

# COUNTY OF CLARKE, VIRGINIA



## FINANCIAL REPORT

### YEAR ENDED JUNE 30, 2024

**COUNTY OF CLARKE, VIRGINIA**

**FINANCIAL REPORT**

**FOR THE YEAR ENDED JUNE 30, 2024**

## COUNTY OF CLARKE, VIRGINIA

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### Board of Supervisors

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David Weiss, Chairman  
Terri T. Catlett, Vice Chairman

Douglas Shaffer

Beverly B. McKay

Doug Lawrence

### County School Board

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Monica Singh-Smith, Chairman  
Katie Kerr-Hobert, Vice-Chairman  
Renée F. Weir, Clerk

Clay Brumback

Casey Kennedy

Michael Wilson

### Board of Social Services

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Robert York, Chairman  
Laura Dabinett, Vice-Chairman

Barbara Byrd

Ann Cushman

Doug Lawrence

### Other Officials

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Judge of the Circuit Court ..... Clark Andrew Ritchie  
Judge of the Circuit Court ..... Alexander R. Iden  
Judge of the Circuit Court ..... William W. Eldridge, IV  
Judge of the Circuit Court ..... Bruce D. Albertson  
Clerk of the Circuit Court ..... April Wilkerson  
Judge of the General District Court ..... Amy Beth Tisinger  
Judge of the General District Court ..... Kenneth L. Alger II  
Judge of the General District Court ..... John S. Hart, Jr.  
Judge of the General District Court ..... Mary L. C. Daniel  
Judge of the Juvenile and Domestic Relations Court ..... Nancie Williams  
Commonwealth's Attorney ..... Anne M. Williams  
Commissioner of the Revenue ..... Donna Peake  
Treasurer ..... Sharon Keeler  
Sheriff ..... Travis Sumption  
Superintendent of Schools ..... Rick Catlett  
County Administrator ..... Chris Boies  
Director of Joint Administrative Services ..... Brenda Bennett  
Director of Department of Social Services ..... Jennifer Parker

COUNTY OF CLARKE, VIRGINIA  
FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

TABLE OF CONTENTS

	<u>Page</u>
Front Cover	1
Title Page	2
Directory of Officials	3
Table of Contents	4-7
Independent Auditors' Report	8-11
Management's Discussion and Analysis	12-18
<b><u>Basic Financial Statements:</u></b>	
<b>Government-wide Financial Statements:</b>	
Exhibit 1 Statement of Net Position	21
Exhibit 2 Statement of Activities	22-23
<b>Fund Financial Statements:</b>	
Exhibit 3 Balance Sheet—Governmental Funds	25
Exhibit 4 Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	26
Exhibit 5 Statement of Revenues, Expenditures, and Changes in Fund Balances—Governmental Funds	27
Exhibit 6 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	28
Exhibit 7 Statement of Net Position—Internal Service Fund	29
Exhibit 8 Statement of Revenues, Expenses, and Changes in Net Position—Internal Service Fund	30
Exhibit 9 Statement of Cash Flows—Internal Service Fund	31
Exhibit 10 Statement of Fiduciary Net Position—Fiduciary Funds	32
Exhibit 11 Statement of Changes in Fiduciary Net Position—Fiduciary Funds	33
<b>Notes to Financial Statements</b>	34-105
<b><u>Required Supplementary Information:</u></b>	
Exhibit 12 Schedule of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual—General Fund	107
Exhibit 13 Schedule of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual—Virginia Public Assistance Special Revenue Fund	108
Exhibit 14 Schedule of Changes in Net Pension Liability (Asset) and Related Ratios - Primary Government and Clarke County Sanitary Authority - Pension Plans	109-110

COUNTY OF CLARKE, VIRGINIA  
FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

TABLE OF CONTENTS (CONTINUED)

	<u>Page</u>
<b><u>Required Supplementary Information: (Continued)</u></b>	
Exhibit 15	Schedule of Changes in Net Pension Liability (Asset) and Related Ratios - Component Unit School Board (nonprofessional) - Pension Plans 111-112
Exhibit 16	Schedule of Employer's Share of Net Pension Liability VRS Teacher Retirement Plan - Pension Plans 113
Exhibit 17	Schedule of Employer Contributions - Pension Plans 114
Exhibit 18	Notes to Required Supplementary Information - Pension Plans 115
Exhibit 19	Schedule of County's Share of Net OPEB Liability - Group Life Insurance (GLI) Plan 116
Exhibit 20	Schedule of Employer Contributions - Group Life Insurance (GLI) Plan 117
Exhibit 21	Notes to Required Supplementary Information - Group Life Insurance (GLI) Plan 118
Exhibit 22	Schedule of Changes in the School Board's Net OPEB Liability and Related Ratios - Health Insurance Credit (HIC) Plan 119
Exhibit 23	Schedule of Employer Contributions - Health Insurance Credit (HIC) Plan 120
Exhibit 24	Notes to Required Supplementary Information - Health Insurance Credit (HIC) Plan 121
Exhibit 25	Schedule of School Board's Share of Net OPEB Liability - Teacher Employee Health Insurance Credit (HIC) Plan 122
Exhibit 26	Schedule of Employer Contributions - Teacher Employee Health Insurance Credit (HIC) Plan 123
Exhibit 27	Notes to Required Supplementary Information - Teacher Employee Health Insurance Credit (HIC) Plan 124
Exhibit 28	Schedule of Changes in Net OPEB Liability (Asset) and Related Ratios - OPEB - Health Insurance Plan 125
Exhibit 29	Notes to Required Supplementary Information - OPEB - Health Insurance Plan 126
<b><u>Other Supplementary Information:</u></b>	
Exhibit 30	Combining Balance Sheet—Nonmajor Governmental Funds 128
Exhibit 31	Combining Statement of Revenues, Expenditures and Changes in Fund Balances—Nonmajor Governmental Funds 129
Exhibit 32	Combining Balance Sheet—Nonmajor Special Revenue Funds 130
Exhibit 33	Combining Statement of Revenues, Expenditures and Changes in Fund Balances—Nonmajor Special Revenue Funds 131

**COUNTY OF CLARKE, VIRGINIA**  
**FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**TABLE OF CONTENTS (CONTINUED)**

	<u>Page</u>
<b><u>Other Supplementary Information: (Continued)</u></b>	
Exhibit 34 Schedule of Revenues, Expenditures and Changes in Fund Balances—Budget and Actual—Nonmajor Special Revenue Funds	132-133
Exhibit 35 Statement of Revenues, Expenditures and Changes in Fund Balances—Nonmajor Debt Service Funds	134
Exhibit 36 Schedule of Revenues, Expenditures and Changes in Fund Balances—Budget and Actual—Nonmajor Debt Service Funds	135
Exhibit 37 Combining Balance Sheet—Nonmajor Capital Projects Funds	136
Exhibit 38 Combining Statement of Revenues, Expenditures and Changes in Fund Balances—Nonmajor Capital Projects Funds	137
Exhibit 39 Schedule of Revenues, Expenditures and Changes in Fund Balances—Budget and Actual—Nonmajor Capital Projects Funds	138
Exhibit 40 Combining Statement of Changes of Fiduciary Net Position—Custodial Funds	139
Exhibit 41 Combining Statement of Changes in Assets and Liabilities— Custodial Funds	140
<b>Discretely Presented Component Unit—School Board:</b>	
Exhibit 42 Combining Balance Sheet	142
Exhibit 43 Combining Statement of Revenues, Expenditures and Changes in Fund Balances—Governmental Funds	143
Exhibit 44 Schedule of Revenues, Expenditures and Changes in Fund Balances—Budget and Actual	144-145
Exhibit 45 Balance Sheet—Nonmajor Capital Projects Fund	146
Exhibit 46 Statement of Revenues, Expenditures and Changes in Fund Balances—Nonmajor Capital Projects Fund	147
Exhibit 47 Schedule of Revenues, Expenditures and Changes in Fund Balance— Budget and Actual—Nonmajor Capital Projects Funds	148
<b>Discretely Presented Component Unit—Sanitary Authority:</b>	
Exhibit 48 Combining Statement of Net Position	150
Exhibit 49 Combining Statement of Revenues, Expenses and Changes in Net Position	151
Exhibit 50 Combining Statement of Cash Flows	152
<b>Discretely Presented Component Unit—Industrial Development Authority:</b>	
Exhibit 51 Statement of Net Position	154
Exhibit 52 Statement of Revenues, Expenses and Changes in Net Position	155
Exhibit 53 Statement of Cash Flows	156

COUNTY OF CLARKE, VIRGINIA  
FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

TABLE OF CONTENTS (CONTINUED)

---

	<u>Page</u>
<b><u>Other Supplementary Information: (Continued)</u></b>	
<b>Supporting Schedules:</b>	
Schedule 1 Schedule of Revenues—Budget and Actual—Governmental Funds	158-166
Schedule 2 Schedule of Expenditures—Budget and Actual—Governmental Funds	167-173
<b><u>Other Statistical Information:</u></b>	
Table 1 Government-Wide Expenses by Function	175
Table 2 Government-Wide Revenues	176
Table 3 General Governmental Expenditures by Function	177
Table 4 General Governmental Revenues by Source	178
Table 5 Property Tax Levies and Collections	179
Table 6 Assessed Value of Taxable Property	180
Table 7 Property Tax Rates	181
Table 8 Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita	182
Table 9 General Government Capital Projects Carryover Budget Allocations	183
Table 10 School Board Capital Projects Carryover Budget Allocations	184
<b><u>Compliance:</u></b>	
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	186-187
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	188-190
Schedule of Expenditures of Federal Awards	191-192
Notes to Schedule of Expenditures of Federal Awards	193
Schedule of Findings and Questioned Costs	194



ROBINSON, FARMER, COX ASSOCIATES, PLLC

*Certified Public Accountants*

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**Independent Auditors' Report**

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

**Report on the Audit of the Financial Statements**

***Opinions***

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

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

***Basis for Opinions***

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

***Restatement of Beginning Balances***

As described in Note 19 to the financial statements, in 2024, the County restated beginning balances to correct errors in reporting of prior year revenue in the Internal Service Health Insurance Fund and in capitalizing infrastructure projects not owned by the County. 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

## ***Auditors' Responsibilities for the Audit of the Financial Statements***

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

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

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

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

### ***Require Supplementary Information***

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

The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

### ***Supplementary Information***

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

### ***Other Information***

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2024 on our consideration of the County of Clarke, Virginia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of County of Clarke, Virginia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County of Clarke, Virginia's internal control over financial reporting and compliance.

*Robinson, Farmer, Cox Associates*

Charlottesville, Virginia

December 6, 2024

## County of Clarke, Virginia Management's Discussion and Analysis

As management of the County of Clarke (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 fiscal year ended June 30, 2024.

### Financial Highlights

- The assets and deferred outflows of resources of the County (excluding component units) exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$38.99 million (*net position*). Of this amount, \$17.09 million (*unrestricted net position*) may be used to meet the County's ongoing obligations to citizens and creditors.
- The County's total net position increased by \$457,030, of which the governmental activities accounted for 100% of the increase.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$130,772. The Fiscal Policy of Clarke County requires that certain financial designations of General Fund balance be maintained. These financial designations are reported as assigned fund balance of \$16,783,731 and are comprised of the numerous designations. Liquidity and stabilization funds comprise \$6,075,038. Saving for pay-as-you-go capital expenditures comprises \$919,993. A total of \$9,788,700 is assigned for other requests.
- The County's total long-term obligations decreased by \$1,633,331 (7.35%) during the current fiscal year. This decrease was primarily due to planned debt service payments.

### Overview of the Financial Statements

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

#### Government-wide financial statements

The *government-wide financial statements* are designed to provide the readers with a broad overview of the County's finances, in a manner similar to a private-sector business. The *statement of net position* presents information on all of the County's assets, liabilities and deferred inflows of resources with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of how the financial position of the County may be changing. Increases in net position may indicate an improved financial position; however, even decreases in net position may reflect a changing manner in which the County may have used previously accumulated funds.

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

## Overview of the Financial Statements (Continued)

### Government-wide financial statements: (Continued)

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include general government administration, judicial administration, public safety, public works, health and welfare, parks, recreation and cultural, community development, and education. The County did not operate any business-type activities.

The government-wide financial statements include not only the County itself (known as the *primary government*), but also a legally separate school board, a legally separate industrial development authority and a legally separate sanitary authority for which the County is financially accountable. Financial information for these *component units* is reported separately from the financial information presented for the primary government itself. The government-wide financial statements can be found on pages 21 through 23 of this report.

### Fund financial statements

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

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

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

The County reports ten individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Virginia Public Assistance Fund and the School Debt Service Fund, all of which are considered to be major funds. Data from the other County funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

## Overview of the Financial Statements (Continued)

### Fund financial statements: (Continued)

The County adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget. The basic governmental fund financial statements can be found on pages 25 through 28 of this report.

**Fiduciary funds** are used to account for resources held for the benefit of parties outside the County. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund statement can be found on page 32 of this report.

### 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 pages 35 through 105 of this report.

### Other information

In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning budgetary comparisons for the general fund and VPA special revenue fund. Required supplementary information can be found on pages 107 through 126 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found starting on page 128 of this report.

## Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$38.99 million at the close of the most recent fiscal year. A large portion of the County's net position (\$21.64 million, 55.51% of total) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities (i.e., the County's investment in capital assets are of a permanent nature as assets acquired are generally not sold or otherwise disposed of during their useful life).

## Government-Wide Financial Analysis (Continued)

The following table provides a comparative summary of the County's Statement of Net Position:

County of Clarke, Virginia Summary of Net Position As of June 30, 2024 and 2023		
	Governmental Activities	
	2024	2023
Current and other assets	\$ 36,841,106	\$ 39,218,688
Capital assets	39,490,689	39,636,897
Total assets	<u>\$ 76,331,795</u>	<u>78,855,585</u>
Deferred outflows of resources	<u>\$ 973,824</u>	<u>\$ 1,235,103</u>
Long-term liabilities outstanding	\$ 20,585,873	\$ 22,219,204
Other liabilities	3,466,621	3,474,305
Total liabilities	<u>\$ 24,052,494</u>	<u>\$ 25,693,509</u>
Deferred inflows of resources	<u>\$ 14,265,902</u>	<u>\$ 14,921,029</u>
Net position:		
Net investment in capital assets	\$ 21,642,883	\$ 20,094,511
Restricted	258,852	171,250
Unrestricted	17,085,488	19,210,389
Total net position	<u><u>\$ 38,987,223</u></u>	<u><u>\$ 39,476,150</u></u>

An additional portion of the County's net position (\$258,852) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$17,085,488 million) may be used to meet the County's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the County is able to report positive balances in all three categories of net position.

As noted previously, the County's net position increased by \$457,030 during the current fiscal year. This is largely attributable to an increase in property tax revenue.



## Government-Wide Financial Analysis (Continued)

Governmental activities increased the County's net position by \$457,030. The following table summarizes the County's Statement of Activities:

### County of Clarke, Virginia Changes in Net Position Years Ended June 30, 2024 and 2023

	<u>Governmental Activities</u>	
	<u>2024</u>	<u>2023</u>
Revenues:		
Program revenues:		
Charges for services	\$ 1,594,306	\$ 1,710,560
Operating grants and contributions	3,685,681	3,380,692
Capital grants and contributions	509,700	2,997,607
General revenues:		
Property taxes	24,830,745	24,479,464
Other taxes	3,277,906	3,283,617
Unrestricted revenues from the use of money and property	342,486	308,463
Miscellaneous	487,189	314,893
Grants and contributions not restricted to specific programs	2,874,207	2,895,621
Total revenues	\$ <u>37,602,220</u>	\$ <u>39,370,917</u>
Expenses:		
General governmental administration	\$ 5,643,353	\$ 5,566,495
Judicial administration	1,019,286	900,550
Public safety	7,593,824	7,556,150
Public works	1,583,089	1,518,011
Health and welfare	2,848,697	2,666,097
Parks, recreation, and cultural	1,505,948	1,484,725
Community development	971,827	1,047,245
Interest on long-term debt	813,947	889,176
Education	15,165,219	14,622,889
Total expenses	\$ <u>37,145,190</u>	\$ <u>36,251,338</u>
Increase (decrease) in net position	\$ 457,030	\$ 3,119,579
Net position - beginning of year, as restated	38,530,193	36,356,571
Net position - end of year	\$ <u><u>38,987,223</u></u>	\$ <u><u>39,476,150</u></u>

Generally, net position changes are for the difference between revenues and expenses. Key elements of this net increase are as follows:

- Increase in property tax revenue.
- Overall stabilization in operating expenses.



## Financial Analysis of the County's Funds

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

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

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$17.78 million, a decrease of \$2.14 million in comparison with the prior year. Of this total amount, \$16.91 million or 95.62% constitutes *assigned and unassigned fund balance*, which is available for spending at the County's discretion. The remainder of fund balance is *nonspendable, restricted, or committed* to indicate that it is not available for new spending because it has already been committed to a specific purpose.

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, assigned and unassigned fund balance of the General Fund was \$16.91 million. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Assigned and unassigned fund balance represents 56.76% of total General Fund expenditures. This is a common measure for the strength of the County's equity and an overall indicator of a healthy financial condition.

Restricted fund balance of \$2,297 for the swim team and pool in the Parks Construction Fund is included in other governmental funds.

### General Fund Budgetary Highlights

There was an increase of \$469,245 between the original budget and the final amended budgeted expenditures. The majority of this increase was related to education and public safety expenditures.

### Capital Asset and Debt Administration

**Capital assets:** The County's investment in capital assets for its governmental activities as of June 30, 2024 amounts to \$39.49 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment and construction in progress. Major capital asset events during the current fiscal year included the following:

- Westwood Tower Site Development
- Circuit Court Chiller
- Swimming Pool Renovations
- Avenity Software
- Radio Upgrades
- SCBA Paks

## Capital Asset and Debt Administration (Continued)

Capital assets, net of accumulated depreciation, are illustrated in the following table:

	Governmental Activities	
	2024	2023
Land	\$ 857,713	\$ 857,713
Buildings	33,896,525	34,304,823
Improvements	1,545,985	1,366,467
Machinery & Equipment	2,472,645	1,469,624
Construction in progress	717,821	1,638,270
Total	<u>\$ 39,490,689</u>	<u>\$ 39,636,897</u>

Additional information on the County's capital assets can be found in note 6 on pages 50 through 52 of this report.

**Long-term debt:** At the end of the current fiscal year, the County had total outstanding debt of \$20.59 million and details are summarized in the following table:

	Governmental Activities	
	2024	2023
Bonds payable:		
General obligation bonds	\$ 14,370,000	\$ 15,940,000
Premiums and discounts	65,335	81,438
Lease revenue bond	3,412,471	3,520,948
Net OPEB liabilities	953,779	953,337
Net pension liability	1,131,794	1,091,751
Compensated absences	652,494	631,730
Total	<u>\$ 20,585,873</u>	<u>\$ 22,219,204</u>

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

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

National and state economic numbers continue to beat expectations as the economy has not slowed as was previously expected. State revenues continue to exceed forecasts and the State cash surplus is growing. Most county revenues continue to grow although we are seeing a slowdown in new construction of single-family dwellings and fewer real estate transactions due to very few available homes on the market. Real estate values continue to increase as seen in the recent general reassessment. County fund balance is decreasing as we pay for capital projects that were planned using these cash reserves. The overall county financial outlook is strong.

## Requests for Information

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Joint Administrative Services, County of Clarke, 317 W. Main Street, Suite B, Berryville, VA 22611.

## **BASIC FINANCIAL STATEMENTS**

## **Government-wide Financial Statements**

Statement of Net Position  
June 30, 2024

	Primary Government Governmental Activities	Component Units		
		School Board	Clarke County Sanitary Authority	Industrial Development Authority
<b>ASSETS</b>				
Cash and cash equivalents	\$ 18,025,682	\$ 1,013,649	\$ 1,274,635	\$ 28,085
Receivables (net of allowance for uncollectibles):				
Taxes receivable	15,830,663	-	-	-
Accounts receivable	819,986	35,184	148,119	-
Due from primary government	-	2,269,580	-	-
Due from other governmental units	2,107,935	1,164,985	-	-
Inventories	5,526	-	-	-
Prepaid items	51,314	87,496	42,479	-
Investments	-	-	-	132,782
Net pension asset	-	487,480	-	-
Capital assets (net of accumulated depreciation):				
Land	857,713	3,054,699	13,200	-
Buildings	33,896,525	12,701,117	-	-
Improvements other than buildings	1,545,985	891,963	-	-
Equipment	2,472,645	3,513,632	-	-
Lease equipment	-	36,800	-	-
Subscription asset	-	69,604	-	-
Utility plant in service	-	-	7,421,532	-
Construction in progress	717,821	8,265	-	-
Total assets	<u>\$ 76,331,795</u>	<u>\$ 25,334,454</u>	<u>\$ 8,899,965</u>	<u>\$ 160,867</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>				
Pension related items	\$ 817,385	\$ 4,758,067	\$ -	\$ -
OPEB related items	156,439	628,176	-	-
Total deferred outflows of resources	<u>\$ 973,824</u>	<u>\$ 5,386,243</u>	<u>\$ -</u>	<u>\$ -</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 878,423	\$ 658,020	\$ 45,620	\$ -
Accrued liabilities	4,343	2,660,653	-	-
Customers' deposits	-	-	9,212	-
Accrued interest payable	314,275	-	3,408	-
Due to component unit	2,269,580	-	-	-
Unearned revenue	-	183,609	-	-
Long-term liabilities:				
Due within one year	1,832,827	137,572	339,187	-
Due in more than one year	18,753,046	19,272,400	1,574,486	-
Total liabilities	<u>\$ 24,052,494</u>	<u>\$ 22,912,254</u>	<u>\$ 1,971,913</u>	<u>\$ -</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred property tax revenue	\$ 13,577,226	\$ -	\$ -	\$ -
Pension related items	598,635	2,227,833	-	-
OPEB related items	90,041	580,321	-	-
Total deferred inflows of resources	<u>\$ 14,265,902</u>	<u>\$ 2,808,154</u>	<u>\$ -</u>	<u>\$ -</u>
<b>NET POSITION</b>				
Net investment in capital assets	\$ 21,642,883	\$ 20,168,482	\$ 5,521,059	\$ -
Restricted				
Swim team	638	-	-	-
Pool	1,659	-	-	-
Opioid settlement	256,555	-	-	-
Net pension asset	-	487,480	-	-
Unrestricted	17,085,488	(15,655,673)	1,406,993	160,867
Total net position	<u>\$ 38,987,223</u>	<u>\$ 5,000,289</u>	<u>\$ 6,928,052</u>	<u>\$ 160,867</u>

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

Statement of Activities  
For the Year Ended June 30, 2024

		Program Revenues		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT:				
Governmental activities:				
General government administration	\$ 5,643,353	\$ 35,550	\$ 337,471	\$ -
Judicial administration	1,019,286	994	527,939	-
Public safety	7,593,824	840,206	1,295,971	89,765
Public works	1,583,089	237,844	-	-
Health and welfare	2,848,697	-	1,515,300	-
Education	15,165,219	-	-	74,056
Parks, recreation, and cultural	1,505,948	479,712	-	-
Community development	971,827	-	9,000	345,879
Interest on long-term debt	813,947	-	-	-
Total governmental activities	\$ 37,145,190	\$ 1,594,306	\$ 3,685,681	\$ 509,700
Total primary government	\$ 37,145,190	\$ 1,594,306	\$ 3,685,681	\$ 509,700
COMPONENT UNITS:				
School Board	\$ 30,344,331	\$ 785,722	\$ 13,908,506	\$ -
Clarke County Sanitary Authority	997,509	762,008	-	-
Clarke County Industrial Development Authority	11,573	6,448	-	-
Total component units	\$ 31,353,413	\$ 1,554,178	\$ 13,908,506	\$ -

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

Statement of Activities  
For the Year Ended June 30, 2024

Functions/Programs	Net (Expense) Revenue and Changes in Net Position			
	Primary Government	Component Units		
	Governmental Activities	School Board	Clarke County Sanitary Authority	Industrial Development Authority
<b>PRIMARY GOVERNMENT:</b>				
Governmental activities:				
General government administration	\$ (5,270,332)	\$ -	\$ -	\$ -
Judicial administration	(490,353)	-	-	-
Public safety	(5,367,882)	-	-	-
Public works	(1,345,245)	-	-	-
Health and welfare	(1,333,397)	-	-	-
Education	(15,091,163)	-	-	-
Parks, recreation, and cultural	(1,026,236)	-	-	-
Community development	(616,948)	-	-	-
Interest on long-term debt	(813,947)	-	-	-
Total governmental activities	\$ (31,355,503)	\$ -	\$ -	\$ -
Total primary government	\$ (31,355,503)	\$ -	\$ -	\$ -
<b>COMPONENT UNITS:</b>				
School Board	\$ -	\$ (15,650,103)	\$ -	\$ -
Clarke County Sanitary Authority	-	-	(235,501)	-
Clarke County Industrial Development Authority	-	-	-	(5,125)
Total component units	\$ -	\$ (15,650,103)	\$ (235,501)	\$ (5,125)
General revenues:				
General property taxes	\$ 24,830,745	\$ -	\$ -	\$ -
Other local taxes:				
Local sales and use tax	1,573,210	-	-	-
Consumer utility tax	331,673	-	-	-
Taxes on recordation and wills	233,545	-	-	-
Motor vehicle licenses	318,234	-	-	-
Other local taxes	821,244	-	-	-
Unrestricted revenues from use of money	342,486	73,776	27,141	9,419
Miscellaneous	487,189	520,681	172,375	-
Grants and contributions not restricted to specific programs	2,874,207	-	-	-
Contribution from County of Clarke	-	15,148,298	207,000	-
Total general revenues	\$ 31,812,533	\$ 15,742,755	\$ 406,516	\$ 9,419
Change in net position	457,030	92,652	171,015	4,294
Net position - beginning, as originally reported	39,475,481	4,907,637	6,757,037	156,573
Restatements	(945,288)	-	-	-
Net position - beginning, as restated	38,530,193	4,907,637	6,757,037	156,573
Net position - ending	\$ 38,987,223	\$ 5,000,289	\$ 6,928,052	\$ 160,867

## **Fund Financial Statements**



Balance Sheet  
Governmental Funds  
June 30, 2024

	General	Virginia Public Assistance	School Debt Service	Other Govern- mental Funds	Total
<b>ASSETS</b>					
Cash and cash equivalents	\$ 17,188,422	\$ -	\$ -	\$ 736,591	\$ 17,925,013
Receivables (net of allowance for uncollectibles):					
Taxes receivable	15,830,663	-	-	-	15,830,663
Accounts receivable	681,192	-	-	-	681,192
Due from other funds	5,698	-	-	71,642	77,340
Due from other governmental units	1,835,607	105,769	-	166,559	2,107,935
Inventories	5,526	-	-	-	5,526
Prepaid items	47,614	-	-	3,700	51,314
Total assets	<u>\$ 35,594,722</u>	<u>\$ 105,769</u>	<u>\$ -</u>	<u>\$ 978,492</u>	<u>\$ 36,678,983</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 403,294	\$ 28,429	\$ -	\$ 217,700	649,423
Accrued liabilities	4,343	-	-	-	4,343
Due to other funds	-	77,340	-	-	77,340
Due to component unit	2,269,580	-	-	-	2,269,580
Total liabilities	<u>\$ 2,677,217</u>	<u>\$ 105,769</u>	<u>\$ -</u>	<u>\$ 217,700</u>	<u>\$ 3,000,686</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue - property taxes	\$ 15,687,369	\$ -	\$ -	\$ -	\$ 15,687,369
Unavailable revenue - opioid settlement	209,332	-	-	-	209,332
Total deferred inflows of resources	<u>\$ 15,896,701</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,896,701</u>
<b>FUND BALANCES:</b>					
Nonspendable:					
Prepaid items	\$ 47,614	\$ -	\$ -	\$ 3,700	\$ 51,314
Inventory	5,526	-	-	-	5,526
Restricted:					
Swim team	-	-	-	638	638
Pool	-	-	-	1,659	1,659
Opioid settlement	53,161	-	-	-	53,161
Committed:					
Community development	-	-	-	577,509	577,509
Public safety expenditures	-	-	-	89,800	89,800
Assigned:					
Capital projects	-	-	-	87,486	87,486
Other (Note 15)	16,783,731	-	-	-	16,783,731
Unassigned	130,772	-	-	-	130,772
Total fund balances	<u>\$ 17,020,804</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 760,792</u>	<u>\$ 17,781,596</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 35,594,722</u>	<u>\$ 105,769</u>	<u>\$ -</u>	<u>\$ 978,492</u>	<u>\$ 36,678,983</u>

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

Reconciliation of the Balance Sheet of Governmental Funds  
To the Statement of Net Position  
June 30, 2024

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

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds	\$	17,781,596
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		39,490,689
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		
Unavailable revenue - property taxes	\$	2,110,143
Unavailable revenue - opioid settlement		<u>209,332</u>
		2,319,475
Interest on long-term debt is not accrued in governmental funds, but rather is recognized when paid.		(314,275)
Deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds.		
Pension related items	\$	817,385
OPEB related items		<u>156,439</u>
		973,824
An internal service fund is used by management to charge the costs of health insurance to individual funds. The assets and liabilities of the health insurance internal service fund are included in the governmental activities in the Statement of Net Position.		10,463
Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.		
Pension related items	\$	(598,635)
OPEB related items		<u>(90,041)</u>
		(688,676)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.		<u>(20,585,873)</u>
Net position of governmental activities	\$	<u><u>38,987,223</u></u>

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

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

	General	Virginia Public Assistance	School Debt Service	Total Nonmajor Governmental Funds	Total
<b>REVENUES</b>					
General property taxes	\$ 24,732,073	\$ -	\$ -	\$ 35,819	\$ 24,767,892
Other local taxes	3,277,906	-	-	-	3,277,906
Permits, privilege fees, and regulatory licenses	251,264	-	-	-	251,264
Fines and forfeitures	151,328	-	-	-	151,328
Revenue from the use of money and property	328,096	-	-	14,390	342,486
Charges for services	1,191,714	-	-	-	1,191,714
Miscellaneous	135,597	-	109,448	150,329	395,374
Recovered costs	32,854	575	-	-	33,429
Intergovernmental:					
Commonwealth	4,942,060	392,466	-	409,962	5,744,488
Federal	97,009	840,296	74,056	313,739	1,325,100
Total revenues	\$ 35,139,901	\$ 1,233,337	\$ 183,504	\$ 924,239	\$ 37,480,981
<b>EXPENDITURES</b>					
Current:					
General government administration	\$ 2,781,360	\$ -	\$ -	\$ -	\$ 2,781,360
Judicial administration	924,543	-	-	-	924,543
Public safety	7,347,197	-	-	51,285	7,398,482
Public works	1,474,452	-	-	-	1,474,452
Health and welfare	639,524	1,625,358	-	595,200	2,860,082
Education	14,336,806	-	-	-	14,336,806
Parks, recreation, and cultural	1,445,947	-	-	-	1,445,947
Community development	821,556	-	-	162,718	984,274
Nondepartmental	26,995	-	-	-	26,995
Capital projects	-	-	-	4,870,711	4,870,711
Debt service:					
Principal retirement	-	-	1,570,000	108,477	1,678,477
Interest and other fiscal charges	-	-	719,768	143,223	862,991
Total expenditures	\$ 29,798,380	\$ 1,625,358	\$ 2,289,768	\$ 5,931,614	\$ 39,645,120
Excess (deficiency) of revenues over (under) expenditures	\$ 5,341,521	\$ (392,021)	\$ (2,106,264)	\$ (5,007,375)	\$ (2,164,139)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	\$ -	\$ 392,021	\$ 2,106,264	\$ 5,033,649	\$ 7,531,934
Transfers out	(7,469,219)	-	-	(62,715)	(7,531,934)
Insurance proceeds	28,751	-	-	-	28,751
Total other financing sources (uses)	\$ (7,440,468)	\$ 392,021	\$ 2,106,264	\$ 4,970,934	\$ 28,751
Net change in fund balances	\$ (2,098,947)	\$ -	\$ -	\$ (36,441)	\$ (2,135,388)
Fund balances - beginning	19,119,751	-	-	797,233	19,916,984
Fund balances - ending	\$ 17,020,804	\$ -	\$ -	\$ 760,792	\$ 17,781,596

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

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

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

Net change in fund balances - total governmental funds	\$	(2,135,388)
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which the depreciation expense and joint tenancy asset transfer exceeded capital outlays in the current period.

Capital outlay	\$	2,240,181	
Depreciation expense		(942,733)	
Joint tenancy asset transfer		(828,413)	469,035

The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) is to decrease net position.

Loss on disposal of assets			(1,795)
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Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

Property taxes	\$	62,853	
Future opioid settlement payments		91,815	154,668

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

			(40,545)
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The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Principal retired	\$	1,678,477	
Bond discount amortization		(1,530)	
Bond premium amortization		17,633	1,694,580

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds.

(Increase)/decrease in compensated absences	\$	(20,764)	
Pension expense		307,851	
OPEB expense		(3,553)	
(Increase)/decrease in accrued interest payable		32,941	316,475

Change in net position of governmental activities		\$	<u>457,030</u>
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The notes to the financial statements are an integral part of this statement.

Statement of Net Position  
Internal Service Fund  
June 30, 2024

	<u>Health Insurance Fund</u>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 100,669
Accounts receivable	<u>138,794</u>
Total current assets	<u>239,463</u>
Total assets	<u>\$ 239,463</u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	\$ <u>229,000</u>
Total current liabilities	<u>\$ 229,000</u>
Total liabilities	<u>\$ 229,000</u>
<b>NET POSITION</b>	
Unrestricted	<u>\$ 10,463</u>
Total net position	<u>\$ 10,463</u>
Total liabilities and net position	<u>\$ 239,463</u>

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

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

	<b>Health Insurance Fund</b>
<b>OPERATING REVENUES</b>	
Charges for services:	
Insurance premiums	\$ <u>289,042</u>
Total operating revenues	\$ <u>289,042</u>
<b>OPERATING EXPENSES</b>	
Insurance claims and expenses	\$ <u>329,587</u>
Total operating expenses	\$ <u>329,587</u>
Operating income (loss)	\$ <u>(40,545)</u>
Change in net position	\$ (40,545)
Total net position - beginning, as originally reported	382,848
Restatement	<u>(331,840)</u>
Total net position - beginning, as restated	<u>51,008</u>
Total net position - ending	\$ <u><u>10,463</u></u>

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

Statement of Cash Flows  
Internal Service Fund  
For the Year Ended June 30, 2024

	<b>Health Insurance Fund</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts for insurance premiums	\$ 289,042
Payments for premiums	<u>(239,381)</u>
Net cash provided by (used for) operating activities	\$ <u>49,661</u>
Net increase (decrease) in cash and cash equivalents	\$ 49,661
Cash and cash equivalents - beginning, as restated	<u>51,008</u>
Cash and cash equivalents - ending	<u><u>\$ 100,669</u></u>
<b>Reconciliation of operating income (loss) to net cash provided by operating activities:</b>	
Operating income (loss)	\$ <u>(40,545)</u>
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:	
(Increase) decrease in accounts receivable	<u>(138,794)</u>
Total adjustments	\$ <u>90,206</u>
Net cash provided by (used for) operating activities	<u><u>\$ 49,661</u></u>

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

Statement of Fiduciary Net Position  
 Fiduciary Funds  
 June 30, 2024

	<b>Custodial Funds</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 222,404
Accounts receivable	31,763
Prepaid expenses	82
Total assets	<u>\$ 254,249</u>
<b>LIABILITIES</b>	
Accounts payable	\$ 6,698
Total liabilities	<u>\$ 6,698</u>
<b>NET POSITION</b>	
Restricted for:	
Special welfare	\$ 13,009
Town of Berryville	149,747
Employee benefits	84,795
Total net position	<u>\$ 247,551</u>
Total liabilities and net assets	<u>\$ 254,249</u>

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



Statement of Changes in Fiduciary Net Position  
 Fiduciary Funds  
 June 30, 2023

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	<b>Custodial Funds</b>
	<hr/>
<b>ADDITIONS</b>	
Special welfare collections	\$ 1,532
Interest	3,486
Collection of shared costs	58,378
Employee deferrals	75,302
Total additions	\$ <u>138,698</u>
 <b>DEDUCTIONS</b>	
Welfare costs	\$ 4,149
Town share of maintenance costs	78,710
Flexible spending account benefits	75,535
Total deductions	\$ <u>158,394</u>
 Net increase (decrease) in fiduciary net position	 \$ <u>(19,696)</u>
 Net position, beginning of year	 \$ <u>267,247</u>
 Net position, end of year	 \$ <u><u>247,551</u></u>

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

## COUNTY OF CLARKE, VIRGINIA

### Notes to Financial Statements June 30, 2024

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#### **Note 1—Summary of Significant Accounting Policies:**

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The County of Clarke, Virginia (the "County") is governed by an elected five-member Board of Supervisors. The County provides a full range of services for its citizens. These services include police and volunteer fire protection and rescue service, sanitation services, recreational activities, cultural events, education, and social services.

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

#### Government-wide and Fund Financial Statements

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

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

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

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

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

**Note 1—Summary of Significant Accounting Policies: (Continued)**

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

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

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

**A. Financial Reporting Entity**

The basic criterion for determining whether a governmental department, agency, institution, commission, public authority, or other governmental organization should be included in a primary governmental unit's reporting entity for the basic financial statements is financial accountability. Financial accountability includes the appointment of a voting majority of the organization's governing body and the ability of the primary government to impose its will on the organization or if there is a financial benefit/burden relationship. In addition, an organization which is fiscally dependent on the primary government should be included in its reporting entity. These financial statements present the County of Clarke (the primary government) and its component units. Blended component units, although legally separate entities, are, in substance, part of the government's operations and so data from these units are combined with data of the primary government. Each discretely presented component unit, on the other hand, is reported in a separate column in the government-wide financial statements to emphasize it is both legally and substantively separate from the government.

## COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements  
June 30, 2024 (Continued)

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### Note 1—Summary of Significant Accounting Policies: (Continued)

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#### B. Individual Component Unit Disclosures

*Blended Component Unit:* The Conservation Easement Authority is reported as a blended component unit.

*Discretely Presented Component Units:*

The School Board members are elected by the citizens of Clarke County. The School Board is responsible for the operations of the County's School System within the County boundaries. The School Board is fiscally dependent on the County. The County has the ability to approve its budget and any amendments. The primary funding of the School Board is from the General Fund of the County. The School Board does not issue a separate financial report. The financial statements of the School Board are presented as a discrete presentation of the County financial statements for the fiscal year ended June 30, 2023.

The Clarke County Sanitary Authority is responsible for water and sewer treatment for many citizens in Clarke County. The Sanitary Authority consists of five members appointed by the Board of Supervisors. The Board of Supervisors has the ability to impose its will on the Sanitary Authority and therefore it is included in the County's financial statements as a discrete presentation for the year ended June 30, 2023. The Sanitary Authority does not issue a separate financial report.

The Clarke County Industrial Development Authority is responsible for industrial and commercial development in the County. The Authority consists of seven members appointed by the Board of Supervisors. The Authority is fiscally dependent on the County, and therefore, it is included in the County's financial statements as a discrete presentation for the year ended June 30, 2023. The Authority does not issue a separate financial report.

#### C. Other Related Organizations

##### Included in the County's Financial Report

None

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

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

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of recognition in the financial statements of various kinds of transactions or events.

**Note 1—Summary of Significant Accounting Policies: (Continued)**

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as does the proprietary fund. The fiduciary fund financial statements have no measurement focus but utilize the accrual basis of accounting for reporting its assets, liabilities, and net position. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. Revenues are recognized when they have been earned and they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service principal and interest expenditures on general long-term debt, including lease and subscription liabilities, as well as expenditures related to compensated absences, claims and judgments, postemployment benefits, and environmental obligations are recognized later based on specific accounting rules applicable to each, generally when payment is due. General capital asset acquisitions, including entering into contracts giving the government the right to use lease and subscription assets, are reported as expenditures in the governmental funds. Issuance of long-term debt and financing through leases and subscriptions are reported as other financing sources.

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

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

**Note 1—Summary of Significant Accounting Policies: (Continued)**

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

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

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

**1. Governmental Funds**

Governmental Funds are those through which most governmental functions typically are financed. The government reports the following governmental funds.

**a. General Fund**

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

**b. Special Revenue Funds**

Special revenue funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Virginia Public Assistance Fund is considered a major fund. The CSA Fund, Drug Enforcement Fund, and Conservation Easement Fund are considered nonmajor funds.

**c. Capital Projects Fund**

The Capital Projects Fund accounts for and reports financial resources that are restricted, committed or assigned to expenditure for capital outlays, except for those financed by proprietary funds or for assets held in trust for individuals, private organizations, or other governments. The General Government Capital Projects Fund and Parks Construction Fund are considered nonmajor funds.

## COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements  
June 30, 2024 (Continued)

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### Note 1—Summary of Significant Accounting Policies: (Continued)

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

##### 1. Governmental Funds: (Continued)

###### d. Debt Service Funds

The Debt Service Funds account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. Debt service funds should also be used to report financial resources being accumulated for future debt service. The School Debt Service Fund is considered a major fund. The Primary Government Debt Service Fund is considered a nonmajor fund.

##### 2. Fiduciary Funds (Trust and Custodial Funds)

Fiduciary Funds (Trust and Custodial Funds) account for assets held by the County in a trustee capacity or as an agent or custodian for individuals, private organizations, other governmental units, or other funds. These funds include Custodial Funds consisting of the Special Welfare Fund, Town of Berryville, and Cafeteria Plan Withholding. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. These funds utilize the accrual basis of accounting.

##### 3. Component Unit:

The Clarke County School Board has the following funds:

###### Governmental Funds:

School Operating Fund - This fund is the primary operating fund of the School Board and accounts for and reports all revenues and expenditures applicable to the general operations of the public-school system. Revenues are derived primarily from charges for services, appropriations from the County of Clarke and state and federal grants. The School Operating Fund is considered a major fund of the School Board for financial reporting purposes.

School Food Service Fund - This fund accounts for the operations of the School Board's food service program. Financing is provided primarily by food and beverage sales and state and federal grants. This fund is considered a major fund.

School Activity Fund - This fund accounts for and reports the funds received from extracurricular school activities, such as entertainment, athletic contests, club dues, fundraisers, etc., and from all school activities involving personnel, students, or property. The School Activity Fund is considered a major fund of the School Board for financial reporting purposes.

School Capital Projects Proffers Fund: Capital projects funds account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays, except for those financed by proprietary funds or for assets held in trust for individuals, private organizations, or other governments. This fund is considered a nonmajor fund.



**Note 1—Summary of Significant Accounting Policies: (Continued)**

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

**3. Component Unit: (Continued)**

School Capital Projects Fund - This fund accounts for all financial resources used for the acquisition or construction of major capital needs. This fund is considered a major fund.

**E. Cash and Cash Equivalents**

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the government.

State statutes authorize the government to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds and repurchase agreements.

**F. Investments**

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

**G. Receivables and Payables**

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

All trade and property tax receivables are shown net of an allowance for uncollectibles. The County calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance amounted to approximately \$466,572 at June 30, 2024 and is comprised solely of property taxes.

Real and Personal Property Tax Data:

The tax calendars for real and personal property taxes are summarized below.

	<u>Real Property</u>	<u>Personal Property</u>
Levy	January 1	January 1
Due Date	June 5/December 5 (50% each date)	June 5/December 5 (50% each date)
Lien Date	January 1	January 1

The County bills and collects its own property taxes.



Note 1—Summary of Significant Accounting Policies: (Continued)

H. Capital Assets

Capital assets, which include property, plant and equipment, are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by the County and Component Unit School Board as land, buildings, and equipment with an initial individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. The County does not have any infrastructure in its capital assets since roads, streets, bridges and similar assets within its boundaries are the property of the Commonwealth of Virginia. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The Component Unit, Clarke County Sanitary Authority, a proprietary fund type, is required to capitalize its capital assets including the infrastructure constructed.

The Component Unit, Industrial Development Authority of Clarke County, does not have any capital assets to report.

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

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

<u>Assets</u>	<u>Years</u>
Buildings and improvements	20-40
Plant, equipment and system	20-45
Motor vehicles	5-10
Equipment	5-15
Lease Equipment	5-15
Suscription assets	3-5
Infrastructure	25-50

I. Compensated Absences

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported as an expense in the Statement of Activities and a long-term obligation in the Statement of Net Position. No liability is recorded for nonvesting accumulating rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulating sick leave benefits that is estimated will be taken as “terminal leave” prior to retirement.

J. 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. Accordingly, actual results could differ from those estimates.

**Note 1—Summary of Significant Accounting Policies: (Continued)**

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**K. Net Position**

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

- Net investment in capital assets consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances of bonds, notes, and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.
- Restricted net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either by external parties or by law through constitutional provision or enabling legislation.
- Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

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

**L. Net Position Flow Assumption**

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

**M. Long-term Obligations**

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts, during the current period. The face amount of debt issued 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.

**Note 1—Summary of Significant Accounting Policies: (Continued)**

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**N. Prepaid Items**

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

**O. Fund Balance**

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

- Nonspendable fund balance - amounts that are either not in spendable form (such as inventory and prepaids) or are legally or contractually required to be maintained intact (corpus of a permanent fund);
- Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- Committed fund balance - amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- Assigned fund balance - amounts a government intends to use for a specific purpose but do not meet the criteria to be classified as committed; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment;
- Unassigned fund balance - amounts that are available for any purpose; positive amounts are only reported in the general fund.

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

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

**Note 1—Summary of Significant Accounting Policies: (Continued)**

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**P. Deferred Outflows/Inflows of Resources**

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

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

**Q. Leases and Subscription-Based IT Arrangements**

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

*Lessee*

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

**Note 1—Summary of Significant Accounting Policies: (Continued)**

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

*Lessor*

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

*Subscriptions*

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

*Key Estimates and Judgments*

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

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

**Note 1—Summary of Significant Accounting Policies: (Continued)**

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

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

**R. Pensions**

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

**S. Other Postemployment Benefits (OPEB)**

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

**Note 2—Stewardship, Compliance, and Accounting:**

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

1. Prior to March 15th, the County Administrator submits to the Board of Supervisors a proposed operating and capital budget for the fiscal year commencing the following July 1. The operating and capital budget include proposed expenditures and the means of financing them.
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.

## COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements  
June 30, 2024 (Continued)

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### Note 2—Stewardship, Compliance, and Accounting: (Continued)

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4. The Appropriations Resolution places legal restrictions on expenditures at the department or category level. The appropriation for each department or category can be revised only by the Board of Supervisors. The County Administrator is authorized to transfer budgeted amounts within general government departments; however, the Component Unit School Board is authorized to transfer budgeted amounts within the school system's categories.
5. Formal budgetary integration is employed as a management control device during the year and budgets are legally adopted for the General Fund, Special Revenue Funds, Debt Service Funds, and Capital Projects Funds of the Primary Government and Component Unit - School Board.
6. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
7. Appropriations lapse on June 30, for all County units. Several Supplemental Appropriations were necessary during the fiscal year.

### Note 3—Deposits and Investments:

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#### Deposits

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

#### Investments

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

As of June 30, 2024, the County does not have a formal investment policy addressing the various types of risks related to investments.



COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements  
June 30, 2024 (Continued)

Note 3—Deposits and Investments: (Continued)

Credit Risk of Debt Securities

The County’s rated debt investments as of June 30, 2024 were rated by *Standard & Poor’s* and the ratings are presented below using the *Standard and Poor’s* rating scale.

County's Rated Debt Investments' Values	
Rated Debt Investments	Fair Quality Ratings
	AAAm
Local Government Investment Pool	\$ 130,744
Total	\$ 130,744

External Investment Pools

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

Interest Rate Risk

Interest rate risk is defined as the risk that changes in interest rates will adversely affect the fair value of an investment.

Investment Maturity (in years)		
Investment Type	Maturity	
	Fair Value	Less Than 1 Year
Local Government Investment Pool	\$ 130,744	\$ 130,744
Total	\$ 130,744	\$ 130,744



# COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements  
June 30, 2024 (Continued)

## Note 4—Due from Other Governments:

At June 30, 2024 the County has receivables from other governments as follows:

	Primary Government	Component Unit School Board
Commonwealth of Virginia:		
Virginia Public Assistance funds	\$ 40,089	\$ -
Local sales tax	349,517	
State sales tax	-	485,475
Constitutional officer reimbursements	144,882	-
PPTRA	1,212,896	-
Children's Services Act	56,356	-
Other general grants	176,851	-
Other school grants	-	95,996
Federal Government:		
Virginia Public Assistance funds	65,679	-
Other general grants	61,665	-
School fund grants	-	583,514
Total due from other governments	\$ 2,107,935	\$ 1,164,985

## Note 5—Interfund Obligations:

Details of the Primary Government's interfund receivables and payables as of June 30, 2024 are as follows:

Fund	Interfund Receivable	Interfund Payable
Primary Government:		
General	\$ 5,698	\$ 2,269,580
Children's Services Act	9,848	-
County Capital Projects Fund	61,794	-
Virginia Public Assistance	-	77,340
Total Primary Government	\$ 77,340	\$ 2,346,920
Component Unit - School Board:		
School Operating Fund	\$ 1,797,678	\$ -
School Capital Projects Fund	471,902	-
Total Component Unit	\$ 2,269,580	\$ -
Grand Total	\$ 2,346,920	\$ 2,346,920

The above interfund obligations represent temporary advances between funds or amounts allocable to one fund and not yet transferred between the funds.

# COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements  
June 30, 2024 (Continued)

## Note 6—Capital Assets:

The following is a summary of changes in capital assets for the fiscal year ended June 30, 2024:

	Restated Balance July 1, 2023	Additions	Deletions	Transfers (Net)	Balance June 30, 2024
<b>Primary Government:</b>					
Capital assets not being depreciated:					
Land	\$ 857,713	\$ -	\$ -	\$ -	\$ 857,713
Construction in Progress	1,024,822	954,573	1,261,574	-	717,821
Total capital assets not being depreciated	\$ 1,882,535	\$ 954,573	\$ 1,261,574	\$ -	\$ 1,575,534
Capital assets being depreciated:					
Buildings	\$ 51,814,680	\$ 716,282	\$ 82,280	\$ -	\$ 52,448,682
Improvements other than buildings	2,906,744	274,053	7,980	-	3,172,817
Equipment	5,809,964	1,556,847	-	(39,841)	7,326,970
Total capital assets being depreciated	\$ 60,531,388	\$ 2,547,182	\$ 90,260	\$ (39,841)	\$ 62,948,469
Accumulated depreciation:					
Buildings	\$ 17,509,857	\$ 296,167	\$ 82,280	\$ 828,413	\$ 18,552,157
Improvements other than buildings	1,540,277	92,740	6,185	-	1,626,832
Equipment	4,340,340	553,826	-	(39,841)	4,854,325
Total accumulated depreciation	\$ 23,390,474	\$ 942,733	\$ 88,465	\$ 788,572	\$ 25,033,314
Total capital assets being depreciated, net	\$ 37,140,914	\$ 1,604,449	\$ 1,795	\$ (828,413)	\$ 37,915,155
Net capital assets governmental activities	\$ 39,023,449	\$ 2,559,022	\$ 1,263,369	\$ (828,413)	\$ 39,490,689
<b>Component Unit-School Board:</b>					
Capital assets not being depreciated:					
Land	\$ 3,054,699	\$ -	\$ -	\$ -	\$ 3,054,699
Construction in Progress	313,854	109,277	414,866	-	8,265
Total capital assets not being depreciated	\$ 3,368,553	\$ 109,277	\$ 414,866	\$ -	\$ 3,062,964
Capital assets being depreciated:					
Buildings	\$ 28,812,589	\$ 91,567	\$ -	\$ -	\$ 28,904,156
Improvements other than buildings	1,218,993	38,512	-	-	1,257,505
Equipment	7,913,793	1,122,505	86,458	39,841	8,989,681
Subscription assets	99,732	-	-	-	99,732
Lease equipment	98,702	-	-	-	98,702
Total capital assets being depreciated	\$ 38,143,809	\$ 1,252,584	\$ 86,458	\$ 39,841	\$ 39,349,776
Accumulated depreciation:					
Buildings	\$ 15,415,103	\$ 1,616,349	\$ -	\$ (828,413)	\$ 16,203,039
Improvements other than buildings	314,353	51,189	-	-	365,542
Equipment	4,945,419	577,247	86,458	39,841	5,476,049
Subscription assets	10,134	19,994	-	-	30,128
Lease equipment	39,281	22,621	-	-	61,902
Total accumulated depreciation	\$ 20,724,290	\$ 2,287,400	\$ 86,458	\$ (788,572)	\$ 22,136,660
Total capital assets being depreciated, net	\$ 17,419,519	\$ (1,034,816)	\$ -	\$ 828,413	\$ 17,213,116
Net capital assets component unit school board	\$ 20,788,072	\$ (925,539)	\$ 414,866	\$ 828,413	\$ 20,276,080

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements  
June 30, 2024 (Continued)

Note 6—Capital Assets: (Continued)

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General government administration	\$ 294,880
Judicial administration	115,628
Public safety	327,250
Public works	115,367
Health and welfare	13,824
Parks, recreation and cultural	<u>75,784</u>
Total Governmental activities	\$ <u><u>942,733</u></u>
Component Unit School Board	\$ <u><u>2,287,400</u></u>

Legislation enacted during the year ended June 30, 2002, Section 15.2-1800.1 of the Code of Virginia, 1950, as amended, has changed the reporting of local school capital assets and related debt for financial statement purposes. Historically, debt incurred by local governments “on-behalf” of school boards was reported in the school board’s discrete column along with the related capital assets. Under the new law, local governments have a “tenancy in common” with the school board whenever the locality incurs any financial obligation for any school property which is payable over more than one fiscal year. For financial reporting purposes, the legislation permits the locality to report the portion of school property related to any outstanding financial obligation eliminating any potential deficit from capitalizing assets financed with debt. The effect on the County of Clarke, Virginia for the year ended June 30, 2024 is that school financed assets in the amount of \$35,542,393 are reported in the Primary Government for financial reporting purposes. Unspent bond proceeds reported as restricted cash and proceeds from the issuance of long-term debt are reported in the School Capital Projects Fund of the Component Unit School Board in the fund financial statements and are reported within the Primary Government in the government-wide financial statements.

**COUNTY OF CLARKE, VIRGINIA**

Notes to Financial Statements  
June 30, 2024 (Continued)

**Note 6—Capital Assets: (Continued)****Component Unit—Sanitary Authority:**

A summary of the component unit Sanitary Authority property, plant, and equipment at June 30, 2024 follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land	\$ 13,200	\$ -	\$ -	\$ 13,200
Total capital assets not being depreciated	\$ 13,200	\$ -	\$ -	\$ 13,200
Capital Assets being depreciated:				
Utility plant and equipment	\$ 13,912,319	\$ 5,422	\$ -	\$ 13,917,741
Accumulated depreciation	(6,127,708)	(368,501)	-	(6,496,209)
Total capital assets being depreciated, net	\$ 7,784,611	\$ (363,079)	\$ -	\$ 7,421,532
Capital assets, net	\$ 7,797,811	\$ (363,079)	\$ -	\$ 7,434,732

**Note 7—Interfund Transfers:**

Interfund transfers for the year ended June 30, 2024, consisted of the following:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Primary Government:		
General Fund	\$ -	\$ 7,469,219
School Debt Service	2,106,264	-
County Capital Improvements	4,483,122	-
Virginia Public Assistance	392,021	-
Children's Services Act	298,827	-
Park Construction Fund		62,715
General Debt Service	251,700	-
Total	\$ 7,531,934	\$ 7,531,934
Component Unit:		
School Capital Projects Fund	\$ 531,456	\$ -
School Capital Project Proffers Fund	-	531,456
Total	\$ 531,456	\$ 531,456

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

# COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements  
June 30, 2024 (Continued)

## Note 8—Long-Term Obligations:

### Primary Government:

A summary of long-term obligations is as follows:

	Balance July 1, 2023	Issuances/ Increases	Retirements/ Decreases	Balance June 30, 2024	Amounts Due Within One Year
<b>Governmental Activities Obligations:</b>					
Incurring by County:					
Compensated absences	\$ 631,730	\$ 126,346	\$ 105,582	\$ 652,494	\$ 65,249
Net pension liability	1,091,751	2,718,542	2,678,499	1,131,794	-
Net OPEB liabilities	953,337	203,399	202,957	953,779	-
Direct borrowings and direct placements:					
Lease revenue bond	3,520,948	-	108,477	3,412,471	113,061
Total incurred by County	\$ 6,197,766	\$ 3,048,287	\$ 3,095,515	\$ 6,150,538	\$ 178,310
Incurring by School Board:					
Direct borrowings and direct placements:					
General obligation bonds	\$ 15,940,000	\$ -	\$ 1,570,000	\$ 14,370,000	\$ 1,640,000
Total Incurred by School Board	\$ 15,940,000	\$ -	\$ 1,570,000	\$ 14,370,000	\$ 1,640,000
Premiums on bonds issued	\$ 88,326	\$ -	\$ 17,633	\$ 70,693	\$ 15,879
Discount on bonds issued	(6,888)	-	(1,530)	(5,358)	(1,362)
Total Governmental Activities Obligations	\$ 22,219,204	\$ 3,048,287	\$ 4,681,618	\$ 20,585,873	\$ 1,832,827

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

Year Ending June 30,	County		School Board	
	RDA Lease		Bonds and	
	Revenue Bond		Literary Loans	
	Principal	Interest	Principal	Interest
2025	\$ 113,061	\$ 138,639	\$ 1,640,000	\$ 642,846
2026	117,814	133,886	1,685,000	564,269
2027	122,767	123,772	1,755,000	480,887
2028	127,928	123,772	1,830,000	394,456
2029	133,306	118,394	1,910,000	305,870
2030-2034	755,450	503,050	5,550,000	363,199
2035-2039	928,166	330,334	-	-
2040-2044	1,113,979	118,114	-	-
Total	\$ 3,412,471	\$ 1,589,961	\$ 14,370,000	\$ 2,751,527

## COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements  
June 30, 2024 (Continued)

### Note 8—Long-Term Obligations: (Continued)

#### Primary Government: (Continued)

Details of long-term indebtedness:

	<u>Amount Outstanding</u>
<b><u>Direct Borrowings and Direct Placements:</u></b>	
<u>Lease Revenue Bond:</u>	
\$4,822,000 lease revenue bond for capital projects issued May 16, 2007 due in monthly installments of \$20,975 commencing May 16, 2009 payable through May 16, 2044 including interest at 4.125%.	\$ <u>3,412,471</u>
<u>Virginia Public School Authority (VPSA) Bonds:</u>	
\$410,000 Series A issued November 10, 2004 due in annual principal installments of varying amounts through July 15, 2024, and interest payments between 4.6% and 5.6% due July 15 and January 15 of each year through July 15, 2024	\$ 20,000
\$29,200,000 plus a premium of \$635,208 Series 2006B issued November 9, 2006 due in annual principal installments varying from \$800,000 to \$1,565,000 through January 26, 2026; interest payable at rates between 4.225% to 5.1% due January 15 and July 15 each year through January 26, 2026	10,230,000
\$7,395,000 less a discount of \$35,137 Series 2010 B Build America Bonds issued under the American Recovery and Reinvestment Act of 2009 on May 13, 2010. Interest only payments due semi-annually through January 15, 2017; principal and interest payments due semi-annually beginning July 15, 2017 through July 15, 2030. Interest rate varies between 3.854% to 5.562% and is offset by a 35% federal interest subsidy received semi-annually.	\$ <u>4,120,000</u>
Total Virginia Public School Authority Bonds	\$ <u>14,370,000</u>
Compensated absences	\$ <u>652,494</u>
Net pension liability	\$ <u>1,131,794</u>
Net OPEB liabilities	\$ <u>953,779</u>
Premium on bonds issued	\$ <u>70,693</u>
Discount on bonds issued	\$ <u>(5,358)</u>
Total Primary Government	\$ <u><u>20,585,873</u></u>

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements  
June 30, 2024 (Continued)

**Note 8—Long-Term Obligations: (Continued)**

**Component Unit—School Board:**

The following is a summary of long-term debt transactions of the Component Unit—School Board for the year ended June 30, 2024:

	Balance July 1, 2023	Increases	Decreases	Balance June 30, 2024	Amounts Due Within One Year
Compensated absences	\$ 971,679	\$ 194,336	\$ 186,490	\$ 979,525	\$ 97,953
Lease liabilities	59,659	-	22,556	37,103	19,907
Subscription liabilities	89,817	-	19,322	70,495	19,712
Net OPEB liabilities	3,866,198	913,002	964,233	3,814,967	-
Net pension liability	13,602,079	7,270,641	6,364,838	14,507,882	-
Total	<u>\$ 18,589,432</u>	<u>\$ 8,377,979</u>	<u>\$ 7,557,439</u>	<u>\$ 19,409,972</u>	<u>\$ 137,572</u>

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

Year Ending June 30,	School Board			
	Lease Liabilities		Subscription Liabilities	
	Principal	Interest	Principal	Interest
2025	\$ 19,907	\$ 233	\$ 19,712	\$ 802
2026	11,436	120	20,110	570
2027	5,760	17	20,516	333
2028	-	-	10,157	93
Total	<u>\$ 37,103</u>	<u>\$ 370</u>	<u>70,495</u>	<u>\$ 1,798</u>

Lease liabilities outstanding as of June 30, 2024 are as follows:

Description	Fiscal Year Lease Ends	Discount Rate	Balance
Copier - DBB Lease #1657625	2025	1.00%	\$ 8,584
Copier - DBB Lease #129-1734726	2027	1.00%	28,519
Total			<u>\$ 37,103</u>

SBITA liabilities outstanding as of June 30, 2024 are as follows:

Description	Fiscal Year Lease Ends	Discount Rate	Balance
Malwarebytes	2027	2.00%	\$ 25,143
CDW - SonicWall	2028	2.00%	45,352
Total			<u>\$ 70,495</u>

# COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements  
June 30, 2024 (Continued)

## Note 8—Long-Term Obligations: (Continued)

### Component Unit—Sanitary Authority:

The following is a summary of long-term debt transactions of the Component Unit—Sanitary Authority for the year ended June 30, 2024:

### Changes in Long-Term Obligations:

	Balance July 1, 2023	Issuances/ Increases	Retirements/ Decreases	Balance June 30, 2024	Amounts Due Within One Year
Direct borrowings and direct placements:					
General Obligation Bond	\$ 298,260	\$ -	\$ 33,140	\$ 265,120	\$ 33,140
Notes payable	1,952,378	-	303,825	1,648,553	306,047
Totals	<u>\$ 2,250,638</u>	<u>\$ -</u>	<u>\$ 336,965</u>	<u>\$ 1,913,673</u>	<u>\$ 339,187</u>

Details of long-term indebtedness:

	Amount Outstanding
<b>Water Operating Fund:</b>	
<u>Direct Borrowings and Direct Placements:</u>	
<u>General Obligation Bond:</u>	
\$997,000 water system revenue bonds issued August 21, 2001 due in semi-annual installments of \$16,570 beginning September 1, 2002 through August 1, 2031. No interest.	\$ 265,120
<u>Notes Payable:</u>	
Note payable to VRA for the grouting project. Due June 2032. \$940 payable semiannually. No interest.	15,981
Note payable to VRA for new Boyce to Millwood line. Due June 2032. \$3,125 payable semiannually. No interest.	58,435
\$600,000 note payable to Bank of Clarke County issued February 27, 2015, due in semiannual installments of \$27,647 - \$20,259 payable through February 27, 2030, including 2.57% interest	240,000
\$787,546 note payable to VRA issued September 2, 2005 due in semiannual installments of \$26,792 payable through July 1, 2026, including 3.00% interest	128,137
Total Water Fund	<u>\$ 707,673</u>



# COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements  
June 30, 2024 (Continued)

## Note 8—Long-Term Obligations: (Continued)

### Component Unit—Sanitary Authority: (Continued)

Details of long-term indebtedness: (Continued)

	<u>Amount Outstanding</u>
<b>Boyce Wastewater Facility</b>	
<u>Direct Borrowings and Direct Placements:</u>	
<u>Notes Payable:</u>	
Note payable to VRA for the Millwood Sewer project. Due June 2032. \$9,602 payable semiannually. No interest.	\$ 172,840
\$3,761,429 note payable to VRA issued October 1, 2008 due in semi-annual installments of \$93,924 payable through November 1, 2029. No interest.	<u>1,033,160</u>
Total Boyce Wastewater Facility	<u>\$ 1,206,000</u>
Total Clarke County Sanitary Authority	<u><u>\$ 1,913,673</u></u>

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

Year Ending June 30,	Direct Borrowings and Direct Placements			
	General Obligation Bond		Notes Payable	
	Principal	Interest	Principal	Interest
2025	\$ 33,140	\$ -	\$ 306,047	\$ 8,629
2026	33,140	-	307,584	6,063
2027	33,140	-	255,182	3,853
2028	33,140	-	255,182	2,825
2029	33,140	-	255,182	1,798
2030-2033	99,420	-	269,376	769
Total	<u>\$ 265,120</u>	<u>\$ -</u>	<u>\$ 1,648,553</u>	<u>\$ 23,937</u>

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements  
June 30, 2024 (Continued)

Note 9—Unearned/Deferred/Unavailable Revenue:

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

The following is a summary of unearned/deferred/unavailable revenue for the year ended June 30, 2024:

	Government- wide Statements	Balance Sheet
	Governmental Activities	Governmental Funds
Primary Government:		
General Fund:		
Deferred/unavailable property tax revenue:		
Deferred/unavailable property tax revenue representing uncollected property tax billings that are not available for the funding of current expenditures	\$ -	\$ 2,110,143
2nd half assessments due in December 2024	13,106,082	13,106,082
Prepaid property taxes due in December 2024, but paid in advance by the taxpayers	471,144	471,144
Total deferred/unavailable revenue	\$ 13,577,226	\$ 15,687,369

Note 10—Commitments and Contingencies:

Federal programs in which the County and all discretely presented component units participate were audited in accordance with the provisions of U.S. Office of Management and Budget Uniform Guidance. Pursuant to the provisions of this circular all major programs and certain other programs were tested for compliance with applicable grant requirements.

While no matters of noncompliance were disclosed by audit, the Federal Government may subject grant programs to additional compliance tests which may result in disallowed expenditures. In the opinion of management, any future disallowance of current grant program expenditures, if any, would be immaterial.

**Note 11—Pension Plan:**

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***Plan Description***

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

***Benefit Structures***

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

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

## COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements  
June 30, 2024 (Continued)

### Note 11—Pension Plan: (Continued)

#### *Average Final Compensation and Service Retirement Multiplier*

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

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

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

#### *Employees Covered by Benefit Terms*

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

	Primary Government	Component Unit School Board (Nonprofessional)
Inactive members or their beneficiaries currently receiving benefits	92	43
Inactive members:		
Vested inactive members	22	13
Non-vested inactive members	49	17
Inactive members active elsewhere in VRS	50	9
Total inactive members	121	39
Active members	109	26
Total covered employees	322	108

## COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements  
June 30, 2024 (Continued)

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### Note 11—Pension Plan: (Continued)

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#### ***Contributions:***

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

The County's contractually required employer contribution rate for the year ended June 30, 2024 was 11.51% of covered employee compensation. This was the General Assembly approved rate, which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the County were \$754,507 and \$678,906 for the years ended June 30, 2024 and June 30, 2023, respectively.

The Component Unit School Board's contractually required employer contribution rate for nonprofessional employees for the year ended June 30, 2024 was 4.06% of covered employee compensation. This was the General Assembly approved rate, which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Component Unit School Board's nonprofessional employees were \$36,020 and \$18,986 for the years ended June 30, 2024 and June 30, 2023, respectively.

#### ***Net Pension Liability***

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

**Note 11—Pension Plan: (Continued)**

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***Actuarial Assumptions - General Employees***

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

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

**Mortality rates:**

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

**Pre-Retirement:**

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

**Post-Retirement:**

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

**Post-Disablement:**

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

**Beneficiaries and Survivors:**

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

**Mortality Improvement:**

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

## COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements  
June 30, 2024 (Continued)

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### Note 11—Pension Plan: (Continued)

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#### *Actuarial Assumptions - General Employees: (Continued)*

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

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

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

#### *Actuarial Assumptions - Public Safety Employees with Hazardous Duty Benefits*

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

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

Mortality rates:

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

Pre-Retirement:

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

## COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements  
June 30, 2024 (Continued)

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### Note 11—Pension Plan: (Continued)

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

Mortality rates: (Continued)

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement:

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

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

All Others (Non 10 Largest) - Hazardous Duty:

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



# COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements  
June 30, 2024 (Continued)

## Note 11—Pension Plan: (Continued)

### Long-Term Expected Rate of Return

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

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

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

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

# COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements  
June 30, 2024 (Continued)

## Note 11—Pension Plan: (Continued)

### Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions; the County and Component Unit School Board (nonprofessional) was also provided with an opportunity to use an alternative employer contribution rate. For the year ended June 30, 2023, the alternate rate was the employer contribution rate used in FY 2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2022 actuarial valuations, whichever was greater. Through the fiscal year ended June 30, 2023, the rate contributed by the school division for the VRS Teacher Retirement Plan was subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 112% of the actuarially determined contribution rate. From July 1, 2023 on, participating employers and school divisions are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

### Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	(a)	(b)	(a) - (b)
Balances at June 30, 2022	\$ 27,745,464	\$ 26,653,713	\$ 1,091,751
Changes for the year:			
Service cost	\$ 731,681	\$ -	\$ 731,681
Interest	1,868,969	-	1,868,969
Benefit changes	-	-	-
Differences between expected and actual experience	100,757	-	100,757
Contributions - employer	-	678,035	(678,035)
Contributions - employee	-	291,930	(291,930)
Net investment income	-	1,707,847	(1,707,847)
Benefit payments, including refunds	(1,577,435)	(1,577,435)	-
Administrative expenses	-	(17,135)	17,135
Other changes	-	687	(687)
Net changes	\$ 1,123,972	\$ 1,083,929	\$ 40,043
Balances at June 30, 2023	\$ 28,869,436	\$ 27,737,642	\$ 1,131,794

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements  
June 30, 2024 (Continued)

Note 11—Pension Plan: (Continued)

*Changes in Net Pension Liability: (Continued)*

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Component School Board (Nonprofessional)			
Balances at June 30, 2022	\$ 3,877,132	\$ 4,261,921	\$ (384,789)
Changes for the year:			
Service cost	\$ 53,840	\$ -	\$ 53,840
Interest	256,826	-	256,826
Differences between expected and actual experience	(103,961)	-	(103,961)
Contributions - employer	-	18,980	(18,980)
Contributions - employee	-	25,314	(25,314)
Net investment income	-	267,778	(267,778)
Benefit payments, including refunds	(252,270)	(252,270)	-
Administrative expenses	-	(2,783)	2,783
Other changes	-	107	(107)
Net changes	\$ (45,565)	\$ 57,126	\$ (102,691)
Balances at June 30, 2023	\$ 3,831,567	\$ 4,319,047	\$ (487,480)

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

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

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
County of Clarke - Primary Government			
Net Pension Liability (Asset)	\$ 4,658,986	\$ 1,131,794	\$ (1,802,080)
Component Unit School Board (Nonprofessional)			
Net Pension Liability (Asset)	(112,514)	(487,480)	(824,030)

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements  
June 30, 2024 (Continued)

Note 11—Pension Plan: (Continued)

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

For the year ended June 30, 2024, the County and Component Unit School Board (nonprofessional) recognized pension expense of \$445,785 and \$(123,973), respectively. At June 30, 2024, the County and Component Unit School Board (nonprofessional) reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Primary Government		Component Unit School Board (Nonprofessional)	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 62,878	\$ 176,213	\$ -	\$ 32,755
Change in assumptions	-	-	-	-
Net difference between projected and actual earnings on pension plan investments	-	422,422	-	73,187
Employer contributions subsequent to the measurement date	754,507	-	36,020	-
Total	\$ 817,385	\$ 598,635	\$ 36,020	\$ 105,942

\$754,507 and \$36,020 reported as deferred outflows of resources related to pensions resulting from the County's and Component Unit School Board's (nonprofessional) contributions, respectively, subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Year Ended June 30	Primary Government	Component Unit School Board (Nonprofessional)
2025	\$ (443,948)	\$ (83,917)
2026	(489,404)	(86,385)
2027	383,549	61,800
2028	14,046	2,560
2029	-	-
Thereafter	-	-

## COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements  
June 30, 2024 (Continued)

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### Note 11—Pension Plan: (Continued)

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#### *Pension Plan Data*

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

#### Component Unit School Board (professional)

##### *Plan Description*

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

##### *Contributions*

The contribution requirement for active employees is governed by §51.1-145 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement. Each school division's contractually required employer contribution rate for the year ended June 30, 2024 was 16.62% of covered employee compensation. This was the General Assembly approved rate, which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the school division were \$2,407,323 and \$2,265,908 for the years ended June 30, 2024 and June 30, 2023, respectively.

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

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

At June 30, 2024, the school division reported a liability of \$14,507,882 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2023 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation performed as of June 30, 2022, and rolled forward to the measurement date of June 30, 2023. The school division's proportion of the Net Pension Liability was based on the school division's actuarially determined employer contributions to the pension plan for the year ended June 30, 2023, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2023, the school division's proportion was .14354% as compared to .14287% at June 30, 2022.

Note 11—Pension Plan: (Continued)

Component Unit School Board (professional): (Continued)

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

For the year ended June 30, 2023, the school division recognized pension expense of \$1,269,814. Since there was a change in proportionate share between measurement dates, a portion of the pension expense was related to deferred amounts from changes in proportion and from differences between employer contributions and the proportionate share of employer contributions. Beginning with the June 30, 2022 measurement date, the difference between expected and actual contributions is included with the pension expense calculation.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,246,239	\$ 566,160
Change in assumptions	657,693	-
Net difference between projected and actual earnings on pension plan investments	-	943,305
Changes in proportion and differences between employer contributions and proportionate share of contributions	410,792	612,426
Employer contributions subsequent to the measurement date	2,407,323	-
Total	\$ 4,722,047	\$ 2,121,891

\$2,407,323 reported as deferred outflows of resources related to pensions resulting from the school division’s contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Year Ended June 30	
2025	\$ (439,877)
2026	(955,414)
2027	1,294,162
2028	293,962
2029	-

**Note 11—Pension Plan: (Continued)**

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**Component Unit School Board (professional): (Continued)**

***Actuarial Assumptions***

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

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

**Mortality rates:**

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

Note 11—Pension Plan: (Continued)

Component Unit School Board (professional): (Continued)

*Actuarial Assumptions: (Continued)*

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

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

*Net Pension Liability*

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

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

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

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



COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements  
June 30, 2024 (Continued)

**Note 11—Pension Plan: (Continued)**

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

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

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
School division's proportionate share of the VRS Teacher Employee Retirement Plan			
Net Pension Liability (Asset)	\$ 25,717,300	\$ 14,507,882	\$ 5,292,818

***Pension Plan Fiduciary Net Position***

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

**Primary Government and Component Unit School Board**

***Aggregate Pension Information***

	Deferred Outflows	Deferred Inflows	Net Pension Liability (Asset)	Pension Expense
VRS Pension Plans:				
Primary Government	\$ 817,385	\$ 598,635	\$ 1,131,794	\$ 445,785
Component Unit School Board:				
School Board Nonprofessional	36,020	105,942	(487,480)	(123,973)
School Board Professional	4,722,047	2,121,891	14,507,882	1,269,814
Total Component Unit School Board	\$ 4,758,067	\$ 2,227,833	\$ 14,020,402	\$ 1,145,841

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements  
June 30, 2024 (Continued)

Note 12—Litigation:

At June 30, 2024, there were no matters of litigation involving the County or which would materially affect the County's financial position should any court decisions on pending matters not be favorable to the County.

Note 13—Risk Management:

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County carries a broad range of insurance coverages, which management considers prudent for the protection of the County's assets and operations. Coverages currently include \$2,000,000 commercial general liability, \$2,000,000 automobile liability, and \$3,000,000 public official's liability. The property policy provides insurance coverage for all of the County's real and personal property up to the replacement cost value of the asset.

Note 14—Debt Agreement with Town:

The County has issued economic development revenue bonds through the Clarke County Industrial Development Authority. All responsibility for the payment of this debt rests with the Borrower. The County and the Authority have no responsibility for the payment of this debt. Outstanding debt obligations under this arrangement are as follows at June 30, 2024:

Description	Original Issue	Outstanding June 30, 2024
R-1 Berryville Town bond	2,327,000	1,795,362
R-2 Clarke County bond	4,822,000	3,412,471
	\$ 7,149,000	\$ 5,207,833

## COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements  
June 30, 2024 (Continued)

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### Note 15—Assigned Fund Balances:

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Fund balances have been assigned for the following purposes:

Liquidity Designation	\$ 4,288,262
Stabilization Designation	1,786,776
Continuing Appropriations for Capital Projects	919,993
Conservation Easements from Government Savings	150,000
School Operating Savings	531,970
Children's Services Act Shortfall	500,000
Parks Master Plan Implementation	330,000
Fire & Rescue	50,000
Government Savings	186,000
Data and Communications Technology	50,000
Leave Liability	70,000
Community Facilities	1,000,000
Economic Development	150,000
County Courthouse Green Project	433,000
Human Services Space	1,500,000
School Construction	100,000
Real Estate Assessment Software	50,000
Berryville Clarke County Joint Government Center - Reserved	138,116
Berryville Clarke County Joint Government Center - Unreserved	50,000
Government Capital Projects	3,959,720
School Capital Projects	400,000
Government Health Insurance Increase	68,410
Schools Health Insurance Increase	57,232
FY25 Original Budget Surplus (Deficit)	14,252
Total	<u>\$ 16,783,731</u>

### Note 16—Surety Bonds:

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	<u>Amount</u>
Travelers Casualty and Surety Company of America	
April Wilkerson, Clerk of the Circuit Court	\$ 135,000
Sharon Keeler, Treasurer	400,000
Donna Peake, Commissioner of the Revenue	3,000
Travis Sumption, Sheriff	30,000

**Note 17—Postemployment Benefits Other Than Pensions:**

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

***Plan Description***

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

***Benefits Provided***

Employees who retire from the County or School Board with service eligible for VRS benefits (Plan 1 - Age 50 and 10 years of service or Age 55 and 5 years of service; Plan 2 - age 60 and 5 years of service; Hazardous duty - age 50 and 5 years of service) and who are participating in the medical coverage are eligible to elect post-retirement coverage. Retirees are eligible to remain on the medical plan with 100% of the premium paid by the retiree. The retiree’s spouse can receive benefits under the plan with the premium to be paid by the retiree. Retirees’ coverage ceases at eligibility for Medicare.

***Plan Membership***

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

	<u>County</u>	<u>School Board</u>
Total active employees with coverage	104	277
Total inactive employees or retirees with coverage	<u>8</u>	<u>9</u>
Total	<u>112</u>	<u>286</u>

***Contributions***

The County and School Board do not pre-fund benefits; therefore, no assets are accumulated in a trust fund. The current funding policy is to pay benefits directly from general assets on a pay-as-you-go basis. The funding requirements are established and may be amended by the County and School Board. The amount paid by the County and School Board for OPEB as the benefits came due during the year ended June 30, 2024 was \$61,479 and \$85,988.

***Total OPEB Liability***

The County and School Board’s total OPEB liabilities were measured as of June 30, 2024. The total OPEB liabilities were determined by an actuarial valuation as of July 1, 2022.

# COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements  
June 30, 2024 (Continued)

## Note 17—Postemployment Benefits Other Than Pensions: (Continued)

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

#### *Actuarial Assumptions*

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

Actuarial Cost Method	Entry age normal, level % of pay
Discount Rate	3.93% as of June 30, 2024; 3.65% as of June 30, 2023
Inflation	2.50% per year as of June 30, 2021
Healthcare Trend Rate	5.10% to 4.00% over 52 years
Salary Increase Rates	County: Ranges of increases of 3.5% for 20+ years of service to 5.35% for 1-2 years of service; School Board: Ranges of increases of 3.5% for 20+ years of service to 5.95% for 1 year of service.
Retirement Age	Reduced: Age 50 and 10 years of service or Age 55 and 5 years of service; Unreduced: Age 65 and 5 years of service or Age 50 with 30 years of service
Mortality Rates	Pre-Retirement: RP-2014 Employee Mortality Tables projected to 2020 using Scale BB with Males set back 1 year and Females set back 1 year. Post-Retirement: RP-2014 Employee Mortality Tables projected to 2020 using Scale BB with Males set forward 1 year and Females set back 1 year.

#### *Discount Rate*

The discount rate represents the Municipal GO AA 20-year yield curve rate as of June 30, 2020. The final equivalent single discount rate used for this year's valuation is 3.93% as of the end of the fiscal year with the expectation that the County and School Board will continue contributing the Actuarially Determined Contribution and paying the pay-go cost from the OPEB Trust.

#### *Changes in Total OPEB Liability*

	County	Component Unit-
	Total OPEB Liability	School Board Total OPEB Liability
Balances at June 30, 2023	\$ 632,927	\$ 1,229,031
Changes for the year:		
Service cost	50,401	82,539
Interest	23,829	46,317
Effect of assumptions	(10,677)	(21,122)
Benefit payments	(61,479)	(85,988)
Net changes	2,074	21,746
Balances at June 30, 2024	\$ 635,001	\$ 1,250,777

**COUNTY OF CLARKE, VIRGINIA**

Notes to Financial Statements  
June 30, 2024 (Continued)

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**Note 17—Postemployment Benefits Other Than Pensions: (Continued)**

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**Health Insurance (Single-employer Defined Benefit Plan): (Continued)*****Sensitivity of the Total OPEB Liability to Changes in the Discount Rate***

The following amounts present the total OPEB liability of the County and School Board, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.93%) or one percentage point higher (4.93%) than the current discount rate:

	<b>Rate</b>		
	<b>1% Decrease (2.93%)</b>	<b>Current Discount Rate (3.93%)</b>	<b>1% Increase (4.93%)</b>
County's Total OPEB Liability	\$ 674,345	\$ 635,001	\$ 598,947
School Board's Total OPEB Liability	\$ 1,327,140	\$ 1,250,777	\$ 1,177,358

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

The following presents the total OPEB liabilities of the County and School Board, as well as what the total OPEB liabilities would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current healthcare cost trend rate used of 5.10%:

	<b>Rates</b>		
	<b>1% Decrease (4.10%)</b>	<b>Healthcare Cost Trend (5.10%)</b>	<b>1% Increase (6.10%)</b>
County's Total OPEB Liability	\$ 574,518	\$ 635,001	\$ 705,292
School Board's Total OPEB Liability	\$ 1,112,666	\$ 1,250,777	\$ 1,411,570

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements  
June 30, 2024 (Continued)

**Note 17—Postemployment Benefits Other Than Pensions: (Continued)**

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

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

For the year ended June 30, 2024, the County and School Board recognized OPEB expense in the amount of \$85,786 and \$106,714, respectively. At June 30, 2024, the County and School Board reported deferred outflows of resources and deferred inflows of resources related to the health insurance OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
<b>County:</b>		
Differences between expected and actual experience	\$ 24,079	\$ 4,387
Changes of assumptions	49,266	40,671
Total	\$ <u>73,345</u>	\$ <u>45,058</u>
<b>School Board:</b>		
Differences between expected and actual experience	\$ -	\$ 115,243
Changes of assumptions	121,817	119,978
Total	\$ <u>121,817</u>	\$ <u>235,221</u>

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

<u>Year Ended June 30</u>	<u>County</u>	<u>School Board</u>
2025	\$ 6,917	\$ (22,142)
2026	6,919	(22,138)
2027	11,117	(36,579)
2028	3,334	(32,853)
2029	-	308
Thereafter	-	-

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

**Note 17—Postemployment Benefits Other Than Pensions: (Continued)**

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**Group Life Insurance:**

***Plan Description***

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

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

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

***Eligible Employees***

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

***Benefit Amounts***

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



## COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements  
June 30, 2024 (Continued)

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### Note 17—Postemployment Benefits Other Than Pensions: (Continued)

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#### Group Life Insurance: (Continued)

##### *Contributions*

The contribution requirements for the GLI Plan are governed by §51.1-506 and §51.1-508 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the GLI Plan was 1.34% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.80% (1.34% x 60%) and the employer component was 0.54% (1.34% x 40%). Employers may elect to pay all or part of the employee contribution; however, the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2023 was 0.54% of covered employee compensation. This was the final approved General Assembly approved rate, which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the Group Life Insurance Plan from the entity were \$36,934 and \$33,813 from the County, \$5,930 and \$2,840 from School Board Nonprofessional, and \$83,298 and \$77,918 from School Board Professional for the years ended June 30, 2024 and June 30, 2023, respectively.

In June 2023, the Commonwealth made a special contribution of approximately \$10.1 million to the Group Life Insurance Plan. This special payment was authorized by Chapter 2 of the Acts of Assembly of 2022, Special Session I, as amended by Chapter 769, 2023 Acts of Assembly Reconvened Session, and is classified as a special employer contribution. The entity's proportionate share is reflected in the Statement of Activities.

#### ***GLI OPEB Liabilities, GLI OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the GLI Plan OPEB***

At June 30, 2024, the entity reported a liability of \$318,778 for the County, \$26,745 for School Board Nonprofessional, and \$734,699 School Board Professional for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2023 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation performed as of June 30, 2022, and rolled forward to the measurement date of June 30, 2023. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the GLI Plan for the year ended June 30, 2023 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2023, the participating employer's proportion for the County, School Board Nonprofessional, and School Board Professional was .02658%, .00223%, and .06126% as compared to .02660%, .00230%, and .06170% at June 30, 2022.

For the year ended June 30, 2024, the participating employer recognized GLI OPEB expense of \$18,877, (\$1,914), and \$24,071 for the County, School Board Nonprofessional, and School Board Professional, respectively. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements  
June 30, 2024 (Continued)

**Note 17—Postemployment Benefits Other Than Pensions: (Continued)**

**Group Life Insurance: (Continued)**

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

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

		Deferred Outflows of Resources	Deferred Inflows of Resources
County			
Differences between expected and actual experience	\$	31,838	\$ 9,677
Net difference between projected and actual earnings on GLI OPEB plan investments		-	12,810
Change in assumptions		6,814	22,086
Changes in proportion		7,508	410
Employer contributions subsequent to the measurement date		36,934	-
Total	\$	<u>83,094</u>	<u>\$ 44,983</u>
School Board Nonprofessional			
Differences between expected and actual experience	\$	2,671	\$ 812
Net difference between projected and actual earnings on GLI OPEB plan investments		-	1,075
Change in assumptions		572	1,853
Changes in proportion		1	9,948
Employer contributions subsequent to the measurement date		5,930	-
Total	\$	<u>9,174</u>	<u>\$ 13,688</u>
School Board Professional			
Differences between expected and actual experience	\$	73,379	\$ 22,302
Net difference between projected and actual earnings on GLI OPEB plan investments		-	29,524
Change in assumptions		15,705	50,903
Changes in proportion		22,106	41,718
Employer contributions subsequent to the measurement date		83,298	-
Total	\$	<u>194,488</u>	<u>\$ 144,447</u>

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements  
June 30, 2024 (Continued)

Note 17—Postemployment Benefits Other Than Pensions: (Continued)

Group Life Insurance: (Continued)

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

\$36,934 for the County, \$5,930 for School Board Nonprofessional, and \$83,298 for School Board Professional reported as deferred outflows of resources related to the GLI OPEB resulting from the employer’s contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>	<u>County</u>	<u>School Board Nonprofessional</u>	<u>School Board Professional</u>
2025	\$ 1,109	\$ (3,307)	\$ (14,216)
2026	(10,897)	(3,737)	(38,062)
2027	6,945	(1,834)	6,827
2028	932	(1,768)	5,944
2029	3,088	202	6,250

Actuarial Assumptions

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

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

## COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements  
June 30, 2024 (Continued)

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### Note 17—Postemployment Benefits Other Than Pensions: (Continued)

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#### Group Life Insurance: (Continued)

#### *Actuarial Assumptions: (Continued)*

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

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

## COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements  
June 30, 2024 (Continued)

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### Note 17—Postemployment Benefits Other Than Pensions: (Continued)

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#### Group Life Insurance: (Continued)

#### *Actuarial Assumptions: (Continued)*

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

##### Pre-Retirement:

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

##### Post-Retirement:

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

##### Post-Disablement:

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

##### Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally

##### Mortality Improvement Scale:

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

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

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

## COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements  
June 30, 2024 (Continued)

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### Note 17—Postemployment Benefits Other Than Pensions: (Continued)

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#### Group Life Insurance: (Continued)

#### *Actuarial Assumptions: (Continued)*

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

##### Pre-Retirement:

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

##### Post-Retirement:

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

##### Post-Disablement:

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

##### Beneficiaries and Survivors:

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

##### Mortality Improvement Scale:

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

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

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

**Note 17—Postemployment Benefits Other Than Pensions: (Continued)**

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**Group Life Insurance: (Continued)**

***NET GLI OPEB Liability***

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

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

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.

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# COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements  
June 30, 2024 (Continued)

## Note 17—Postemployment Benefits Other Than Pensions: (Continued)

### Group Life Insurance: (Continued)

#### *Long-Term Expected Rate of Return*

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

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

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

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



## COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements  
June 30, 2024 (Continued)

### Note 17—Postemployment Benefits Other Than Pensions: (Continued)

#### Group Life Insurance: (Continued)

##### *Discount Rate*

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

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

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

	Rate		
	1% Decrease	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
County's proportionate share of the GLI Plan Net OPEB Liability	\$ 472,528	\$ 318,778	\$ 194,469
School Board Nonprofessional's proportionate share of the GLI Plan Net OPEB Liability	\$ 39,644	\$ 26,745	\$ 16,316
School Board Professional's proportionate share of the GLI Plan Net OPEB Liability	\$ 1,089,054	\$ 734,699	\$ 448,201

##### *GLI Plan Fiduciary Net Position*

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

**Note 17—Postemployment Benefits Other Than Pensions: (Continued)**

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

***Plan Description***

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

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

***Eligible Employees***

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

***Benefit Amounts***

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

***HIC Plan Notes***

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

Note 17—Postemployment Benefits Other Than Pensions: (Continued)

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

HIC Plan Notes: (Continued)

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

	<u>Number</u>
Inactive members or their beneficiaries currently receiving benefits	<u>5</u>
Inactive members:	
Vested inactive members	1
Inactive members active elsewhere in VRS	9
Total inactive members	<u>10</u>
Active members	26
Total covered employees	<u><u>41</u></u>

Contributions

The contribution requirements for active employees is governed by §51.1-1402(E) of the Code of Virginia, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. The Component Unit School Board’s (nonprofessional) contractually required employer contribution rate for the year ended June 30, 2024 was 1.02% of covered employee compensation. This was the General Assembly approved rate, which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the Component Unit School Board (nonprofessional) to the HIC Plan were \$11,201 and \$5,364 for the years ended June 30, 2024 and June 30, 2023.

**Note 17—Postemployment Benefits Other Than Pensions: (Continued)**

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

***Net HIC OPEB Liability***

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

***Actuarial Assumptions***

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

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

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

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

**Note 17—Postemployment Benefits Other Than Pensions: (Continued)**

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

***Actuarial Assumptions: (Continued)***

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

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

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

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

# COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements  
June 30, 2024 (Continued)

## Note 17—Postemployment Benefits Other Than Pensions: (Continued)

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

#### Long-Term Expected Rate of Return

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

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

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

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

#### Discount Rate

The discount rate used to measure the total HIC OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ended June 30, 2023,

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements  
June 30, 2024 (Continued)

**Note 17—Postemployment Benefits Other Than Pensions: (Continued)**

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

***Discount Rate: (Continued)***

the rate contributed by the entity for the HIC OPEB was 100% of the actuarially determined contribution rate. From July 1, 2023 on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the HIC OPEB's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total HIC OPEB liability.

***Changes in Net HIC OPEB Liability***

	Increase (Decrease)		
	Total HIC OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net HIC OPEB Liability (Asset) (a) - (b)
Balances at June 30, 2022	\$ 73,249	\$ 6,455	\$ 66,794
Changes for the year:			
Service cost	\$ 907	\$ -	\$ 907
Interest	4,928	-	4,928
Differences between expected and actual experience	(15,850)	-	(15,850)
Contributions - employer	-	5,364	(5,364)
Net investment income	-	514	(514)
Benefit payments	(2,295)	(2,295)	-
Administrative expenses	-	(14)	14
Net changes	\$ (12,310)	\$ 3,569	\$ (15,879)
Balances at June 30, 2023	\$ 60,939	\$ 10,024	\$ 50,915

***Sensitivity of the Component Unit School Board (nonprofessional)'s HIC Net OPEB Liability to Changes in the Discount Rate***

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

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
Component Unit School Board (nonprofessional) Net HIC OPEB Liability	\$ 57,210	\$ 50,915	\$ 45,530

Note 17—Postemployment Benefits Other Than Pensions: (Continued)

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

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

For the year ended June 30, 2024, the Component Unit School Board (nonprofessional) recognized HIC Plan OPEB expense of \$2,717. At June 30, 2024, the Component Unit School Board (nonprofessional) reported deferred outflows of resources and deferred inflows of resources related to the Component Unit School Board (nonprofessional)’s HIC Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,400	\$ 11,723
Net difference between projected and actual earnings on HIC OPEB plan investments	124	-
Change in assumptions	2,825	-
Employer contributions subsequent to the measurement date	11,201	-
Total	\$ 15,550	\$ 11,723

\$11,201 reported as deferred outflows of resources related to the HIC OPEB resulting from the Component Unit School Board (nonprofessional)’s contributions subsequent to the measurement date will be recognized as a reduction of the Net HIC OPEB Liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIC OPEB will be recognized in the HIC OPEB expense in future reporting periods as follows:

Year Ended June 30	
2025	\$ (2,593)
2026	(2,594)
2027	(2,192)
2028	5
2029	-
Thereafter	-

HIC Plan Data

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



**Note 17—Postemployment Benefits Other Than Pensions: (Continued)**

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

***Plan Description***

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

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

***Eligible Employees***

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

***Benefit Amounts***

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

## COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements  
June 30, 2024 (Continued)

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### Note 17—Postemployment Benefits Other Than Pensions: (Continued)

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

##### *HIC Plan Notes*

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

##### *Contributions*

The contribution requirements for active employees is governed by §51.1-1401(E) of the Code of Virginia, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Each school division's contractually required employer contribution rate for the year ended June 30, 2024 was 1.21% of covered employee compensation for employees in the VRS Teacher Employee HIC Plan. This rate was the final approved General Assembly rate, which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the school division to the VRS Teacher Employee HIC Plan were \$186,649 and \$174,472 for the years ended June 30, 2024 and June 30, 2023, respectively.

In June 2023, the Commonwealth made a special contribution of approximately \$4 million to the VRS Teacher HIC Plan. This special payment was authorized by Chapter 2 of the Acts of Assembly of 2022, Special Session I, as amended by Chapter 769, 2023 Acts of Assembly Reconvened Session, and is classified as a special employer contribution. The school division's proportionate share is reflected in the Statement of Activities.

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

At June 30, 2024, the school division reported a liability of \$1,751,831 for its proportionate share of the VRS Teacher Employee HIC Net OPEB Liability. The Net VRS Teacher Employee HIC OPEB Liability was measured as of June 30, 2023 and the total VRS Teacher Employee HIC OPEB liability used to calculate the Net VRS Teacher Employee HIC OPEB Liability was determined by an actuarial valuation performed as of June 30, 2022 and rolled forward to the measurement date of June 30, 2023. The school division's proportion of the Net VRS Teacher Employee HIC OPEB Liability was based on the school division's actuarially determined employer contributions to the VRS Teacher Employee HIC OPEB plan for the year ended June 30, 2023, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2023, the school division's proportion of the VRS Teacher Employee HIC was .14460% as compared to .14409% at June 30, 2022.

For the year ended June 30, 2024, the school division recognized VRS Teacher Employee HIC OPEB expense of \$121,097. Since there was a change in proportionate share between measurement dates a portion of the VRS Teacher Employee HIC Net OPEB expense was related to deferred amounts from changes in proportion.

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements  
June 30, 2024 (Continued)

Note 17—Postemployment Benefits Other Than Pensions: (Continued)

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

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

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 77,107
Net difference between projected and actual earnings on Teacher HIC OPEB plan investments	879	-
Change in assumptions	40,780	1,765
Change in proportion	58,839	96,370
Employer contributions subsequent to the measurement date	<u>186,649</u>	<u>-</u>
Total	\$ <u>287,147</u>	\$ <u>175,242</u>

\$186,649 reported as deferred outflows of resources related to the Teacher Employee HIC OPEB resulting from the school division's contributions subsequent to the measurement date will be recognized as a reduction of the Net Teacher Employee HIC OPEB Liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Teacher Employee HIC OPEB will be recognized in the Teacher Employee HIC OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>	
2025	\$ (21,846)
2026	(21,014)
2027	(14,096)
2028	(16,056)
2029	(690)
Thereafter	(1,042)

**Note 17—Postemployment Benefits Other Than Pensions: (Continued)**

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

*Actuarial Assumptions*

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

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

**Mortality Rates - Teachers**

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

Note 17—Postemployment Benefits Other Than Pensions: (Continued)

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

Actuarial Assumptions: (Continued)

Mortality Rates - Teachers: (Continued)

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

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

Net Teacher Employee HIC OPEB Liability

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

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

# COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements  
June 30, 2024 (Continued)

## Note 17—Postemployment Benefits Other Than Pensions: (Continued)

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

#### *Net Teacher Employee HIC OPEB Liability: (Continued)*

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.

#### *Long-Term Expected Rate of Return*

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

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

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

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

Note 17—Postemployment Benefits Other Than Pensions: (Continued)

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

Discount Rate

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

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

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

	Rate		
	1% Decrease	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
School division's proportionate share of the VRS Teacher Employee HIC OPEB Plan			
Net HIC OPEB Liability	\$ 1,981,516	\$ 1,751,831	\$ 1,557,192

Teacher Employee HIC OPEB Fiduciary Net Position

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



# COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements  
June 30, 2024 (Continued)

## Note 17—Postemployment Benefits Other Than Pensions: (Continued)

### Primary Government and Component Unit School Board

#### *Aggregate Pension Information*

<u>OPEB Plans:</u>	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>	<u>Net OPEB Liability</u>	<u>OPEB Expense</u>
<b>Primary Government:</b>				
Group Life Insurance Plan:				
County	\$ 83,094	\$ 44,983	\$ 318,778	\$ 18,877
County Stand-Alone Plan	73,345	45,058	635,001	85,786
Totals	<u>\$ 156,439</u>	<u>\$ 90,041</u>	<u>\$ 953,779</u>	<u>\$ 104,663</u>
<b>Component Unit School Board</b>				
Group Life Insurance Plan:				
School Board Nonprofessional	\$ 9,174	\$ 13,688	\$ 26,745	\$ (1,914)
School Board Professional	194,488	144,447	734,699	24,071
School Nonprofessional Health Insurance Credit Plan	15,550	11,723	50,915	2,717
Teacher Health Insurance Credit Plan	287,147	175,242	1,751,831	121,097
School Stand-Alone Plan	121,817	235,221	1,250,777	106,714
Totals	<u>\$ 628,176</u>	<u>\$ 580,321</u>	<u>\$ 3,814,967</u>	<u>\$ 252,685</u>

## Note 18—Upcoming Pronouncements:

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

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

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

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



COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements  
June 30, 2024 (Continued)

**Note 19—Restatement of Beginning Balances:**

The County restated beginning balances in fiscal year 2024 as follows:

	<u>Governmental Activities</u>	<u>Health Insurance Fund</u>
Net Position at June 30, 2023, as previously reported	\$ 39,475,481	\$ 382,848
Error in reporting of insurance premium revenue in the Internal Service Health Insurance Fund	(331,840)	(331,840)
Error in capitalizing infrastructure projects for which the County does not have ownership	<u>(613,448)</u>	<u>-</u>
Net Position at June 30, 2023, as restated	<u>\$ 38,530,193</u>	<u>\$ 51,008</u>
	<u>Health Insurance Fund</u>	
Statement of Cash Flows		
Cash and cash equivalents at June 30, 2023, as previously reported	\$ 382,848	
Error in reporting of insurance premium revenue in the Internal Service Health Insurance Fund	<u>(331,840)</u>	
Cash and cash equivalents at June 30, 2023, as restated	<u>\$ 51,008</u>	

### **REQUIRED SUPPLEMENTARY INFORMATION**

Note to Required Supplementary Information:

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

## General Fund

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

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
General property taxes	\$ 23,948,767	\$ 23,948,767	\$ 24,732,073	\$ 783,306
Other local taxes	3,611,006	3,611,006	3,277,906	(333,100)
Permits, privilege fees, and regulatory licenses	351,500	351,500	251,264	(100,236)
Fines and forfeitures	203,000	203,000	151,328	(51,672)
Revenue from the use of money and property	168,930	168,930	328,096	159,166
Charges for services	1,007,856	1,007,856	1,191,714	183,858
Miscellaneous	85,357	90,699	135,597	44,898
Recovered costs	34,827	34,827	32,854	(1,973)
Intergovernmental:				
Commonwealth	4,794,713	4,840,134	4,942,060	101,926
Federal	84,972	96,972	97,009	37
Total revenues	\$ 34,290,928	\$ 34,353,691	\$ 35,139,901	\$ 786,210
EXPENDITURES				
Current:				
General government administration	\$ 2,961,484	\$ 3,022,582	\$ 2,781,360	\$ 241,222
Judicial administration	929,662	929,662	924,543	5,119
Public safety	7,114,724	7,186,989	7,347,197	(160,208)
Public works	1,444,931	1,453,483	1,474,452	(20,969)
Health and welfare	656,244	631,244	639,524	(8,280)
Education	14,756,702	15,117,114	14,336,806	780,308
Parks, recreation, and cultural	1,568,969	1,577,940	1,445,947	131,993
Community development	893,571	893,571	821,556	72,015
Nondepartmental	64,638	47,585	26,995	20,590
Total expenditures	\$ 30,390,925	\$ 30,860,170	\$ 29,798,380	\$ 1,061,790
Excess (deficiency) of revenues over (under) expenditures	\$ 3,900,003	\$ 3,493,521	\$ 5,341,521	\$ 1,848,000
OTHER FINANCING SOURCES (USES)				
Transfers out	\$ (7,651,789)	\$ (8,361,834)	\$ (7,469,219)	\$ 892,615
Insurance proceeds	-	3,346	28,751	25,405
Total other financing sources (uses)	\$ (7,651,789)	\$ (8,358,488)	\$ (7,440,468)	\$ 918,020
Net change in fund balances	\$ (3,751,786)	\$ (4,864,967)	\$ (2,098,947)	\$ 2,766,020
Fund balances - beginning	3,751,786	4,864,967	19,119,751	14,254,784
Fund balances - ending	\$ -	\$ -	\$ 17,020,804	\$ 17,020,804

## Virginia Public Assistance Fund - Special Revenue Fund

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

For the Year Ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Recovered costs	\$ -	\$ -	\$ 575	\$ 575
Intergovernmental:				
Commonwealth	658,970	658,970	392,466	(266,504)
Federal	658,970	658,970	840,296	181,326
Total revenues	\$ 1,317,940	\$ 1,317,940	\$ 1,233,337	\$ (84,603)
<b>EXPENDITURES</b>				
Current:				
Health and welfare	\$ 2,013,734	\$ 2,014,633	\$ 1,625,358	\$ 389,275
Total expenditures	\$ 2,013,734	\$ 2,014,633	\$ 1,625,358	\$ 389,275
Excess (deficiency) of revenues over (under) expenditures	\$ (695,794)	\$ (696,693)	\$ (392,021)	\$ 304,672
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ -	\$ 695,794	\$ 392,021	\$ (303,773)
Total other financing sources (uses)	\$ -	\$ 695,794	\$ 392,021	\$ (303,773)
Net change in fund balances	\$ (695,794)	\$ (899)	\$ -	\$ 899
Fund balances - beginning	695,794	899	-	(899)
Fund balances - ending	\$ -	\$ -	\$ -	\$ -

## Schedule of Changes in Net Pension Liability (Asset) and Related Ratios - Pension Plans

Primary Government and Clarke County Sanitary Authority

For the Measurement Dates of June 30, 2014 through June 30, 2023

	2023	2022	2021	2020	2019	
	Primary Government	Primary Government	Primary Government	Primary Government	Primary Government	Clarke County Sanitary Authority
<b>Total pension liability</b>						
Service cost	\$ 731,681	\$ 586,359	\$ 544,441	\$ 531,657	\$ 528,990	\$ -
Interest	1,868,969	1,806,672	1,621,406	1,533,312	1,496,565	-
Changes in benefit terms	-	482,165	-	-	-	-
Differences between expected and actual experience	100,757	(600,823)	369,260	390,076	(379,336)	-
Changes of assumptions	-	-	965,227	-	631,784	-
Impact in change of proportion	-	-	-	-	174,442	(174,442)
Benefit payments	(1,577,435)	(1,416,121)	(1,267,900)	(1,031,991)	(851,559)	-
<b>Net change in total pension liability</b>	<b>\$ 1,123,972</b>	<b>\$ 858,252</b>	<b>\$ 2,232,434</b>	<b>\$ 1,423,054</b>	<b>\$ 1,600,886</b>	<b>\$ (174,442)</b>
<b>Total pension liability - beginning</b>	<b>27,745,464</b>	<b>26,887,212</b>	<b>24,654,778</b>	<b>23,231,724</b>	<b>21,630,838</b>	<b>174,442</b>
<b>Total pension liability - ending (a)</b>	<b>\$ 28,869,436</b>	<b>\$ 27,745,464</b>	<b>\$ 26,887,212</b>	<b>\$ 24,654,778</b>	<b>\$ 23,231,724</b>	<b>\$ -</b>
<b>Plan fiduciary net position</b>						
Contributions - employer	\$ 678,035	\$ 559,026	\$ 489,429	\$ 417,934	\$ 404,706	\$ -
Contributions - employee	291,930	270,077	256,393	250,579	240,158	-
Impact in change of proportion	-	-	-	0	165,370	(165,370)
Net investment income	1,707,847	(26,261)	5,948,004	417,018	1,382,955	-
Benefit payments	(1,577,435)	(1,416,121)	(1,267,900)	(1,031,991)	(851,559)	-
Administrator charges	(17,135)	(17,038)	(14,912)	(14,211)	(13,551)	-
Other	687	626	560	(493)	(873)	-
<b>Net change in plan fiduciary net position</b>	<b>\$ 1,083,929</b>	<b>\$ (629,691)</b>	<b>\$ 5,411,574</b>	<b>\$ 38,836</b>	<b>\$ 1,327,206</b>	<b>\$ (165,370)</b>
<b>Plan fiduciary net position - beginning</b>	<b>26,653,713</b>	<b>27,283,404</b>	<b>21,871,830</b>	<b>21,832,994</b>	<b>20,505,788</b>	<b>165,370</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 27,737,642</b>	<b>\$ 26,653,713</b>	<b>\$ 27,283,404</b>	<b>\$ 21,871,830</b>	<b>\$ 21,832,994</b>	<b>\$ -</b>
<b>County's net pension liability (asset) - ending (a) - (b)</b>	<b>\$ 1,131,794</b>	<b>\$ 1,091,751</b>	<b>\$ (396,192)</b>	<b>\$ 2,782,948</b>	<b>\$ 1,398,730</b>	<b>\$ -</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>96.08%</b>	<b>96.07%</b>	<b>101.47%</b>	<b>88.71%</b>	<b>93.98%</b>	<b>0.00%</b>
<b>Covered payroll</b>	<b>\$ 6,261,624</b>	<b>\$ 5,787,429</b>	<b>\$ 5,465,563</b>	<b>\$ 5,343,717</b>	<b>\$ 5,072,104</b>	<b>\$ -</b>
<b>County's net pension liability (asset) as a percentage of covered payroll</b>	<b>18.08%</b>	<b>18.86%</b>	<b>-7.25%</b>	<b>52.08%</b>	<b>27.58%</b>	<b>0.00%</b>

During fiscal year 2020, it was determined that pension items should no longer be allocated to the Sanitary Authority.

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

	2018		2017		2016		2015		2014	
	Primary Government	Clarke County Sanitary Authority	Primary Government	Clarke County Sanitary Authority	Primary Government	Clarke County Sanitary Authority	Primary Government	Clarke County Sanitary Authority	Primary Government	Clarke County Sanitary Authority
<b>Total pension liability</b>										
Service cost	\$ 492,799	\$ 3,974	\$ 476,066	\$ 4,614	\$ 452,697	\$ 4,388	\$ 441,992	\$ 4,284	\$ 452,800	\$ 4,389
Interest	1,432,214	11,552	1,367,228	12,953	1,298,718	12,588	1,241,436	12,034	1,173,942	11,379
Changes in benefit terms	-	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience	(389,274)	(3,140)	(162,685)	(1,576)	(60,723)	(290)	(174,129)	(1,688)	-	-
Changes of assumptions	-	-	(63,330)	(614)	-	-	-	-	-	-
Impact in change of proportion	33,590	(33,590)	-	-	-	-	-	-	-	-
Benefit payments	(730,187)	(5,888)	(714,864)	(6,930)	(709,058)	(6,872)	(672,885)	(6,522)	(652,215)	(6,322)
<b>Net change in total pension liability</b>	<b>\$ 839,142</b>	<b>\$ (27,092)</b>	<b>\$ 902,415</b>	<b>\$ 8,447</b>	<b>\$ 981,634</b>	<b>\$ 9,814</b>	<b>\$ 836,414</b>	<b>\$ 8,108</b>	<b>\$ 974,527</b>	<b>\$ 9,446</b>
<b>Total pension liability - beginning</b>	<b>20,791,696</b>	<b>201,534</b>	<b>19,889,281</b>	<b>193,087</b>	<b>18,907,647</b>	<b>183,273</b>	<b>18,071,233</b>	<b>175,165</b>	<b>17,096,706</b>	<b>165,719</b>
<b>Total pension liability - ending (a)</b>	<b>\$ 21,630,838</b>	<b>\$ 174,442</b>	<b>\$ 20,791,696</b>	<b>\$ 201,534</b>	<b>\$ 19,889,281</b>	<b>\$ 193,087</b>	<b>\$ 18,907,647</b>	<b>\$ 183,273</b>	<b>\$ 18,071,233</b>	<b>\$ 175,165</b>
<b>Plan fiduciary net position</b>										
Contributions - employer	\$ 393,336	\$ 3,172	\$ 379,396	\$ 3,678	\$ 466,664	\$ 4,524	\$ 455,266	\$ 4,412	\$ 487,123	\$ 4,722
Contributions - employee	231,775	1,870	223,948	2,170	213,350	2,068	208,804	2,024	200,072	1,939
Impact in change of proportion	30,972	(30,972)	-	-	-	-	-	-	-	-
Net investment income	1,421,787	11,466	2,099,165	20,349	298,818	2,896	744,209	7,214	2,211,300	21,434
Benefit payments	(730,187)	(5,888)	(714,864)	(6,930)	(709,058)	(6,872)	(672,885)	(6,522)	(652,215)	(6,322)
Administrator charges	(12,124)	(98)	(11,988)	(116)	(10,410)	(100)	(10,047)	(98)	(11,767)	(114)
Other	(1,273)	(10)	(1,874)	(18)	(126)	(2)	(157)	(3)	117	-
<b>Net change in plan fiduciary net position</b>	<b>\$ 1,334,286</b>	<b>\$ (20,460)</b>	<b>\$ 1,973,783</b>	<b>\$ 19,133</b>	<b>\$ 259,238</b>	<b>\$ 2,514</b>	<b>\$ 725,190</b>	<b>\$ 7,027</b>	<b>\$ 2,234,630</b>	<b>\$ 21,659</b>
<b>Plan fiduciary net position - beginning</b>	<b>19,171,502</b>	<b>185,830</b>	<b>17,197,719</b>	<b>166,697</b>	<b>16,938,481</b>	<b>164,183</b>	<b>16,213,291</b>	<b>157,156</b>	<b>13,978,661</b>	<b>135,496</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 20,505,788</b>	<b>\$ 165,370</b>	<b>\$ 19,171,502</b>	<b>\$ 185,830</b>	<b>\$ 17,197,719</b>	<b>\$ 166,697</b>	<b>\$ 16,938,481</b>	<b>\$ 164,183</b>	<b>\$ 16,213,291</b>	<b>\$ 157,155</b>
<b>County's net pension liability (asset) - ending (a) - (b)</b>	<b>\$ 1,125,050</b>	<b>\$ 9,072</b>	<b>\$ 1,620,194</b>	<b>\$ 15,704</b>	<b>\$ 2,691,562</b>	<b>\$ 26,390</b>	<b>\$ 1,969,166</b>	<b>\$ 19,090</b>	<b>\$ 1,857,942</b>	<b>\$ 18,010</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>94.80%</b>	<b>94.80%</b>	<b>92.21%</b>	<b>92.21%</b>	<b>86.47%</b>	<b>86.33%</b>	<b>89.59%</b>	<b>89.58%</b>	<b>89.72%</b>	<b>89.72%</b>
<b>Covered payroll</b>	<b>\$ 4,781,444</b>	<b>\$ 38,560</b>	<b>\$ 4,580,226</b>	<b>\$ 44,397</b>	<b>\$ 4,332,013</b>	<b>\$ 41,990</b>	<b>\$ 4,210,911</b>	<b>\$ 40,817</b>	<b>\$ 4,003,842</b>	<b>\$ 38,809</b>
<b>County's net pension liability (asset) as a percentage of covered payroll</b>	<b>23.53%</b>	<b>23.53%</b>	<b>35.37%</b>	<b>35.37%</b>	<b>62.13%</b>	<b>62.85%</b>	<b>46.76%</b>	<b>46.77%</b>	<b>46.40%</b>	<b>46.41%</b>

During fiscal year 2020, it was determined that pension items should no longer be allocated to the Sanitary Authority.

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

	2023	2022	2021	2020	2019
<b>Total pension liability</b>					
Service cost	\$ 53,840	\$ 61,826	\$ 67,656	\$ 72,910	\$ 73,772
Interest	256,826	254,878	237,835	230,953	224,572
Differences between expected and actual experience	(103,961)	(25,523)	22,178	8,618	37,322
Changes of assumptions	-	-	99,743	-	80,351
Benefit payments	(252,270)	(256,384)	(217,130)	(203,908)	(201,418)
<b>Net change in total pension liability</b>	<b>\$ (45,565)</b>	<b>\$ 34,797</b>	<b>\$ 210,282</b>	<b>\$ 108,573</b>	<b>\$ 214,599</b>
<b>Total pension liability - beginning</b>	<b>3,877,132</b>	<b>3,842,335</b>	<b>3,632,053</b>	<b>3,523,480</b>	<b>3,308,881</b>
<b>Total pension liability - ending (a)</b>	<b><u>\$ 3,831,567</u></b>	<b><u>\$ 3,877,132</u></b>	<b><u>\$ 3,842,335</u></b>	<b><u>\$ 3,632,053</u></b>	<b><u>\$ 3,523,480</u></b>
<b>Plan fiduciary net position</b>					
Contributions - employer	\$ 18,980	\$ 23,980	\$ 30,410	\$ 25,358	\$ 24,368
Contributions - employee	25,314	23,853	30,080	31,738	30,621
Net investment income	267,778	(1,315)	982,038	70,640	237,527
Benefit payments	(252,270)	(256,384)	(217,130)	(203,908)	(201,418)
Administrator charges	(2,783)	(2,838)	(2,529)	(2,478)	(2,451)
Other	107	100	92	(82)	(149)
<b>Net change in plan fiduciary net position</b>	<b>\$ 57,126</b>	<b>\$ (212,604)</b>	<b>\$ 822,961</b>	<b>\$ (78,732)</b>	<b>\$ 88,498</b>
<b>Plan fiduciary net position - beginning</b>	<b>4,261,921</b>	<b>4,474,525</b>	<b>3,651,564</b>	<b>3,730,296</b>	<b>3,641,798</b>
<b>Plan fiduciary net position - ending (b)</b>	<b><u>\$ 4,319,047</u></b>	<b><u>\$ 4,261,921</u></b>	<b><u>\$ 4,474,525</u></b>	<b><u>\$ 3,651,564</u></b>	<b><u>\$ 3,730,296</u></b>
<b>School Division's net pension liability (asset) - ending (a) - (b)</b>	<b>\$ (487,480)</b>	<b>\$ (384,789)</b>	<b>\$ (632,190)</b>	<b>\$ (19,511)</b>	<b>\$ (206,816)</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>112.72%</b>	<b>109.92%</b>	<b>116.45%</b>	<b>100.54%</b>	<b>105.87%</b>
<b>Covered payroll</b>	<b>\$ 525,881</b>	<b>\$ 492,527</b>	<b>\$ 623,186</b>	<b>\$ 653,811</b>	<b>\$ 634,547</b>
<b>School Division's net pension liability (asset) as a percentage of covered payroll</b>	<b>-92.70%</b>	<b>-78.13%</b>	<b>-101.44%</b>	<b>-2.98%</b>	<b>-32.59%</b>

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

	2018	2017	2016	2015	2014
<b>Total pension liability</b>					
Service cost	\$ 76,013	\$ 64,599	\$ 75,698	\$ 119,013	\$ 138,591
Interest	220,360	220,480	218,560	213,846	200,591
Differences between expected and actual experience	(39,142)	(57,419)	(87,838)	(96,657)	-
Changes of assumptions	-	(45,195)	-	-	-
Benefit payments	(192,699)	(175,672)	(182,286)	(155,448)	(144,212)
<b>Net change in total pension liability</b>	<b>\$ 64,532</b>	<b>\$ 6,793</b>	<b>\$ 24,134</b>	<b>\$ 80,754</b>	<b>\$ 194,970</b>
<b>Total pension liability - beginning</b>	<b>3,244,349</b>	<b>3,237,556</b>	<b>3,213,422</b>	<b>3,132,668</b>	<b>2,937,698</b>
<b>Total pension liability - ending (a)</b>	<b><u>\$ 3,308,881</u></b>	<b><u>\$ 3,244,349</u></b>	<b><u>\$ 3,237,556</u></b>	<b><u>\$ 3,213,422</u></b>	<b><u>\$ 3,132,668</u></b>
<b>Plan fiduciary net position</b>					
Contributions - employer	\$ 33,471	\$ 33,848	\$ 55,293	\$ 56,916	\$ 95,312
Contributions - employee	32,409	32,641	31,776	32,933	49,538
Net investment income	256,887	388,498	55,073	144,974	436,730
Benefit payments	(192,699)	(175,672)	(182,286)	(155,448)	(144,212)
Administrator charges	(2,278)	(2,302)	(2,061)	(2,023)	(2,334)
Other	(226)	(343)	(24)	(33)	23
<b>Net change in plan fiduciary net position</b>	<b>\$ 127,564</b>	<b>\$ 276,670</b>	<b>\$ (42,229)</b>	<b>\$ 77,319</b>	<b>\$ 435,057</b>
<b>Plan fiduciary net position - beginning</b>	<b>3,514,234</b>	<b>3,237,564</b>	<b>3,279,793</b>	<b>3,202,474</b>	<b>2,767,417</b>
<b>Plan fiduciary net position - ending (b)</b>	<b><u>\$ 3,641,798</u></b>	<b><u>\$ 3,514,234</u></b>	<b><u>\$ 3,237,564</u></b>	<b><u>\$ 3,279,793</u></b>	<b><u>\$ 3,202,474</u></b>
<b>School Division's net pension liability (asset) - ending (a) - (b)</b>	<b>\$ (332,917)</b>	<b>\$ (269,885)</b>	<b>\$ (8)</b>	<b>\$ (66,371)</b>	<b>\$ (69,806)</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>110.06%</b>	<b>108.32%</b>	<b>100.00%</b>	<b>102.07%</b>	<b>102.23%</b>
<b>Covered payroll</b>	<b>\$ 671,806</b>	<b>\$ 673,225</b>	<b>\$ 652,740</b>	<b>\$ 664,350</b>	<b>\$ 990,746</b>
<b>School Division's net pension liability (asset) as a percentage of covered payroll</b>	<b>-49.56%</b>	<b>-40.09%</b>	<b>0.00%</b>	<b>-9.99%</b>	<b>-7.05%</b>



Schedule of Employer's Share of Net Pension Liability (Asset) VRS Teacher Retirement Plan  
For the Measurement Dates of June 30, 2014 through June 30, 2023

Date	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2023	0.14354%	\$ 14,507,882	\$ 14,419,170	100.62%	82.45%
2022	0.14287%	13,602,079	13,429,742	101.28%	82.61%
2021	0.13788%	10,703,759	12,261,289	87.30%	85.46%
2020	0.14810%	21,556,805	13,021,678	165.55%	71.47%
2019	0.14945%	19,668,469	12,582,277	156.32%	73.51%
2018	0.15187%	17,860,000	12,337,938	144.76%	74.81%
2017	0.15127%	18,603,000	11,986,432	155.20%	72.92%
2016	0.15296%	21,436,000	11,656,844	183.89%	68.28%
2015	0.15349%	19,319,000	11,292,534	171.08%	70.68%
2014	0.15415%	18,629,000	11,256,878	165.49%	70.88%

Schedule of Employer Contributions - Pension Plans  
For the Years Ended June 30, 2015 through June 30, 2024

Date	Contractually Required Contribution (1)*	Contributions in Relation to Contractually Required Contribution (2)*	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
<b>Primary Government</b>					
2024	\$ 754,507	\$ 754,507	\$ -	\$ 6,892,470	10.95%
2023	678,906	678,906	-	6,261,624	10.84%
2022	560,922	560,922	-	5,787,429	9.69%
2021	445,184	445,184	-	5,465,563	8.15%
2020	421,269	421,269	-	5,343,717	7.88%
2019	408,108	408,108	-	5,072,104	8.05%
2018	397,195	397,195	-	4,820,004	8.24%
2017	392,632	392,632	-	4,624,623	8.49%
2016	471,292	471,292	-	4,374,003	10.77%
2015	461,738	461,738	-	4,251,728	10.86%
<b>Component Unit School Board (Nonprofessional)</b>					
2024	\$ 36,020	\$ 36,020	\$ -	\$ 1,098,104	3.28%
2023	18,986	18,986	-	525,881	3.61%
2022	23,979	23,979	-	492,527	4.87%
2021	30,410	30,410	-	623,186	4.88%
2020	25,565	25,565	-	653,811	3.91%
2019	24,582	24,582	-	634,547	3.87%
2018	33,468	33,468	-	671,806	4.98%
2017	35,810	35,810	-	673,225	5.32%
2016	55,293	55,293	-	652,740	8.47%
2015	57,201	57,201	-	664,350	8.61%
<b>Component Unit School Board (Professional)</b>					
2024	\$ 2,407,323	\$ 2,407,323	\$ -	\$ 15,425,531	15.61%
2023	2,265,908	2,265,908	-	14,419,170	15.71%
2022	2,122,390	2,122,390	-	13,429,742	15.80%
2021	1,950,641	1,950,641	-	12,261,289	15.91%
2020	1,968,435	1,968,435	-	13,021,678	15.12%
2019	1,915,267	1,915,267	-	12,582,277	15.22%
2018	1,741,611	1,741,611	-	12,337,938	14.12%
2017	1,679,087	1,679,087	-	11,986,432	14.01%
2016	1,679,413	1,679,413	-	11,656,844	14.41%
2015	1,584,459	1,584,459	-	11,292,534	14.03%

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

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

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

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

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

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

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

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

Component Unit School Board - Professional Employees

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

Schedule of County's Share of Net OPEB Liability  
 Group Life Insurance (GLI) Plan  
 For the Measurement Dates of June 30, 2017 through June 30, 2023

Date (1)	Employer's Proportion of the Net GLI OPEB Liability (Asset)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset)	Employer's Covered Payroll	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4)	Plan Fiduciary Net Position as a Percentage of Total GLI OPEB Liability
	(2)	(3)	(4)	(5)	(6)
Primary Government:					
2023	0.02658%	\$ 318,778	\$ 6,261,624	5.09%	69.30%
2022	0.02660%	320,410	5,787,429	5.54%	67.21%
2021	0.02650%	308,182	5,465,563	5.64%	67.45%
2020	0.02596%	433,230	5,343,717	8.11%	52.64%
2019	0.02587%	420,974	5,072,104	8.30%	52.00%
2018	0.02535%	385,000	4,820,004	7.99%	51.22%
2017	0.02507%	378,000	4,624,623	8.17%	48.86%
Component Unit - School Board (Nonprofessional):					
2023	0.00223%	\$ 26,745	\$ 525,881	5.09%	69.30%
2022	0.00230%	27,213	492,527	5.53%	67.21%
2021	0.00300%	35,161	623,186	5.64%	67.45%
2020	0.00318%	53,069	653,811	8.12%	52.64%
2019	0.00324%	52,724	634,547	8.31%	52.00%
2018	0.00353%	54,000	671,806	8.04%	51.22%
2017	0.00369%	56,000	673,225	8.32%	48.86%
Component Unit - School Board (Professional):					
2023	0.06126%	\$ 734,699	\$ 14,429,207	5.09%	69.30%
2022	0.06170%	743,409	13,429,742	5.54%	67.21%
2021	0.05940%	691,460	12,261,289	5.64%	67.45%
2020	0.06332%	1,056,707	13,031,868	8.11%	52.64%
2019	0.06418%	1,044,379	12,582,277	8.30%	52.00%
2018	0.06497%	987,000	12,337,938	8.00%	51.22%
2017	0.06497%	978,000	11,986,432	8.16%	48.86%

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

Schedule of Employer Contributions  
 Group Life Insurance (GLI) Plan  
 For the Years Ended June 30, 2015 through June 30, 2024

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
<b>County:</b>					
2024	\$ 36,934	\$ 36,934	\$ -	\$ 6,839,624	0.54%
2023	33,813	33,813	-	6,261,624	0.54%
2022	31,252	31,252	-	5,787,429	0.54%
2021	29,514	29,514	-	5,465,563	0.54%
2020	27,787	27,787	-	5,343,717	0.52%
2019	26,375	26,375	-	5,072,104	0.52%
2018	25,064	25,064	-	4,820,004	0.52%
2017	24,048	24,048	-	4,624,623	0.52%
2016	21,010	21,010	-	4,374,003	0.48%
2015	20,408	20,408	-	4,251,728	0.48%
<b>Component Unit - School Board (Nonprofessional):</b>					
2024	\$ 5,930	\$ 5,930	\$ -	\$ 1,098,104	0.54%
2023	2,840	2,840	-	525,881	0.54%
2022	2,660	2,660	-	492,527	0.54%
2021	3,365	3,365	-	623,186	0.54%
2020	3,400	3,400	-	653,811	0.52%
2019	3,300	3,300	-	634,547	0.52%
2018	3,493	3,493	-	671,806	0.52%
2017	3,535	3,535	-	673,225	0.53%
2016	3,133	3,133	-	652,740	0.48%
2015	3,189	3,189	-	664,350	0.48%
<b>Component Unit - School Board (Professional):</b>					
2024	\$ 83,298	\$ 83,298	\$ -	\$ 15,425,531	0.54%
2023	77,918	77,918	-	14,429,207	0.54%
2022	72,521	72,521	-	13,429,742	0.54%
2021	66,211	66,211	-	12,261,289	0.54%
2020	67,766	67,766	-	13,031,868	0.52%
2019	65,428	65,428	-	12,582,277	0.52%
2018	64,238	64,238	-	12,337,938	0.52%
2017	62,315	62,315	-	11,986,432	0.52%
2016	56,000	56,000	-	11,656,844	0.48%
2015	54,776	54,776	-	11,292,534	0.49%

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

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

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

**Teachers**

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

**Non-Largest Ten Locality Employers - General Employees**

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

**Non-Largest Ten Locality Employers - Hazardous Duty Employees**

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

Schedule of Changes in the School Board's Net OPEB Liability and Related Ratios  
Health Insurance Credit (HIC) Plan  
For the Measurement Dates of June 30, 2020 through June 30, 2023

	2023	2022	2021	2020
<b>Total HIC OPEB Liability</b>				
Service cost	\$ 907	1,044	\$ 1,202	-
Interest	4,928	4,307	3,871	-
Changes in benefit terms	-	-	-	57,351
Differences between expected and actual experience	(15,850)	2,372	(1)	-
Changes of assumptions	-	3,795	1,360	-
Benefit payments	(2,295)	(2,052)	-	-
<b>Net change in total HIC OPEB liability</b>	<b>\$ (12,310)</b>	<b>9,466</b>	<b>\$ 6,432</b>	<b>\$ 57,351</b>
<b>Total HIC OPEB Liability - beginning</b>	<b>73,249</b>	<b>63,783</b>	<b>57,351</b>	<b>-</b>
<b>Total HIC OPEB Liability - ending (a)</b>	<b>\$ 60,939</b>	<b>73,249</b>	<b>\$ 63,783</b>	<b>\$ 57,351</b>
<b>Plan fiduciary net position</b>				
Contributions - employer	\$ 5,364	3,546	\$ 4,487	\$ -
Net investment income	514	(63)	567	-
Benefit payments	(2,295)	(2,052)	-	-
Administrator charges	(14)	(10)	(20)	-
<b>Net change in plan fiduciary net position</b>	<b>\$ 3,569</b>	<b>1,421</b>	<b>\$ 5,034</b>	<b>\$ -</b>
<b>Plan fiduciary net position - beginning</b>	<b>6,455</b>	<b>5,034</b>	<b>-</b>	<b>-</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 10,024</b>	<b>6,455</b>	<b>\$ 5,034</b>	<b>\$ -</b>
<b>School Board's net HIC OPEB liability - ending (a) - (b)</b>	<b>\$ 50,915</b>	<b>66,794</b>	<b>\$ 58,749</b>	<b>\$ 57,351</b>
<b>Plan fiduciary net position as a percentage of the total HIC OPEB liability</b>	<b>16.45%</b>	<b>8.81%</b>	<b>7.89%</b>	<b>0.00%</b>
<b>Covered payroll</b>	<b>\$ 525,881</b>	<b>492,527</b>	<b>\$ 623,186</b>	<b>\$ -</b>
<b>School Board's net HIC OPEB liability as a percentage of covered payroll</b>	<b>9.68%</b>	<b>13.56%</b>	<b>9.43%</b>	<b>N/A</b>

Schedule is intended to show information for 10 years. Information prior to the 2020 valuation is not available. However, additional years will be included as they become available.

Schedule of Employer Contributions  
 Health Insurance Credit (HIC) Plan  
 For the Years Ended June 30, 2021 through June 30, 2024

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		Contributions in Relation to			Contributions as a % of	
	Contractually Required Contribution	Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Covered Payroll	
Date	(1)	(2)	(3)	(4)	(5)	
Component Unit - School Board (Nonprofessional):						
2024	\$ 11,201	\$ 11,201	\$ -	\$ 1,098,104		1.02%
2023	5,364	5,364	-	525,881		1.02%
2022	3,546	3,546	-	492,527		0.72%
2021	4,487	4,487	-	623,186		0.72%

Schedule is intended to show information for 10 years. Information prior to 2021 is not available. However, additional years will be included as they become available.



Notes to Required Supplementary Information  
 Health Insurance Credit (HIC) Plan  
 For the Year Ended June 30, 2024

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

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

**Non-Largest Ten Locality Employers - General Employees**

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

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

Date	Employer's Proportion of the Net HIC OPEB Liability (Asset)	Employer's Proportionate Share of the Net HIC OPEB Liability (Asset)		Employer's Covered Payroll	Employer's Proportionate Share of the Net HIC OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4)	Plan Fiduciary Net Position as a Percentage of Total HIC OPEB Liability	
		(1)	(2)		(3)		(4)
2023	0.14460%	\$	1,751,831	\$	14,419,170	12.15%	17.90%
2022	0.14409%	\$	1,799,751	\$	13,429,742	13.40%	15.08%
2021	0.13864%		1,779,541		12,261,289	14.51%	13.15%
2020	0.14855%		1,937,598		13,021,678	14.88%	9.95%
2019	0.15001%		1,963,777		12,582,277	15.61%	8.97%
2018	0.15275%		1,939,000		12,337,938	15.72%	8.08%
2017	0.15182%		1,926,000		11,986,432	16.07%	7.04%

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

Schedule of Employer Contributions  
Teacher Employee Health Insurance Credit (HIC) Plan  
For the Years Ended June 30, 2015 through June 30, 2024

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Date	Contributions in Relation to			Employer's Covered Payroll	Contributions as a % of Covered Payroll
	Contractually Required Contribution (1)	Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)		
2024	\$ 186,649	\$ 186,649	\$ -	\$ 15,425,531	1.21%
2023	174,472	174,472	-	14,419,170	1.21%
2022	162,500	162,500	-	13,429,742	1.21%
2021	148,362	148,362	-	12,261,289	1.21%
2020	156,260	156,260	-	13,021,678	1.20%
2019	150,987	150,987	-	12,582,277	1.20%
2018	151,947	151,947	-	12,337,938	1.23%
2017	132,997	132,997	-	11,986,432	1.11%
2016	123,625	123,625	-	11,656,844	1.06%
2015	120,963	120,963	-	11,292,534	1.07%

Notes to Required Supplementary Information  
Teacher Employee Health Insurance Credit (HIC) Plan  
For the Year Ended June 30, 2024

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

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

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

OPEB - Health Insurance Plan  
Schedule of Changes in Net OPEB Liability (Asset) and Related Ratios  
For the Measurement Dates of June 30, 2018 through June 30, 2024

	2024	2023	2022	2021	2020	2019	2018
<b>County:</b>							
<b>Total OPEB liability</b>							
Service cost	\$ 50,401	\$ 48,567	\$ 56,261	\$ 57,300	\$ 24,579	\$ 22,416	\$ 22,728
Interest	23,829	19,964	12,771	11,351	14,983	15,125	13,349
Economic/demographic gains or losses	-	(7,045)	-	72,235	-	-	-
Changes in assumptions	(10,677)	79,124	(53,482)	(33,255)	38,349	11,370	(8,547)
Benefit payments	(61,479)	(45,774)	(24,792)	(33,098)	(17,068)	(10,637)	(7,922)
<b>Net change in total OPEB liability</b>	<b>\$ 2,074</b>	<b>\$ 94,836</b>	<b>\$ (9,242)</b>	<b>\$ 74,533</b>	<b>\$ 60,843</b>	<b>\$ 38,274</b>	<b>\$ 19,608</b>
<b>Total OPEB liability - beginning</b>	<b>632,927</b>	<b>538,091</b>	<b>547,333</b>	<b>472,800</b>	<b>411,957</b>	<b>373,683</b>	<b>354,075</b>
<b>Total OPEB liability - ending</b>	<b>\$ 635,001</b>	<b>\$ 632,927</b>	<b>\$ 538,091</b>	<b>\$ 547,333</b>	<b>\$ 472,800</b>	<b>\$ 411,957</b>	<b>\$ 373,683</b>
<b>Covered employee payroll</b>	<b>\$ 5,946,551</b>	<b>\$ 5,946,551</b>	<b>\$ 5,294,743</b>	<b>\$ 5,294,743</b>	<b>\$ 5,014,231</b>	<b>\$ 5,014,231</b>	<b>\$ 5,014,231</b>
<b>County's total OPEB liability (asset) as a percentage of covered employee payroll</b>	<b>10.7%</b>	<b>10.6%</b>	<b>10.2%</b>	<b>10.3%</b>	<b>9.4%</b>	<b>8.2%</b>	<b>7.5%</b>
<b>School Board:</b>							
<b>Total OPEB liability</b>							
Service cost	\$ 82,539	\$ 81,228	\$ 85,023	\$ 86,625	\$ 69,721	\$ 63,833	\$ 64,527
Interest	46,317	42,203	27,028	29,975	42,034	43,708	39,995
Economic/demographic gains or losses	-	(97,805)	-	(96,284)	-	-	-
Changes in assumptions	(21,122)	126,825	(109,886)	(71,810)	92,424	30,431	(23,128)
Benefit payments	(85,988)	(68,208)	(46,933)	(56,985)	(74,156)	(70,423)	(66,561)
<b>Net change in total OPEB liability</b>	<b>\$ 21,746</b>	<b>\$ 84,243</b>	<b>\$ (44,768)</b>	<b>\$ (108,479)</b>	<b>\$ 130,023</b>	<b>\$ 67,549</b>	<b>\$ 14,833</b>
<b>Total OPEB liability - beginning</b>	<b>1,229,031</b>	<b>1,144,788</b>	<b>1,189,556</b>	<b>1,298,035</b>	<b>1,168,012</b>	<b>1,100,463</b>	<b>1,085,630</b>
<b>Total OPEB liability - ending</b>	<b>\$ 1,250,777</b>	<b>\$ 1,229,031</b>	<b>\$ 1,144,788</b>	<b>\$ 1,189,556</b>	<b>\$ 1,298,035</b>	<b>\$ 1,168,012</b>	<b>\$ 1,100,463</b>
<b>Covered employee payroll</b>	<b>\$ 14,955,745</b>	<b>\$ 14,955,745</b>	<b>\$ 11,583,694</b>	<b>\$ 11,583,694</b>	<b>\$ 12,818,270</b>	<b>\$ 12,818,270</b>	<b>\$ 12,818,270</b>
<b>School Boards total OPEB liability (asset) as a percentage of covered employee payroll</b>	<b>8.4%</b>	<b>8.2%</b>	<b>9.9%</b>	<b>10.3%</b>	<b>10.1%</b>	<b>9.1%</b>	<b>8.6%</b>

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

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

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Valuation Date: 7/1/2022

Measurement Date: 6/30/2024

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

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

Actuarial Cost Method	Entry age normal, level % of pay
Discount Rate	3.93% as of June 30, 2024; 3.65% as of June 30, 2023
Inflation	2.50%
Healthcare Trend Rate	5.10% to 4.00% over 55 years
Salary Increase Rates	County: Ranges of increases of 3.5% for 20+ years of service to 5.35% for 1-2 years of service; School Board: Ranges of increases of 3.5% for 20+ years of service to 5.95% for 1 year of service.
Retirement Age	Reduced: Age 50 and 10 years of service or Age 55 and 5 years of service; Unreduced: Age 65 and 5 years of service or Age 50 with 30 years of service
Mortality Rates	Pre-Retirement: RP-2014 Employee Mortaility Tables projected to 2020 using Scale BB with Males set back 1 year and Females set back 1 year. Post-Retirement: RP-2014 Employee Mortaility Tables projected to 2020 using Scale BB with Males set forward 1 year and Females set back 1 year.

**OTHER SUPPLEMENTARY INFORMATION**

Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2024

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ 635,230	\$ 101,361	\$ 736,591
Due from other funds	9,848	61,794	71,642
Due from other governmental units	93,981	72,578	166,559
Prepaid items	3,700	-	3,700
Total assets	\$ <u>742,759</u>	\$ <u>235,733</u>	\$ <u>978,492</u>
<b>LIABILITIES</b>			
Accounts payable	\$ <u>71,750</u>	\$ <u>145,950</u>	\$ <u>217,700</u>
Total liabilities	\$ <u>71,750</u>	\$ <u>145,950</u>	\$ <u>217,700</u>
<b>FUND BALANCES</b>			
Nonspendable:			
Prepaid items	\$ 3,700	\$ -	\$ 3,700
Restricted:			
Swim team	-	638	638
Pool	-	1,659	1,659
Committed:			
Community development	577,509	-	577,509
Public safety	89,800	-	89,800
Assigned:			
Capital projects	<u>-</u>	<u>87,486</u>	<u>87,486</u>
Total fund balances	\$ <u>671,009</u>	\$ <u>89,783</u>	\$ <u>760,792</u>
Total liabilities and fund balances	\$ <u>742,759</u>	\$ <u>235,733</u>	\$ <u>978,492</u>



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

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
<b>REVENUES</b>				
General property taxes	\$ 35,819	\$ -	\$ -	\$ 35,819
Revenue from the use of money and property	14,004	-	386	14,390
Miscellaneous	149,199	-	1,130	150,329
Intergovernmental:				
Commonwealth	320,197	-	89,765	409,962
Federal	15,915	-	297,824	313,739
Total revenues	<u>\$ 535,134</u>	<u>\$ -</u>	<u>\$ 389,105</u>	<u>\$ 924,239</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	\$ 51,285	\$ -	\$ -	\$ 51,285
Health and welfare	595,200	-	-	595,200
Community development	162,718	-	-	162,718
Capital projects	-	-	4,870,711	4,870,711
Debt service:				
Principal retirement	-	108,477	-	108,477
Interest and other fiscal charges	-	143,223	-	143,223
Total expenditures	<u>\$ 809,203</u>	<u>\$ 251,700</u>	<u>\$ 4,870,711</u>	<u>\$ 5,931,614</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (274,069)</u>	<u>\$ (251,700)</u>	<u>\$ (4,481,606)</u>	<u>\$ (5,007,375)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ 298,827	\$ 251,700	\$ 4,483,122	\$ 5,033,649
Transfers out	<u>-</u>	<u>-</u>	<u>(62,715)</u>	<u>(62,715)</u>
Total other financing sources (uses)	<u>\$ 298,827</u>	<u>\$ 251,700</u>	<u>\$ 4,420,407</u>	<u>\$ 4,970,934</u>
Net change in fund balances	\$ 24,758	\$ -	\$ (61,199)	\$ (36,441)
Fund balances - beginning	<u>646,251</u>	<u>-</u>	<u>150,982</u>	<u>797,233</u>
Fund balances - ending	<u><u>\$ 671,009</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 89,783</u></u>	<u><u>\$ 760,792</u></u>

Combining Balance Sheet  
Nonmajor Special Revenue Funds  
June 30, 2024

	CSA Fund	Drug Enforcement Fund	Conservation Easement Fund	Total
<b>ASSETS</b>				
Cash and cash equivalents	\$ -	\$ 90,501	\$ 544,729	\$ 635,230
Due from other funds	9,848	-	-	9,848
Due from other governmental units	56,356	-	37,625	93,981
Prepaid items	-	-	3,700	3,700
Total assets	<u>\$ 66,204</u>	<u>\$ 90,501</u>	<u>\$ 586,054</u>	<u>\$ 742,759</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 66,204	\$ 701	\$ 4,845	\$ 71,750
Total liabilities	<u>\$ 66,204</u>	<u>\$ 701</u>	<u>\$ 4,845</u>	<u>\$ 71,750</u>
<b>FUND BALANCES</b>				
Nonspendable:				
Prepaid items	\$ -	\$ -	\$ 3,700	\$ 3,700
Committed:				
Community development	-	-	577,509	577,509
Public safety	-	89,800	-	89,800
Total fund balances	<u>\$ -</u>	<u>\$ 89,800</u>	<u>\$ 581,209</u>	<u>\$ 671,009</u>
Total liabilities and fund balances	<u>\$ 66,204</u>	<u>\$ 90,501</u>	<u>\$ 586,054</u>	<u>\$ 742,759</u>

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Special Revenue Funds  
For the Year Ended June 30, 2024

	CSA Fund	Drug Enforcement Fund	Conservation Easement Fund	Total
<b>REVENUES</b>				
General property taxes	\$ -	\$ -	\$ 35,819	\$ 35,819
Revenue from the use of money and property	-	2,011	11,993	14,004
Miscellaneous	13,835	42,450	92,914	149,199
Intergovernmental:				
Commonwealth	266,623	5,519	48,055	320,197
Federal	15,915	-	-	15,915
Total revenues	\$ 296,373	\$ 49,980	\$ 188,781	\$ 535,134
<b>EXPENDITURES</b>				
Current:				
Public safety	\$ -	\$ 51,285	\$ -	\$ 51,285
Health and welfare	595,200	-	-	595,200
Community development	-	-	162,718	162,718
Total expenditures	\$ 595,200	\$ 51,285	\$ 162,718	\$ 809,203
Excess (deficiency) of revenues over (under) expenditures	\$ (298,827)	\$ (1,305)	\$ 26,063	\$ (274,069)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ 298,827	\$ -	\$ -	\$ 298,827
Total other financing sources (uses)	\$ 298,827	\$ -	\$ -	\$ 298,827
Net change in fund balances	\$ -	\$ (1,305)	\$ 26,063	\$ 24,758
Fund balances - beginning	-	91,105	555,146	646,251
Fund balances - ending	\$ -	\$ 89,800	\$ 581,209	\$ 671,009

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

## Nonmajor Special Revenue Funds

For the Year Ended June 30, 2024

	CSA Fund				Drug Enforcement Fund			
	Budgeted Amounts			Variance with Final Budget Positive (Negative)	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual		Original	Final	Actual	
REVENUES								
General property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Revenue from the use of money and property	-	-	-	-	-	-	2,011	2,011
Miscellaneous	-	-	13,835	13,835	-	-	42,450	42,450
Intergovernmental:								
Commonwealth	200,675	559,808	266,623	(293,185)	-	-	5,519	5,519
Federal	13,046	13,046	15,915	2,869	-	-	-	-
Total revenues	\$ 213,721	\$ 572,854	\$ 296,373	\$ (276,481)	\$ -	\$ -	\$ 49,980	\$ 49,980
EXPENDITURES								
Current:								
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 51,285	\$ (51,285)
Health and welfare	410,764	858,772	595,200	263,572	-	-	-	-
Community development	-	-	-	-	-	-	-	-
Total expenditures	\$ 410,764	\$ 858,772	\$ 595,200	\$ 263,572	\$ -	\$ -	\$ 51,285	\$ (51,285)
Excess (deficiency) of revenues over (under) expenditures	\$ (197,043)	\$ (285,918)	\$ (298,827)	\$ (12,909)	\$ -	\$ -	\$ (1,305)	\$ (1,305)
OTHER FINANCING SOURCES (USES)								
Transfers in	\$ -	\$ 285,918	\$ 298,827	\$ 12,909	\$ -	\$ -	\$ -	\$ -
Total other financing sources (uses)	\$ -	\$ 285,918	\$ 298,827	\$ 12,909	\$ -	\$ -	\$ -	\$ -
Net change in fund balances	\$ (197,043)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,305)	\$ (1,305)
Fund balances - beginning	197,043	-	-	-	-	-	91,105	91,105
Fund balances - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 89,800	\$ 89,800

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

	Conservation Easement Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
General property taxes	\$ -	\$ -	\$ 35,819	\$ 35,819
Revenue from the use of money and property	-	-	11,993	11,993
Miscellaneous	30,000	67,625	92,914	25,289
Intergovernmental:				
Commonwealth	15,000	56,125	48,055	(8,070)
Federal	-	-	-	-
Total revenues	\$ 45,000	\$ 123,750	\$ 188,781	\$ 65,031
EXPENDITURES				
Current:				
Public safety	\$ -	\$ -	\$ -	\$ -
Health and welfare	-	-	-	-
Community development	90,000	168,750	162,718	6,032
Total expenditures	\$ 90,000	\$ 168,750	\$ 162,718	\$ 6,032
Excess (deficiency) of revenues over (under) expenditures	\$ (45,000)	\$ (45,000)	\$ 26,063	\$ 71,063
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ 45,000	\$ -	\$ (45,000)
Total other financing sources (uses)	\$ -	\$ 45,000	\$ -	\$ (45,000)
Net change in fund balances	\$ (45,000)	\$ -	\$ 26,063	\$ 26,063
Fund balances - beginning	45,000	-	555,146	555,146
Fund balances - ending	\$ -	\$ -	\$ 581,209	\$ 581,209

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

	<b>Primary Government Debt Service Fund</b>
<b>EXPENDITURES</b>	
Debt service:	
Principal retirement	\$ 108,477
Interest and other fiscal charges	<u>143,223</u>
Total expenditures	\$ <u>251,700</u>
Excess (deficiency) of revenues over (under) expenditures	\$ <u>(251,700)</u>
<b>OTHER FINANCING SOURCES (USES)</b>	
Transfers in	\$ <u>251,700</u>
Total other financing sources (uses)	\$ <u>251,700</u>
Net change in fund balances	\$ -
Fund balances - beginning	<u>-</u>
Fund balances - ending	<u><u>-</u></u>

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

	Primary Government Debt Service Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
EXPENDITURES				
Debt service:				
Principal retirement	\$ 108,046	\$ 116,374	\$ 108,477	\$ 7,897
Interest and other fiscal charges	143,654	135,326	143,223	(7,897)
Total expenditures	\$ 251,700	\$ 251,700	\$ 251,700	\$ -
Excess (deficiency) of revenues over (under) expenditures				
	\$ (251,700)	\$ (251,700)	\$ (251,700)	\$ -
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ 251,700	\$ 251,700	\$ -
Total other financing sources (uses)	\$ -	\$ 251,700	\$ 251,700	\$ -
Net change in fund balances	\$ (251,700)	\$ -	\$ -	\$ -
Fund balances - beginning	251,700	-	-	-
Fund balances - ending	\$ -	\$ -	\$ -	\$ -

Combining Balance Sheet  
Nonmajor Capital Projects Funds  
June 30, 2024

	<b>Parks Construction Fund</b>	<b>General Government Capital Projects Fund</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 2,297	\$ 99,064	\$ 101,361
Due from other funds	-	61,794	61,794
Due from other governmental units	-	72,578	72,578
<b>Total assets</b>	<b>\$ 2,297</b>	<b>\$ 233,436</b>	<b>\$ 235,733</b>
<b>LIABILITIES</b>			
Accounts payable	\$ -	\$ 145,950	\$ 145,950
<b>Total liabilities</b>	<b>\$ -</b>	<b>\$ 145,950</b>	<b>\$ 145,950</b>
<b>FUND BALANCES</b>			
Restricted:			
Swim team	\$ 638	\$ -	\$ 638
Pool	1,659	-	1,659
Assigned:			
Capital projects	-	87,486	87,486
<b>Total fund balances</b>	<b>\$ 2,297</b>	<b>\$ 87,486</b>	<b>\$ 89,783</b>
<b>Total liabilities and fund balances</b>	<b>\$ 2,297</b>	<b>\$ 233,436</b>	<b>\$ 235,733</b>



Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Capital Projects Funds  
For the Year Ended June 30, 2024

	<b>Parks Construction Fund</b>	<b>Government Capital Projects Fund</b>	<b>Total</b>
<b>REVENUES</b>			
Revenue from the use of money and property	\$ 386	\$ -	\$ 386
Miscellaneous	1,130	-	1,130
Intergovernmental:			
Commonwealth	-	89,765	89,765
Federal	-	297,824	297,824
Total revenues	\$ 1,516	\$ 387,589	\$ 389,105
<b>EXPENDITURES</b>			
Capital projects	\$ -	\$ 4,870,711	\$ 4,870,711
Total expenditures	\$ -	\$ 4,870,711	\$ 4,870,711
Excess (deficiency) of revenues over (under) expenditures	\$ 1,516	\$ (4,483,122)	\$ (4,481,606)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	\$ -	\$ 4,483,122	\$ 4,483,122
Transfers out	(62,715)	-	(62,715)
Total other financing sources (uses)	\$ (62,715)	\$ 4,483,122	\$ 4,420,407
Net change in fund balances	\$ (61,199)	\$ -	\$ (61,199)
Fund balances - beginning	63,496	87,486	150,982
Fund balances - ending	\$ 2,297	\$ 87,486	\$ 89,783

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

	Parks Construction Fund				General Government Capital Projects Fund			
	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
REVENUES								
Revenue from the use of money and property	\$ -	\$ -	\$ 386	\$ 386	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	-	1,130	1,130	-	-	-	-
Intergovernmental:								
Commonwealth	-	-	-	-	26,318	89,765	89,765	-
Federal	-	-	-	-	150,000	323,745	297,824	(25,921)
Total revenues	\$ -	\$ -	\$ 1,516	\$ 1,516	\$ 176,318	\$ 413,510	\$ 387,589	\$ (25,921)
EXPENDITURES								
Capital projects	\$ -	\$ -	\$ -	\$ -	\$ 3,621,318	\$ 5,579,468	\$ 4,870,711	\$ 708,757
Total expenditures	\$ -	\$ -	\$ -	\$ -	\$ 3,621,318	\$ 5,579,468	\$ 4,870,711	\$ 708,757
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ 1,516	\$ 1,516	\$ (3,445,000)	\$ (5,165,958)	\$ (4,483,122)	\$ 682,836
OTHER FINANCING SOURCES (USES)								
Transfers in	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,165,958	\$ 4,483,122	\$ (682,836)
Transfers out	-	-	(62,715)	(62,715)	-	-	-	-
Total other financing sources (uses)	\$ -	\$ -	\$ (62,715)	\$ (62,715)	\$ -	\$ 5,165,958	\$ 4,483,122	\$ (682,836)
Net change in fund balances	\$ -	\$ -	\$ (61,199)	\$ (61,199)	\$ (3,445,000)	\$ -	\$ -	\$ -
Fund balances - beginning	-	-	63,496	63,496	3,445,000	-	87,486	87,486
Fund balances - ending	\$ -	\$ -	\$ 2,297	\$ 2,297	\$ -	\$ -	\$ 87,486	\$ 87,486

## Combining Statement of Fiduciary Net Position

## Custodial Funds

June 30, 2024

	Custodial Funds			
	Special Welfare Fund	Town of Berryville	Cafeteria Plan Withholding Fund	Total
<b>ASSETS</b>				
Cash and cash equivalents	\$ 13,009	\$ 124,277	\$ 85,118	\$ 222,404
Accounts receivable	-	31,763	-	31,763
Prepaid expenses	-	82	-	82
Total assets	<u>\$ 13,009</u>	<u>\$ 156,122</u>	<u>\$ 85,118</u>	<u>\$ 254,249</u>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ 6,375	\$ 323	\$ 6,698
Total liabilities	<u>\$ -</u>	<u>\$ 6,375</u>	<u>\$ 323</u>	<u>\$ 6,698</u>
<b>NET POSITION</b>				
Restricted for:				
Special welfare	\$ 13,009	\$ -	\$ -	\$ 13,009
Town of Berryville	-	149,747	-	149,747
Employee benefits	-	-	84,795	84,795
Total net position	<u>\$ 13,009</u>	<u>\$ 149,747</u>	<u>\$ 84,795</u>	<u>\$ 247,551</u>
Total liabilities and net position	<u>\$ 13,009</u>	<u>\$ 156,122</u>	<u>\$ 85,118</u>	<u>\$ 254,249</u>

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

	Custodial Funds			
	Special Welfare	Town of Berryville	Cafeteria Plan Withholding Fund	Total
<b>ADDITIONS</b>				
Special welfare collections	\$ 1,532	\$ -	\$ -	\$ 1,532
Interest	29	3,457	-	3,486
Collection of shared costs	-	58,378	-	58,378
Employee deferrals	-	-	75,302	75,302
Total additions	\$ 1,561	\$ 61,835	\$ 75,302	\$ 138,698
<b>DEDUCTIONS</b>				
Welfare costs	\$ 4,149	\$ -	\$ -	\$ 4,149
Town share of maintenance costs	-	78,710	-	78,710
Flexible spending account benefits	-	-	75,535	75,535
Total deductions	\$ 4,149	\$ 78,710	\$ 75,535	\$ 158,394
Net increase (decrease) in fiduciary net position	\$ (2,588)	\$ (16,875)	\$ (233)	\$ (19,696)
Net position, beginning of year	\$ 15,597	\$ 166,622	\$ 85,028	\$ 267,247
Net position, end of year	\$ 13,009	\$ 149,747	\$ 84,795	\$ 247,551

## **Discretely Presented Component Unit-School Board**

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

	School Operating Fund	School Food Service Fund	School Activity Fund	School Capital Projects Fund	Total Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and cash equivalents	\$ 500	\$ 631,864	\$ 375,068	\$ -	\$ 6,217	\$ 1,013,649
Accounts receivable	35,184	-	-	-	-	35,184
Due from primary government	1,797,678	-	-	471,902	-	2,269,580
Due from other governmental units	1,072,517	13,041	-	79,427	-	1,164,985
Prepaid items	62,056	-	-	25,440	-	87,496
Total assets	<u>\$ 2,967,935</u>	<u>\$ 644,905</u>	<u>\$ 375,068</u>	<u>\$ 576,769</u>	<u>\$ 6,217</u>	<u>\$ 4,570,894</u>
<b>LIABILITIES</b>						
Accounts payable	\$ 146,095	\$ 36,175	\$ -	\$ 475,750	\$ -	\$ 658,020
Accrued liabilities	2,637,731	22,922	-	-	-	2,660,653
Unearned revenue	183,609	-	-	-	-	183,609
Total liabilities	<u>\$ 2,967,435</u>	<u>\$ 59,097</u>	<u>\$ -</u>	<u>\$ 475,750</u>	<u>\$ -</u>	<u>\$ 3,502,282</u>
<b>FUND BALANCES</b>						
Nonspendable:						
Prepaid items	\$ 62,056	\$ -	\$ -	\$ 25,440	\$ -	\$ 87,496
Restricted:						
School construction	-	-	-	101,019	-	101,019
Assigned:						
School operating	500	585,808	-	-	-	586,308
School activities	-	-	375,068	-	-	375,068
Capital projects	-	-	-	-	6,217	6,217
Unassigned	(62,056)	-	-	(25,440)	-	(87,496)
Total fund balances	<u>\$ 500</u>	<u>\$ 585,808</u>	<u>\$ 375,068</u>	<u>\$ 101,019</u>	<u>\$ 6,217</u>	<u>\$ 1,068,612</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,967,935</u>	<u>\$ 644,905</u>	<u>\$ 375,068</u>	<u>\$ 576,769</u>	<u>\$ 6,217</u>	<u>\$ 4,570,894</u>

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

Total fund balances per above	\$ 1,068,612
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	20,276,080
The net pension asset is not an available resource and, therefore, is not reported in the funds.	487,480
Deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds.	
Pension related items	\$ 4,758,067
OPEB related items	<u>628,176</u>
	5,386,243
Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.	
Pension related items	\$ (2,227,833)
OPEB related items	<u>(580,321)</u>
	(2,808,154)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(19,409,972)
Net position of governmental activities	<u>\$ 5,000,289</u>

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

	School Operating Fund	School Food Service Fund	School Activity Fund	School Capital Projects Fund	Total Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>						
Revenue from the use of money and property	\$ 58,906	\$ 14,187	\$ -	\$ -	\$ 683	\$ 73,776
Charges for services	230,919	554,803	-	-	-	785,722
Miscellaneous	11,371	-	491,333	17,977	-	520,681
Recovered costs	7,068	9,294	-	16,929	-	33,291
Intergovernmental:						
Local government	14,225,095	-	-	94,790	-	14,319,885
Commonwealth	11,652,029	17,716	-	251,762	-	11,921,507
Federal	1,228,654	534,452	-	-	-	1,763,106
Total revenues	\$ 27,414,042	\$ 1,130,452	\$ 491,333	\$ 381,458	\$ 683	\$ 29,417,968
<b>EXPENDITURES</b>						
Current:						
Education	\$ 27,431,105	\$ 1,270,591	\$ 481,749	\$ -	\$ -	\$ 29,183,445
Capital projects	-	-	-	1,381,885	-	1,381,885
Total expenditures	\$ 27,431,105	\$ 1,270,591	\$ 481,749	\$ 1,381,885	\$ -	\$ 30,565,330
Excess (deficiency) of revenues over (under) expenditures	\$ (17,063)	\$ (140,139)	\$ 9,584	\$ (1,000,427)	\$ 683	\$ (1,147,362)
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	\$ -	\$ -	\$ -	\$ 531,456	\$ -	\$ 531,456
Transfers out	-	-	-	-	(531,456)	(531,456)
Insurance proceeds	17,063	-	-	59,142	-	76,205
Total other financing sources (uses)	\$ 17,063	\$ -	\$ -	\$ 590,598	\$ (531,456)	\$ 76,205
Net change in fund balances	\$ -	\$ (140,139)	\$ 9,584	\$ (409,829)	\$ (530,773)	\$ (1,071,157)
Fund balances - beginning	500	725,947	365,484	510,848	536,990	2,139,769
Fund balances - ending	\$ 500	\$ 585,808	\$ 375,068	\$ 101,019	\$ 6,217	\$ 1,068,612

Amounts reported for governmental activities in the Statement of Activities (Exhibit 2) are different because:

Net change in fund balances - total governmental funds - per above \$ (1,071,157)

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which the depreciation exceeded capital outlays in the current period.

(511,992)

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. This amount reflects the changes in compensated absences, net OPEB liabilities, and accrued interest payable, etc.

Pension expense	\$ 1,509,154	
OPEB expense	132,615	
Principal payment on lease liabilities	22,556	
Principal payment on subscription liabilities	19,322	
(Increase) decrease in compensated absences	(7,846)	1,675,801
Change in net position of governmental activities		\$ 92,652

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

	School Operating Fund				School Food Service Fund			
	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
REVENUES								
Revenue from the use of money and property	\$ 40,000	\$ 40,000	\$ 58,906	\$ 18,906	\$ 3,000	\$ 3,000	\$ 14,187	\$ 11,187
Charges for services	170,460	170,460	230,919	60,459	597,599	597,599	554,803	(42,796)
Miscellaneous	21,800	21,800	11,371	(10,429)	-	-	-	-
Recovered costs	10,425	10,425	7,068	(3,357)	4,947	4,947	9,294	4,347
Intergovernmental:								
Local government	14,739,781	14,739,781	14,225,095	(514,686)	-	-	-	-
Commonwealth	11,492,196	11,783,094	11,652,029	(131,065)	44,621	44,621	17,716	(26,905)
Federal	1,106,901	1,155,312	1,228,654	73,342	915,224	915,224	534,452	(380,772)
Total revenues	\$ 27,581,563	\$ 27,920,872	\$ 27,414,042	\$ (506,830)	\$ 1,565,391	\$ 1,565,391	\$ 1,130,452	\$ (434,939)
EXPENDITURES								
Current:								
Education	\$ 27,585,063	\$ 27,934,572	\$ 27,431,105	\$ 503,467	\$ 1,565,391	\$ 1,565,391	\$ 1,270,591	\$ 294,800
Capital projects	-	-	-	-	-	-	-	-
Total expenditures	\$ 27,585,063	\$ 27,934,572	\$ 27,431,105	\$ 503,467	\$ 1,565,391	\$ 1,565,391	\$ 1,270,591	\$ 294,800
Excess (deficiency) of revenues over (under) expenditures	\$ (3,500)	\$ (13,700)	\$ (17,063)	\$ (3,363)	\$ -	\$ -	\$ (140,139)	\$ (140,139)
OTHER FINANCING SOURCES (USES)								
Transfers in	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Insurance proceeds	3,500	11,297	17,063	5,766	-	-	-	-
Total other financing sources (uses)	\$ 3,500	\$ 11,297	\$ 17,063	\$ 5,766	\$ -	\$ -	\$ -	\$ -
Net change in fund balances	\$ -	\$ (2,403)	\$ -	\$ 2,403	\$ -	\$ -	\$ (140,139)	\$ (140,139)
Fund balances - beginning	-	2,403	500	(1,903)	-	-	725,947	725,947
Fund balances - ending	\$ -	\$ -	\$ 500	\$ 500	\$ -	\$ -	\$ 585,808	\$ 585,808



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

	School Activity Fund				School Capital Projects Fund			
	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		Original	Final			
REVENUES								
Revenue from the use of money								
and property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-	-	-	-
Miscellaneous	-	-	491,333	491,333	-	17,977	17,977	-
Recovered costs	-	-	-	-	93,800	93,800	16,929	-
Intergovernmental:								
Local government	-	-	-	-	531,456	360,411	94,790	(265,621)
Commonwealth	-	-	-	-	154,000	1,073,783	251,762	(822,021)
Federal	-	-	-	-	-	-	-	-
Total revenues	\$ -	\$ -	\$ 491,333	\$ 491,333	\$ 779,256	\$ 1,545,971	\$ 381,458	\$ (1,087,642)
EXPENDITURES								
Current:								
Education	\$ -	\$ -	\$ 481,749	\$ (481,749)	\$ -	\$ -	\$ -	\$ -
Capital projects				-	779,256	2,094,188	1,381,885	712,303
Total expenditures	\$ -	\$ -	\$ 481,749	\$ (481,749)	\$ 779,256	\$ 2,094,188	\$ 1,381,885	\$ 712,303
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ 9,584	\$ 9,584	\$ -	\$ (548,217)	\$ (1,000,427)	\$ (375,339)
OTHER FINANCING SOURCES (USES)								
Transfers in	\$ -	\$ -	\$ -	\$ -	\$ -	531,456	531,456	-
Insurance proceeds	-	-	-	-	-	16,761	59,142	42,381
Total other financing sources (uses)	\$ -	\$ -	\$ -	\$ -	\$ -	548,217	590,598	42,381
Net change in fund balances	\$ -	\$ -	\$ 9,584	\$ 9,584	\$ -	\$ -	\$ (409,829)	\$ (332,958)
Fund balances - beginning	-	-	365,484	365,484	-	-	510,848	510,848
Fund balances - ending	\$ -	\$ -	\$ 375,068	\$ 375,068	\$ -	\$ -	\$ 101,019	\$ 177,890

## Balance Sheet

Nonmajor Capital Projects Fund - Discretely Presented Component Unit - School Board

June 30, 2024

	<u>School Capital Project Proffers Fund</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ <u>6,217</u>
Total assets	\$ <u><u>6,217</u></u>
<b>FUND BALANCE</b>	
Assigned:	
Capital projects	\$ <u>6,217</u>
Total fund balances	\$ <u>6,217</u>
Total liabilities and fund balances	\$ <u><u>6,217</u></u>

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

	<u>School Capital Project Proffers Fund</u>
<b>REVENUES</b>	
Revenue from the use of money and property	\$ <u>683</u>
Total revenues	\$ <u>683</u>
Excess (deficiency) of revenues over (under) expenditures	\$ <u>683</u>
<b>OTHER FINANCING SOURCES (USES)</b>	
Transfers out	\$ <u>(531,456)</u>
Total other financing sources and uses	\$ <u>(531,456)</u>
Net change in fund balances	\$ (530,773)
Fund balances - beginning	<u>536,990</u>
Fund balances - ending	<u><u>6,217</u></u>

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

	School Capital Projects Proffers Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ -	\$ -	\$ 683	\$ 683
Total revenues	\$ -	\$ -	\$ 683	\$ 683
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ 683	\$ 683
OTHER FINANCING SOURCES (USES)				
Transfers out	\$ -	\$ -	\$ (531,456)	\$ (531,456)
Total other financing sources (uses)	\$ -	\$ -	\$ (531,456)	\$ (531,456)
Net change in fund balances	\$ -	\$ -	\$ (530,773)	\$ (530,773)
Fund balances - beginning	-	-	536,990	536,990
Fund balances - ending	\$ -	\$ -	\$ 6,217	\$ 6,217

## **Discretely Presented Component Unit – Sanitary Authority**

Combining Statement of Net Position  
Discretely Presented Component Unit - Sanitary Authority  
As of June 30, 2024

	Enterprise Funds		
	Water Fund	Sewer Fund	Total
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 707,180	\$ 567,455	\$ 1,274,635
Accounts receivable	65,695	82,424	148,119
Prepaid items	34,686	7,793	42,479
Total current assets	<u>\$ 807,561</u>	<u>\$ 657,672</u>	<u>\$ 1,465,233</u>
Noncurrent assets:			
Capital assets:			
Land	\$ 13,200	\$ -	\$ 13,200
Utility plant in service	6,863,484	7,054,257	13,917,741
Accumulated depreciation	(3,804,250)	(2,691,959)	(6,496,209)
Sub-total	<u>\$ 3,072,434</u>	<u>\$ 4,362,298</u>	<u>\$ 7,434,732</u>
Total capital assets	<u>\$ 3,072,434</u>	<u>\$ 4,362,298</u>	<u>\$ 7,434,732</u>
Total noncurrent assets	<u>\$ 3,072,434</u>	<u>\$ 4,362,298</u>	<u>\$ 7,434,732</u>
Total assets	<u><u>\$ 3,879,995</u></u>	<u><u>\$ 5,019,970</u></u>	<u><u>\$ 8,899,965</u></u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	\$ 24,711	\$ 20,909	\$ 45,620
Accrued interest payable	3,408	-	3,408
Customers' deposits	8,312	900	9,212
Bonds payable - current portion	132,135	207,052	339,187
Total current liabilities	<u>\$ 168,566</u>	<u>\$ 228,861</u>	<u>\$ 397,427</u>
Noncurrent liabilities:			
Bonds payable - net of current portion	<u>\$ 575,538</u>	<u>\$ 998,948</u>	<u>\$ 1,574,486</u>
Total noncurrent liabilities	<u>\$ 575,538</u>	<u>\$ 998,948</u>	<u>\$ 1,574,486</u>
Total liabilities	<u>\$ 744,104</u>	<u>\$ 1,227,809</u>	<u>\$ 1,971,913</u>
<b>NET POSITION</b>			
Net investment in capital assets	\$ 2,364,761	\$ 3,156,298	\$ 5,521,059
Unrestricted	<u>771,130</u>	<u>635,863</u>	<u>1,406,993</u>
Total net position	<u><u>\$ 3,135,891</u></u>	<u><u>\$ 3,792,161</u></u>	<u><u>\$ 6,928,052</u></u>

Combining Statement of Revenues, Expenses, and Changes in Net Position  
Discretely Presented Component Unit - Sanitary Authority  
For the Year Ended June 30, 2024

	Enterprise Funds		
	Water Fund	Sewer Fund	Total
<b>OPERATING REVENUES</b>			
Charges for services:			
Customer service charges	\$ 300,376	\$ 386,171	\$ 686,547
Connection fees	1,311	350	1,661
Availability fees	41,400	32,400	73,800
Miscellaneous	13,695	11,285	24,980
Total operating revenues	\$ 356,782	\$ 430,206	\$ 786,988
<b>OPERATING EXPENSES</b>			
Office supplies and expenses	\$ 10,421	\$ 11,450	\$ 21,871
Plant maintenance	10,772	45,539	56,311
Pipeline/road repairs	3,479	-	3,479
Pump station maintenance	-	192	192
Operating supplies / small equipment	9,117	50,330	59,447
Professional services	135,129	144,955	280,084
Salaries and wages	22,548	22,548	45,096
Benefits	8,568	8,568	17,136
Testing services	1,536	14,535	16,071
Utilities	25,851	90,673	116,524
Depreciation	174,860	193,641	368,501
Total operating expenses	\$ 402,281	\$ 582,431	\$ 984,712
Operating income (loss)	\$ (45,499)	\$ (152,225)	\$ (197,724)
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Investment income	\$ 15,225	\$ 11,916	\$ 27,141
Tower rental	147,395	-	147,395
County operating subsidy	-	207,000	207,000
Interest expense	(12,797)	-	(12,797)
Total nonoperating revenues (expenses)	\$ 149,823	\$ 218,916	\$ 368,739
Change in net position	\$ 104,324	\$ 66,691	\$ 171,015
Total net position - beginning	3,031,567	3,725,470	6,757,037
Total net position - ending	\$ 3,135,891	\$ 3,792,161	\$ 6,928,052

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

	Enterprise Funds		
	Water Fund	Sewer Fund	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers and users	\$ 375,709	\$ 435,013	\$ 810,722
Payments to suppliers	(244,024)	(381,742)	(625,766)
Payments to and on behalf of employees	(31,116)	(31,116)	(62,232)
Net cash provided by (used for) operating activities	\$ 100,569	\$ 22,155	\$ 122,724
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Tower rental	\$ 147,395	\$ -	\$ 147,395
Operating subsidy from Clarke County	-	207,000	207,000
Net cash provided by (used for) noncapital financing activities	\$ 147,395	\$ 207,000	\$ 354,395
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Purchase of property, plant and equipment	\$ -	\$ (5,422)	\$ (5,422)
Retirements of long-term indebtedness	(129,913)	(207,052)	(336,965)
Interest paid on debt	(12,797)	-	(12,797)
Net cash provided by (used for) capital and related financing activities	\$ (142,710)	\$ (212,474)	\$ (355,184)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest income	\$ 15,225	\$ 11,916	\$ 27,141
Net cash provided by (used for) investing activities	\$ 15,225	\$ 11,916	\$ 27,141
Net increase (decrease) in cash and cash equivalents	\$ 120,479	\$ 28,597	\$ 149,076
Cash and cash equivalents - beginning	586,701	538,858	1,125,559
Cash and cash equivalents - ending	\$ 707,180	\$ 567,455	\$ 1,274,635
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:</b>			
Operating income (loss)	\$ (45,499)	\$ (152,225)	\$ (197,724)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	174,860	193,641	368,501
(Increase) decrease in accounts receivable	17,865	4,807	22,672
(Increase) decrease in prepaid items	(34,684)	(7,791)	(42,475)
Increase (decrease) in accounts payable	(13,035)	(16,277)	(29,312)
Increase (decrease) in customers' deposits	1,062	-	1,062
Total adjustments	\$ 146,068	\$ 174,380	\$ 320,448
Net cash provided by (used for) operating activities	\$ 100,569	\$ 22,155	\$ 122,724



**Discretely Presented Component Unit-Industrial Development Authority**

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

	Industrial Development Authority
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 28,085
Investments	<u>132,782</u>
Total assets	<u>\$ 160,867</u>
<b>NET POSITION</b>	
Unrestricted	<u><u>160,867</u></u>

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

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	<b>Industrial Development Authority</b>
<b>OPERATING REVENUES</b>	
Charges for services:	
Bond repayment and application fees	\$ <u>6,448</u>
Total operating revenues	\$ <u>6,448</u>
<b>OPERATING EXPENSES</b>	
Contribution to Lord Fairfax Small Business Park	\$ 6,000
Professional services	1,875
Board members' fee	1,050
Insurance	<u>2,648</u>
Total operating expenses	\$ <u>11,573</u>
Operating income (loss)	\$ <u>(5,125)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Unrealized gain (loss) on investments	\$ 4,313
Interest/dividend income	<u>5,106</u>
Total nonoperating revenues (expenses)	\$ <u>9,419</u>
Change in net position	\$ 4,294
Total net position - beginning	<u>156,573</u>
Total net position - ending	<u><u>160,867</u></u>

## Statement of Cash Flows

Discretely Presented Component Unit - Industrial Development Authority

For the Year Ended June 30, 2024

	<b>Industrial Development Authority</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from customers and users	\$ 6,448
Payments to board	(1,050)
Payments to suppliers	<u>(10,523)</u>
Net cash provided (used) by operating activities	\$ <u>(5,125)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Transfers from investments	\$ <u>150</u>
Net cash provided (used) by noncapital financing activities	\$ <u>150</u>
Net increase (decrease) in cash and cash equivalents	\$ (4,975)
Cash and cash equivalents - beginning	<u>33,060</u>
Cash and cash equivalents - ending	\$ <u><u>28,085</u></u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>	
Operating income (loss)	\$ <u>(5,125)</u>
Net cash provided by (used for) operating activities	\$ <u><u>(5,125)</u></u>

## Supporting Schedules

Schedule of Revenues - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2024

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund:</b>				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 15,299,725	\$ 15,299,725	\$ 15,426,251	\$ 126,526
Real and personal public service corporation taxes	475,000	475,000	435,595	(39,405)
Personal property taxes	7,582,242	7,582,242	8,173,986	591,744
Mobile home taxes	800	800	1,570	770
Machinery and tools taxes	195,000	195,000	224,611	29,611
Penalties	261,000	261,000	287,432	26,432
Interest	135,000	135,000	182,628	47,628
Total general property taxes	\$ 23,948,767	\$ 23,948,767	\$ 24,732,073	\$ 783,306
Other local taxes:				
Local sales and use taxes	\$ 1,650,000	\$ 1,650,000	\$ 1,573,210	\$ (76,790)
Consumers' utility taxes	335,000	335,000	331,673	(3,327)
Consumption taxes	35,000	35,000	37,508	2,508
Cigarette taxes	410,400	410,400	279,300	(131,100)
Motor vehicle licenses	355,000	355,000	318,234	(36,766)
Meals taxes	391,406	391,406	368,546	(22,860)
Taxes on recordation and wills	283,200	283,200	233,545	(49,655)
Transient occupancy taxes	128,000	128,000	112,000	(16,000)
Business license taxes	23,000	23,000	23,890	890
Total other local taxes	\$ 3,611,006	\$ 3,611,006	\$ 3,277,906	\$ (333,100)
Permits, privilege fees, and regulatory licenses:				
Animal licenses	\$ 4,185	\$ 4,185	\$ 4,570	\$ 385
Land use application fees	6,550	6,550	7,900	1,350
Animal shelter fees	9,500	9,500	10,720	1,220
Building and related permits	225,000	225,000	120,055	(104,945)
Zoning and subdivision	96,000	96,000	98,540	2,540
Transfer fees	590	590	495	(95)
Signs permits and inspection fees	300	300	-	(300)
Weapons permits	5,000	5,000	6,774	1,774
Other permits and fees	4,375	4,375	2,210	(2,165)
Total permits, privilege fees, and regulatory licenses	\$ 351,500	\$ 351,500	\$ 251,264	\$ (100,236)
Fines and forfeitures:				
Court fines and forfeitures	\$ 203,000	\$ 203,000	\$ 151,328	\$ (51,672)
Total fines and forfeitures	\$ 203,000	\$ 203,000	\$ 151,328	\$ (51,672)
Revenue from use of money and property:				
Revenue from use of money	\$ 125,000	\$ 125,000	\$ 277,305	\$ 152,305
Revenue from use of property	43,930	43,930	50,791	6,861
Total revenue from use of money and property	\$ 168,930	\$ 168,930	\$ 328,096	\$ 159,166

Schedule of Revenues - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2024 (continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund: (Continued)</b>				
Revenue from local sources: (Continued)				
Charges for services:				
Sheriff's fees	\$ 800	\$ 800	\$ 315	\$ (485)
Charges for ambulance and rescue	490,000	490,000	602,549	112,549
Charges for courthouse security	60,000	60,000	58,004	(1,996)
Charges for jail processing	850	850	1,217	367
Court appointed attorney	200	200	-	(200)
Charges for other localities	5,000	5,000	-	(5,000)
Charges for Commonwealth's Attorney	800	800	994	194
Charges for parks and recreation	402,500	402,500	479,712	77,212
Charges for engineer's fees/biosolids applications	10,000	10,000	12,475	2,475
E-tickets	11,000	11,000	9,293	(1,707)
Other charges for services	26,706	26,706	27,155	449
Total charges for services	\$ 1,007,856	\$ 1,007,856	\$ 1,191,714	\$ 183,858
Miscellaneous:				
Miscellaneous	\$ 85,357	\$ 90,699	\$ 135,597	\$ 44,898
Total miscellaneous	\$ 85,357	\$ 90,699	\$ 135,597	\$ 44,898
Recovered costs:				
Rebates and refunds	\$ 6,800	\$ 6,800	\$ 7,972	\$ 1,172
Gifts and donations in lieu of taxes	1,000	1,000	1,155	155
Sale of salvage	-	-	153	153
Recycling and other rebates and refunds	27,027	27,027	23,574	(3,453)
Total recovered costs	\$ 34,827	\$ 34,827	\$ 32,854	\$ (1,973)
Total revenue from local sources	\$ 29,411,243	\$ 29,416,585	\$ 30,100,832	\$ 684,247
Intergovernmental:				
Revenue from the Commonwealth:				
Noncategorical aid:				
Motor vehicle carriers' tax	\$ 22,000	\$ 22,000	\$ 25,891	\$ 3,891
Taxes on deeds	100,000	100,000	75,783	(24,217)
Quarterly rental tax	200	200	848	648
Communications tax	272,479	272,479	280,002	7,523
Personal property tax relief funds	2,483,842	2,483,842	2,483,842	-
Total noncategorical aid	\$ 2,878,521	\$ 2,878,521	\$ 2,866,366	\$ (12,155)

Schedule of Revenues - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2024 (continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund: (Continued)</b>				
Intergovernmental: (Continued)				
Revenue from the Commonwealth: (Continued)				
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	\$ 234,976	\$ 234,976	\$ 235,887	\$ 911
Sheriff	962,174	962,174	974,444	12,270
Commissioner of revenue	121,301	121,301	120,368	(933)
Treasurer	143,431	158,142	146,775	(11,367)
Registrar/electoral board	63,414	63,414	70,328	6,914
Clerk of the Circuit Court	209,854	209,854	292,052	82,198
Total shared expenses	\$ 1,735,150	\$ 1,749,861	\$ 1,839,854	\$ 89,993
Other categorical aid:				
Fire programs fund	\$ 38,000	\$ 38,000	\$ 42,593	\$ 4,593
Litter control grant	8,000	16,552	16,552	-
Virginia Commission for the Arts	4,500	4,500	4,500	-
Other categorical aid	130,542	152,700	172,195	19,495
Total other categorical aid	\$ 181,042	\$ 211,752	\$ 235,840	\$ 24,088
Total categorical aid	\$ 1,916,192	\$ 1,961,613	\$ 2,075,694	\$ 114,081
Total revenue from the Commonwealth	\$ 4,794,713	\$ 4,840,134	\$ 4,942,060	\$ 101,926
Revenue from the federal government:				
Payments in lieu of taxes	\$ 7,417	\$ 7,417	\$ 7,841	\$ 424
Categorical aid:				
Crime victim assistance	\$ 40,313	\$ 40,313	\$ 40,313	\$ -
Local assistance and tribal consistency fund	-	4,500	4,500	-
SCAAP grant	1,689	1,689	1,343	(346)
Emergency management performance grant	7,500	15,000	15,000	-
Violence against women formula grants	28,053	28,053	28,012	(41)
Total categorical aid	\$ 77,555	\$ 89,555	\$ 89,168	\$ (387)
Total revenue from the federal government	\$ 84,972	\$ 96,972	\$ 97,009	\$ 37
Total General Fund	\$ 34,290,928	\$ 34,353,691	\$ 35,139,901	\$ 786,210



Schedule of Revenues - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2024 (continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>Special Revenue Funds:</b>				
<b>Virginia Public Assistance Fund:</b>				
Revenue from local sources:				
Recovered costs:				
Expenditure refunds	\$ -	\$ -	\$ 575	\$ 575
Total recovered costs	\$ -	\$ -	\$ 575	\$ 575
Total revenue from local sources	\$ -	\$ -	\$ 575	\$ 575
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Public assistance and welfare administration	\$ 658,970	\$ 658,970	\$ 392,466	\$ (266,504)
Total categorical aid	\$ 658,970	\$ 658,970	\$ 392,466	\$ (266,504)
Total revenue from the Commonwealth	\$ 658,970	\$ 658,970	\$ 392,466	\$ (266,504)
Revenue from the federal government:				
Categorical aid:				
Public assistance and welfare administration	\$ 658,970	\$ 658,970	\$ 840,296	\$ 181,326
Total categorical aid	\$ 658,970	\$ 658,970	\$ 840,296	\$ 181,326
Total revenue from the federal government	\$ 658,970	\$ 658,970	\$ 840,296	\$ 181,326
Total Virginia Public Assistance Fund	\$ 1,317,940	\$ 1,317,940	\$ 1,233,337	\$ (84,603)
<b>Children's Services Act Fund:</b>				
Revenue from local sources:				
Miscellaneous:				
Other miscellaneous	\$ -	\$ -	\$ 13,835	\$ 13,835
Total miscellaneous	\$ -	\$ -	\$ 13,835	\$ 13,835
Total revenue from local sources	\$ -	\$ -	\$ 13,835	\$ 13,835
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Children's services	\$ 200,675	\$ 559,808	\$ 266,623	\$ (293,185)
Total categorical aid	\$ 200,675	\$ 559,808	\$ 266,623	\$ (293,185)
Total revenue from the Commonwealth	\$ 200,675	\$ 559,808	\$ 266,623	\$ (293,185)
Revenue from the federal government:				
Categorical aid:				
Other categorical aid	\$ 13,046	\$ 13,046	\$ 15,915	\$ 2,869
Total categorical aid	\$ 13,046	\$ 13,046	\$ 15,915	\$ 2,869
Total revenue from the federal government	\$ 13,046	\$ 13,046	\$ 15,915	\$ 2,869
Total Children's Services Act Fund	\$ 213,721	\$ 572,854	\$ 296,373	\$ (276,481)

Schedule of Revenues - Budget and Actual  
 Governmental Funds  
 For the Year Ended June 30, 2024 (continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>Special Revenue Funds: (Continued)</b>				
<b>Drug Enforcement Fund:</b>				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 2,011	\$ 2,011
Total revenue from use of money and property	\$ -	\$ -	\$ 2,011	\$ 2,011
Miscellaneous:				
Gifts and donations	\$ -	\$ -	\$ 42,450	\$ 42,450
Total miscellaneous	\$ -	\$ -	\$ 42,450	\$ 42,450
Total revenue from local sources	\$ -	\$ -	\$ 44,461	\$ 44,461
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Asset forfeiture	\$ -	\$ -	\$ 5,519	\$ 5,519
Total revenue from the Commonwealth	\$ -	\$ -	\$ 5,519	\$ 5,519
Total drug enforcement fund	\$ -	\$ -	\$ 49,980	\$ 49,980
<b>Conservation Easement Fund:</b>				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ -	\$ -	\$ 35,819	\$ 35,819
Revenue from use of money and property:				
Revenue from use of money	\$ -	\$ -	\$ 11,993	\$ 11,993
Miscellaneous:				
Miscellaneous	\$ 30,000	\$ 67,625	\$ 92,914	\$ 25,289
Total revenue from local sources	\$ 30,000	\$ 67,625	\$ 140,726	\$ 73,101
Intergovernmental:				
Revenue from the Commonwealth:				
Other categorical aid:				
Conservation easement grants	\$ 15,000	\$ 56,125	\$ 48,055	\$ (8,070)
Total Conservation Easement Fund	\$ 45,000	\$ 123,750	\$ 188,781	\$ 65,031

Schedule of Revenues - Budget and Actual  
 Governmental Funds  
 For the Year Ended June 30, 2024 (continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>Debt Service Funds:</b>				
<b>School Debt Service Fund</b>				
Revenue from local sources:				
Miscellaneous:				
Expenditure refunds	\$ 108,309	\$ 108,309	\$ 109,448	\$ 1,139
Total revenue from local sources	\$ 108,309	\$ 108,309	\$ 109,448	\$ 1,139
Intergovernmental:				
Revenue from the federal government:				
Categorical aid:				
BAB interest subsidy	\$ 77,490	\$ 77,490	\$ 74,056	\$ (3,434)
Total School Debt Service Fund	\$ 185,799	\$ 185,799	\$ 183,504	\$ (2,295)
<b>Capital Projects Fund:</b>				
<b>General Government Capital Projects Fund:</b>				
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Other categorical aid	\$ 26,318	\$ 89,765	\$ 89,765	\$ -
Total revenue from the Commonwealth	\$ 26,318	\$ 89,765	\$ 89,765	\$ -
Revenue from the federal government:				
Categorical aid:				
Other categorical aid	\$ 150,000	\$ 323,745	\$ 297,824	\$ (25,921)
Total categorical aid	\$ 150,000	\$ 323,745	\$ 297,824	\$ (25,921)
Total revenue from the federal government	\$ 150,000	\$ 323,745	\$ 297,824	\$ (25,921)
Total General Government Capital Projects Fund	\$ 176,318	\$ 413,510	\$ 387,589	\$ (25,921)
<b>Parks Construction Fund:</b>				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 386	\$ 386
Total revenue from use of money and property	\$ -	\$ -	\$ 386	\$ 386
Miscellaneous:				
Gifts and donations	\$ -	\$ -	\$ 1,130	\$ 1,130
Total miscellaneous	\$ -	\$ -	\$ 1,130	\$ 1,130
Total revenue from local sources	\$ -	\$ -	\$ 1,516	\$ 1,516
Total Parks Construction Fund	\$ -	\$ -	\$ 1,516	\$ 1,516
Total Primary Government	\$ 36,229,706	\$ 36,967,544	\$ 37,480,981	\$ 513,437
<b>Discretely Presented Component Unit - School Board:</b>				
<b>School Operating Fund:</b>				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of property	\$ 40,000	\$ 40,000	\$ 58,906	\$ 18,906
Charges for services:				
Tuition	\$ 85,000	\$ 85,000	\$ 94,448	\$ 9,448
Dual enrollment	60,000	60,000	114,455	54,455
Registration fees	23,000	23,000	20,016	(2,984)
Parking fees	2,460	2,460	2,000	(460)
Total charges for services	\$ 170,460	\$ 170,460	\$ 230,919	\$ 60,459

Schedule of Revenues - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2024 (continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>Discretely Presented Component Unit - School Board: (Continued)</b>				
<b>School Operating Fund: (Continued)</b>				
Revenue from local sources: (Continued)				
Miscellaneous:				
Other miscellaneous	\$ 2,000	\$ 2,000	\$ 4,909	\$ 2,909
Private gifts and donations	19,800	19,800	6,462	(13,338)
Total miscellaneous	\$ 21,800	\$ 21,800	\$ 11,371	\$ (10,429)
Recovered costs:				
Rebates and refunds	\$ 10,425	\$ 10,425	\$ 7,068	\$ (3,357)
Total recovered costs	\$ 10,425	\$ 10,425	\$ 7,068	\$ (3,357)
Total revenue from local sources	\$ 242,685	\$ 242,685	\$ 308,264	\$ 65,579
Intergovernmental:				
Revenues from local governments:				
Contribution from County of Clarke, Virginia	\$ 14,739,781	\$ 14,739,781	\$ 14,225,095	\$ (514,686)
Total revenues from local governments	\$ 14,739,781	\$ 14,739,781	\$ 14,225,095	\$ (514,686)
Revenue from the Commonwealth:				
Categorical aid:				
Share of state sales tax	\$ 3,037,391	\$ 3,037,391	\$ 2,907,973	\$ (129,418)
Basic school aid	4,409,826	4,591,165	4,695,124	103,959
Remedial summer education	17,963	17,963	-	(17,963)
Regular foster care	47,740	31,694	8,104	(23,590)
Gifted and talented	45,365	45,706	45,686	(20)
Remedial education	70,037	70,563	70,532	(31)
Special education	470,361	473,896	473,689	(207)
Textbook payments	105,358	106,149	106,103	(46)
Vocational education - soq	134,503	135,513	135,454	(59)
Social security - fringe benefits	266,618	267,018	266,901	(117)
Retirement - fringe benefits	620,781	623,041	622,769	(272)
Group life insurance - fringe benefits	19,101	19,245	19,236	(9)
State lottery payments	326,649	326,649	324,545	(2,104)
Early reading intervention	45,796	45,796	37,618	(8,178)
GED/ISAEP	8,203	8,203	8,173	(30)
Vocational education - equipment	8,289	10,158	10,158	-
Vocational occupational preparedness	4,076	1,278	-	(1,278)
Compensation supplement	629,171	713,837	712,561	(1,276)
Special education - foster children	-	16,046	16,046	-
Community development	415,005	415,005	430,138	15,133
At risk payments	71,886	73,994	73,994	-
Mentor teacher program	1,146	799	857	58
English as a second language	81,777	81,777	72,469	(9,308)
Special education - regional program	29,756	29,756	45,863	16,107
Other categorical aid	625,398	640,452	568,036	(72,416)
Total categorical aid	\$ 11,492,196	\$ 11,783,094	\$ 11,652,029	\$ (131,065)
Total revenue from the Commonwealth	\$ 11,492,196	\$ 11,783,094	\$ 11,652,029	\$ (131,065)

Schedule of Revenues - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2024 (continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>Discretely Presented Component Unit - School Board: (Continued)</b>				
Intergovernmental: (Continued)				
Revenue from the federal government:				
Categorical aid:				
Title I part A: Grants to local educational agencies	\$ 175,000	\$ 175,000	\$ 182,437	\$ 7,437
Title II part A: Improving teacher quality	38,506	38,506	44,721	6,215
Title III, Part A: English language acquisition grants	6,489	6,489	9,773	3,284
Title IV, Part A: Student support and academic enrichment grants	13,452	13,452	15,594	2,142
Title VI-B: Special education grants to states	433,237	433,237	475,179	41,942
Special education preschool handicapped grant	14,379	14,379	14,700	321
Vocational education basic grants to states	22,859	22,859	24,661	1,802
Education Stabilization Fund	402,979	451,390	448,627	(2,763)
Public health crisis response	-	-	12,962	12,962
Total categorical aid	\$ 1,106,901	\$ 1,155,312	\$ 1,228,654	\$ 73,342
Total revenue from the federal government	\$ 1,106,901	\$ 1,155,312	\$ 1,228,654	\$ 73,342
Total School Operating Fund	\$ 27,581,563	\$ 27,920,872	\$ 27,414,042	\$ (506,830)
<b>Special Revenue Funds:</b>				
<b>School Food Service Fund:</b>				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ 3,000	\$ 3,000	\$ 14,187	\$ 11,187
Total revenue from use of money and property	\$ 3,000	\$ 3,000	\$ 14,187	\$ 11,187
Charges for services:				
Cafeteria sales	\$ 580,599	\$ 580,599	\$ 516,010	\$ (64,589)
Other charges for services	17,000	17,000	38,793	21,793
Total charges for services	\$ 597,599	\$ 597,599	\$ 554,803	\$ (42,796)
Recovered costs:				
Expenditure refunds and rebates	\$ 4,947	\$ 4,947	\$ 9,294	\$ 4,347
Total recovered costs	\$ 4,947	\$ 4,947	\$ 9,294	\$ 4,347
Total revenue from local sources	\$ 605,546	\$ 605,546	\$ 578,284	\$ (27,262)
Revenue from the Commonwealth:				
Categorical aid:				
School food program grant	\$ 44,621	\$ 44,621	\$ 17,716	\$ (26,905)
Total categorical aid	\$ 44,621	\$ 44,621	\$ 17,716	\$ (26,905)
Total revenue from the Commonwealth	\$ 44,621	\$ 44,621	\$ 17,716	\$ (26,905)
Revenue from the federal government:				
Categorical aid:				
School food program grant	\$ 915,224	\$ 915,224	\$ 534,452	\$ (380,772)
Total categorical aid	\$ 915,224	\$ 915,224	\$ 534,452	\$ (380,772)
Total revenue from the federal government	\$ 915,224	\$ 915,224	\$ 534,452	\$ (380,772)
Total School Food Service Fund	\$ 1,565,391	\$ 1,565,391	\$ 1,130,452	\$ (434,939)

Schedule of Revenues - Budget and Actual  
 Governmental Funds  
 For the Year Ended June 30, 2024 (continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>Discretely Presented Component Unit - School Board: (Continued)</b>				
<b>School Activity Fund:</b>				
Revenue from local sources:				
Miscellaneous revenue:				
Other miscellaneous	\$ -	\$ -	\$ 491,333	\$ 491,333
Total miscellaneous revenue	\$ -	\$ -	\$ 491,333	\$ 491,333
Total revenue from local sources	\$ -	\$ -	\$ 491,333	\$ 491,333
Total School Activity Fund	\$ -	\$ -	\$ 491,333	\$ 491,333
<b>Capital Projects Funds:</b>				
<b>School Capital Projects Fund:</b>				
Revenue from local sources:				
Miscellaneous:				
Other miscellaneous	\$ -	\$ 17,977	\$ 17,977	\$ -
Total miscellaneous	\$ -	\$ 17,977	\$ 17,977	\$ -
Recovered costs:				
E-rate benefits	\$ 93,800	\$ 93,800	\$ 16,929	\$ (76,871)
Total recovered costs	\$ 93,800	\$ 93,800	\$ 16,929	\$ (76,871)
Total revenue from local sources	\$ 93,800	\$ 111,777	\$ 34,906	\$ (76,871)
Intergovernmental:				
Revenues from local governments:				
Contribution from County of Clarke, Virginia	\$ 531,456	\$ 360,411	\$ 94,790	\$ (265,621)
Total revenues from local governments	\$ 531,456	\$ 360,411	\$ 94,790	\$ (265,621)
Revenue from the Commonwealth:				
Categorical aid:				
Technology grant	\$ 154,000	\$ 458,216	\$ 147,043	\$ (311,173)
School construction grant	-	510,848	-	(510,848)
Other categorical aid	-	104,719	104,719	-
Total categorical aid	\$ 154,000	\$ 1,073,783	\$ 251,762	\$ (822,021)
Total revenue from the Commonwealth	\$ 154,000	\$ 1,073,783	\$ 251,762	\$ (822,021)
Total School Capital Projects Fund	\$ 779,256	\$ 1,545,971	\$ 381,458	\$ (1,164,513)
<b>Capital Projects Fund:</b>				
<b>School Capital Projects Proffers Fund:</b>				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 683	\$ 683
Total School Capital Projects Proffers Fund	\$ -	\$ -	\$ 683	\$ 683
Total Discretely Presented Component Unit - School Board	\$ 29,926,210	\$ 31,032,234	\$ 29,417,968	\$ (1,614,266)

Schedule of Expenditures - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2024

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund:</b>				
General government administration:				
Legislative:				
Board of supervisors	\$ 59,399	\$ 59,399	\$ 55,880	\$ 3,519
General and financial administration:				
County administrator	\$ 423,190	\$ 423,190	\$ 400,535	\$ 22,655
Independent auditor	65,927	65,927	53,406	12,521
Legal services	35,000	35,000	10,466	24,534
Commissioner of revenue	304,295	304,295	297,837	6,458
Data processing	570,712	570,712	519,525	51,187
Information systems	74,682	83,235	84,471	(1,236)
Finance and purchasing	702,690	702,690	677,540	25,150
Treasurer	438,215	490,760	422,169	68,591
Total general and financial administration	\$ 2,614,711	\$ 2,675,809	\$ 2,465,949	\$ 209,860
Board of elections:				
Registrar	\$ 202,920	\$ 202,920	\$ 188,855	\$ 14,065
Electoral board and officials	84,454	84,454	70,676	13,778
Total board of elections	\$ 287,374	\$ 287,374	\$ 259,531	\$ 27,843
Total general government administration	\$ 2,961,484	\$ 3,022,582	\$ 2,781,360	\$ 241,222
Judicial administration:				
Courts:				
Circuit court	\$ 19,270	\$ 17,787	\$ 10,872	\$ 6,915
General district court	8,120	8,120	8,458	(338)
Juvenile and domestic relations court	6,400	6,400	6,108	292
Clerk of the circuit court	300,984	302,467	302,466	1
Victim Witness Program	81,725	82,431	82,431	-
Regional court services	8,000	8,000	8,000	-
Blue Ridge legal services	1,500	1,500	1,500	-
Total courts	\$ 425,999	\$ 426,705	\$ 419,835	\$ 6,870
Commonwealth's attorney:				
Commonwealth's attorney	\$ 503,663	\$ 502,957	\$ 504,708	\$ (1,751)
Total commonwealth's attorney	\$ 503,663	\$ 502,957	\$ 504,708	\$ (1,751)
Total judicial administration	\$ 929,662	\$ 929,662	\$ 924,543	\$ 5,119

Schedule of Expenditures - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2024 (Continued)

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund: (Continued)</b>				
Public safety:				
Law enforcement and traffic control:				
Sheriff	\$ 3,391,758	\$ 3,431,104	\$ 3,444,199	\$ (13,095)
Criminal justice training	21,723	21,723	21,723	-
Drug task force	13,400	13,400	12,378	1,022
Total law enforcement and traffic control	\$ 3,426,881	\$ 3,466,227	\$ 3,478,300	\$ (12,073)
Fire and rescue services:				
Emergency medical services	\$ 2,100,401	\$ 2,133,152	\$ 2,224,038	\$ (90,886)
Fire and rescue departments	575,555	575,555	601,497	(25,942)
Lord Fairfax Emergency Medical Services	6,904	6,904	6,904	-
Forestry services	2,874	2,874	2,874	-
Total fire and rescue services	\$ 2,685,734	\$ 2,718,485	\$ 2,835,313	\$ (116,828)
Correction and detention:				
Regional jail	\$ 541,010	\$ 541,010	\$ 503,038	\$ 37,972
Juvenile detention home	13,146	13,146	12,696	450
Probation office	400	400	52	348
Total correction and detention	\$ 554,556	\$ 554,556	\$ 515,786	\$ 38,770
Inspections:				
Building	\$ 274,043	\$ 274,043	\$ 263,448	\$ 10,595
Total inspections	\$ 274,043	\$ 274,043	\$ 263,448	\$ 10,595
Other protection:				
Animal control	\$ 173,310	\$ 173,478	\$ 254,210	\$ (80,732)
Medical examiner	200	200	140	60
Total other protection	\$ 173,510	\$ 173,678	\$ 254,350	\$ (80,672)
Total public safety	\$ 7,114,724	\$ 7,186,989	\$ 7,347,197	\$ (160,208)
Public works:				
Sanitation and waste removal:				
Refuse collection and disposal	\$ 194,400	\$ 194,400	\$ 192,731	\$ 1,669
Sanitation	244,000	244,000	238,978	5,022
Convenience center services	98,446	98,446	72,229	26,217
Litter control program	8,000	16,552	16,552	-
Total sanitation and waste removal	\$ 544,846	\$ 553,398	\$ 520,490	\$ 32,908



Schedule of Expenditures - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2024 (Continued)

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund: (Continued)</b>				
Public works: (continued)				
Maintenance of general buildings and grounds:				
General properties	\$ 900,085	\$ 900,085	\$ 953,962	\$ (53,877)
Total maintenance of general buildings and grounds	\$ 900,085	\$ 900,085	\$ 953,962	\$ (53,877)
Total public works	\$ 1,444,931	\$ 1,453,483	\$ 1,474,452	\$ (20,969)
Health and welfare:				
Health:				
Supplement of local health department	\$ 225,000	\$ 200,000	\$ 200,001	\$ (1)
Our Health	6,500	6,500	6,500	-
Total health	\$ 231,500	\$ 206,500	\$ 206,501	\$ (1)
Mental health and mental retardation:				
Northwestern Community Services	\$ 111,284	\$ 111,284	\$ 111,284	\$ -
Concern Hotline	1,500	1,500	1,500	-
Northern Shen. Valley Substance Abuse Coalition	15,000	15,000	15,000	-
NW Works	5,000	5,000	5,000	-
Total mental health and mental retardation	\$ 132,784	\$ 132,784	\$ 132,784	\$ -
Welfare:				
Shenandoah area on aging	\$ 42,000	\$ 42,000	\$ 42,000	\$ -
Virginia Regional Transit	24,960	24,960	24,960	-
FISH human services	2,000	2,000	2,000	-
Abused women's shelter	6,000	6,000	6,000	-
Tax relief for the elderly	215,000	215,000	223,279	(8,279)
Independent living center	2,000	2,000	2,000	-
Total welfare	\$ 291,960	\$ 291,960	\$ 300,239	\$ (8,279)
Total health and welfare	\$ 656,244	\$ 631,244	\$ 639,524	\$ (8,280)
Education:				
Other instructional costs:				
Contribution to Clarke County Public Schools	\$ 14,739,781	\$ 15,100,193	\$ 14,319,885	\$ 780,308
Lord Fairfax Community College	16,921	16,921	16,921	-
Total education	\$ 14,756,702	\$ 15,117,114	\$ 14,336,806	\$ 780,308
Parks, recreation, and cultural:				
Parks and recreation:				
Supervision of parks and recreation	\$ 574,534	\$ 518,865	\$ 520,466	\$ (1,601)
Recreation center	172,122	177,344	177,891	(547)
Swimming pool	102,401	111,358	112,014	(656)
Concession stand	22,858	22,858	21,594	1,264
Programs	353,065	398,526	264,993	133,533
Total parks and recreation	\$ 1,224,980	\$ 1,228,951	\$ 1,096,958	\$ 131,993

Schedule of Expenditures - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2024 (Continued)

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund: (Continued)</b>				
Parks, recreation, and culture: (continued)				
Cultural enrichment:				
Barns of Rose Hill	\$ 9,000	\$ 14,000	\$ 14,000	\$ -
Virginia commission for the arts	9,000	9,000	9,000	-
Total cultural enrichment	\$ 18,000	\$ 23,000	\$ 23,000	\$ -
Library:				
Contribution to Handley library	\$ 325,989	\$ 325,989	\$ 325,989	\$ -
Total library	\$ 325,989	\$ 325,989	\$ 325,989	\$ -
Total parks, recreation, and cultural	\$ 1,568,969	\$ 1,577,940	\$ 1,445,947	\$ 131,993
Community development:				
Planning and community development:				
Planning administration	\$ 533,786	\$ 533,786	\$ 512,428	\$ 21,358
Help with housing	10,000	10,000	10,000	-
Board of zoning appeals	3,519	3,519	11,872	(8,353)
Office of Economic Development	177,111	177,111	132,069	45,042
Berryville Development Authority	900	900	461	439
Small business development center	2,000	2,000	2,000	-
Blandy Experimental Farm	3,500	3,500	3,500	-
Planning commission	14,396	14,396	14,295	101
Board of septic appeals	1,572	1,572	517	1,055
Historic preservation	11,150	11,150	11,768	(618)
Northern Shenandoah Valley Regional Commission	11,867	11,867	11,867	-
Berryville Main St	3,500	3,500	3,500	-
Regional airport	5,000	5,000	5,000	-
Total planning and community development	\$ 778,301	\$ 778,301	\$ 719,277	\$ 59,024
Environmental management:				
Friends of the Shenandoah	\$ 10,000	\$ 10,000	\$ 10,000	\$ -
Water quality monitoring	30,760	30,760	35,125	(4,365)
Lord Fairfax Soil and Water Conservation	9,500	9,500	9,500	-
Biosolids Application	1,091	1,091	14	1,077
Total environmental management	\$ 51,351	\$ 51,351	\$ 54,639	\$ (3,288)
Cooperative extension program:				
Cooperative extension service	\$ 61,919	\$ 61,919	\$ 45,640	\$ 16,279
Northern Virginia 4-H Center	2,000	2,000	2,000	-
Total cooperative extension program	\$ 63,919	\$ 63,919	\$ 47,640	\$ 16,279
Total community development	\$ 893,571	\$ 893,571	\$ 821,556	\$ 72,015

Schedule of Expenditures - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2024 (Continued)

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund: (Continued)</b>				
Nondepartmental:				
Miscellaneous	\$ -	\$ -	\$ 26,830	\$ (26,830)
Unemployment compensation	10,000	10,000	165	9,835
Legal/professional services contingency	54,638	37,585	-	37,585
Total nondepartmental	\$ 64,638	\$ 47,585	\$ 26,995	\$ 20,590
Total General Fund	\$ 30,390,925	\$ 30,860,170	\$ 29,798,380	\$ 1,061,790
<b>Special Revenue Funds:</b>				
<b>Virginia Public Assistance Fund:</b>				
Health and welfare:				
Welfare and social services:				
Public assistance and welfare administration	\$ 2,013,734	\$ 2,014,633	\$ 1,625,358	\$ 389,275
Total health and welfare	\$ 2,013,734	\$ 2,014,633	\$ 1,625,358	\$ 389,275
Total Virginia Public Assistance Fund	\$ 2,013,734	\$ 2,014,633	\$ 1,625,358	\$ 389,275
<b>Children's Services Act Fund:</b>				
Health and welfare:				
Welfare and social services:				
Program expenditures	\$ 410,764	\$ 858,772	\$ 595,200	\$ 263,572
Total health and welfare	\$ 410,764	\$ 858,772	\$ 595,200	\$ 263,572
Total Children's Services Act Fund	\$ 410,764	\$ 858,772	\$ 595,200	\$ 263,572
<b>Drug Enforcement Fund:</b>				
Public Safety:				
Public Safety				
Operations	\$ -	\$ -	\$ 51,285	\$ (51,285)
Total public safety	\$ -	\$ -	\$ 51,285	\$ (51,285)
Total Drug Enforcement Fund	\$ -	\$ -	\$ 51,285	\$ (51,285)
<b>Conservation Easement Fund:</b>				
Community development:				
Development rights				
Development rights	\$ 90,000	\$ 168,750	\$ 162,718	\$ 6,032
Total Conservation Easement Fund	\$ 90,000	\$ 168,750	\$ 162,718	\$ 6,032

Schedule of Expenditures - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2024 (Continued)

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>Debt Service Fund:</b>				
<b>School Debt Service Fund:</b>				
Debt service:				
Principal retirement	\$ 1,570,000	\$ 1,570,000	\$ 1,570,000	\$ -
Interest and other fiscal charges	719,543	719,543	719,768	(225)
Total School Debt Service Fund	<u>\$ 2,289,543</u>	<u>\$ 2,289,543</u>	<u>\$ 2,289,768</u>	<u>\$ (225)</u>
<b>Primary Government Debt Service Fund:</b>				
Debt service:				
Principal retirement	\$ 108,046	\$ 116,374	\$ 108,477	\$ 7,897
Interest and other fiscal charges	143,654	135,326	143,223	(7,897)
Total Primary Government Debt Service	<u>\$ 251,700</u>	<u>\$ 251,700</u>	<u>\$ 251,700</u>	<u>\$ -</u>
<b>Capital Projects Fund:</b>				
<b>General Government Capital Projects Fund:</b>				
Capital projects:				
HVAC	\$ -	\$ 191,957	\$ 143,444	\$ 48,513
Communications	445,000	426,684	407,341	19,343
Parks & recreation	200,000	454,366	336,222	118,144
Reassessment	-	305,285	165,425	139,860
IT improvements	-	5,349	-	5,349
Public safety	740,000	706,219	634,850	71,369
Community development	-	478,318	407,227	71,091
911 dispatch	-	14,947	14,947	-
Broadband	2,160,000	2,160,000	2,160,000	-
General properties & outlay	76,318	836,343	601,255	235,088
Total General Government Capital Projects Fund	<u>\$ 3,621,318</u>	<u>\$ 5,579,468</u>	<u>\$ 4,870,711</u>	<u>\$ 708,757</u>
Total Primary Government	<u>\$ 39,067,984</u>	<u>\$ 42,023,036</u>	<u>\$ 39,645,120</u>	<u>\$ 2,377,916</u>

Schedule of Expenditures - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2024 (Continued)

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>Discretely Presented Component Unit - School Board</b>				
<b>School Operating Fund:</b>				
Education:				
Instruction	\$ 22,195,384	\$ 22,545,161	\$ 21,837,582	\$ 707,579
Administration, attendance and health	1,438,331	1,408,882	1,625,841	(216,959)
Pupil transportation services	1,328,068	1,324,565	1,347,431	(22,866)
Operation and maintenance services	2,623,280	2,655,964	2,620,251	35,713
Total School Operating Fund	<u>\$ 27,585,063</u>	<u>\$ 27,934,572</u>	<u>\$ 27,431,105</u>	<u>\$ 503,467</u>
<b>Special Revenue Fund:</b>				
<b>School Food Service Fund:</b>				
Education:				
School food services:				
Administration of school food program	\$ 1,565,391	\$ 1,565,391	\$ 1,270,591	\$ 294,800
Total School Food Service Fund	<u>\$ 1,565,391</u>	<u>\$ 1,565,391</u>	<u>\$ 1,270,591</u>	<u>\$ 294,800</u>
<b>School Activity Fund:</b>				
Education:				
Instruction	\$ -	\$ -	\$ 481,749	\$ (481,749)
Total School Activity Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 481,749</u>	<u>\$ (481,749)</u>
<b>Capital Projects Fund:</b>				
<b>School Capital Projects Fund:</b>				
Capital projects:				
Band equipment	\$ 20,000	\$ 20,000	\$ 15,520	\$ 4,480
Athletic equipment and uniforms	10,000	9,683	9,683	-
Furniture replacement	56,000	34,507	34,508	(1)
Bus purchases	112,000	112,581	108,264	4,317
School vehicles	30,000	-	-	-
School security system	70,000	105,222	105,222	-
Fencing	-	850	850	-
HVAC	-	817,322	669,682	147,640
Roof replacements	-	18,500	3,500	15,000
Flooring replacements	10,000	4,850	4,850	-
Security improvements	-	168,118	50,516	117,602
Surfacing	30,956	17,652	7,285	10,367
Playgrounds and fields	-	17,977	17,977	-
Technology	287,800	699,499	286,602	412,897
School repairs	60,000	850	849	1
Signs	2,500	1,952	1,952	-
Painting	30,000	-	-	-
Johnson Williams middle renovation	60,000	64,625	64,625	-
Total capital projects	<u>\$ 779,256</u>	<u>\$ 2,094,188</u>	<u>\$ 1,381,885</u>	<u>\$ 712,303</u>
Total School Capital Projects Fund	<u>\$ 779,256</u>	<u>\$ 2,094,188</u>	<u>\$ 1,381,885</u>	<u>\$ 712,303</u>
Total Discretely Presented Component Unit - School Board	<u>\$ 29,929,710</u>	<u>\$ 31,594,151</u>	<u>\$ 30,565,330</u>	<u>\$ 1,028,821</u>

## Other Statistical Information

Government-Wide Expenses by Function  
Last Ten Fiscal Years

Fiscal Year	General Government Administration	Judicial Administration	Public Safety	Public Works (1)	Health and Welfare	Education (2)	Parks, Recreation, and Cultural	Community Development	Interest on Long-Term Debt	Sanitary Authority	IDA	Total
2014-15	\$ 2,228,785	\$ 598,469	\$ 4,414,115	\$ 863,529	\$ 2,418,330	\$ 23,617,577	\$ 1,048,103	\$ 980,692	\$ 1,559,976	\$ 958,018	\$ 10,235	\$ 38,697,829
2015-16	2,236,563	602,451	4,094,648	943,504	2,646,112	23,362,861	1,046,407	866,154	1,453,276	928,141	10,090	38,190,207
2016-17	1,756,158	691,496	4,312,322	942,657	2,859,737	24,942,640	1,740,882	1,786,425	1,333,403	864,755	9,484	41,239,959
2017-18	2,183,992	756,574	4,390,173	1,040,596	2,553,964	24,113,225	1,184,765	751,064	1,262,545	991,414	10,405	39,238,717
2018-19	2,432,025	815,472	5,018,338	1,149,634	2,177,021	24,743,660	1,221,501	1,114,874	1,165,960	1,101,563	14,863	40,954,911
2019-20	2,819,934	809,978	5,789,312	1,262,313	2,139,568	26,436,334	1,153,029	676,267	1,101,459	945,879	19,753	43,153,826
2020-21	2,738,732	754,244	6,438,791	1,239,069	2,198,510	26,498,821	1,262,208	1,221,469	1,033,933	896,996	8,427	44,291,200
2021-22	2,762,829	810,794	6,418,045	1,317,424	2,473,655	25,166,853	1,314,480	1,602,219	962,475	911,210	8,377	43,748,361
2022-23	5,566,495	900,550	7,556,150	1,311,011	2,666,097	27,404,189	1,484,725	1,047,245	889,176	1,031,826	20,705	49,878,169
2023-24	5,643,353	1,019,286	7,593,824	1,376,089	2,848,697	30,154,422	1,505,948	971,827	813,947	997,509	11,573	52,936,475

(1) Public works total is reduced by the contribution to the component unit Clarke County Sanitary Authority

(2) Education total includes both general government and component unit school board and is reduced by the contribution to the component unit school board.

## Government-Wide Revenues

Last Ten Fiscal Years (1)

Fiscal Year	PROGRAM REVENUES			GENERAL REVENUES					Total
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	General Property Taxes	Other Local Taxes (2)	Unrestricted revenues from money or property	Miscellaneous	Grants and Contributions Not Restricted to Specific Programs	
2014-15	\$ 2,461,210	\$ 12,840,732	\$ 1,006,920	\$ 19,310,001	\$ 1,777,225	\$ 134,424	\$ 318,395	\$ 3,034,774	\$ 40,883,681
2015-16	2,852,037	12,760,998	405,142	19,814,919	1,921,422	159,519	530,887	3,018,096	41,463,020
2016-17	2,974,503	12,776,552	1,111,713	19,862,341	1,969,108	187,956	493,989	3,002,922	42,379,084
2017-18	2,954,132	12,775,540	241,152	20,679,221	1,949,217	161,134	427,413	3,026,459	42,214,268
2018-19	3,439,395	12,836,899	529,937	21,340,980	2,005,268	225,643	463,009	2,965,641	43,806,772
2019-20	3,127,521	13,262,749	385,747	21,658,983	2,345,551	241,313	619,409	3,687,357	45,328,630
2020-21	2,105,809	14,346,051	147,110	21,109,717	2,675,145	204,108	936,646	5,060,600	46,585,186
2021-22	2,665,978	16,106,236	791,587	23,351,800	3,204,659	169,839	1,405,354	2,922,861	50,618,314
2022-23	3,088,297	18,531,340	2,997,607	24,479,464	3,283,617	403,345	1,044,035	2,895,621	56,723,326
2023-24	3,148,484	17,370,294	509,700	24,830,745	3,277,906	452,822	1,197,308	2,874,207	53,661,466

(1) Includes discretely presented component units.

(2) In fiscal year 2010, communications tax reporting was moved from Other Local Taxes to Grants and Contributions Not Restricted to Specific Programs



General Governmental Expenditures by Function (1)  
Last Ten Fiscal Years

Fiscal Year	General Government Administration	Judicial Administration	Public Safety	Public Works	Health and Welfare	Education (2)	Parks, Recreation, and Cultural	Community Development	Non-departmental	Debt Service	Capital Projects	Total
2014-15	\$ 1,772,923	\$ 618,450	\$ 4,115,259	\$ 1,003,202	\$ 2,438,840	\$ 21,320,100	\$ 952,685	\$ 984,087	\$ 18,980	\$ 4,379,113	\$ 3,055,653	\$ 40,659,292
2015-16	1,822,898	629,270	4,073,933	1,087,367	2,662,444	21,651,173	962,519	849,873	12,956	4,192,646	1,950,746	39,895,825
2016-17	1,903,602	698,294	4,265,587	1,169,117	2,892,366	22,299,561	973,326	1,273,491	5,144	4,066,811	5,332,860	44,880,159
2017-18	1,995,469	723,002	4,505,954	1,112,695	2,558,960	22,658,730	1,021,052	661,213	29,623	3,223,790	3,650,407	42,140,895
2018-19	2,255,423	733,782	4,843,017	1,244,354	2,224,237	23,292,323	1,071,994	1,130,526	12,460	3,194,090	3,011,845	43,014,051
2019-20	2,347,142	711,005	5,231,723	1,261,127	2,125,558	23,651,598	1,052,845	680,416	23,720	2,770,805	2,217,975	42,073,914
2020-21	2,551,965	724,000	5,953,016	1,331,431	2,148,467	23,481,602	1,142,514	1,208,495	20,393	2,626,128	1,784,506	42,972,517
2021-22	2,466,499	782,352	6,050,319	1,370,328	2,449,797	25,426,409	1,217,932	1,582,481	17,823	2,616,830	1,569,150	45,549,920
2022-23	2,694,179	894,375	7,197,540	1,420,793	2,660,178	27,673,437	1,428,680	1,059,244	8,414	2,580,663	6,360,505	53,978,008
2023-24	2,781,360	924,543	7,398,482	1,474,452	2,860,082	29,200,366	1,445,947	984,274	26,995	2,541,468	6,252,596	55,890,565

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

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

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

Fiscal Year	General Property Taxes	Other Local Taxes	Permits, Privilege Fees, Regulatory Licenses	Fines and Forfeitures	Revenue from the Use of Money and Property	Charges for Services	Miscellaneous	Recovered Costs	Inter-governmental (2)	Subtotal	Insurance Proceeds	Total
2014-15	\$ 19,407,675	\$ 1,777,225	\$ 266,539	\$ 303,637	\$ 130,204	\$ 1,359,581	\$ 182,402	\$ 159,612	\$ 16,822,126	\$ 40,409,001	\$ -	\$ 40,409,001
2015-16	19,734,792	1,921,422	280,881	304,861	157,216	1,677,127	382,181	307,618	15,854,309	40,620,407	-	40,620,407
2016-17	19,981,515	1,969,108	393,891	352,279	186,147	1,656,398	361,299	186,469	16,867,526	41,954,632	-	41,954,632
2017-18	20,774,033	1,949,217	328,391	357,254	158,930	1,654,201	293,108	226,368	16,043,151	41,784,653	-	41,784,653
2018-19	20,795,449	2,005,268	385,048	320,568	215,622	1,724,593	318,702	173,447	16,332,477	42,271,174	-	42,271,174
2019-20	21,188,556	2,345,551	323,687	233,648	237,696	1,419,963	468,046	105,397	17,335,343	43,657,887	-	43,657,887
2020-21	21,622,061	2,675,145	347,117	167,779	174,958	892,431	774,718	109,648	19,534,511	46,298,368	-	46,298,368
2021-22	23,098,901	3,204,659	485,972	188,427	174,621	1,329,751	1,099,385	60,095	19,777,256	49,419,067	-	49,419,067
2022-23	24,574,254	3,283,617	390,501	197,171	370,912	1,765,300	827,143	82,914	24,424,568	55,916,380	26,332	55,942,712
2023-24	24,767,892	3,277,906	251,264	151,328	416,262	1,977,436	916,055	66,720	20,754,201	52,579,064	28,751	52,607,815

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

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

COUNTY OF CLARKE, VIRGINIA

Table 5

Property Tax Levies and Collections  
Last Ten Fiscal Years

Fiscal Year	Total Tax Levy (1)	Current Tax Collections (1)	Percent of Levy Collected	Delinquent Tax Collections (1), (2)	Total Tax Collections	Percent of Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes (1)	Percent of Delinquent Taxes to Tax Levy
2014-15	\$ 20,980,117	\$ 21,454,716	102.26%	\$ 74,554	\$ 21,529,270	102.62%	\$ 2,096,823	9.99%
2015-16	21,383,904	21,672,649	101.35%	19,419	21,692,068	101.44%	2,095,157	9.80%
2016-17	21,641,717	21,511,699	99.40%	321,933	21,833,632	100.89%	2,036,380	9.41%
2017-18	21,841,583	22,374,271	102.44%	224,500	22,598,771	103.47%	2,071,734	9.49%
2018-19	21,295,315	22,607,804	106.16%	100,981	22,708,785	106.64%	2,373,029	11.14%
2019-20	22,947,025	22,927,936	99.92%	182,993	23,110,929	100.71%	3,235,671	14.10%
2020-21	23,606,602	23,309,677	98.74%	175,777	23,485,454	99.49%	2,619,567	11.10%
2021-22	25,784,966	23,604,480	91.54%	1,546,583	25,151,063	97.54%	2,942,848	11.41%
2022-23	26,724,057	24,706,596	92.45%	1,700,153	26,406,749	98.81%	2,889,737	10.81%
2023-24	26,270,616	26,421,453	100.57%	324,402	26,745,855	101.81%	3,151,889	12.00%

(1) Exclusive of penalties and interest.

(2) Delinquent tax collections are exclusive of land redemptions.

COUNTY OF CLARKE, VIRGINIA

Table 6

Assessed Value of Taxable Property  
Last Ten Fiscal Years

Fiscal Year	Real Estate (1)	Personal Property and Mobile Homes	Machinery and Tools	Public Utility (2)		Total
				Real Estate	Personal Property	
2014-15	\$ 2,209,918,924	\$ 140,683,592	\$ 14,079,731	\$ 64,514,825	\$ -	\$ 2,429,197,072
2015-16	2,125,953,962	146,341,321	15,926,677	67,026,398	-	2,355,248,358
2016-17	2,040,151,212	151,716,784	15,961,187	67,718,041	-	2,275,547,224
2017-18	2,054,072,530	158,886,595	13,701,728	69,909,256	-	2,296,570,109
2018-19	2,074,702,400	166,582,252	13,309,929	69,434,398	-	2,324,028,979
2019-20	2,245,740,742	172,695,652	13,640,472	67,952,261	-	2,500,029,127
2020-21	2,425,880,816	185,956,975	14,261,477	72,675,052	-	2,698,774,320
2021-22	2,473,158,044	229,688,382	15,359,558	74,167,438	-	2,792,373,422
2022-23	2,508,156,200	252,571,301	17,902,110	77,930,141	-	2,856,559,752
2023-24	2,533,943,675	245,536,890	15,689,173	72,599,101	-	2,867,768,839

(1) Real estate is assessed at 100% of fair market value.

(2) Assessed values are established by the State Corporation Commission.

Property Tax Rates (1)  
Last Ten Fiscal Years

Fiscal Year	(2)		Mobile Homes	Personal Property	Rescue Vehicles	Machinery and Tools	Public Utility							
	Real Estate						Real Estate (2)	Personal Property						
2014-15	\$	.655/.655	\$	.655/.655	\$	4.496/4.496	\$	2.248/2.248	\$	1.25	\$	0.655	\$	n/a
2015-16		.655/.72		.655/.72		4.496/4.496		2.248/2.248		1.25		0.655		n/a
2016-17		.72/.71		.72/.71		4.496/4.496		2.248/2.248		1.25		0.72		n/a
2017-18		.71/.71		.71/.71		4.496/4.496		2.248/2.248		1.25		0.71		n/a
2018-19		.71/.71		.71/.71		4.496/4.496		2.248/2.248		1.25		0.71		n/a
2019-20		.71/.615		.71/.615		4.496/4.496		2.248/2.248		1.25		0.71		n/a
2020-21		.615/.61		.615/.61		4.496/4.496		2.248/2.248		1.25		0.61		n/a
2021-22		.61/.61		.61/.61		4.496/4.496		2.248/2.248		1.25		0.61		n/a
2022-23		.61/.60		.61/.60		4.496/4.271		2.248/2.136		1.25		0.61		n/a
2023-24		.60/.60		.60/.60		4.271/4.496		2.136/2.248		1.25		0.60		n/a

(1) Per \$100 of assessed value.

(2) The County collects property taxes based on installments. Calendar year 2010 was a reassessment year for real property. The tax neutral rate for calendar year 2010 was computed to be \$.60/100. Calendar year 2016 was a reassessment year. The tax neutral rate for calendar year 2016 was computed to be \$.7165/100. Calendar year 2020 was a reassessment year. The tax neutral rate for calendar year 2020 was computed to be \$.615/100.

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

Fiscal Year	Population (1)	Assessed Value (in thousands) (2)	Gross & Net Bonded Debt (3)	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
2013-14	14,348	\$ 2,418,933	\$ 32,208,000	1.33%	\$ 2,245
2014-15	14,423	2,429,197	29,814,000	1.23%	2,067
2015-16	14,423	2,355,248	27,400,000	1.16%	1,900
2016-17	14,374	227,547	24,995,000	10.98%	1,739
2017-18	14,508	2,296,570	23,340,000	1.02%	1,609
2018-19	14,523	2,324,029	21,640,000	0.93%	1,490
2019-20	14,619	2,500,029	20,295,000	0.81%	1,388
2020-21	14,783	2,698,774	18,900,000	0.70%	1,278
2021-22	14,881	2,792,373	17,450,000	0.62%	1,173
2022-23	15,266	2,856,560	15,940,000	0.56%	1,044
2023-24	15,466	2,867,769	14,370,000	0.50%	929

(1) <https://www.census.gov/quickfacts>

(2) Real property assessed at 100% of fair market value.

(3) Includes all long-term general obligation bonded debt, bonded anticipation notes, and literary fund loans.  
Excludes revenue bonds, landfill closure/post-closure care liability, capital leases, compensated absences, and VRS obligations.

## General Government Capital Projects Carryover Budget Allocations

	FY 23 Carryover	FY 24 Original Budget	FY 24 Project Transfers	FY 24 Supplemental Budget	Final Budget
Expenditures:					
HVAC System Replacement	\$ 216,258	\$ -	\$ (24,301)	\$ -	\$ 191,957
Roofing	8,000	-	900	18,465	27,365
Painting and Flooring	12,683	-	1	57,730	70,414
Landscaping	7,336	-	-	-	7,336
Courthouse Green Project	22,529	-	-	83,425	105,954
Circuit Courthouse Renovation	15,000	-	13,680	4,536	33,216
Sheriff's Equipment	14,855	211,250	(55,352)	1,964	172,717
Fire/EMS Vehicles	-	50,000	50,000	-	100,000
Fire/EMS Personal Protective Equipment	-	300,000	(18,938)	-	281,062
Sheriff's Vehicles	24,439	228,750	(750)	-	252,439
Health & Human Svcs Space	15,000	-	93,930	-	108,930
Berryville Business Park	23,243	-	(13,680)	(547)	9,016
Double TollGate	-	-	-	441,105	441,105
Technology Improvements	1,118	-	(769)	5,000	5,349
Mobile Radio System	60,156	445,000	(420,506)	-	84,650
911 Phone Systems	14,947	-	-	-	14,947
Broadband	-	2,160,000	-	-	2,160,000
Mobile Radios EMS	48,383	-	293,651	-	342,034
Avenity-Tax Software	244,600	-	18,711	-	263,311
Swimming Pool	28,145	200,000	46,670	-	274,815
Park Repairs	66,850	-	47,371	5,400	119,621
Rec Center Additions	-	-	51,930	-	51,930
Baseball Fields	-	-	-	8,000	8,000
Reassessment	304,027	-	1,258	-	305,285
Tourism Signs	28,197	-	-	-	28,197
Deed Book Restoration	-	26,318	-	-	26,318
SHSP Ensuring Election Security	-	-	-	45,000	45,000
Re-Indexing Circuit Court	-	-	-	48,500	48,500
Total expenditures	\$ 1,155,766	\$ 3,621,318	\$ 83,806	\$ 718,578	\$ 5,579,468

## School Board Capital Projects Carryover Budget Allocations

	FY 23 Carryover	FY 24 Original Budget	FY 24 Project Transfers	FY 24 Supplemental Budget	Final Budget
Expenditures:					
School Furniture Replacement	\$ -	\$ 56,000	\$ (21,492)	\$ -	\$ 34,508
Uniform Repl & Band Instrument	-	20,000	-	-	20,000
Athletics Equipment & Uniforms	30,972	10,000	(31,289)	-	9,683
School Bus Purchases	14,192	112,000	(13,611)	-	112,581
Other Veh & Equip Purchases	-	30,000	(30,000)	-	-
Fencing	850	-	-	-	850
School Signage	-	2,500	(548)	-	1,952
Asphalt/Sidewalk/Track/Court	-	30,956	(13,304)	-	17,652
Painting	-	30,000	(30,000)	-	-
Heating, Ventilation & AC Repl	638,896	-	178,426	-	817,322
ADA Improvements	33,146	-	35,651	-	68,797
Roof Replacements	-	-	1,740	16,761	18,500
School Security System Grant	-	70,000	(62,715)	104,719	112,004
Flooring	12,525	10,000	(17,675)	-	4,850
Security Improvements	135,531	-	(42,992)	-	92,539
Boyce School Repairs	-	60,000	(60,000)	-	-
Cooley School Repairs	-	-	850	-	850
Johnson Wms Middle Sch Repairs	5,148	60,000	(523)	-	64,625
Technology Classroom Inst	304,216	194,000	80,047	-	578,263
Technology Inst Support	-	-	8,400	-	8,400
Technology Administration	-	93,800	19,035	-	112,835
Total expenditures	\$ 1,175,476	\$ 779,256	\$ -	\$ 139,457	\$ 2,094,189



## Compliance

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

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To the Honorable Members of  
The Board of Supervisors  
County of Clarke, Virginia

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Clarke, Virginia, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the County of Clarke, Virginia's basic financial statements and have issued our report thereon dated December 6, 2024.

**Report on Internal Control over Financial Reporting**

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

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

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

## Report on Compliance and Other Matters

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

### Purpose of This Report

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

*Robinson, Farmer, Cox Associates*

Charlottesville, Virginia  
December 6, 2024



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

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

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

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

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

***Basis for Opinion on Each Major Federal Program***

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

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

***Responsibilities of Management for Compliance***

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

## ***Auditors' Responsibilities for the Audit of Compliance***

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

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

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

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

### ***Report on Internal Control over Compliance***

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

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

***Report on Internal Control over Compliance: (Continued)***

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

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

*Robinson, Farmer, Cox Associates*

Charlottesville, Virginia  
December 6, 2024

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

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number		Federal Expenditures
Department of Health and Human Services:				
Medicaid Cluster:				
Pass Through Payments:				
Department of Social Services:				
Medical Assistance Program	93.778	1200122, 01200123	\$ 184,067	
Total Medicaid Cluster			\$	184,067
Pass Through Payments:				
Guardianship Assistance	93.090	1110122, 1110123		171
Title IV-E Prevention Program	93.472	1140123		2,355
MaryLee Allen Promoting Safe and Stable Families Program	93.556	0950122, 0950123		12,410
Temporary Assistance For Needy Families (TANF)	93.558	0400122, 0400123, 2201VATANF		80,370
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	93.566	0500122		322
Low-Income Home Energy Assistance	93.568	0600422, 0600423		17,055
Child Care and Development Fund (CCDF) Cluster:				
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	0760122, 0760123	\$ 20,280	
Total Child Care and Development Fund (CCDF) Cluster				20,280
Stephanie Tubbs Jones Child Welfare Services Program	93.645	0900122, 0900123		118
Adoption and Legal Guardianship Incentive Payments	93.603	1130122		2,694
Foster Care - Title IV-E	93.658	1100122, 1100123, 1110122		88,024
Adoption Assistance	93.659	1120122, 1120123		52,964
Social Services Block Grant	93.667	1000122, 1000123		133,934
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	9150122, 9150123		850
Elder Abuse Prevention Interventions Program	93.747	8000222, 8000323		1,728
Children's Health Insurance Program (CHIP)	93.767	0540122, 0540123		2,023
Department of Education:				
Public Health Emergency Response: Cooperative Agreement for Emergency: Public Health Crisis Response	93.354	NU90TP922153		12,962
Total Department of Health and Human Services			\$	612,327
Department of Agriculture:				
Child Nutrition Cluster:				
Pass Through Payments:				
Department of Agriculture:				
Food Distribution	10.555	unavailable	\$ 67,616	
Department of Education:				
National School Lunch Program	10.555	202222N119941/202323N119941	340,732	408,348
School Breakfast Program	10.553	202222N119941/202323N119941	125,451	
Total Child Nutrition Cluster			\$	533,799
SNAP Cluster:				
Pass Through Payments:				
Department of Social Services:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	0010122, 0010123, 0040122, 0040123	\$ 243,797	
Total SNAP Cluster			\$	243,797
Pass Through Payments:				
Department of Education:				
COVID-19 - Pandemic EBT Administrative Costs	10.649	202222S900941	\$	653
Total Department of Agriculture			\$	778,249

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

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
Department of Homeland Security:			
Pass Through Payments:			
Department of Emergency Management:			
Emergency Management Performance Grants	97.042	120355	15,000
State Homeland Security Grant Program	97.067	Unknown	19,079
Total Department of Homeland Security			\$ 34,079
Department of Justice:			
Direct payments:			
State Criminal Alien Assistance Program	16.606	n/a	1,343
Department of Justice:			
Pass Through Payments:			
Department of Criminal Justice Service:			
Violence Against Women Formula Grants	16.588	120580, 122609	\$ 28,012
Crime Victim Assistance	16.575	116418, 118457	40,313
Total Department of Justice			\$ 69,668
Department of Treasury:			
Direct Payments:			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	n/a	\$ 98,584
Pass Through Payments:			
Virginia Tourism Corporation:			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	Unknown	28,197
Virginia Department of Criminal Justice Services:			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	Unknown	101,964
Virginia Department of Social Services:			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	Unknown	13,050
Direct Payments:			
Local Assistance and Tribal Consistency Fund	21.032	n/a	54,500
Total Department of Treasury			\$ 296,295
Department of Education:			
Pass Through Payments:			
Department of Education:			
Title I Grants to Local Educational Agencies	84.010	S010A210046, S010A220046	\$ 182,437
Special Education Cluster:			
Special Education - Grants to States (IDEA, Part B)	84.027	H027A210107, H027A220107	\$ 475,179
Special Education - Preschool Grants (IDEA Preschool)	84.173	H173A210112, H173A220112	14,700
Total Special Education Cluster			489,879
English Language Acquisition State Grants	84.365	Unknown	9,772
Career and Technical Education - Basic Grants to States	84.048	V048A210046, V048A220046	24,661
Supporting Effective Instruction State Grants	84.367	S367A210044, S367A220044	44,721
Student Support and Academic Enrichment Program	84.424	S424A210048, S424A220048	15,594
COVID-19 - ARPA Elementary and Secondary School Emergency Relief Fund	84.425U	S425U100008	\$ 448,627
Total Department of Education			\$ 1,215,691
Total Expenditures of Federal Awards			\$ 3,006,309

See accompanying notes to schedule of expenditures of federal awards.



## COUNTY OF CLARKE, VIRGINIA

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

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#### Note 1 - Basis of Presentation

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

#### Note 2 - Summary of Significant Accounting Policies

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

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

#### Note 3 - Food Donation

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

#### Note 4 - Indirect Cost Rate

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

#### Note 5 - Subrecipients

No awards were passed through to subrecipients.

#### Note 6 - Relationship to Financial Statements

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

Intergovernmental federal revenues per the basic financial statements:

Primary government:

General Fund	\$	97,009
Special Revenue Funds:		
Virginia Public Assistance Fund		840,296
Children's Services Act Fund		15,915
Debt Service Funds:		
School Debt Service Fund		74,056
Capital Projects Funds:		
General Government Capital Projects Fund		297,824
Total primary government	\$	1,325,100

Component Unit School Board:

School Operating Fund	\$	1,228,654
School Food Service Fund		534,452
Total component unit school board	\$	1,763,106

Total federal expenditures per basic financial statements	\$	3,088,206
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Less amounts not reported on the Schedule of Expenditures of Federal Awards:

Payment in lieu of taxes	\$	7,841
Build America Bond interest rate subsidy		74,056

Total federal expenditures per basic financial statements	\$	3,006,309
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Total federal expenditures per the Schedule of Expenditures of Federal Awards	\$	3,006,309
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COUNTY OF CLARKE, VIRGINIA

Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2024

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**Section I - Summary of Auditors' Results**

**Financial Statements**

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? No

Significant deficiency(ies) identified? None Reported

Noncompliance material to financial statements noted? No

**Federal Awards**

Internal control over major programs:

Material weakness(es) identified? No

Significant deficiency(ies) identified? None Reported

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)? No

Identification of major programs:

Assistance Listing #	Name of Federal Program or Cluster
10.553/10.555/10.559	Child Nutrition Cluster
84.425	Education Stabilization Fund

Dollar threshold used to distinguish between Type A and Type B programs \$750,000

Auditee qualified as low-risk auditee? No

**Section II - Financial Statement Findings**

None

**Section III - Federal Award Findings and Questioned Costs**

None

**Section IV - Prior Year Audit Findings**

No prior year audit findings