatement agreements:

- Property tax abatement to a home framing manufacturing facility in the amount of $39,780.

Note 20. Net Position Restatement

As of July 1, 2021, the following restatement has been made to break-out the EMS & Fire Fund from the General Fund:

	General Fund	EMS & Fire Fund
Net position, as originaly reported, July 1, 2021	$ 29,231,999	$ -
Net adjustment as a result of breakout of EMS & Fire Fund	(1,016,331)	1,016,331
Net position, as restated, July 1, 2021	$ 28,215,668	$ 1,016,331

In addition, as of June 30, 2022, the following restatements have been made to correct prior year errors where CIP was not capitalized:

	Landfill Fund	Governmental Activities
Net position, as originaly reported, July 1, 2021	$ 834,568	$ 37,234,027
Net adjustment as a result of restatement	1,118,359	225,152
Net position, as restated, July 1, 2021	$ 1,952,927	$ 37,459,179

Note 21. Pending GASB Statements

At June 30, 2022, the Governmental Accounting Standards Board (GASB) had issued statements not yet implemented by the County. The statements which might impact the County are as follows:

GASB Statement No. 91, *Conduit Debt Obligations*, will provide a single method of reporting conduit debt obligations by issuer and eliminate diversity in practice associate with (1) commitments extended by issuer, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. Statement No. 91 will be effective for fiscal years beginning after December 15, 2021.

GASB Statement No. 93, *Replacement of Interbank Offered Rates*, will address accounting and financial reporting implications that result from the replacement of an interbank offered rate-most notably, the London Interbank Offered Rate (LIBOR), which is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate. Portions of Statement No. 93 will be effective for fiscal years beginning after December 31, 2021.

Note 21. Pending GASB Statements (Continued)

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements,* will improve financial reporting by addressing issues related to public-private and public-public partnership arrangements. Statement No. 94 will be effective for fiscal years beginning after June 15, 2022.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, will provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). Statement No. 96 will be effective for fiscal years beginning after June 15, 2022.

GASB Statement No. 99, *Omnibus 2022*, will enhance comparability in accounting and financial reporting and improve 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 portion of Statement No. 99 related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022. The portion of the Statement related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement No. 53 are effective for fiscal years beginning after June 15, 2023.

GASB Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62* will enhance 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. Statement No. 100 will be effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023.

GASB Statement No. 101, *Compensated Absences* will better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. Statement No. 101 will be effective for fiscal years beginning after December 15, 2023.

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

Note 22. Subsequent Events

$374,000 of the General Fund balance was reserved/restricted for plat and road being moved relating to Wilderness Shores Easements.

On September 15, 2022, the Broadband Authority closed on a revenue bond totaling $6,065,000 that the County gives a good faith to pay if the Authority is unable to pay it back.

$300,000 of what is owed to Edifice in the General Fund for the Public Safety Building was paid to Everest Reinsurance Company as part of a litigation settlement.

REQUIRED SUPPLEMENTARY INFORMATION

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 12

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND
Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Over
	Original	Final	Amounts	(Under)
Revenues:				
General property taxes	$ 39,680,208	$ 39,705,208	$ 42,285,753	$ 2,580,545
Other local taxes	7,975,059	7,998,452	9,659,926	1,661,474
Permits, privilege fees and regulatory licenses	494,860	494,860	710,396	215,536
Fines and forfeitures	173,600	173,600	108,845	(64,755)
Use of money and property	564,401	564,401	(23,297)	(587,698)
Charges for services	768,892	368,082	644,624	276,542
Miscellaneous	276,500	388,167	451,768	63,601
Recovered costs	1,628,959	1,683,136	1,712,849	29,713
Intergovernmental:				
Commonwealth	8,662,763	8,776,334	8,349,518	(426,816)
Federal	75,574	84,325	138,356	54,031
Total revenues	60,300,816	60,236,565	64,038,738	3,802,173
Expenditures:				
Current:				
General government administration	4,364,202	4,856,740	4,357,010	(499,730)
Judicial administration	2,368,556	2,454,549	2,307,594	(146,955)
Public safety	8,256,646	8,773,555	8,207,850	(565,705)
Public works	1,577,253	2,046,375	1,342,320	(704,055)
Health and human services	4,717,630	4,959,772	4,488,152	(471,620)
Education	23,517,336	24,726,869	23,037,270	(1,689,599)
Parks, recreation and cultural	1,531,822	1,598,021	1,514,192	(83,829)
Community development	1,715,760	1,972,437	1,769,610	(202,827)
Nondepartmental	822,562	98,807	120,264	21,457
Total expenditures	48,871,767	51,487,125	47,144,262	(4,342,863)
Excess of revenues over expenditures	11,429,049	8,749,440	16,894,476	8,145,036
Other financing sources (uses):				
Transfers in	88,069	406,602	406,602	-
Transfers out	(13,618,498)	(13,642,320)	(13,636,607)	5,713
Total other financing uses, net	(13,530,429)	(13,235,718)	(13,230,005)	5,713
Net change in fund balance	(2,101,380)	(4,486,278)	3,664,471	8,150,749
Fund balance, beginning, as restated	(2,699,630)	(6,568,618)	28,215,668	34,784,286
Fund balance, ending	$ (4,801,010)	$ (11,054,896)	$ 31,880,139	$ 42,935,035

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 13

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – VIRGINIA PUBLIC ASSISTANCE FUND
Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Over
	Original	Final	Amounts	(Under)
Revenues:				
Miscellaneous	$ -	$ 7,663	$ 7,663	$ -
Intergovernmental:				
Commonwealth	1,289,408	1,289,408	1,079,494	(209,914)
Federal	1,876,511	1,907,546	1,868,794	(38,752)
Total revenues	3,165,919	3,204,617	2,955,951	(248,666)
Expenditures:				
Current:				
Health and human services	4,102,524	4,225,780	3,968,109	(257,671)
Total expenditures	4,102,524	4,225,780	3,968,109	(257,671)
Deficiency of revenues under expenditures	(936,605)	(1,021,163)	(1,012,158)	9,005
Other financing sources:				
Transfers in	936,605	951,071	961,525	10,454
Total other financing sources	936,605	951,071	961,525	10,454
Net change in fund balance	-	(70,092)	(50,633)	19,459
Fund balance, beginning	-	-	127,475	127,475
Fund balance, ending	$ -	$ (70,092)	$ 76,842	$ 146,934

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 14

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – EMS & FIRE FUND
Year Ended June 30, 2022

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Over (Under)
Revenues:				
General Property Taxes	$ 5,087,396	$ 5,087,396	$ 5,863,655	$ 776,259
Charges for Services	1,322,341	1,322,341	1,582,927	260,586
Miscellaneous	-	2,200	2,150	(50)
Recovered Costs	-	5,257	24,987	19,730
Intergovernmental:				
Commonwealth	181,186	181,186	181,704	518
Federal	-	168,688	63,938	(104,750)
Total revenues	6,590,923	6,767,068	7,719,361	952,293
Expenditures:				
Current:				
Public safety	5,939,629	6,222,122	5,797,378	(424,744)
Debt Service:				
Principal	-	-	163,462	163,462
Interest	-	-	11,223	11,223
Total expenditures	5,939,629	6,222,122	5,972,063	(250,059)
Excess of revenues over expenditures	651,294	544,946	1,747,298	1,202,352
Other financing sources (uses):				
Transfers in	584,598	690,946	9,684	(681,262)
Transfers out	(1,235,892)	(1,235,892)	(1,012,777)	223,115
Total other financing uses, net	(651,294)	(544,946)	(1,003,093)	(458,147)
Net change in fund balance	-	-	744,205	744,205
Fund balance, beginning, as restated	-	-	1,016,331	1,016,331
Fund balance, ending	$ -	$ -	$ 1,760,536	$ 1,760,536

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 15

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – COVID-19 FUND
Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Over
	Original	Final	Amounts	(Under)
Revenues:				
Federal	$ 7,185,813	$ 7,928,054	$ 5,918,520	$ (2,009,534)
Total revenues	7,185,813	7,928,054	5,918,520	(2,009,534)
Expenditures:				
Current:				
General government administration	-	368,719	119,091	(249,628)
Public safety	7,185,813	4,353,491	1,194,364	(3,159,127)
Public works	-	2,066,762	2,042,703	(24,059)
Health and human services	-	110,664	9,771	(100,893)
Education	-	27,003	-	(27,003)
Parks, recreation and cultural	-	21,847	21,847	-
Community development	-	282,185	73,534	(208,651)
Total expenditures	7,185,813	7,230,671	3,461,310	(3,769,361)
Excess of revenues over expenditures	-	697,383	2,457,210	1,759,827
Other financing uses:				
Transfers out	-	(2,494,756)	(2,457,210)	37,546
Total other financing uses	-	(2,494,756)	(2,457,210)	37,546
Net change in fund balance	-	(1,797,373)	-	1,797,373
Fund balance, beginning	-	1,799,585	1,799,585	-
Fund balance, ending	$ -	$ 2,212	$ 1,799,585	$ 1,797,373

EXHIBIT 16

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

	Fiscal Year June 30,							
	2014	2015	2016	2017	2018	2019	2020	2021
Total pension liability:								
Service cost	$ 1,148,245	$ 1,191,381	$ 1,194,996	$ 1,261,670	$ 1,242,199	$ 1,263,096	$ 1,392,714	$ 1,370,138
Interest	1,972,952	2,101,059	2,153,120	2,284,225	2,422,722	2,567,431	2,644,022	2,800,132
Differences between expected and actual experience	-	(1,142,256)	(47,995)	(13,333)	(12,107)	(959,010)	(90,944)	(730,954)
Changes of assumptions	-	-	-	(54,821)	-	1,227,975	-	1,743,845
Benefit payments, including refunds of employee contributions	(1,150,418)	(1,431,783)	(1,381,134)	(1,473,239)	(1,525,194)	(1,645,896)	(1,566,859)	(1,699,248)
Net change in total pension liability	1,970,779	718,401	1,918,987	2,004,502	2,127,620	2,453,596	2,378,933	3,483,913
Total pension liability - beginning	28,760,241	30,731,020	31,449,421	33,368,408	35,372,910	37,500,530	39,954,126	42,333,059
Total pension liability - ending (a)	$30,731,020	$31,449,421	$33,368,408	$35,372,910	$37,500,530	$39,954,126	$42,333,059	$ 45,816,972
Plan fiduciary net position:								
Contributions - employer	$ 1,106,261	$ 1,034,535	$ 1,095,456	$ 938,728	$ 947,794	$ 984,987	$ 1,011,610	$ 1,057,737
Contributions - employee	458,769	455,835	484,814	495,845	501,229	536,154	630,179	573,664
Net investment income	3,692,589	1,254,114	511,485	3,581,431	2,426,918	2,352,124	710,698	10,475,359
Benefit payments, including refunds of employee contributions	(1,150,418)	(1,431,783)	(1,381,134)	(1,473,239)	(1,525,194)	(1,645,896)	(1,566,859)	(1,699,248)
Administrative expense	(19,343)	(16,855)	(17,413)	(20,329)	(20,569)	(22,812)	(23,853)	(25,394)
Other	195	(265)	(214)	(3,202)	(2,178)	(1,489)	(1,576)	994
Net change in plan fiduciary net position	4,088,053	1,295,581	692,994	3,519,234	2,328,000	2,203,068	760,199	10,383,112
Plan fiduciary net position - beginning	23,167,340	27,255,393	28,550,974	29,243,968	32,763,202	35,091,202	37,294,270	38,054,469
Plan fiduciary net position - ending (b)	$27,255,393	$28,550,974	$29,243,968	$32,763,202	$35,091,202	$37,294,270	$38,054,469	$ 48,437,581
County's net pension liability (asset) - ending (a) - (b)	$ 3,475,627	$ 2,898,447	$ 4,124,440	$ 2,609,708	$ 2,409,328	$ 2,659,856	$ 4,278,590	$ (2,620,609)
Plan fiduciary net position as a percentage of the total pension liability (asset)	88.69%	90.78%	87.64%	92.62%	93.58%	93.34%	89.89%	105.72%
Covered payroll	$ 9,746,793	$ 9,114,846	$ 9,651,595	$ 9,997,103	$10,093,653	$10,800,296	$11,092,215	$ 11,459,772
County's net pension liability (asset) as a percentage of covered payroll	35.66%	31.80%	42.73%	26.10%	23.87%	24.63%	38.57%	-22.87%

Note to Schedule:

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

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 17

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

	Fiscal Year June 30,							
	2014	2015	2016	2017	2018	2019	2020	2021
Total pension liability:								
Service cost	$ 321,928	$ 310,760	$ 297,799	$ 293,651	$ 307,366	$ 301,285	$ 279,634	$ 256,209
Interest	540,454	569,842	605,627	623,212	631,481	655,192	667,748	688,410
Differences between expected and actual experience	-	97,318	(172,117)	(131,538)	(79,665)	(97,730)	26,501	(393,176)
Changes of assumptions	-	-	-	(168,965)	-	256,019	-	338,246
Benefit payments, including refunds of employee contributions	(427,241)	(457,861)	(475,557)	(484,627)	(511,853)	(529,037)	(635,147)	(700,402)
Net change in total pension liability	435,141	520,059	255,752	131,733	347,329	585,729	338,736	189,287
Total pension liability - beginning	7,934,394	8,369,535	8,889,594	9,145,346	9,277,079	9,624,408	10,210,137	10,548,873
Total pension liability - ending (a)	$ 8,369,535	$ 8,889,594	$ 9,145,346	$ 9,277,079	$ 9,624,408	$ 10,210,137	$ 10,548,873	$ 10,738,160
Plan fiduciary net position:								
Contributions - employer	$ 234,379	$ 202,149	$ 203,974	$ 128,161	$ 127,881	$ 126,406	$ 117,847	$ 100,001
Contributions - employee	143,849	148,042	150,267	147,157	148,096	150,294	146,340	133,534
Net investment income	1,204,254	401,260	157,666	1,102,587	734,629	692,918	206,331	2,894,718
Benefit payments, including refunds of employee contributions	(427,241)	(457,861)	(475,557)	(484,627)	(511,853)	(529,037)	(635,147)	(700,402)
Administrative expense	(6,473)	(5,524)	(5,655)	(6,446)	(6,416)	(6,952)	(7,194)	(7,463)
Other	63	(87)	(67)	(977)	(651)	(436)	(242)	270
Net change in plan fiduciary net position	1,148,831	287,979	30,628	885,855	491,686	433,193	(172,065)	2,420,658
Plan fiduciary net position - beginning	7,643,447	8,792,278	9,080,257	9,110,885	9,996,740	10,488,426	10,921,619	10,749,554
Plan fiduciary net position - ending (b)	$ 8,792,278	$ 9,080,257	$ 9,110,885	$ 9,996,740	$ 10,488,426	$ 10,921,619	$ 10,749,554	$ 13,170,212
School Board non-professional net pension liability (asset) - ending (a)-(b)	$ (422,743)	$ (190,663)	$ 34,461	$ (719,661)	$ (864,018)	$ (711,482)	$ (200,681)	$ (2,432,052)
Plan fiduciary net position as a percentage of the total pension liability	105.05%	102.14%	99.62%	107.76%	108.98%	106.97%	101.90%	122.65%
Employer's covered payroll	$ 3,446,750	$ 2,972,779	$ 2,999,618	$ 2,891,467	$ 2,885,824	$ 2,853,409	$ 2,740,628	$ 2,331,026
School Board's non-professional net pension liability (asset) as a percentage of covered payroll	-12.26%	-6.41%	1.15%	-24.89%	-29.94%	-24.93%	-7.32%	-104.33%

Note to Schedule:

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

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 18

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

	Fiscal Year June 30,							
	2014	2015	2016	2017	2018	2019	2020	2021
Employer's proportion of the net pension liability	0.33419%	0.34548%	0.34137%	0.33345%	0.33173%	0.32139%	0.31654%	0.30859%
Employer's proportionate share of the net pension liability	$40,386,000	$43,483,000	$47,840,000	$41,008,000	$39,011,000	$42,296,751	$46,064,883	$23,956,142
Employer's covered payroll	25,670,299	25,600,000	25,238,400	25,886,794	29,254,366	26,984,796	27,733,932	26,247,304
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	157.33%	169.86%	189.55%	158.41%	133.35%	156.74%	166.10%	91.27%
Plan fiduciary net position as a percentage of the total pension liability	70.88%	70.68%	68.28%	72.92%	74.81%	73.51%	71.47%	85.46%

Note to Schedule:

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

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 19

SCHEDULE OF COUNTY CONTRIBUTIONS – VIRGINIA RETIREMENT SYSTEM

	Fiscal Year June 30,								
	2014	2015	2016	2017	2018	2019	2020	2021	2022
Contractually required contribution (CRC)	$ 1,106,261	$ 1,034,535	$ 1,095,456	$ 938,728	$ 947,794	$ 984,987	$ 1,011,610	$ 1,057,737	$ 1,143,233
Contributions in relation to the CRC	1,106,261	1,034,535	1,095,456	938,728	947,794	984,987	1,011,610	1,057,737	1,143,233
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employer's covered payroll	$ 9,746,793	$ 9,114,846	$ 9,651,595	$ 9,997,103	$ 10,093,653	$ 10,800,296	$ 11,092,215	$ 11,459,772	$ 12,386,056
Contributions as a percentage of covered payroll	11.35%	11.35%	11.35%	9.39%	9.39%	9.12%	9.12%	9.23%	9.23%

Note to Schedule:

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

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 20

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

	Fiscal Year June 30,								
	2014	2015	2016	2017	2018	2019	2020	2021	2022
Contractually required contribution (CRC)	$ 234,379	$ 202,149	$ 203,974	$ 128,161	$ 127,881	$ 126,406	$ 117,847	$ 100,001	$ 115,037
Contributions in relation to the CRC	234,379	202,149	203,974	128,161	127,881	126,406	117,847	100,001	115,037
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employer's covered payroll	$ 3,446,750	$ 2,972,779	$ 2,999,618	$ 2,891,467	$ 2,885,824	$ 2,853,409	$ 2,740,628	$ 2,331,026	$ 2,675,279
Contributions as a percentage of covered payroll	6.80%	6.80%	6.80%	4.43%	4.43%	4.43%	4.30%	4.29%	4.30%

Note to Schedule:

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

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 21

SCHEDULE OF SCHOOL BOARD PROFESSIONAL CONTRIBUTIONS – VIRGINIA RETIREMENT SYSTEM

	Fiscal Year June 30,								
	2014	2015	2016	2017	2018	2019	2020	2021	2022
Contractually required contribution (CRC)	$ 3,723,620	$ 3,712,000	$ 3,659,568	$ 3,795,004	$ 4,288,690	$ 4,231,216	$ 4,348,682	$ 4,362,302	$ 4,690,434
Contributions in relation to the CRC	3,723,620	3,712,000	3,659,568	3,795,004	4,288,690	4,231,216	4,348,682	4,362,302	4,690,434
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employers covered payroll	$ 25,670,299	$ 25,600,000	$ 25,238,400	$ 25,886,794	$ 29,254,366	$ 26,984,796	$ 27,733,932	$ 26,247,304	$ 28,221,625
Contributions as a percentage of covered payroll	14.51%	14.50%	14.50%	14.66%	14.66%	15.68%	15.68%	16.62%	16.62%

Note to Schedule:

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

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – VIRGINIA RETIREMENT SYSTEM
Year Ended June 30, 2022

Note 1. Changes of Benefit Terms

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

Note 2. Changes of Assumptions

The actuarial assumptions used in the June 30, 2020 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:

County and School Board Non-Professional (Agent Plans)

General Employees

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

Public Safety Employees with Hazardous Duty Benefits

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

Note 2. Changes of Assumptions (Continued)

School Board Professional (Cost-Sharing Plan)

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

EXHIBIT 22

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

	Fiscal Year June 30,				
	2018	2019	2020	2021	2022
Total Medical Insurance OPEB liability:					
Service cost	$ 65,073	$ 74,650	$ 91,450	$ 104,849	$ 127,486
Interest	33,253	36,479	42,911	33,174	36,682
Economic/demographic gains or losses	-	(61,068)	-	(163,084)	-
Changes in assumptions or other inputs	(33,680)	176,913	156,780	237,554	(247,345)
Benefit payments	(22,244)	(18,979)	(23,902)	(35,049)	(40,971)
Net change in total OPEB liability	42,402	207,995	267,239	177,444	(124,148)
Total Medical Insurance OPEB liability - beginning	896,039	938,441	1,146,436	1,413,675	1,591,119
County Medical Insurance OPEB liability - ending	$ 938,441	$ 1,146,436	$ 1,413,675	$ 1,591,119	$ 1,466,971
Plan fiduciary net position as a percentage of the total Medical Insurance	0.00%	0.00%	0.00%	0.00%	0.00%
Covered-employee payroll	$ 9,532,600	$ 10,485,965	$ 10,485,965	$ 11,198,388	$ 11,198,388
Total OPEB liability as a percentage of covered-employee payroll	9.84%	10.93%	13.48%	14.21%	13.10%

Note to Schedule:

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

EXHIBIT 23

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

	Fiscal Year June 30,				
	2018	2019	2020	2021	2022
Total Medical Insurance OPEB liability:					
Service cost	$ 178,621	$ 202,318	$ 215,293	$ 204,568	$ 336,153
Interest	100,943	97,897	99,980	71,459	85,401
Economic/demographic gains or losses	-	(420,289)	-	(885,382)	-
Changes in assumptions or other inputs	(81,050)	180,577	231,119	1,339,470	(482,371)
Benefit payments	(156,966)	(155,911)	(177,816)	(138,920)	(143,930)
Net change in total OPEB liability	41,548	(95,408)	368,576	591,195	(204,747)
Total Medical Insurance OPEB liability - beginning	2,783,268	2,824,816	2,729,408	3,097,984	3,689,179
School Board total Medical Insurance OPEB liability - ending	$ 2,824,816	$ 2,729,408	$ 3,097,984	$ 3,689,179	$ 3,484,432
Plan fiduciary net position as a percentage of the total Medical Insurance	0.00%	0.00%	0.00%	0.00%	0.00%
Covered-employee payroll	$ 26,377,500	$ 30,147,565	$ 30,147,565	$ 29,088,770	$ 29,088,770
Total OPEB liability as a percentage of covered-employee payroll	10.71%	9.05%	10.28%	12.68%	11.98%

Note to Schedule:

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

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 24

SCHEDULE OF COUNTY CONTRIBUTIONS – OPEB – MEDICAL INSURANCE PROGRAM

	Fiscal Year June 30,				
	2018	2019	2020	2021	2022
Contractually required contribution (CRC)	$ 22,244	$ 18,979	$ 23,902	$ 35,049	$ 40,971
Contributions in relation to the CRC	22,244	18,979	23,902	35,049	40,971
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered-employee payroll	$ 9,532,600	$ 10,485,965	$ 10,485,965	$ 11,198,388	$ 11,198,388
Contributions as a percentage of covered-employee payroll	0.23%	0.18%	0.23%	0.31%	0.37%

Note to Schedule:

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

EXHIBIT 25

SCHEDULE OF SCHOOL BOARD CONTRIBUTIONS – OPEB – MEDICAL INSURANCE PROGRAM

	Fiscal Year June 30,				
	2018	2019	2020	2021	2022
Contractually required contribution (CRC)	$ 156,966	$ 155,911	$ 177,816	$ 138,920	$ 143,930
Contributions in relation to the CRC	156,966	155,911	177,816	138,920	143,930
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered-employee payroll	$ 26,377,500	$ 30,147,565	$ 30,147,565	$ 29,088,770	$ 29,088,770
Contributions as a percentage of covered-employee payroll	0.60%	0.52%	0.59%	0.48%	0.49%

Note to Schedule:

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

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 26

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

	Fiscal Year June 30,				
	2017	2018	2019	2020	2021
County:					
Employer's proportion of the net GLI OPEB liability	0.05572%	0.05464%	0.05723%	0.05688%	0.05925%
Employer's proportionate share of the net GLI OPEB liability	$ 839,000	$ 830,000	$ 931,284	$ 949,234	$ 689,831
Employer's covered payroll	10,276,923	10,389,931	11,347,308	11,804,423	12,232,963
Employer's proportionate share of the net GLI OPEB liability as a percentage of its covered payroll	8.16%	7.99%	8.21%	8.04%	5.64%
Plan fiduciary net position as a percentage of the total GLI OPEB liability	48.86%	51.22%	52.00%	52.64%	67.45%
School Board Non-Professional:					
Employer's proportion of the net GLI OPEB liability	0.01656%	0.01641%	0.01631%	0.01579%	0.01451%
Employer's proportionate share of the net GLI OPEB liability	$ 249,000	$ 249,000	$ 265,407	$ 263,509	$ 168,936
Employer's covered payroll	3,055,396	3,119,777	3,196,838	3,254,423	2,995,926
Employer's proportionate share of the net GLI OPEB liability as a percentage of its covered payroll	8.15%	7.98%	8.30%	8.10%	5.64%
Plan fiduciary net position as a percentage of the total GLI OPEB liability	48.86%	51.22%	52.00%	52.64%	67.45%
School Board Professional:					
Employer's proportion of the net GLI OPEB liability	0.14254%	0.14121%	0.13784%	0.13481%	0.13197%
Employer's proportionate share of the net GLI OPEB liability	$ 2,145,000	$ 2,145,000	$ 2,243,024	$ 2,249,758	$ 1,536,489
Employer's covered payroll	26,291,898	26,850,508	27,020,860	27,744,038	27,246,667
Employer's proportionate share of the net GLI OPEB liability as a percentage of its covered payroll	8.16%	7.99%	8.30%	8.11%	5.64%
Plan fiduciary net position as a percentage of the total GLI OPEB liability	48.86%	51.22%	52.00%	52.64%	67.45%

Note to Schedule:

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

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 27

SCHEDULE OF EMPLOYER CONTRIBUTIONS – OPEB – GROUP LIFE INSURANCE PROGRAM

	Fiscal Year June 30, 2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
County:										
Contractually required contribution (CRC)	$ 42,989	$ 44,166	$ 47,896	$ 46,874	$ 46,874	$ 54,028	$ 59,006	$ 61,383	$ 66,058	$ 69,802
Contributions in relation to the CRC	42,989	44,166	47,896	46,874	46,874	54,028	59,006	61,383	66,058	69,802
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employer's covered payroll	$ 8,955,946	$ 9,201,313	$ 9,978,361	$ 9,765,434	$ 10,276,923	$ 10,389,931	$ 11,347,308	$ 11,804,423	$ 12,232,963	$ 12,926,296
Contributions as a percentage of covered payroll	0.48%	0.48%	0.48%	0.48%	0.46%	0.52%	0.52%	0.52%	0.54%	0.54%
School Board Non-Professional:										
Contractually required contribution (CRC)	$ 13,885	$ 13,897	$ 14,565	$ 14,785	$ 15,888	$ 16,223	$ 16,624	$ 16,923	$ 16,178	$ 19,176
Contributions in relation to the CRC	13,885	13,897	14,565	14,785	15,888	16,223	16,624	16,923	16,178	19,176
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employer's covered-employee payroll	$ 2,892,635	$ 2,895,194	$ 3,034,280	$ 3,080,256	$ 3,055,396	$ 3,119,777	$ 3,196,838	$ 3,254,423	$ 2,995,926	$ 3,551,111
Contributions as a percentage of covered payroll	0.48%	0.48%	0.48%	0.48%	0.52%	0.52%	0.52%	0.52%	0.54%	0.54%
School Board Professional:										
Contractually required contribution (CRC)	$ 116,924	$ 117,628	$ 123,395	$ 125,334	$ 136,718	$ 139,623	$ 140,509	$ 144,269	$ 147,132	$ 159,165
Contributions in relation to the CRC	116,924	117,628	123,395	125,334	136,718	139,623	140,509	144,269	147,132	159,165
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employer's covered-employee payroll	$ 24,359,235	$ 24,505,926	$ 25,707,199	$ 26,111,292	$ 26,291,898	$ 26,850,508	$ 27,020,860	$ 27,744,038	$ 27,246,667	$ 29,475,000
Contributions as a percentage of covered payroll	0.48%	0.48%	0.48%	0.48%	0.52%	0.52%	0.52%	0.52%	0.54%	0.54%

See Notes to Required Supplementary Information – Other Postemployment Benefits.

EXHIBIT 28

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

	Fiscal Year June 30,				
	2017	2018	2019	2020	2021
Employer's proportion of the net HIC OPEB liability	0.33310%	0.33183%	0.32215%	0.31635%	0.30771%
Employer's proportionate share of the net HIC OPEB liability	$4,226,000	$4,214,000	$4,217,256	$4,126,838	$3,949,671
Employer's covered payroll	23,723,333	26,836,725	27,020,860	27,733,932	27,213,292
Employer's proportionate share of the net HIC OPEB liability as a percentage of its covered payroll	17.81%	15.70%	15.61%	14.88%	14.51%
Plan fiduciary net position as a percentage of the total HIC OPEB liability	7.04%	8.08%	8.97%	9.95%	13.15%

Note to Schedule:

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

EXHIBIT 29

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

	Fiscal Year June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Contractually required contribution (CRC)	$ 269,546	$ 271,275	$ 272,275	$ 275,899	$ 291,797	$ 330,091	$ 324,252	$ 332,810	$ 329,281	$ 355,538
Contributions in relation to the CRC	269,546	271,275	272,275	275,899	291,797	330,091	324,252	332,810	329,281	355,538
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employer's covered payroll	$ 24,283,412	$ 24,439,147	$ 25,686,331	$ 26,028,220	$ 23,723,333	$ 26,836,725	$ 27,020,860	$ 27,733,932	$ 27,213,292	$ 29,383,306
Contributions as a percentage of covered payroll	1.11%	1.11%	1.06%	1.06%	1.23%	1.23%	1.20%	1.20%	1.21%	1.21%

See Notes to Required Supplementary Information – Other Postemployment Benefits.

EXHIBIT 30

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

	Fiscal Year June 30, 2020	Fiscal Year June 30, 2021
Total OPEB liability		
Service cost	$ -	$ 5,600
Interest	-	17,676
Change in benefit terms	261,858	-
Changes of assumptions	-	6,869
Net change in total pension liability	261,858	30,145
Total OPEB liability, beginning	-	261,858
Total OPEB liability, ending (a)	$ 261,858	$ 292,003
Plan fiduciary net position:		
Contributions - employer	$ -	$ 23,349
Net investment income	-	3,177
Administrative expense	-	(104)
Net change in plan fiduciary net position	-	26,422
Plan fiduciary net position - beginning	-	-
Plan fiduciary net position - ending (b)	$ -	$ 26,422
Net OPEB liability - ending (a)-(b)	$ 261,858	$ 265,581
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	9.05%
Covered payroll	$ 2,993,331	$ 2,993,331
Net OPEB liability as a percentage of covered payroll	8.75%	8.87%

Note to Schedule:

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

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

EXHIBIT 31

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

	Fiscal Year June 30, 2021	Fiscal Year June 30, 2022
Contractually required contribution (CRC)	$ 23,349	$ 27,585
Contributions in relation to the CRC	23,349	27,585
Contribution deficiency (excess)	$ -	$ -
Employer's covered payroll	$ 2,993,331	$ 3,536,591
Contributions as a percentage of covered payroll	0.78%	0.78%

See Notes to Required Supplementary Information – Other Postemployment Benefits.

Note 1. Medical Insurance Program

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

A. Changes of Benefit Terms

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

K. Changes of Assumptions

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

2021	2.16%
2020	2.21%
2019	3.50%

Note 2. Group Life Insurance Program

A. Changes of Benefit Terms

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

B. Changes of Assumptions

The actuarial assumptions used on the June 30, 2020 valuation were based on the results of an actuarial experience study for the period of 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:

School Board Professional

Teachers

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

Note 2. Group Life Insurance Program (Continued)

B. Changes of Assumptions (Continued)

County and School Board Non-Professional Plans

General Employees

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

Hazardous Duty Employees

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

Note 3. Health Insurance Credit Program

A. Changes of Benefit Terms

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

B. Changes of Assumptions

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except for 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:

School Board Professional Plan

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

School Board Non-Professional Plan

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

SUPPLEMENTARY INFORMATION

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 32

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
June 30, 2022

	Asset Forfeiture	Law Library	Totals
ASSETS			
Cash and cash equivalents	$ -	$ 9,112	$ 9,112
Restricted cash	54,660	-	54,660
Receivables, net	-	537	537
Total assets	$ 54,660	$ 9,649	$ 64,309
LIABILITIES			
Accounts payable and accrued expenditures	$ 20,363	$ 1,240	$ 21,603
Total liabilities	20,363	1,240	21,603
FUND BALANCES			
Committed	34,297	8,409	42,706
Total fund balances	34,297	8,409	42,706
Total liabilities and fund balances	$ 54,660	$ 9,649	$ 64,309

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 33

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
Year Ended June 30, 2022

	Asset Forfeiture	Law Library	Totals
Revenues:			
Use of money and property	$ 83	$ -	$ 83
Charges for services	-	6,803	6,803
Miscellaneous	1,578	-	1,578
Intergovernmental:			
Commonwealth	1,415	-	1,415
Total revenues	3,076	6,803	9,879
Expenditures:			
Current:			
Judicial administration	-	6,273	6,273
Public safety	10,895	-	10,895
Total expenditures	10,895	6,273	17,168
Excess (deficiency) of revenues over (under) expenditures	(7,819)	530	(7,289)
Net change in fund balances	(7,819)	530	(7,289)
Fund balance, beginning	42,116	7,879	49,995
Fund balance, ending	$ 34,297	$ 8,409	$ 42,706

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 34

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUNDS
Year Ended June 30, 2022

	Asset Forfeiture Fund				Law Library Fund			
	Budgeted Amounts			Variance with Final Budget Over	Budgeted Amounts			Variance with Final Budget Over
	Original	Final	Actual	(Under)	Original	Final	Actual	(Under)
Revenues:								
Use of money and property	$ -	$ -	$ 83	$ 83	$ -	$ -	$ -	$ -
Charges for services	-	-	-	-	7,000	7,000	6,803	(197)
Miscellaneous	-	1,578	1,578	-	-	-	-	-
Intergovernmental:								
Commonwealth	-	1,415	1,415	-	-	-	-	-
Federal	-	-	-	-	-	-	-	-
Total revenues	-	2,993	3,076	83	7,000	7,000	6,803	(197)
Expenditures:								
Current:								
Judicial administration	-	-	-	-	10,100	10,100	6,273	(3,827)
Public safety	-	45,107	10,895	(34,212)	-	-	-	-
Health and welfare	-	-	-	-	-	-	-	-
Community development	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-
Total expenditures	-	45,107	10,895	(34,212)	10,100	10,100	6,273	(3,827)
Excess (deficiency) of revenues over (under) expenditures	-	(42,114)	(7,819)	34,295	(3,100)	(3,100)	530	3,630
Other financing uses:								
Transfers out	-	-	-	-	-	-	-	-
Total other financing uses	-	-	-	-	-	-	-	-
Net change in fund balances	$ -	$ (42,114)	$ (7,819)	$ 34,295	$ (3,100)	$ (3,100)	$ 530	$ 3,630

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 35

STATEMENT OF NET POSITION – FIDUCIARY FUNDS
June 30, 2022

	Custodial Funds		
	Special Welfare	Commonwealth	Total
ASSETS			
Restricted cash	$ 40,576	$ 68,001	$ 108,577
Total assets	40,576	68,001	108,577
LIABILITIES			
Accounts payable	442	11,235	11,677
Total liabilities	442	11,235	11,677
NET POSITION			
Restricted for:			
Individuals	40,134	-	40,134
Other governments	-	56,766	56,766
Total net position	$ 40,134	$ 56,766	$ 96,900

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 36

STATEMENT OF CHANGES IN NET POSITION – FIDUCIARY FUNDS
Year Ended June 30, 2022

	Custodial Funds		
	Special Welfare	Commonwealth	Total
ADDITIONS			
Benefits collected on behalf of others	$ 63,232	$ 4,042,084	$ 4,105,316
Total additions	63,232	4,042,084	4,105,316
DEDUCTIONS			
Payments to beneficiaries or other governments	55,726	4,039,499	4,095,225
Total deductions	55,726	4,039,499	4,095,225
Net increase in fiduciary net position	7,506	2,585	10,091
Total net position, beginning	32,628	54,181	86,809
Total net position, ending	$ 40,134	$ 56,766	$ 96,900

DISCRETELY PRESENTED COMPONENT UNIT –
SCHOOL BOARD

Major Governmental Funds

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

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

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

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

Nonmajor Governmental Funds

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

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

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

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

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 37

COMBINING BALANCE SHEET
DISCRETELY PRESENTED COMPONENT UNIT – SCHOOL BOARD
June 30, 2022

	School Operating Fund	School Textbook Adoptions Fund	Adult Education Fund	School Capital Projects Fund	Total Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	$ 443,939	$ 793,874	$ 1,251	$ 783,254	$ 1,294,921	$ 3,317,239
Investments	111,500	199,929	-	-	-	311,429
Accounts receivable, net	57,677	-	7,544	4,615	-	69,836
Due from other funds	702,670	-	-	-	-	702,670
Due from other governments	2,039,833	-	113,531	-	1,024,175	3,177,539
Total assets	$ 3,355,619	$ 993,803	$ 122,326	$ 787,869	$ 2,319,096	$ 7,578,713
LIABILITIES						
Due to other funds	$ -	$ -	$ 103,960	$ -	$ 598,710	$ 702,670
Accounts payable	487,128	-	4,024	45,328	288,824	825,304
Accrued liabilities	2,860,548	-	11,622	-	137,861	3,010,031
Total liabilities	3,347,676	-	119,606	45,328	1,025,395	4,538,005
FUND BALANCES						
Assigned	-	993,803	2,720	742,541	1,293,701	3,032,765
Unassigned	7,943	-	-	-	-	7,943
Total fund balances (deficit)	7,943	993,803	2,720	742,541	1,293,701	3,040,708
Total liabilities and fund balances	$ 3,355,619	$ 993,803	$ 122,326	$ 787,869	$ 2,319,096	$ 7,578,713

Total fund balances		$ 3,040,708
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.		
Governmental capital assets	$ 153,032,036	
Less accumulated depreciation	(81,900,615)	
Net capital assets		71,131,421
Long-term assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental fund.		
Net pension asset		2,432,052
Deferred outflows of resources represents a consumption of net position that applies to a future period and are not recognized as deferred outflows of resources in the governmental funds.		
Pension plan	9,211,396	
Other postemployment benefits	2,149,891	
		11,361,287
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.		
Private placement notes	(4,606,922)	
Compensated absences	(1,314,912)	
Accrued interest payable	(20,241)	
Other postemployment benefits	(9,405,109)	
Net pension liability	(23,956,142)	
		(39,303,326)
Deferred inflows of resources represents an acquisition of net position that applies applies to a future period and are not recognized as deferred inflows of resources in the governmental funds.		
Pension plan	(20,817,535)	
Other postemployment benefits	(2,454,961)	
		(23,272,496)
Net position of governmental activities		$ 25,389,646

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 38

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
DISCRETELY PRESENTED COMPONENT UNIT – SCHOOL BOARD
Year Ended June 30, 2022

	School Operating Fund	School Textbook Adoptions Fund	Adult Education Fund	School Capital Projects Fund	Total Nonmajor Governmental Funds	Total Governmental Funds
Revenues:						
Use of money and property	$ -	$ -	$ -	$ -	$ 1,023	$ 1,023
Charges for services	12,328	-	33,412	-	42,318	88,058
Miscellaneous	174,407	-	-	-	-	174,407
Appropriation from primary government	20,765,350	-	-	2,228,321	-	22,993,671
Intergovernmental:						
Commonwealth	32,339,833	-	183,340	-	47,167	32,570,340
Federal	3,699,018	-	222,136	-	6,586,077	10,507,231
Total revenues	56,990,936	-	438,888	2,228,321	6,676,585	66,334,730
Expenditures:						
Current:						
Education	56,271,828	1,241,772	434,518	-	5,791,284	63,739,402
Capital outlay	-	-	-	669,312	-	669,312
Debt service:						
Principal	-	-	-	1,216,307	-	1,216,307
Interest	-	-	-	145,014	-	145,014
Total expenditures	56,271,828	1,241,772	434,518	2,030,633	5,791,284	65,770,035
Excess (deficiency) of revenues over (under) expenditures	719,108	(1,241,772)	4,370	197,688	885,301	564,695
Other financing sources (uses):						
Transfers in	-	507,442	-	211,666	-	719,108
Transfers out	(719,108)	-	-	-	-	(719,108)
Total other financing sources (uses), net	(719,108)	507,442	-	211,666	-	-
Net change in fund balances	-	(734,330)	4,370	409,354	885,301	564,695
Fund balances (deficit), beginning	7,943	1,728,133	(1,650)	333,187	408,400	2,476,013
Fund balances, ending	$ 7,943	$ 993,803	$ 2,720	$ 742,541	$ 1,293,701	$ 3,040,708

Net change in fund balances		$ 564,695
Reconciliation of amounts reported for governmental activities in the Statement of Activities:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation and amortization expense. This is the amount by which depreciation and amortization exceeded capital outlays in the current period.		
Expenditure for capital assets	$ 2,967,962	
Less depreciation and amortization expense	(4,154,437)	
Excess of depreciation and amortization over capital outlay		(1,186,475)
Net transfer of joint tenancy capital assets from Primary Government to the Component Unit		3,877,511
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins and donations) is to decrease net position.		(236,192)
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		
Principal repayments:		
Private placement notes	1,216,307	
		1,216,307
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Accrued interest	40,537	
Compensated absences	172,707	
Changes in OPEB assets, liabilities and related deferred outflows and inflows of resources	(9,048)	
Changes in pension liabilities and related deferred outflows and inflows of resources	5,753,441	
		5,957,637
Change in net position of governmental activities		$ 10,193,483

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 39
Page 1

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL – GOVERNMENTAL FUNDS
DISCRETELY PRESENTED COMPONENT UNIT – SCHOOL BOARD
Year Ended June 30, 2022

	School Operating Fund				School Textbook Adoptions Fund			
	Budgeted Amounts			Variance with Final Budget Over	Budgeted Amounts			Variance with Final Budget Over
	Original	Final	Actual	(Under)	Original	Final	Actual	(Under)
Revenues:								
Charges for services	$ 9,500	$ 9,500	$ 12,328	$ 2,828	$ -	$ -	$ -	$ -
Miscellaneous	58,500	713,500	174,407	(539,093)	-	-	-	-
Appropriation from primary government	21,535,743	22,445,276	20,765,350	(1,679,926)	-	-	-	-
Intergovernmental:								
Commonwealth	31,391,360	31,560,979	32,339,833	778,854	-	-	-	-
Federal	2,747,381	5,921,566	3,699,018	(2,222,548)	-	-	-	-
Total revenues	55,742,484	60,650,821	56,990,936	(3,659,885)	-	-	-	-
Expenditures:								
Current:								
Education	55,026,139	59,931,713	56,271,828	(3,659,885)	675,000	1,241,772	1,241,772	-
Total expenditures	55,026,139	59,931,713	56,271,828	(3,659,885)	675,000	1,241,772	1,241,772	-
Excess (deficiency) of revenues over (under) expenditures	716,345	719,108	719,108	-	(675,000)	(1,241,772)	(1,241,772)	-
Other financing sources (uses):								
Transfers in	-	-	-	-	504,679	504,679	507,442	2,763
Transfers out	(716,345)	(719,108)	(719,108)	-	-	-	-	-
Total other financing sources (uses), net	(716,345)	(719,108)	(719,108)	-	504,679	504,679	507,442	2,763
Net change in fund balances	$ -	$ -	$ -	$ -	$ (170,321)	$ (737,093)	$ (734,330)	$ 2,763

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 39
Page 2

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL – GOVERNMENTAL FUNDS
DISCRETELY PRESENTED COMPONENT UNIT – SCHOOL BOARD
Year Ended June 30, 2022

	Adult Education Fund			
	Budgeted Amounts			Variance with Final Budget Over
	Original	Final	Actual	(Under)
Revenues:				
Charges for services	$ 18,000	$ 18,000	$ 33,412	$ 15,412
Miscellaneous	-	-	-	-
Appropriation from primary government	-	-	-	-
Intergovernmental:				
Commonwealth	133,341	183,341	183,340	(1)
Federal	242,411	299,773	222,136	(77,637)
Total revenues	393,752	501,114	438,888	(62,226)
Expenditures:				
Current:				
Education	393,752	501,114	434,518	(66,596)
Total expenditures	393,752	501,114	434,518	(66,596)
Excess (deficiency) of revenues over (under) expenses	-	-	4,370	4,370
Other financing sources:				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources	-	-	-	-
Net change in fund balances	$ -	$ -	$ 4,370	$ 4,370

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 40

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DISCRETELY PRESENTED COMPONENT UNIT – SCHOOL BOARD
June 30, 2022

	School Cafeteria Fund	Employee Childcare Fund	Head Start Fund	ESSER Fund	Total Nonmajor Governmental Funds
ASSETS					
Cash and cash equivalents	$ 1,266,112	$ 28,809	$ -	$ -	$ 1,294,921
Due from other governmental units	56,225	-	255,646	712,304	1,024,175
Total assets	$ 1,322,337	$ 28,809	$ 255,646	$ 712,304	$ 2,319,096
LIABILITIES					
Due to other funds	$ -	$ -	$ 177,173	$ 421,537	$ 598,710
Accounts payable	3,232	-	16,975	268,617	288,824
Accrued liabilities	66,830	-	52,734	18,297	137,861
Total liabilities	70,062	-	246,882	708,451	1,025,395
FUND BALANCES					
Assigned	1,252,275	28,809	8,764	3,853	1,293,701
Unassigned	-	-	-	-	-
Total fund balances (deficit)	1,252,275	28,809	8,764	3,853	1,293,701
Total liabilities and fund balances	$ 1,322,337	$ 28,809	$ 255,646	$ 712,304	$ 2,319,096

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 41

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – NONMAJOR SPECIAL REVENUE FUNDS DISCRETELY PRESENTED COMPONENT UNIT – SCHOOL BOARD
Year Ended June 30, 2022

	School Cafeteria Fund	Employee Childcare Fund	Head Start Fund	ESSER Fund	Total Nonmajor Governmental Funds
Revenues:					
Use of money and property	$ 1,023	$ -	$ -	$ -	$ 1,023
Charges for services	42,318	-	-	-	42,318
Intergovernmental:					
Commonwealth	47,167	-	-	-	47,167
Federal	3,202,953	-	1,613,544	1,769,580	6,586,077
Total revenues	3,293,461	-	1,613,544	1,769,580	6,676,585
Expenditures:					
Current:					
Education	2,421,151	-	1,604,406	1,765,727	5,791,284
Total expenditures	2,421,151	-	1,604,406	1,765,727	5,791,284
Excess (deficiency) of revenues over (under) expenditures	872,310	-	9,138	3,853	885,301
Net change in fund balances	872,310	-	9,138	3,853	885,301
Fund balances (deficit), beginning	379,965	28,809	(374)	-	408,400
Fund balances (deficit), ending	$ 1,252,275	$ 28,809	$ 8,764	$ 3,853	$ 1,293,701

DISCRETELY PRESENTED COMPONENT UNIT – ECONOMIC DEVELOPMENT AUTHORITY

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 42

BALANCE SHEET
DISCRETELY PRESENTED COMPONENT UNIT –
ECONOMIC DEVELOPMENT AUTHORITY
June 30, 2022

ASSETS		
Cash and cash equivalents	$	416,155
Investments		527,857
Total assets	$	944,012
LIABILITIES		
Accounts payable	$	374
Total liabilities		374
FUND BALANCE		
Assigned		943,638
Total fund balance		943,638
Total liabilities and fund balance	$	944,012
Fund balance	$	943,638
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		1,101,288
Net position of governmental activities	$	2,044,926

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 43

STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE – DISCRETELY PRESENTED COMPONENT UNIT – ECONOMIC DEVELOPMENT AUTHORITY
Year Ended June 30, 2022

Revenues:	
Revenue from the use of money	$ 2,153
Charges for services	9,376
Miscellaneous	10,025
Intergovernmental:	
Federal	57,875
Contribution from Orange County	158,938
Total revenues	238,367
Expenditures:	
Current:	
Community development	163,475
Total expenditures	163,475
Other Financing Sources:	
Sale of Land	140,000
Net change in fund balance	214,892
Fund balance, beginning	728,746
Fund balance, ending	$ 943,638
Net change in fund balance	$ 214,892
Reconciliation of amounts reported for governmental activities in the Statement of Activities:	
Governmental funds report capital outlay as an expenditure. However, in the Statement of Activities, the cost of that asset is not reported as an expenditure, but is in instead reported as an increase in capital assets on the Statement of Net Position.	13,900
The net effect of transactions involving capital assets (i.e. disposals, donations, and transfers) is to decrease net position	(25,000)
Change in net position of governmental activities	$ 203,792

DISCRETELY PRESENTED COMPONENT UNIT – BROADBAND AUTHORITY

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 44

STATEMENT OF NET POSITION
DISCRETELY PRESENTED COMPONENT UNIT – BROADBAND AUTHORITY
June 30, 2022

ASSETS	
Current assets:	
Cash and cash equivalents	$ 2,288,447
Restricted cash and cash equivalents	1,157,511
Accounts receivable	547,974
Prepaid items	37,728
Other current assets	14,076
Total current assets	4,045,736
Noncurrent assets:	
Restricted investments	1,233,450
Capital assets:	
Right-to-use leased buildings	29,370
Furniture, equipment and vehicles	372,645
Right-to-use leased equipment	2,403
Construction in progress	22,119,052
Less accumulated depreciation and amortization	(61,072)
Total capital assets, net of accumulated depreciation and amortization	22,462,398
Total noncurrent assets	23,695,848
Total assets	27,741,584
LIABILITIES	
Current Liabilities:	
Accounts payable	499,581
Accrued payroll and payroll taxes	621
Unearned revenue	672,676
Accrued interest payable	73,057
Total current liabilities	1,245,935
Noncurrent Liabilities:	
Due within one year:	
Leases payable	12,968
Compensated absences	10,689
Due in more than one year:	
Bonds payable, net	15,820,915
Leases payable	274
Compensated absences	13,064
Total noncurrent liabilities	15,857,910
Total liabilities	17,103,845
NET POSITION	
Net investment in capital assets	6,628,241
Restricted	2,390,961
Unrestricted	1,618,537
Total net position	$ 10,637,739

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 45

STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET POSITION
DISCRETELY PRESENTED COMPONENT UNIT – BROADBAND AUTHORITY
Year Ended June 30, 2022

Operating revenues:	
Charges for services	
Subscription revenue	$ 1,552,510
Installation revenue	939,607
Total operating revenues	2,492,117
Operating expenses:	
Professional fees	133,938
Insurance	14,977
Lease	1,859
Office	181,115
Salaries and payroll taxes	786,123
Fringe benefits	111,484
Repairs and maintenance	43,616
Depreciation and amortization	54,113
Internet service costs	355,458
Total operating expenses	1,682,683
Operating income	809,434
Nonoperating revenues (expenses):	
Federal revenue passed through from primary government	3,389,275
Interest income	1,275
Bank service charges	(10,748)
Interest and bond issuance costs	(295,233)
Total nonoperating revenues, net	3,084,569
Change in net position	3,894,003
Net position, beginning	6,743,736
Net position, ending	$ 10,637,739

COUNTY OF ORANGE, VIRGINIA

EXHIBIT 46

STATEMENT OF CASH FLOWS
DISCRETELY PRESENTED COMPONENT UNIT – BROADBAND AUTHORITY
Year Ended June 30, 2022

Cash flows from operating activities:	
Receipts from customers	$ 2,891,350
Payments to suppliers for goods and services	(951,414)
Payments to employees for services	(917,082)
Net cash provided by operating activities	1,022,854
Cash flows from capital and related financing activities:	
Federal revenue passed through from primary government	1,389,275
Acquisition and construction of capital assets	(12,127,863)
Interest payment on bonds	(272,504)
Net cash used in capital and related financing activities	(11,011,092)
Cash flows from noncapital financing activities	
Principal payment on leases	(18,531)
Net cash used in noncapital financing activities	(18,531)
Cash flows from investing activities:	
Paymnets for bank service charges	(10,748)
Purchase of investments	(1,233,450)
Interest from investments	1,275
Net cash used in investing activities	(1,242,923)
Net decrease in cash and cash equivalents	(11,249,692)
Cash and cash equivalents:	
Beginning	14,695,650
Ending	$ 3,445,958
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	$ 809,434
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation and amortization	54,113
Changes in assets and liabilities:	
Decrease (increase) in:	
Accounts receivable	(200,705)
Prepaid items	5,298
Other current assets	(8,834)
Increase (decrease) in:	
Accounts payable and accrued expenses	(236,390)
Unearned revenue	599,938
Net cash provided by operating activities	$ 1,022,854
Schedule of noncash capital and related financing activities	
Capital assets acquired through incurrence of accounts payable	$ 434,600
Line of credit forgiven by contribution from primary government via application of Federal ARPA funds	2,000,000

STATISTICAL SECTION

COUNTY OF ORANGE, VIRGINIA

STATISTICAL SECTION
TABLE OF CONTENTS

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

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

COUNTY OF ORANGE, VIRGINIA

TABLE 1

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

	Fiscal Year June 30,									
	2022	2021	2020	2019	2018 [2]	2017	2016	2015 [1]	2014	2013
Governmental activities:										
Net investment in capital assets	$ 5,531,857	$ 7,547,559	$ 1,789,523	$ (12,719,256)	$ (18,396,119)	$ (23,720,203)	$ 3,005,800	$ 3,496,972	$ 2,016,519	$ 1,237,313
Restricted	-	1,016,331	-	23,791,968	25,090,835	27,106,855	534,309	155,000	155,000	155,000
Unrestricted	37,587,636	28,670,137	39,728,100	24,441,542	23,000,595	23,551,304	23,018,630	21,071,507	21,542,237	19,545,539
Total governmental activities net position	43,119,493	37,234,027	41,517,623	35,514,254	29,695,311	26,937,956	26,558,739	24,723,479	23,713,756	20,937,852
Business-type activities:										
Net investment in capital assets	10,038,412	10,281,349	12,135,155	12,629,800	13,346,905	13,314,101	13,779,641	14,347,875	14,827,910	15,240,183
Unrestricted	2,136,145	1,371,927	434,931	348,326	932,632	1,152,693	710,862	475,783	350,025	616,845
Total business-type activities net position	12,174,557	11,653,276	12,570,086	12,978,126	14,279,537	14,466,794	14,490,503	14,823,658	15,177,935	15,857,028
Primary government:										
Net investment in capital assets	15,570,269	17,828,908	13,924,678	(89,456)	(5,049,214)	(10,406,102)	16,785,441	17,844,847	16,844,429	16,477,496
Restricted	-	1,016,331	-	23,791,968	25,090,835	27,106,855	534,309	155,000	155,000	155,000
Unrestricted	39,723,781	30,042,064	40,163,031	24,789,868	23,933,227	24,703,997	23,729,492	21,547,290	21,892,262	20,162,384
Total primary government net position	$ 55,294,050	$ 48,887,303	$ 54,087,709	$ 48,492,380	$ 43,974,848	$ 41,404,750	$ 41,049,242	$ 39,547,137	$ 38,891,691	$ 36,794,880

Note:

[1] GASB Statement No. 68 was adopted in fiscal year 2015.

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

COUNTY OF ORANGE, VIRGINIA

TABLE 2
Page 1

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

	Fiscal Year June 30,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Primary government:										
Expenses:										
Governmental activities:										
General government	$ 5,235,472	$ 9,685,629	$ 4,671,367	$ 3,660,923	$ 3,692,202	$ 4,364,352	$ 3,697,143	$ 3,593,666	$ 3,179,303	$ 3,251,588
Judicial administration	2,284,473	2,288,774	1,965,160	1,971,178	1,825,881	1,718,583	1,650,036	1,614,274	1,550,961	1,555,502
Public safety	16,514,769	16,170,472	14,947,275	13,533,501	13,133,990	12,337,219	11,957,728	11,256,292	10,514,385	10,415,818
Public works	3,590,009	1,559,100	1,295,981	1,354,514	1,210,318	1,103,311	878,661	862,112	842,455	920,361
Health and welfare	8,609,225	8,424,107	7,632,171	7,434,957	7,569,465	7,489,593	6,060,296	5,910,475	5,661,805	5,677,690
Education	27,559,351	27,037,876	25,486,468	25,502,543	26,525,191	26,245,512	26,187,147	24,906,681	24,173,025	24,769,534
Parks, recreation, and cultural	1,584,918	2,568,205	1,426,483	1,374,658	1,331,700	1,301,536	1,285,193	1,280,110	1,232,679	1,217,282
Community development	3,949,626	7,428,897	1,424,703	1,432,368	1,088,595	1,200,104	1,432,001	931,565	1,506,917	1,025,612
Interest	2,445,323	2,820,774	2,821,969	3,301,671	3,571,815	3,045,826	3,139,207	3,444,343	3,655,244	3,928,975
Total governmental activities expense	71,773,166	77,983,834	61,671,577	59,566,313	59,949,157	58,806,036	56,287,412	53,799,518	52,316,774	52,762,362
Business-type activities:										
Airport	1,225,657	1,522,777	894,673	905,899	808,725	764,063	777,557	872,700	983,900	916,700
Landfill	3,480,468	4,340,547	2,920,260	3,015,769	2,663,521	2,533,327	2,410,358	2,827,009	2,848,400	2,276,549
Total business-type activities expense	4,706,125	5,863,324	3,814,933	3,921,668	3,472,246	3,297,390	3,187,915	3,699,709	3,832,300	3,193,249
Total primary government expense	76,479,291	83,847,158	65,486,510	63,487,981	63,421,403	62,103,426	59,475,327	57,499,227	56,149,074	55,955,611
Program revenue:										
Governmental activities:										
Charges for services:										
General government	943,606	991,491	1,208,631	972,575	888,615	1,074,534	918,897	1,011,672	1,093,314	1,055,846
Judicial administration	146,503	101,808	91,681	96,034	108,811	126,036	349,355	239,503	364,960	291,311
Public safety	2,445,147	2,240,500	2,194,511	1,852,313	1,848,484	1,853,647	1,580,451	627,575	1,504,002	1,326,899
Public works	8,075	7,697	10,779	12,497	11,369	12,469	-	-	-	-
Health and welfare	364,100	184,500	294,429	354,490	400,199	401,912	27,950	2,455	2,523	-
Education	-	-	-	-	-	-	346,051	7,030	222,483	170,955
Parks, recreation, and cultural	61,862	31,412	78,313	104,872	110,268	111,628	122,294	1,451,794	121,074	156,424
Community development	104,492	232,662	62,708	103,780	87,786	50,548	344,197	-	-	-
Operating grants and contributions	13,464,979	14,576,622	10,051,960	7,377,472	7,366,901	6,848,749	6,500,636	5,953,895	5,760,431	5,198,455
Capital grants and contributions	214,871	150,000	25,255	846,000	1,499,023	122,036	88,320	-	540,000	-
Total governmental activities program revenue	17,753,635	18,516,692	14,018,267	11,720,033	12,321,456	10,601,559	10,278,151	9,293,924	9,608,787	8,199,890
Business-type activities:										
Charges for services:										
Airport	351,672	317,851	316,666	335,377	294,252	276,484	306,299	379,093	429,389	422,685
Landfill	691,227	616,423	564,273	494,686	465,082	502,233	386,607	286,516	326,146	286,168
Operating grants and contributions	241,174	8,447	146,361	14,768	281,678	75,300	9,207	16,995	9,115	24,513
Capital grants and contributions	-	999,256	-	-	-	-	30,865	298,068	553,624	475,995
Total business-type activities program revenue	1,284,073	1,941,977	1,027,300	844,831	1,041,012	854,017	732,978	980,672	1,318,274	1,209,361
Total primary government program revenue	19,037,708	20,458,669	15,045,567	12,564,864	13,362,468	11,455,576	11,011,129	10,274,596	10,927,061	9,409,251

COUNTY OF ORANGE, VIRGINIA

TABLE 2
Page 2

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

	Fiscal Year June 30,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Primary government:										
Net expense:										
Governmental activities	$ (54,019,531)	$ (59,467,142)	$ (47,653,310)	$ (47,846,280)	$ (47,627,701)	$ (48,204,477)	$ (46,009,261)	$ (44,505,594)	$ (42,707,987)	$ (44,562,472)
Business-type activities	(3,422,052)	(3,921,347)	(2,787,633)	(3,076,837)	(2,431,234)	(2,443,373)	(2,454,937)	(2,719,037)	(2,514,026)	(1,983,888)
Total primary government net expense	(57,441,583)	(63,388,489)	(50,440,943)	(50,923,117)	(50,058,935)	(50,647,850)	(48,464,198)	(47,224,631)	(45,222,013)	(46,546,360)
General revenues and other changes in net position:										
Governmental activities:										
Taxes										
Property taxes	48,430,839	45,022,564	43,648,242	42,849,380	41,316,740	40,829,686	39,853,041	39,884,990	37,715,684	35,876,658
Local sales and use	5,243,821	4,647,589	3,647,384	3,373,649	3,358,475	3,304,851	2,795,044	2,621,812	2,249,569	1,980,974
Consumers' utility taxes	651,458	730,786	542,186	656,583	598,492	591,472	573,344	1,982,022	2,004,316	2,035,551
Consumption taxes	101,747	116,370	86,473	111,957	102,257	96,060	94,162	100,354	99,172	96,389
Motor vehicle license taxes	1,099,823	998,849	1,011,268	1,053,305	1,051,297	1,093,406	1,002,943	951,035	960,387	914,527
Taxes on recordation and wills	1,126,347	1,033,497	681,011	542,503	538,195	549,880	450,282	446,202	434,981	460,522
Restaurant food taxes	1,099,713	966,098	791,214	789,063	766,423	759,517	769,294	742,794	713,125	646,602
Other local taxes	327,517	268,272	211,993	247,714	228,175	211,802	204,363	159,310	137,535	207,100
Use of money and property	14,796	173,976	850,237	1,223,203	746,102	352,115	203,645	120,969	133,126	192,056
Miscellaneous	474,986	271,546	407,782	478,372	473,033	483,069	558,478	223,249	349,951	304,803
Grants and contributions not restricted to specific programs	3,921,889	3,958,536	4,154,877	4,114,920	4,004,036	4,249,440	4,265,161	2,871,718	2,878,322	3,038,845
Special items	-	-	-	-	-	(1,540,000)	-	-	-	-
Transfers	(2,813,091)	(3,004,537)	(2,375,988)	(1,775,426)	(2,217,721)	(2,397,604)	(2,114,011)	(2,479,579)	(2,034,892)	(2,852,270)
Total governmental activities	59,679,845	55,183,546	53,656,679	53,665,223	50,965,504	48,583,694	48,655,746	47,624,876	45,641,276	42,901,757
Business-type activities:										
Miscellaneous	11,883	-	3,605	-	34,700	22,060	7,771	57,553	40,902	56,516
Transfers	2,813,091	3,004,537	2,375,988	1,775,426	2,217,721	2,397,604	2,114,011	2,479,579	2,034,892	2,852,270
Total business-type activities	2,824,974	3,004,537	2,379,593	1,775,426	2,252,421	2,419,664	2,121,782	2,537,132	2,075,794	2,908,786
Total primary government	62,504,819	58,188,083	56,036,272	55,440,649	53,217,925	51,003,358	50,777,528	50,162,008	47,717,070	45,810,543
Changes in net position:										
Governmental activities	5,660,314	(4,283,596)	6,003,369	5,818,943	3,337,803	379,217	2,646,485	3,119,282	2,933,289	(1,660,715)
Business-type activities	(597,078)	(916,810)	(408,040)	(1,301,411)	(178,813)	(23,709)	(333,155)	(181,905)	(438,232)	924,898
Total primary government	$ 5,063,236	$ (5,200,406)	$ 5,595,329	$ 4,517,532	$ 3,158,990	$ 355,508	$ 2,313,330	$ 2,937,377	$ 2,495,057	$ (735,817)

COUNTY OF ORANGE, VIRGINIA

TABLE 3

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

	Fiscal Year June 30,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General Fund:										
Nonspendable	$ 50,000	$ 50,000	$ 50,000	$ 65,000	$ 15,000	$ 15,000	$ 15,000	$ -	$ -	$ -
Restricted	-	1,016,331	-	-	-	-	379,309	-	-	-
Committed	-	-	-	-	-	-	71,125	71,125	71,125	71,125
Assigned	4,236,256	2,794,557	5,960,987	1,774,084	964,081	906,601	412,102	1,548,826	3,096	82,564
Unassigned	27,593,883	25,371,111	22,258,923	21,807,728	20,732,710	19,383,577	22,153,299	20,658,342	19,919,081	18,297,201
Total general fund	$ 31,880,139	$ 29,231,999	$ 28,269,910	$ 23,646,812	$ 21,711,791	$ 20,305,178	$ 23,030,835	$ 22,278,293	$ 19,993,302	$ 18,450,890
All other governmental funds:										
Nonspendable	$ -	$ 219	$ 7,620	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Restricted	-	-	-	23,791,968	25,090,835	27,106,855	155,000	155,000	448,020	714,249
Committed	99,628	157,331	205,896	241,172	187,469	861,954	602,287	206,317	187,444	252,351
Assigned	20,751,174	17,003,251	13,482,574	2,391,492	3,549,394	5,463,478	2,787,947	2,170,681	2,032,623	1,963,019
Unassigned	-	1,495,714	(7,620)	-	-	-	-	-	-	-
Total all other governmental funds	$ 20,850,802	$ 18,656,515	$ 13,688,470	$ 26,424,632	$ 28,827,698	$ 33,432,287	$ 3,545,234	$ 2,531,998	$ 2,668,087	$ 2,929,619

COUNTY OF ORANGE, VIRGINIA

TABLE 4

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

	Fiscal Year June 30,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Revenues:										
General property taxes	$ 48,149,408	$ 44,731,508	$ 43,475,665	$ 43,179,633	$ 41,243,180	$ 40,875,523	$ 40,315,480	$ 39,724,465	$ 37,312,103	$ 35,560,361
Other local taxes	9,659,926	8,770,961	7,125,925	6,802,386	6,499,306	6,511,988	5,889,432	7,003,529	6,599,085	6,341,665
Permits, privilege fees, and regulatory licenses	710,396	814,452	521,670	524,438	489,088	439,084	359,171	307,295	321,965	354,996
Fines and forfeitures	108,845	93,572	175,828	177,630	188,953	223,539	219,125	32,820	96,143	17,964
Use of money and property	14,796	173,976	850,237	1,223,203	746,102	352,115	203,645	120,969	133,126	192,056
Charges for services	2,234,354	1,803,853	1,924,518	1,837,905	1,979,135	1,993,508	1,991,804	2,007,624	1,834,792	1,703,656
Miscellaneous	488,598	261,765	409,291	479,734	474,439	485,784	557,947	223,249	349,951	304,803
Recovered costs	1,737,836	1,718,725	1,909,978	1,634,171	1,537,172	1,082,720	1,602,324	1,596,671	1,658,315	1,595,849
Intergovernmental:										
Commonwealth	9,612,131	10,660,237	9,633,639	9,703,664	9,665,292	9,559,478	9,343,625	7,583,464	7,986,858	7,100,892
Federal	7,989,608	8,024,922	4,598,457	2,634,728	1,705,645	1,660,747	1,510,492	1,242,149	1,191,895	981,408
Total revenues	80,705,898	77,053,971	70,625,208	68,197,492	64,528,312	63,184,486	61,993,045	59,842,235	57,484,233	54,153,650
Expenditures:										
General government	4,476,101	3,745,491	3,790,172	3,363,367	3,035,247	2,921,052	2,944,001	2,774,183	2,793,382	2,937,819
Judicial administration	2,313,867	2,137,008	1,921,487	2,057,006	1,912,674	1,700,103	1,744,265	1,590,975	1,542,439	1,479,337
Public safety	15,210,487	14,919,515	13,434,668	12,876,484	12,668,077	11,445,541	11,227,370	10,875,608	10,482,533	9,787,671
Public works	3,385,023	1,163,705	1,051,376	1,020,608	1,165,691	995,174	813,924	835,473	842,977	854,968
Health and welfare	8,466,032	8,052,152	7,498,498	7,616,443	7,720,929	7,338,687	6,303,720	5,889,164	5,693,169	5,278,422
Education	23,037,270	22,844,150	21,249,334	21,139,840	22,279,641	22,598,168	21,512,600	20,086,846	19,201,455	19,617,055
Parks, recreation, and cultural	1,536,039	2,405,523	1,340,692	1,351,343	1,341,683	1,248,154	1,295,954	1,244,476	1,201,478	1,141,213
Community development	1,843,144	4,046,561	1,347,334	1,433,319	907,785	1,129,139	1,440,771	915,959	1,507,750	952,071
Nondepartmental	120,264	1,128,621	124,638	104,580	131,692	102,214	82,990	149,450	74,854	58,853
Capital outlay	4,476,677	10,662,045	15,258,835	6,376,833	4,274,367	2,781,039	1,690,138	2,181,597	1,062,318	953,451
Debt service:										
Principal	6,597,842	6,048,046	5,937,825	5,874,021	6,122,307	5,920,047	5,618,697	5,422,510	5,469,436	5,398,954
Interest and fiscal charges	3,103,543	3,331,393	3,407,425	3,676,267	3,948,474	3,999,097	3,438,826	3,754,016	3,990,869	4,233,801
Total expenditures	74,566,289	80,484,210	76,362,284	66,890,111	65,508,567	62,178,415	58,113,256	55,720,257	53,862,660	52,693,615
Excess of revenues over (under) expenditures	6,139,609	(3,430,239)	(5,737,076)	1,307,381	(980,255)	1,006,071	3,879,789	4,121,978	3,621,573	1,460,035
Other financing sources (uses):										
Transfers in	14,447,818	14,319,371	12,345,639	12,782,756	11,031,214	16,415,157	13,632,337	11,759,177	11,604,410	11,440,832
Transfers out	(17,260,909)	(17,323,908)	(14,721,627)	(14,558,182)	(13,248,935)	(18,812,761)	(15,746,348)	(14,227,123)	(13,639,302)	(14,293,103)
Bond proceeds	1,515,909	12,364,910	-	-	-	-	-	-	-	-
Issuance of capital leases	-	-	-	-	-	514,626	-	494,870	56,207	747,000
Refunding of bonds	-	-	-	-	-	48,110,000	-	-	-	-
Premium on lease revenue refunding bonds issued	-	-	-	-	-	4,398,303	-	-	-	-
Payment to bond escrow agent	-	-	-	-	-	(24,470,000)	-	-	-	-
Capital contributions	-	-	-	-	-	-	-	-	-	155,000
Total other financing sources (uses), net	(1,297,182)	9,360,373	(2,375,988)	(1,775,426)	(2,217,721)	26,155,325	(2,114,011)	(1,973,076)	(1,978,685)	(1,950,271)
Net change in fund balances	$ 4,842,427	$ 5,930,134	$ (8,113,064)	$ (468,045)	$ (3,197,976)	$ 27,161,396	$ 1,765,778	$ 2,148,902	$ 1,642,888	$ (490,236)
Debt service as a percentage of noncapital expenditures	13.25%	12.80%	15.20%	15.90%	16.44%	16.29%	15.93%	17.05%	17.92%	18.62%

COUNTY OF ORANGE, VIRGINIA

TABLE 5
Page 1

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

	Real Estate (1)						Personal Property									
Tax Year	Residential	Commercial	Agricultural	Land Use Deferment	Public Service Companies (2)	Nominal Tax Rate per $100	Personal Property	Nominal Tax Rate per $100	Tractor Trailers and Trailers (4)	Nominal Tax Rate per $100	Mobile Homes	Nominal Tax Rate per $100	Machinery and Tools	Nominal Tax Rate per $100	Merchants' Capital	Nominal Tax Rate per $100
2022	$ 3,705,960,000	$ 300,373,000	$ 1,091,643,400	$ (475,948,400)	$ 194,120,645	$ 0.750	$ 470,393,350	$ 3.250	$ 12,932,988	$ 3.750	$ 4,836,334	$ 0.750	$ 60,661,664	$ 1.831	$ 51,187,822	$ 0.400
2021	3,621,153,700	297,053,600	1,090,137,500	(470,733,800)	218,747,531	0.720	351,334,193	3.750			4,797,611	0.720	66,582,608	1.831	52,880,141	0.400
2020	3,578,434,100	292,553,700	1,088,444,600	(468,948,000)	219,281,025	0.720	299,155,915	3.750			4,582,644	0.610	52,135,727	1.831	58,507,493	0.400
2019	3,006,921,500	279,182,200	887,432,500	(326,688,400)	174,879,322	0.804	295,619,326	3.750			4,864,360	0.804	54,050,685	1.831	52,409,004	0.400
2018	2,965,725,700	273,571,300	887,244,800	(331,746,500)	184,617,337	0.804	300,747,945	3.750			4,873,755	0.804	51,293,875	1.831	51,476,767	0.400
2017	2,928,737,200	268,322,200	885,052,200	(336,737,200)	172,586,718	0.804	292,472,233	3.750			4,586,870	0.804	38,343,323	1.831	53,393,121	0.400
2016	2,891,574,450	269,842,800	885,356,900	(335,949,129)	169,705,328	0.804	279,172,792	3.750			4,778,250	0.804	37,843,645	1.831	47,096,280	0.400
2015	2,872,989,900	288,499,900	938,883,900	(405,605,300)	159,283,646	0.804	267,188,483	3.750			4,531,275	0.804	36,472,265	1.831	44,482,505	0.400
2014	2,851,679,600	285,469,200	935,478,300	(392,770,900)	156,469,027	0.804	260,018,870	3.750			4,659,999	0.804	31,425,320	1.831	47,827,072	0.400
2013	2,831,446,900	278,849,200	937,481,400	(395,149,600)	158,528,254	0.720	253,822,185	3.750			4,772,504	0.720	30,302,947	1.831	38,623,768	0.400

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

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

COUNTY OF ORANGE, VIRGINIA

TABLE 5
Page 2

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

Tax Year	Business and Heavy Equipment	Nominal Tax Rate per $100	RVs and Campers	Nominal Tax Rate per $100	Airplanes	Nominal Tax Rate per $100	Boats	Nominal Tax Rate per $100	Logging Equipment	Nominal Tax Rate per $100	Public Service Companies	Nominal Tax Rate per $100	Total Taxable Assessed Value	Direct* Tax Rate per $100
	Personal Property (Continued)													
2022	$ 46,672,366	$ 2.200	$ 12,541,715	$ 2.620	$ 5,794,890	$ -	$ 12,788,640	$ 2.090	$ 792,920	$ -	$ 52,384	$ 3.250	$ 5,494,803,718	$ 0.999
2021	47,554,693	2.200	10,291,541	2.620	4,196,875	-	9,821,175	2.090	475,575	-	55,118	3.750	5,304,348,061	0.950
2020	39,027,941	2.200	9,518,508	2.620	3,884,925	-	8,109,109	2.090	638,220	-	77,206	3.750	5,185,403,113	0.919
2019	39,694,201	2.200	9,827,520	2.620	3,162,983	-	8,929,420	2.090	618,720	-	101,886	3.750	4,491,005,227	1.024
2018	39,616,822	2.200	8,961,060	2.620	3,093,863	-	10,134,630	2.090	553,565	-	106,159	3.750	4,450,271,078	1.029
2017	40,433,625	2.200	7,386,181	2.620	3,042,695	-	9,500,382	2.090	501,085	-	119,557	3.750	4,367,740,190	1.023
2016	36,712,415	2.200	6,121,182	2.620	2,659,380	-	9,731,932	2.090	436,220	-	129,819	3.750	4,305,212,264	1.017
2015	37,401,024	2.200	5,644,432	2.620	3,663,235	0.700	10,791,413	2.090	-	-	136,301	3.750	4,264,362,979	1.011
2014	36,801,282	2.200	5,152,226	2.620	3,689,295	0.700	9,863,242	2.090	-	-	217,962	3.750	4,235,980,495	1.006
2013	32,088,040	2.200	4,577,454	2.620	4,572,520	0.700	9,574,406	2.090	-	-	207,743	3.750	4,189,697,721	0.926

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

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

COUNTY OF ORANGE, VIRGINIA

TABLE 6

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

	Direct Rates*									
Tax Year	Real Estate (2)	Personal Property (2)	Tractor Trailers and Trailers (3)	Mobile Homes	Machinery and Tools (2)	Merchants' Capital	Business Equipment	RVs and Campers	Airplanes	Boats
2022	0.657	0.278	0.009	0.001	0.020	0.004	0.019	0.006	-	0.005
2021	0.646	0.248		0.001	0.023	0.004	0.020	0.005	-	0.004
2020	0.655	0.216		0.001	0.018	0.005	0.017	0.005	-	0.003
2019	0.720	0.247		0.001	0.022	0.005	0.019	0.006	-	0.004
2018	0.719	0.253		0.001	0.021	0.005	0.020	0.005	-	0.005
2017	0.721	0.251		0.001	0.016	0.005	0.020	0.004	-	0.005
2016	0.726	0.243		0.001	0.016	0.004	0.019	0.004	-	0.005
2015	0.727	0.235		0.001	0.016	0.004	0.019	0.003	0.001	0.005
2014	0.729	0.230		0.001	0.014	0.005	0.019	0.003	0.001	0.005
2013	0.656	0.227		0.001	0.013	0.004	0.017	0.003	0.001	0.005

	Overlapping Rates					
	Town of Orange			Town of Gordonsville		
Tax Year	Real Estate (2)	Personal Property (2)	Machinery and Tools	Real Estate	Personal Property	Machinery and Tools
2022	$ 0.157	$ 0.830	$ 0.066	$ 0.117	$ 0.990	$ 0.240
2021	0.157	0.830	0.066	0.117	0.990	0.240
2020	0.157	0.830	0.066	0.117	0.990	0.240
2019	0.175	0.830	0.066	0.130	0.990	0.240
2018	0.175	0.830	0.066	0.100	0.990	0.240
2017	0.175	0.830	0.066	0.100	0.990	0.240
2016	0.175	0.830	0.066	0.100	0.990	0.240
2015	0.155	0.830	0.066	0.100	0.990	0.240
2014	0.155	0.830	0.066	0.100	0.990	0.240
2013	0.155	0.830	0.066	0.100	0.990	0.240

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

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

COUNTY OF ORANGE, VIRGINIA

TABLE 7

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

		2022			2013		
Taxpayer	Type of Business	Assessed Value (1)	Rank	Percentage of Total Taxable Assessed Value	Assessed Value (1)	Rank	Percentage of Total Taxable Assessed Value
VanHoven Enterprises, LLC	Horticulture	$ 51,601,400	1	1.07%	$ 42,032,800	1	1.10%
Aerojet General Corp	Manufacturing	24,511,200	2	0.51%	18,576,800	2	0.49%
Holtzbrinck Publishers	Book Distributor	12,422,400	3	0.26%	18,339,500	3	0.48%
Rocklands LLC	Agriculture	10,371,000	4	0.22%	-	-	0.00%
Wal-Mart	Retail	9,947,100	5	0.21%	-	-	0.00%
PMC Distribution	Manufacturing	9,137,000	6	0.19%	5,598,700	8	0.15%
Lohman Corporation	Manufacturing	8,172,100	7	0.17%	-	-	0.00%
American Woodmark	Manufacturing	7,625,600	8	0.16%	6,658,400	7	0.17%
P.W. Hiden LLC	Agriculture	6,866,200	9	0.14%	-	-	0.00%
Somerset Plantation Inc.	Agriculture	6,634,800	10	0.14%	-	-	0.00%
Orange Village	Shopping Center	-	-	0.00%	9,344,100	4	0.25%
Barboursville Corporation	Winery	-	-	0.00%	7,075,500	5	0.19%
American Color Inc.	Horticulture	-	-	0.00%	6,704,100	6	0.18%
Schooler Property of Wilderness	Shopping Center	-	-	0.00%	4,906,200	9	0.13%
One America Place	Manufacturing	-	-	0.00%	4,529,400	10	0.12%
Total Principal Property Tax Payers' Assessed Values		147,288,800		3.07%	123,765,500		3.27%
All Other Tax Payers' Assessed Values		4,668,859,845		96.93%	3,687,390,654		96.73%
Total Annual Assessed Values		$ 4,816,148,645		100.00%	$ 3,811,156,154		100.00%

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

Source: Commissioner of Revenue

(1) Amounts provided for real estate assessments only.

COUNTY OF ORANGE, VIRGINIA

TABLE 8

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

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy*
2022	$ 48,411,906	$ 46,087,006	95.20%	$ -	$ 46,087,006	95.20%
2021	44,382,003	43,204,319	97.35%	579,669	43,783,988	97.35%
2020	43,267,492	41,880,733	96.79%	1,002,431	42,883,164	99.11%
2019	42,348,667	41,082,386	97.01%	1,046,070	42,128,456	99.48%
2018	42,301,139	39,582,898	93.57%	2,254,453	41,837,351	98.90%
2017	40,601,127	39,208,461	96.57%	1,383,157	40,591,618	99.98%
2016	41,032,097	39,513,123	96.30%	1,512,403	41,025,526	99.98%
2015	42,035,631	41,509,115	98.75%	519,790	42,028,905	99.98%
2014	40,285,579	39,072,965	96.99%	1,210,405	40,283,370	99.99%
2013	38,114,349	37,414,751	98.16%	697,483	38,112,234	99.99%

Source: Commissioner of Revenue, County Treasurer’s Office

COUNTY OF ORANGE, VIRGINIA

TABLE 9

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

	Governmental Activities				Business-Type Activities			
Fiscal Year	General Obligation Bonds	Lease Revenue/ Refunding Bonds	Leases	Private Placement Notes	Lease Revenue/ Refunding Bonds	Private Placement Notes	Total Primary Government	Percentage of Personal Income (1)
2022	$ 18,222,347	$ 56,788,181	$ 893,767	$ 1,468,008	$ 3,028,729	$ 340,423	$ 80,741,455	N/A
2021	23,019,688	58,709,291	-	227,639	3,028,729	109,486	85,094,833	3.96%
2020	27,885,237	48,314,130	-	-	-	131,672	76,331,039	3.81%
2019	32,644,328	50,001,240	-	51,235	-	153,134	82,849,937	4.42%
2018	37,297,285	51,274,772	-	339,800	-	-	88,911,857	4.95%
2017	41,974,253	52,508,303	-	892,640	-	-	95,375,196	5.71%
2016	46,551,005	24,900,000	-	998,813	-	-	72,449,818	4.47%
2015	50,004,318	25,852,628	-	1,438,147	-	-	77,295,093	5.18%
2014	54,474,685	26,666,166	-	1,310,884	-	-	82,451,735	6.01%
2013	59,095,722	27,133,866	-	1,565,987	-	-	87,795,575	6.53%

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

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

COUNTY OF ORANGE, VIRGINIA

TABLE 10

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

Fiscal Year Ended June 30	Gross Bonded Debt	Less: Amounts Reserved for Debt Service	Net Bonded Debt	Ratio of Net General Obligation Debt to Assessed Value	Net Bonded Debt per Capita (1)
2022	$ 18,222,347	$ -	$ 18,222,347	0.33%	$ 490
2021	23,019,688	-	23,019,688	0.43%	635
2020	27,885,237	-	27,885,237	0.54%	753
2019	32,644,328	-	32,644,328	0.73%	891
2018	37,297,285	160,014	37,137,271	0.83%	1,030
2017	41,974,253	1,094,182	40,880,071	0.94%	1,141
2016	46,551,005	-	46,551,005	1.08%	1,310
2015	50,004,318	-	50,004,318	1.17%	1,438
2014	54,474,685	-	54,474,685	1.30%	1,580
2013	59,095,722	-	59,095,722	1.29%	1,709

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

COUNTY OF ORANGE, VIRGINIA

TABLE 11

DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Fiscal Years
(Unaudited)

Fiscal Year Ended June 30	Population (2)	Personal Income (1)	Per Capita Personal Income (1)	Median Age (2)	Public School Average Daily Membership (3)	Unemployment Rate (4)
2022	37,188	N/A	N/A	N/A	4,722	3.00%
2021	36,254	2,151,278,000	$ 57,849	$ 43	4,660	4.20%
2020	37,051	$ 2,006,018,000	$ 53,217	42.1	4,782	7.20%
2019	36,644	1,876,329,000	50,642	42.1	4,725	3.20%
2018	36,073	1,795,932,000	49,010	42.9	4,746	3.30%
2017	35,836	1,669,934,000	46,293	41.9	4,781	3.90%
2016	35,533	1,619,025,612	45,564	42.1	4,840	4.00%
2015	34,763	1,492,044,000	42,166	42.6	4,969	4.90%
2014	34,487	1,372,657,000	39,190	42.6	4,971	5.40%
2013	34,580	1,344,107,000	38,821	42.6	4,960	6.00%

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

COUNTY OF ORANGE, VIRGINIA

TABLE 12

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

	2022			2013		
Employer	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Aerojet	338	1	3.90%	165	6	1.14%
MPS	285	2	3.29%	285	1	1.97%
Dogwood Village	266	3	3.07%	282	2	1.94%
Walmart	263	4	3.04%			
Green Applications	232	5	2.68%			
Germanna Community College*	231	6	2.67%	200	8	1.38%
Food Lion	229	7	2.64%	116	4	0.80%
Zamma Corp.	193	8	2.23%			
Battlefield Farms	189	9	2.18%	185	5	1.28%
American Woodmark	162	10	1.87%	180	3	1.24%
RIGID (Ridge Tool Manufacturing)				121	7	0.83%
PBM Products				110	9	0.76%
McDonald's				106	10	0.73%
	2,388		27.57%	1,750		12.07%
Total County Employment**	8,663			14,502		

Source: Virginia Employment Commisssion,Q1 Quarter 2021

** quasi private employer*

COUNTY OF ORANGE, VIRGINIA

TABLE 13
Page 1

OPERATING INDICATORS BY FUNCTION
Last Ten Fiscal Years
(Unaudited)

Function	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Public safety										
Sheriffs department: (1)										
Calls for Service	16,209	17,556	18,776	N/A	23,468	28,545	28357	29,378	29,255	30,024
Traffic violations	1,235	1,377	2,157	2,755	1,755	3,498	2719	2,471	2,499	2,602
Civil papers	6,604	7,052	8,673	8,778	9,319	9,559	8979	10,064	10,919	9,913
Fire and rescue:										
Number of calls answered	6,768	10,427	10,427	7,715	7,108	9,048	6475	6,529	5,707	5,962
Building inspections:										
Permits issued	2,455	2,973	1,164	1,129	965	902	880	778	848	826
Animal control:										
Number of calls answered (1)	2,146	2,155	2,225	2,195	1478	693	640	1280	1229	776
Public works										
General maintenance:										
Trucks/vehicles	4	4	4	4	4	4	4	5	3	3
Landfill:										
Refuse collected (total tons per year)	27,371	28,555	31,017	25,529	23,431	24,623	24225	15,871	24,373	23,696
Recycling (total tons per year)	1,548	1,065	857	712	917	1,042	2909	1,571	1,979	7,000
Health and welfare										
Office on Youth Childcare Enrollment:										
Gordon Barbour Elementary School	45	38	51	56	52	48	51	55	37	37
Locust Grove Primary School	45	32	91	107	96	94	87	76	34	46
Orange Elementary School	38	37	48	68	64	48	43	36	43	site closed
Lightfoot Elementary School	22	18	site closed	site closed	site closed	site closed	site closed	site closed	site closed	site closed
Culture and recreation										
Parks and recreation:										
Youth sports participants	257	143	234	397	396	372	425	515	591	541
Community development										
Planning:										
Zoning permits issued	569	638	405	440	440	364	301	328	290	313
Component Unit – School Board										
Education:										
Average Daily Membership (ADM)	4,722	4,660	4,782	4,727	4,746	4,781	4840	4,969	4,971	4,960
Number of teachers	356	351	370	363	385	380	360	348	348	346
Local expenditures per pupil	4,257	3,727	3,845	4,161	4,075	3,850	4109	4,055	3,690	3,908

COUNTY OF ORANGE, VIRGINIA

TABLE 13
Page 2

OPERATING INDICATORS BY FUNCTION
Last Ten Fiscal Years
(Unaudited)

Full-Time Employee Population										
General administration	33	31	29	30	26	26	25	25	26	27
Judicial administration	24	23	22	24	22	22	22	20	19	19
Public safety	106	104	103	111	104	99	97	97	94	93
Public works	12	8	8	10	8	8	8	8	8	8
Health and welfare	9	7	7	7	7	6	5	4	4	2
Parks, recreation, and cultural	9	9	9	10	9	9	9	9	9	9
Community development	15	12	9	13	8	8	8	8	8	8
Non-departmental	0	0	0	0	1	1	0	0	0	0
Airport	2	2	2	2	1	1	1	1	1	1
Landfill	7	7	7	7	8	8	8	8	7	7
Capital Assets (net of accumulated depreciation)										
General administration	12,978,293	13,814,876	14,168,492	13,978,977	14,204,893	13,762,660	14,234,451	14,635,541	14,557,883	15,439,858
Judicial administration	248,904	17,622	27,298	36,581	356,103	7,704	12,801	17,896	13,588	-
Public safety	2,919,812	3,311,180	3,738,324	5,156,982	3,604,189	3,021,193	2,626,968	2,730,149	2,057,784	1,750,344
Public works	2,149,560	1,551,742	1,587,287	1,158,333	1,372,904	1,513,787	1,492,201	275,612	265,767	424,182
Health and welfare	35,183	63,386	62,690	105,956	100,687	90,917	71,277	67,154	45,282	-
Education	80,315,840	83,299,701	84,580,361	88,223,847	88,811,909	88,180,196	91,159,498	95,427,463	96,257,186	94,077,159
Parks, recreation and cultural	195,400	216,674	284,456	365,776	444,308	353,651	411,656	245,596	272,228	15,594
Community development	1,121,243	457,011	356,588	100,523	435,944	318,561	61,519	148,084	142,711	63,510
Airport	8,442,980	8,810,942	9,231,086	9,642,252	10,053,419	10,182,877	11,004,347	11,371,563	11,526,529	11,327,593
Landfill	1,610,434	1,741,605	2,102,788	2,415,492	2,589,872	2,501,973	2,355,044	2,976,312	3,301,381	3,912,590
Total	$ 110,017,649	$ 113,284,739	$ 116,139,370	$ 121,184,719	$ 121,974,228	$ 119,933,519	$ 123,429,762	$ 127,895,370	$ 128,440,339	$ 127,010,830
Source: Individual county departments	19,648,395	19,432,491	20,225,135							

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

COMPLIANCE SECTION

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America; and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Orange, Virginia (County), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 15, 2022.

Report on Internal Control over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying Schedule of Findings and Responses, we identified certain deficiencies in internal control that we consider to be a material weakness and significant deficiency.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs as item 2022-001 to be a material weakness.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs as item 2022-002 to be a significant deficiency.

Report on Compliance and Other Matters

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

The County's Responses to Findings

The County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. The County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

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

PBMares, LLP

Harrisonburg, Virginia
December 15, 2022

SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2022

Section I. FINANCIAL STATEMENT FINDINGS

A. Material Weakness in Internal Control

2022-001: Material Weakness Due to Material Restatement

Criteria: The year-end financial statements obtained from the County should be free of significant misstatements.

Condition: Upon auditing the year-end balances of the Business-Type Activities, a material error in the beginning balance of construction in progress from the Landfill Fund was identified.

Context: A material restatement of the prior year ending construction in progress balance for the Landfill Fund was required to properly record construction in progress.

Cause: There was a lack of sufficient review to ensure items noted above were accurately recorded.

Effect: As noted above, the effect of this transaction was to misstate prior year general ledger balances for the Landfill Fund. The necessary restatement was material to the financial statements and was included as an adjustment in order to more accurately represent the financial position of the Business-Type Activities. Failure to record the item noted above is a departure from accounting principles generally accepted in the United States of America.

Recommendation: We recommend the County increase levels of due diligence in maintaining accurate account balances. We also recommend a thorough review of the general ledger and supporting schedules prior to the audit.

Views of Responsible Officials: The auditee agrees with these recommendations and has taken the necessary steps to prevent a recurrence.

B. Significant Deficiency in Internal Control

2022-002: Significant Deficiency Due to Significant Audit Adjustment

Criteria: The year-end financial statements obtained from the School Board should be free of significant misstatements.

Condition: Upon auditing the year-end balances of the School Board, there were instances of significant adjustments identified.

Context: Audit entries were required to properly record construction in progress activity for the School Board. Additionally, reconciliation of construction in progress and other capital asset accounts was not performed on a timely basis.

Cause: There was a lack of sufficient review to ensure items noted above were accurately recorded and reconciled timely.

SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2022

Section II. FINANCIAL STATEMENT FINDINGS (Continued)

B. Significant Deficiency in Internal Control (Continued)

2022-002: Significant Deficiency Due to Significant Audit Adjustment (Continued)

Effect: As noted above, the effect of these transactions was to misstate year-end general ledger balances for the School Board. The necessary entries above were significant to the financial statements and were included as adjustments in order to more accurately represent the financial position of each of the above. Failure to record the items noted above is a departure from accounting principles generally accepted in the United States of America.

Recommendation: We recommend the School Board increase levels of due diligence in maintaining accurate account balances. We also recommend a thorough review of the general ledger and supporting schedules prior to the audit, including reconciling all capital asset balances earlier in the closing process.

Views of Responsible Officials: The School Board has developed a plan of action to rectify this finding including reconciling construction in progress earlier.