County of Augusta, Virginia

Annual Comprehensive Financial Report
For the Fiscal Year Ended: June 30, 2024

COUNTY OF AUGUSTA, VIRGINIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR FISCAL YEAR ENDED JUNE 30, 2024

AUGUSTA
COUNTY, VIRGINIA

Prepared by

Misty Cook, Director of Finance

Lora Swortzel, Accountant

Augusta County, Virginia

COUNTY OF AUGUSTA, VIRGINIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
Fiscal Year Ended June 30, 2024

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COUNTY OF AUGUSTA
Finance Department
18 Government Center Lane * PO Box 590
Verona, VA 24482-0590
Phone: 540-245-5741 * Fax: 540-245-5742

December 4, 2024

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

The annual comprehensive financial report of the County of Augusta for the year ended June 30, 2024, is hereby submitted as mandated by both local ordinances and state statutes. These ordinances and statutes require the County of Augusta issue annually a report on its financial position and activity, and this report be audited by an independent firm of certified public accountants.

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

The accounting firm of PBMares, LLP, Certified Public Accountants, have audited the County's financial statements. The goal of the independent audit is to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used, and evaluating the overall financial statement presentation. This audit was conducted using guidelines set forth by *Government Auditing Standards* and the *Specifications for Audits of Counties, Cities and Towns,* issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Based upon this audit, the independent auditor concluded there was a reasonable basis for rendering an unmodified ("clean") opinion that the County's financial statements for the fiscal year ended June 30, 2024, are fairly presented in conformity with generally accepted accounting principles (GAAP). The independent auditor's report is presented as the first component of the financial section of this report.

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

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

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

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

The Reporting Entity and Economic Outlook

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

Although primarily a rural county, Augusta County's 2024 population is estimated at 78,247. Augusta County enjoys a diversified economy, with manufacturing accounting for approximately 23% of the jobs in the County. Manufacturing employs approximately 6,900 of 38,500 workers in the County's labor force and makes up approximately 2.67% of the total local property taxes. Agriculture is a large portion of the overall economy of the County. According to the 2022 U.S. Census of Agriculture, Augusta County is ranked 2nd in the state and 251st in the U.S. for total value of agricultural products sold ($448 Million) with 1,460 farms totaling 243,974 acres. Also, from the census, Augusta County is ranked 2nd in the state for the following commodities; cattle and calves, livestock, poultry, and products, poultry and eggs. These commodities produced overflows into many other industries of the County; including farm equipment manufacturers and dealers, transportation, energy, retail, and the ever growing agritourism business. The unemployment rate for the County increased from 2.6% in 2023 to 2.8% in 2024. The County's rate remains lower than that of the State's unemployment rate of 3% and compares favorably to the national unemployment rate of 4.3%.

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

In fiscal year 2024, local revenues increased by 7.7%. The main contributors to this increase were real estate property taxes, and interest on deposits. Real estate property taxes increased due to the reassessment that was effective January 1, 2024. Reassessments is the process by which the assessed value of real estate property is revised to reflect fair market value. The last reassessment was effective January 1, 2019. The results of the reassessment resulted in a jump in home valuations that aligned the County with the national and regional trends for home prices, national prices were up 45% since March 2020. The reassessment resulted in a decrease in the real estate tax rate from $0.63 per $100 to $0.52 per $100 for Calendar Year 2024. While the rate did decrease the increase in assessed value on real estate resulted in an increase in revenue. This change in reassessment resulted in an 7.2% increase in property tax revenue for Fiscal Year 2024 due to the first half of taxes being due in June. The second half will not be paid until December and will be reflected in Fiscal Year 2025 revenues. Another contributor to the increase on local revenues was interest on deposits which is directly related to the Federal Reserve rates. Rates on deposits held throughout Fiscal Year 2024 and the increase was $2,387,349 or 65%.

Sales and use tax revenue decreased by approximately 1.5% over the prior year. This is a change over the 11% increase reported in Fiscal Year 2023. Overall the revenue remained strong which would indicate strong consumer spending but it appears this revenue is starting to level out from previous years increases. The total taxable sales for Augusta County as reported by the Virginia Department of Taxation, increased by approximately 1.19% over the prior year.

Personal property taxes are due in December 2024 and Business License tax is due in March 2025, both of which are important to the overall tax base. Personal Property taxes were relatively flat when compared to the prior year. Overall there was a 0.78%, or $165,654 decrease in personal property tax revenue over last year. Business License taxes were up by $259,820 or 4.72% when compared to prior year. This tax is based on the business' gross receipt (revenue before deductions) and occupations are separated by classes and each pay different rates.

Major Initiatives and Goals

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

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

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

During Fiscal Year 2024, the County continued its partnership with All Points Broadband, on a Regional Broadband Project. This projects goal is to provide fiber-to-the home internet access to underserved areas of the County. The total grant award is $95.3 million through the Virginia Telecommunications Initiative (VATI) program. This grant will enable the construction of a fiber-to-the-home broadband network that will provide internet access to approximately 40,000 underserved locations across the eight counties who are participating in the partnership. The VATI grant will be leveraged with a combined $59.3 million in matching funds from participating counties, which will be sourced primarily from the local share of American Rescue Plan Act ("ARPA") infrastructure funding. Augusta's project consists of over 6,000 serviceable units to be passed and over 700 miles of fiber (including utility middle mile). The County has contributed $6.72 million of the $8.4 million dollars pledged to this project-dedicated from American Rescue Plan Act (ARPA) Funds. Last-mile construction (connectivity to the individual homes) is expected to begin in early 2024 and continue through the summer of 2025.

The County partnered with the Virginia Department of Transportation to complete the Verona Pedestrian Improvement Project in FY24. This project provided ADA compliant sidewalks along Route 612(Laurel Hill Road) and US Route 11 (Lee Highway). This project was completed in June of 2024 with the state covering 80% of the costs, the County's portion of this project was funded through capital reserves.

The County was substantially complete with the expansion of the county Government Center at the end of Fiscal Year 2024. This $3.12 million-dollar project was awarded to Lantz Construction in Fiscal Year 2023. This expansion moved Parks & Recreation to the far end of the building and restored programming rooms for P&R previously renovated for other uses. ECC was expanded to allow for a redesign of their space and training rooms. The County Attorney and Human Resources relocated to the old Parks and Recreation space. ARPA funds were used to complete this project.

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

Augusta County Fire-Rescue maintains a fleet of ambulances to respond to emergency medical calls. The ambulance purchased in FY2024 is part of a strategic replacement plan to keep the fleet in the County current and rotate fleet within the County agencies to ensure optimal use of each unit. This new Unit has a build time of 30-36 months but the exact delivery date is unknown at this time. Ambulance replacements are budgeted for in the County's Capital account.

Financial Information

Financial Planning

As demonstrated by the statements and schedules included in the financial section of this report, the County continues to meet its responsibility for sound financial management. The County has established a Fund Balance policy to maintain an unassigned General Fund balance of no less than two months of General Fund expenditures. Unassigned General Fund balance would provide the County with financial resources to address unforeseen revenue fluctuations, unanticipated expenditures and emergencies, which result in unanticipated budgetary shortfalls. As of June 30, 2024, the County has more than two months of General Fund operating expenditures by $884,338. However, the County recognizes its obligation to the Debt Service Fund and Virginia Public Assistance. When those obligations are considered in conjunction with the fund balance policy requirements the County has less than the required two months of General Fund operating expenditures by $5,082,411. The County will consider this requirement as it reviews the fund balance policy and prepares for the fiscal year 2025 revised budget.

Capital Improvement Plan

The Capital Improvement Plan provides a systematic approach to planning and financing capital improvements including future capital facility needs, correlating projects to community goals and growth, eliminating poorly planned expenditures, encouraging cooperation with other governmental units, and facilitation of private sector improvements consistent with the County Comprehensive Plan. As part of the budget process each year the County Administrator proposes a capital improvements plan. Each year, based on the availability of funds and specific general operating revenues, amounts are budgeted as a transfer from the general operating budget to the Capital Improvement Fund. These transfers may vary year to year depending on the anticipation or demand of new projects, the availability of revenues in the General Fund, and year end fund balance surpluses. The County Capital Improvements Fund includes balances assigned to depreciation accounts for future capital replacement costs for fire apparatus, emergency communications equipment, information technology, vehicle replacements, and building capital improvements. It also includes balances assigned to develop and maintain County parks and recreational facilities, infrastructure improvements and economic development initiatives, renovations and improvements to County buildings, and fund support for local organizations capital improvements, such as Blue Ridge Community College and Shenandoah Valley Regional Airport Commission. The Capital Improvement Plan is based on a five-year outlook of replacement costs and needs. It anticipates future replacement costs by incorporating an inflationary factor into the original purchase cost and allocating that amount over the life of the capital asset. The Capital Improvement Plan has enabled the County to afford needed projects without bonding the cost. At June 30, 2024, the County had a number of debt issues outstanding related to school construction. These issues totaled $ 102,135,679 in general obligation bonds. At June 30, 2024, the County also had revenue bonds totaling $40,706,018 for construction of a gravity sewage system, a roadway and bridge construction, and Mill Place water tank, and a new bond issued for the construction of the County Courthouse.

Cash Management

Cash temporarily idle during the year was invested in demand deposits, money market funds, U.S. Agency Securities, Corporate Debt, and municipal bonds. The yield on investments ranged from .25% to 5.07%. LGIP interest rates have stayed fairly consistent with a range of rates of at the lowest of 5.436% to the highest of 5.685%. The County continues to carry a balance in a money market account that ended in June 2024 at an interest rate of 5.30%. Interest rates on checking starting at a rate of 5.00% in July 2023 and had risen to 5.25% in June 2024. LGIP funds daily rates have risen slowly throughout the year offering an average yield sometimes higher than what may be earned on the standard checking accounts. All County deposits are insured by either federal depository insurance or the Virginia Security for Public Deposits Act.

Awards and Acknowledgements

The Government Finance Officers Association of the United States (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County of Augusta, Virginia for its annual comprehensive financial report for the fiscal year ended June 30, 2023. This is the twenty-sixth consecutive year the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the County must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current annual comprehensive financial report continues to meet the Certificate of Achievement Program’s requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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

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

Sincerely,

Misty Cook | Lora Swortzel

Misty Cook
Director of Finance

Lora Swortzel
Accountant

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Augusta County
Virginia

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

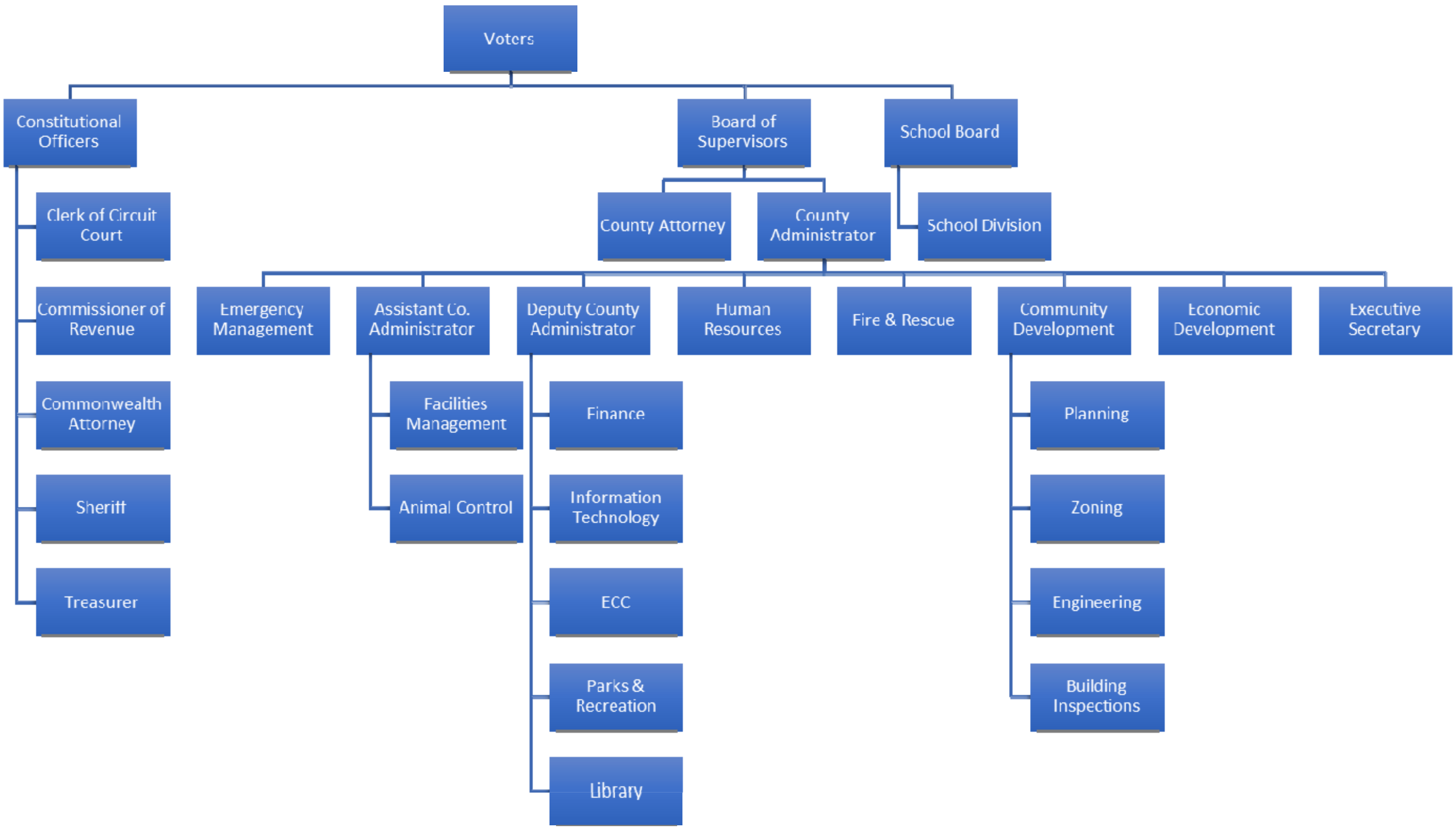
June 30, 2023

Christopher P. Morrill

Executive Director/CEO

COUNTY OF AUGUSTA, VIRGINIA

ORGANIZATIONAL CHART



COUNTY OF AUGUSTA, VIRGINIA

LIST OF ELECTED AND APPOINTED OFFICIALS

Board of Supervisors

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

Scott Seaton
Michael L. Shull
G.L. "Butch" Wells
Carolyn Bragg
Gerald W. Garber
Timothy K. Fitzgerald, Clerk

County School Board

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

Sharon F. Griffin
Timothy M. Simmons
John M. Ward
Donna H. Wells
Michael J. Lawson
Miranda Ball, Clerk

Other Officials

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

FINANCIAL SECTION

PBMares
CPAs and Consultants

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Augusta, Virginia (County), as of and for the year ended June 30, 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 accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County as of June 30, 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 (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards)*; and the *Specifications for Audits of Counties, Cities and Towns* issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Our responsibilities under those standards and specifications are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the required supplementary information on pages 13-22 and 124-149, respectively, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2024 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County's internal control over financial reporting and compliance.

PBMares, LLP

Harrisonburg, Virginia
December 4, 2024

COUNTY OF AUGUSTA, VIRGINIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following is a narrative overview and analysis of the financial activities of the County of Augusta, Virginia for the fiscal year ended June 30, 2024. This narrative is to be read in conjunction with the additional information we have furnished in our letter of transmittal which can be found earlier in this report.

Financial Highlights

Government-wide Financial Statements

- The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $92,076,338 (net position). Of this amount, $97,751,219 is unrestricted, or may be used to meet the government's ongoing obligations to creditors and citizens. The School Board's net position was $50,156,370 of which $(78,992,643) is unrestricted. (See Exhibit 1.)
- The County's total net position increased by $ 10,699,304. The School Board's total net position increased by $ 14,776,593. (See Exhibit 2.)
- The primary government and School Board general revenues, charges for services, operating grants and contributions, and capital grants and contributions were $173,022,638 and $152,920,912, respectively, for fiscal year 2024. (See Exhibit 2.)
- Expenses were $162,323,334 for governmental activities and $138,144,319 for the School Board. (See Exhibit 2.)

Fund Financial Statements

- At the end of the current fiscal year, unassigned fund balance for the General Fund was $16,321,562, or 14 percent, of the total General Fund expenditures. (See Exhibit 3.) This amount includes taxes, accounts and notes receivable reflected in the fiscal year 2024 budget as well as funding for future operating and capital expenditures as appropriated.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of $147,119,766, an increase of $16,987,908 in comparison with the prior year. The majority of this change can be attributed to the unspent bond proceeds related to the courthouse project. Approximately 11 percent of this total amount, or $16,321,562, is available for spending at the government's discretion (unassigned fund balance). (See Exhibit 3.)

Overview of the Financial Statements

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

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

Government-wide Financial Statements

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

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

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

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

Fund Financial Statements

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

Governmental Funds

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

Fiduciary Funds

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

Notes to Financial Statements

The notes provide additional information that is needed to fully understand the data provided in the government-wide and fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information displaying budgetary comparison schedules and the County's progress in funding its obligation to provide pension and other postemployment benefits to its employees.

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

Government-wide Financial Analysis

As previously noted, net position may serve as a useful indicator of a government's financial position. For the County of Augusta, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $92,076,338 at the end of the fiscal year.

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

County of Augusta, Virginia
Summary Statement of Net Position
June 30, 2024 and 2023

	Governmental Activities	
	2024	2023
Current and other assets	**$ 199,669,810**	$ 208,362,621
Capital assets, net	**101,064,621**	78,271,661
Total assets	**$ 300,734,431**	$ 286,634,282
Deferred outflows of resources	**$ 4,884,282**	$ 6,151,129
Long-term liabilities	**$ 173,281,426**	$ 142,385,675
Other liabilities	**26,747,788**	31,554,840
Total liabilities	**$ 200,029,214**	$ 173,940,515
Deferred inflows of resources	**$ 13,513,161**	$ 37,467,862
Net position:		
Net investment in capital assets	**$ (9,171,486)**	$ (7,044,213)
Restricted	**3,496,605**	2,802,660
Unrestricted	**97,751,219**	85,618,587
Total net position	**$ 92,076,338**	$ 81,377,034

The County uses these capital assets to provide services to citizens; therefore, the assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt used to acquire those assets, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Restricted net position represents 3.8 percent of total net position and are resources that are subject to external restrictions on how they may be used. The majority of restricted net position is used for capital projects, fire service, education and training, as well as, law enforcement operations to support drug education, awareness, and enforcement. The balance of unrestricted net position, which is $97,751,219 or 106.2 percent of total net position, may be used to meet the government's ongoing obligations to citizens and creditors. These obligations include public safety and future construction projects.

During the current fiscal year, the government's net position increased by $10,699,304.

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

Governmental Activities

Governmental activities increased the County's net position by $10,699,304. Key elements of this increase are as follows:

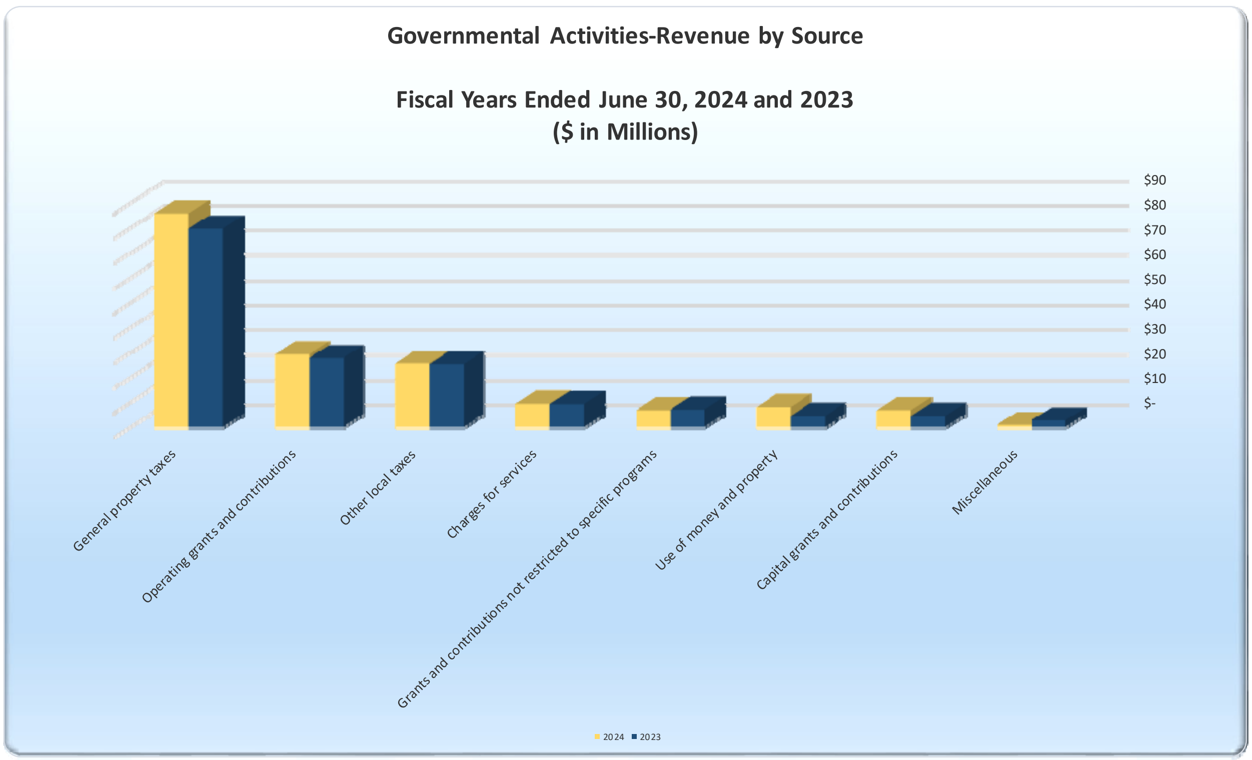
		Governmental Activities	
		2024	2023
Revenues:			
Program revenues:			
Charges for services	**$**	**9,457,731**	$ 9,310,640
Operating grants and contributions		**29,255,879**	27,717,740
Capital grants and contributions		**6,888,757**	4,574,409
General revenues:			
General property taxes		**85,816,268**	79,678,434
Other local taxes		**25,648,050**	25,297,894
Use of money and property		**8,126,648**	4,592,957
Miscellaneous		**956,747**	2,692,353
Grants and contributions not restricted to specific programs		**6,872,558**	7,087,803
Total revenues		**173,022,638**	160,952,230
Expenses:			
General government		**11,485,352**	32,372,386
Judicial administration		**3,120,986**	3,202,542
Public safety		**37,268,093**	47,166,622
Public works		**8,419,792**	7,075,561
Health and welfare		**21,766,939**	20,642,569
Education		**70,150,260**	52,286,098
Parks, recreation and cultural		**3,648,361**	3,945,271
Community development		**2,051,793**	3,195,028
Interest on long-term debt		**4,411,758**	2,681,449
Total expenses		**162,323,334**	172,567,526
Increase in net position		**10,699,304**	(11,615,296)
Net position, beginning		**81,377,034**	92,992,330
Net position, ending	**$**	**92,076,338**	$ 81,377,034

<u>Governmental Activities – Revenues</u>

- General property taxes increased by approximately $6,137,837 or 8%. This increase is due to growth in real estate taxes and personal property taxes. The largest part of this increase is due to real estate tax revenue which is due to the reassessment of fair market value on properties in the County. This updated reassessment was effective January 1, 2024 and resulted in additional revenue due to the first half of property taxes being due in June. Personal property tax revenue which is assessed based on the JD Power (NADA) book values for personal property. These book values have fluctuated over the last few years with double-digit percentage increases in CY2021 and CY2022 due to market demand. But as the market has begun to normalize the values have been reduced for CY2023 and CY2024 but are still elevated when compared to pre-pandemic values.
- Operating grants and contributions had an increase of $1,538,139 over the prior year or 5 percent. This increase was due to the use of federal ARPA funding to fund projects in accordance with the guidelines. Federal ARPA funds have been received but in the financial statements the revenue is deferred until expenditures are incurred. Current ARPA projects include the AllPoints broadband project, ECC/Parks and Recreation renovation and various other small projects.

- Unrestricted revenues from use of money and property increased $3,533,691 over the prior year. This increase is due to interest rate by the Federal Reserve continuing to hold resulting in continued higher rates on deposits.
- Miscellaneous decreased $1,735,606 or 64%, due to a decrease in unearned revenues.
- Meals tax decreased by 24% or $1,100,446. While consumer spending has remained strong this increase is less than the 10 percent increase reported last fiscal year.
- Capital grants and contributions increased $2,314,348 or 51 percent, this increase was due to grant contributions received by the County related to the Jennings Branch stream restoration and the Verona pedestrian project.

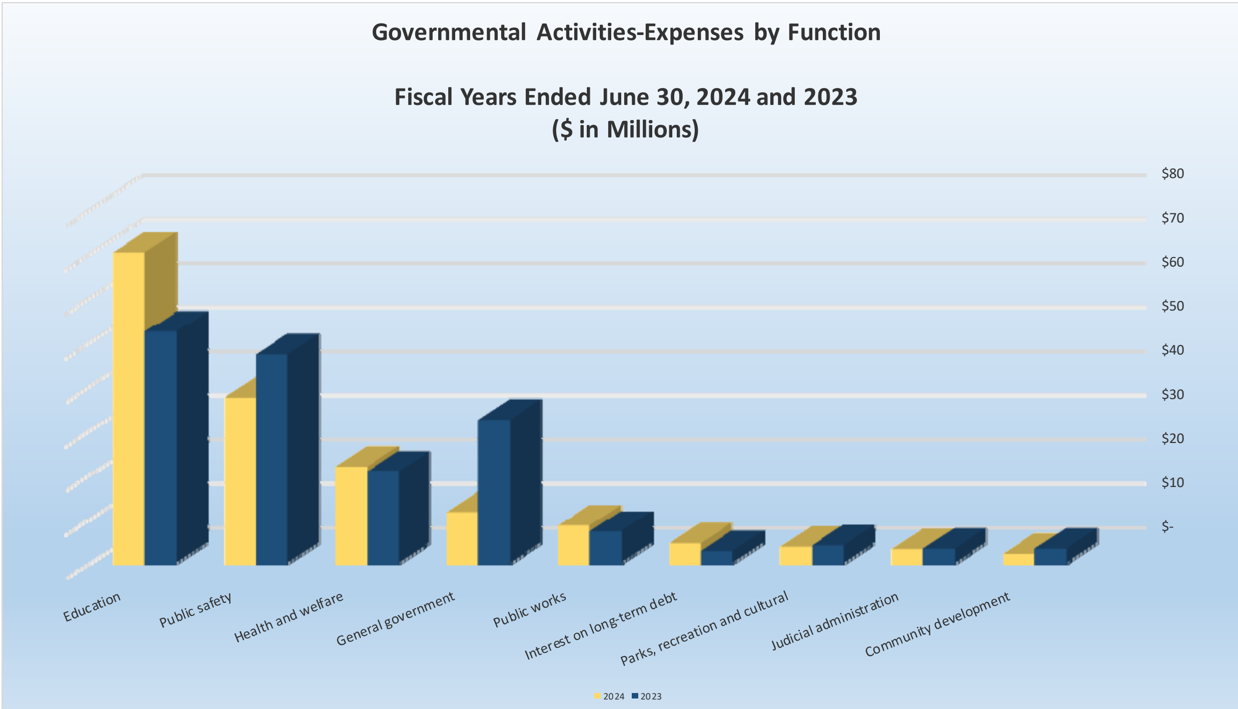
Governmental Activities – Revenues by Source
Years Ended June 30, 2024 and 2023



Governmental Activities – Expenses

- Expenses allocated to education were 34 percent higher than the prior year due to an increase in allocations for capital outlays. This is related to the two middle school projects.
- Expenses allocated to general government was $20,887,033 lower than the prior year due to an decrease in allocations for capital outlays.
- Expenses allocated to public works were 19 percent higher than the prior year due to an increase in allocations for capital outlays.
- Expenses allocated to Public Safety were 21 percent lower than the prior year due to a decrease in capital outlay allocations.
- Expenses allocated to Parks & Recreation and Cultural were 8 percent lower than the prior year due to a decrease in allocations for capital outlays.
- Expenses allocated to interest on debt were 65 percent higher than the prior year due to the two bond issuances reported last year related to the two middle school projects.

Governmental Activities – Expenses by Function
Years Ended June 30, 2024 and 2023



Financial Analysis of the Government's Funds

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

Governmental Funds

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

At the end of the fiscal year, the County's governmental funds reported combined ending fund balances of $147,119,766. Approximately 11 percent of this total amount constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance falls within the categories of nonspendable, restricted, committed, or assigned. Nonspendable fund balance totals $42,158, which is inventories and prepaid items reported in the governmental funds, as well as land held for sale and long-term loans receivable. Restricted fund balance includes funds that have been constrained for specific purposes by sources outside the government. Restricted fund balance includes funds received from the state for fire programs, state and federal asset forfeiture funds. Committed and assigned fund balances have been constrained by the government itself, depending on the level of decision-making authority. These fund balance amounts include funds for issuing fire revolving loans, work in drug enforcement operations, EMS contributions related to EMS transport services, and capital projects. Of the capital projects, the most prominent are public safety equipment replacement and construction of the new County courthouse.

The General Fund is the chief operating fund of the County. As of June 30, 2024, total fund balance of the General Fund was $23,798,996, of which $16,321,562 was unassigned. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 14.26 percent of total General Fund expenditures, which includes transfers to the School Board component unit of $48,419,312.

The fund balance of the County's General Fund increased by $907,250 during the current fiscal year due to an decrease in expenditures related to general government administration and public safety. It has been the County's practice to transfer prior year-end fund balance to the County Capital Projects Fund to assist in funding the County's Capital Improvement Program, which is a mostly a pay-go model. The County continues to save for upcoming capital projects that include a regional radio system for public safety, and potential capital projects related to the Fire and Rescue Strategic Plan. The School Board also follows this plan and year-end fund balances, once approved by the Board, are transferred to their account in the County's Capital Improvement Fund.

Other governmental funds consist of the Virginia Public Assistance (VPA) Fund, Debt Service Fund, County Capital Improvements Fund, and School Capital Improvements Fund. As of June 30, 2024, total fund balances of these funds were $0, $0, $119,452,227, and $3,868,543, respectively. The VPA Fund accounts for revenues and expenditures related to welfare. The Debt Service Fund accounts for debt service payments made by the County. The County Capital Improvements Fund accounts for funds used for the acquisition or construction of major capital facilities. Significant changes in the County Capital Improvement Fund are attributable to savings related to upcoming capital projects to include the new county courthouse, the regional radio project, and Fire and Rescue strategic plan. Most of these projects will be funded using capital savings over the next 18-24 months. The School Capital Improvements Fund accounts for construction expenditures for the school system and the major change in fund balance was due to the completion of the two middle school projects.

General Fund Budgetary Highlights

Differences between the original budgeted expenditure appropriations and the final amended budgeted expenditure appropriations were a $6,776,036 increase. The majority of this difference is in probation and detention. The County contributes to the Middle River Regional Jail operating expenses as an authority member. In the original budget the use of capital reserves would have covered part of those costs, but additional revenues in the revised budget allowed for the full contribution to be paid from the general fund. Budgeted revenues increased by $15,081,937 in the final amended budget when compared to the original budget. The increase in budgeted revenues can be attributed to increases in real property taxes, personal property tax, as well as interest on deposits. Real property tax revenue increases are due to the reassessment of fair market values on real estate in the County. The new assessed values were effective January 1, 2024 and resulted in increases to the revenue since this tax is paid in June and December annually. The prior reassessment had been in effect since January 1, 2019. During the period from 2019 to 2024 the trend in national and regional homes sales climbed 45%. Personal property tax revenue has continued to remain strong due to the ongoing effects of supply and demand on the vehicle industry. The pandemic slowed the supply chain for new cars, increasing the demand and driving up market values on used vehicles. While the values have stabilized they are still higher than they were pre-pandemic, this has resulted in higher revenues. The interest rates on deposits has fluctuated as the Federal Reserve has adjusted rates to combat inflation. The rate in July of 2023 was 5% on deposits and continued to hold through July of 2024 at a rate 5.25%. These rates maintaining throughout the fiscal year allowed the county to realize a much stronger return than originally budgeted, approximately a $3.67 million increase. Final budget appropriations and revenues closely reflected actual results, as the final budget is prepared in March of the fiscal year.

Capital Asset and Debt Administration

Capital Assets

The County's investment in capital assets for its governmental activities as of June 30, 2024 is $101,064,621 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, machinery and equipment, land improvements, and construction in progress.

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

- In fiscal year 2024 the County purchased 18 new vehicles for the Sheriff's office, one for Animal Control, two for community development, one for Fire and Rescue and a new ambulance. Total cost for all vehicles was approximately $1,275,000, $316,940 was for the ambulance alone.
- In 2024 the County also replaced the compactor at the New Hope waste site and paved the site and installed a dumpster pad. Total improvements to that site were approximately $109,000.
- Construction in progress includes the Courts Complex, renovations to the government center to include relocation of the Emergency Communications Center and renovations to the old Verona Elementary for relocation of the regional animal shelter.

County of Augusta, Virginia
Capital Assets for Governmental Activities (net of depreciation)
June 30, 2024 and 2023

	Governmental Activities	
	2024	2023
Land	**$ 5,403,875**	$ 5,359,876
Buildings and system	**62,440,282**	48,336,202
Machinery and equipment	**11,421,603**	11,617,857
Land improvements	**3,417,879**	3,565,396
Right-to-use subscription assets	**1,310,610**	1,297,598
Right-to-use lease assets	**4,869,944**	4,977,599
Construction in progress	**12,200,428**	3,117,133
Total assets	**$ 101,064,621**	$ 78,271,661

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

Long-Term Debt

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

	Governmental Activities	
	2024	2023
General obligation bonds	**$ 102,135,679**	$ 107,827,501
Premium on general obligation bonds	**10,563,036**	10,988,650
Revenue bonds	**40,706,018**	3,478,695
Premium on revenue bonds	**2,794,988**	349,228
Private placement notes	**782,336**	1,170,784
Leases	**5,187,363**	5,198,740
Compensated absences	**3,271,017**	2,796,124
Subscription liabilities	**727,718**	1,179,492
Total assets	**$ 166,168,155**	$ 132,989,214

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

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

Economic Factors and Next Year's Budgets and Rates

- The annual unemployment rate for Augusta County in 2024 was 2.8 percent. The County's rate is slightly better than the state's unemployment rate of 3.0 percent and still compares favorably to the national average rate of 4.3 percent.
- The County depends on financial resources flowing from, or associated with, both the federal government and the Commonwealth of Virginia. Because of this dependency, the County is subject to changes in specific flows of intergovernmental revenues based on modifications to federal and state laws and federal and state appropriations. Revenues from the Commonwealth of Virginia represent approximately 9.36 percent, 45.65 percent, and 58.28 percent of total revenues for the General Fund, Virginia Public Assistance Fund, and the School Operating Fund, respectively. Revenues from the Federal government represent 4.82 percent, 46.22 percent, and 5.61 percent of total revenues for the General Fund, Virginia Public Assistance Fund, and the School Operating Fund, respectively.
- Investment earnings are subject to changes associated with the U.S. treasury securities because of actions by the Federal Reserve.
- Real Estate tax rates for calendar year 2024 are $.52 per $100 of assessed value. This is a change from the prior year rate of $.63 per $100 due to the updated reassessment that went into effect January 1, 2024. The reassessment allowed for adjustments to assessed value to more accurately reflect fair market value. The prior reassessment had been in effect since January 1, 2019. Personal Property tax rates for autos and motorcycles are $2.60 per $100 of assessed value. Other Personal Property tax rates are $2.00 per $100 of assessed value for campers, boats, and airplanes and $2.00 per $100 assessed valued value for business personal property, large trucks and machinery and tools.

All of these factors were considered in preparing the County's budget for the 2025 fiscal year.

In the General Fund, the County strives to maintain an unrestricted fund balance to be used for unanticipated emergencies of no less than two months of the GAAP basis General Fund expenditures at the close of the fiscal year. As of June 30, 2024, the County has more than the required two months of General Fund operating expenditures by $884,338. The County also recognizes its obligation to the Debt Service Fund and Virginia Public Assistance Fund. When those obligations are considered in conjunction with the fund balance policy requirements, the County has less than the required two months of General Fund operating expenditures by $5,082,411. The County will consider this requirement as it reviews its fund balance policy and prepares for the fiscal year 2025 revised budget.

Appropriations for County funds lapse at fiscal year-end, with the exception of the County Capital Improvements Fund. It is anticipated that fund balance will not be used to finance daily operations for the 2025 budget year, although as in some previous fiscal years, it is a possibility.

Requests for Information

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

BASIC FINANCIAL STATEMENTS

Government-Wide Financial Statements

STATEMENT OF NET POSITION
June 30, 2024

	Primary Government	Component Unit
	Governmental Activities	School Board
ASSETS		
Cash and cash equivalents	$ 97,326,754	$ 9,681,547
Restricted cash and cash equivalents	11,391,692	-
Cash in custody of others	40,475,044	10,000
Investments	23,881,228	-
Investments - land held for sale	269,210	-
Receivables, net:		
Taxes receivable	7,185,388	-
Accounts receivable	2,733,887	180,275
Notes receivable	2,128,214	-
Leases receivable	292,003	-
Due from primary government	-	4,911,454
Due from component unit	843,823	-
Due from other governmental units	6,073,246	7,551,163
Inventories	9,130	-
Prepaid expenses	73,156	4,811
Net pension asset	-	6,275
Equity interest in joint venture	6,987,035	-
Capital assets, net of accumulated depreciation and amortization:		
Intangible right-to-use lease assets	4,869,944	519,759
Intangible right-to-use subscription assets	1,310,610	76,872
Land	5,403,875	1,551,430
Buildings and system	62,440,282	113,375,571
Machinery and equipment	11,421,603	14,086,517
Land improvement	3,417,879	-
Construction in progress	12,200,428	118,074
Total assets	300,734,431	152,073,748
DEFERRED OUTFLOWS OF RESOURCES		
Pension plan	3,397,559	22,777,244
Other postemployment benefits	1,486,723	5,257,078
Total deferred outflows of resources	4,884,282	28,034,322

STATEMENT OF NET POSITION (Continued)
June 30, 2024

	Primary Government	Component Unit
	Governmental Activities	School Board
LIABILITIES		
Reconciled overdraft	$ 3,893,052	$ 1,442,445
Accounts payable	7,813,998	4,414,375
Accrued liabilities	2,352,312	4,339,316
Accrued interest payable	2,381,914	5,185
Due to primary government	-	843,823
Due to component unit	4,911,454	-
Unearned revenue	2,720,615	2,652,193
Deposits held in escrow	2,674,443	-
Long-term liabilities:		
Due within one year	10,320,827	824,144
Due within one year other postemployment benefits	73,043	303,210
Due in more than one year	155,847,328	2,697,772
Due in more than one year net pension liability	1,344,335	71,187,065
Due in more than one year other postemployment benefits	5,695,893	24,721,490
Total liabilities	200,029,214	113,431,018
DEFERRED INFLOWS OF RESOURCES		
Deferred revenue - property taxes	1,408,747	-
Deferred revenue - other	1,571,479	-
Leases	1,655,919	-
Pension plan	4,218,037	8,707,274
Other postemployment benefits	4,658,979	7,813,408
Total deferred inflows of resources	13,513,161	16,520,682
NET POSITION		
Net investment in capital assets	(9,171,486)	129,142,738
Restricted:		
Fire revolving loans	2,412,814	-
Drug enforcement	127,643	-
ARPA	956,148	-
Pension asset	-	6,275
Unrestricted	97,751,219	(78,992,643)
Total net position	$ 92,076,338	$ 50,156,370

STATEMENT OF ACTIVITIES
Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Component Unit: School Board
Primary Government:						
Governmental activities:						
General government administration	$ 11,485,352	$ 115,778	$ 6,795,487	$ -	$ (4,574,087)	$ -
Judicial administration	3,120,986	297,010	2,035,667	-	(788,309)	-
Public safety	37,268,093	4,058,294	4,703,659	162,663	(28,343,477)	-
Public works	8,419,792	2,903,677	262	1,953,117	(3,562,736)	-
Health and welfare	21,766,939	1,362,642	15,446,225	-	(4,958,072)	-
Education	70,150,260	-	-	3,745,759	(66,404,501)	-
Parks, recreation and cultural	3,648,361	720,330	266,467	-	(2,661,564)	-
Community development	2,051,793	-	8,112	1,027,218	(1,016,463)	-
Interest on long-term debt	4,411,758	-	-	-	(4,411,758)	-
Total governmental activities	162,323,334	9,457,731	29,255,879	6,888,757	(116,720,967)	-
Total primary government	$ 162,323,334	$ 9,457,731	$ 29,255,879	$ 6,888,757	(116,720,967)	-
Component Unit:						
School Board	$ 138,144,319	$ 3,470,763	$ 100,352,438	$ -	-	(34,321,118)
Total component units	$ 138,144,319	$ 3,470,763	$ 100,352,438	$ -	-	(34,321,118)
General revenues:						
Taxes:						
General property taxes					85,816,268	-
Local sales tax					9,746,717	-
Consumers' utility tax					1,854,907	-
Business license taxes					5,759,183	-
Restaurant food taxes					4,844,507	-
Other local taxes					3,442,736	-
Unrestricted revenues from use of money and property					8,126,648	134,795
Miscellaneous					956,747	439,280
Grants and contributions not restricted to specific programs					6,872,558	48,523,636
Total general revenues					127,420,271	49,097,711
Change in net position					10,699,304	14,776,593
Net position, beginning					81,377,034	35,379,777
Net position, ending					$ 92,076,338	$ 50,156,370

Fund Financial Statements

BALANCE SHEET –
GOVERNMENTAL FUNDS
June 30, 2024

	General	Virginia Public Assistance	County Capital Improvements	School Capital Improvements	Total Governmental Funds
ASSETS					
Cash and cash equivalents	$ 5,031,378	$ -	$ 79,265,242	$ -	$ 84,296,620
Restricted cash and cash equivalents	-	-	-	11,391,692	11,391,692
Cash in custody of others	187,084	4,300	40,283,660	-	40,475,044
Investments	23,881,228	-	-	-	23,881,228
Receivables, net:					
Taxes receivable	7,185,388	-	-	-	7,185,388
Accounts receivable	4,099,615	-	2,500	-	4,102,115
Notes receivable	1,300,000	-	-	-	1,300,000
Leases receivable	292,003	-	-	-	292,003
Due from other funds	1,032,781	-	-	-	1,032,781
Due from component unit	843,823	-	-	-	843,823
Due from other governmental units	2,723,042	1,486,589	1,273,598	590,017	6,073,246
Inventories	9,130	-	-	-	9,130
Prepaid items	63,818	-	-	-	63,818
Land held for sale	269,210	-	-	-	269,210
Total assets	$ 46,918,500	$ 1,490,889	$ 120,825,000	$ 11,981,709	$ 181,216,098
LIABILITIES					
Reconciled overdraft	$ -	$ -	$ -	$ 3,893,052	$ 3,893,052
Accounts payable	1,300,819	92,167	1,372,773	4,008,136	6,773,895
Accrued liabilities	856,993	365,941	-	211,978	1,434,912
Due to other funds	-	1,032,781	-	-	1,032,781
Due to component unit	4,911,454	-	-	-	4,911,454
Unearned revenue	2,720,615	-	-	-	2,720,615
Deposits held in escrow	2,674,443	-	-	-	2,674,443
Total liabilities	12,464,324	1,490,889	1,372,773	8,113,166	23,441,152
DEFERRED INFLOWS OF RESOURCES					
Property taxes collected in advance	1,408,747	-	-	-	1,408,747
Unavailable revenue - property taxes	6,019,035	-	-	-	6,019,035
Unavailable revenue - other	1,571,479	-	-	-	1,571,479
Leases	1,655,919	-	-	-	1,655,919
Total deferred inflows of resources	10,655,180	-	-	-	10,655,180
FUND BALANCES					
Nonspendable	342,158	-	-	-	342,158
Restricted	3,496,605	-	40,283,660	3,868,543	47,648,808
Committed	3,024,498	-	-	-	3,024,498
Assigned	614,173	-	79,168,567	-	79,782,740
Unassigned	16,321,562	-	-	-	16,321,562
Total fund balances	23,798,996	-	119,452,227	3,868,543	147,119,766
Total liabilities, deferred inflows of resources and fund balances	$ 46,918,500	$ 1,490,889	$ 120,825,000	$ 11,981,709	$ 181,216,098

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
June 30, 2024

		Governmental Funds
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds		$ 147,119,766
Capital assets of $156,526,836 net of accumulated depreciation and amortization of $55,462,215, used in governmental activities are not financial resources and, therefore, are not reported in the funds.		101,064,621
Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue in the funds		4,650,807
Notes receivable - Middle River Regional Jail Buy-In		828,214
Equity interest in joint ventures not reported in the funds.		6,987,035
Internal Service Funds are used by management to charge the cost of goods provided to other departments or funds. The assets and liabilities of the internal service fund are included in governmental activities in the Statement of Net Position.		11,081,969
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
General obligation bonds, including unamortized premiums	$ (112,698,715)	
Revenue bonds, including unamortized premiums	(43,501,006)	
Private placement notes	(782,336)	
Lease liabilities	(5,187,363)	
Subscription liabilities	(727,718)	
Compensated absences	(3,271,017)	
Interest payable	(2,381,914)	
Other postemployment benefits	(5,768,936)	
Net pension liability	(1,344,335)	
		(175,663,340)
Deferred outflows of resources represent a consumption of net position that applies to a future period and are not recognized as deferred outflows of resources in the governmental funds.		
Pension plan	3,397,559	
Other postemployment benefits	1,486,723	
		4,884,282
Deferred inflows of resources represent an acquisition of net position that applies to a future period and are not recognized as deferred inflows of resources in the governmental funds.		
Pension plan	(4,218,037)	
Other postemployment benefits	(4,658,979)	
		(8,877,016)
Net position of governmental activities		$ 92,076,338

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
Year Ended June 30, 2024

	General	Virginia Public Assistance	Debt Service	County Capital Improvements	School Capital Improvements	Total Governmental Funds
Revenues:						
General property taxes	$ 85,051,519	$ -	$ -	$ -	$ -	$ 85,051,519
Other local taxes	25,648,050	-	-	-	-	25,648,050
Permits, privilege fees and regulatory licenses	759,407	-	-	-	-	759,407
Fines and forfeitures	336,450	-	-	-	-	336,450
Revenue from the use of money and property	6,425,137	-	-	312,716	1,388,795	8,126,648
Charges for services	5,792,275	169,127	26,671	-	-	5,988,073
Miscellaneous	1,221,443	-	-	122,274	981,258	2,324,975
Recovered costs	125,784	1,193,515	-	1,054,502	-	2,373,801
Intergovernmental:						
Commonwealth	13,672,405	7,655,709	-	1,613,401	-	22,941,515
Federal	7,036,774	7,751,376	-	2,078,064	158,862	17,025,076
Augusta County School Board	-	-	-	625,000	2,413,430	3,038,430
Total revenues	146,069,244	16,769,727	26,671	5,805,957	4,942,345	173,613,944
Expenditures:						
Current:						
General government administration	10,601,175	-	-	-	-	10,601,175
Judicial administration	3,280,650	-	-	-	-	3,280,650
Public safety	35,635,136	-	-	-	-	35,635,136
Public works	5,515,213	-	-	-	-	5,515,213
Health and welfare	1,714,182	20,192,961	-	-	-	21,907,143
Education	48,419,312	-	-	-	-	48,419,312
Parks, recreation and cultural	2,797,489	-	-	-	-	2,797,489
Community development	2,631,505	-	-	-	-	2,631,505
Nondepartmental	3,340,247	-	-	-	-	3,340,247
Capital projects	-	-	-	14,942,766	36,358,857	51,301,623
Debt service:						
Principal retirement - subscription liabilities	178,590	-	-	282,395	-	460,985
Principal retirement - lease liabilities	244,538	11,594	-	-	-	256,132
Principal retirement - bonds and notes	-	-	6,319,499	-	388,448	6,707,947
Interest and other fiscal charges	97,334	637	4,240,176	20,588	46,315	4,405,050
Total expenditures	114,455,371	20,205,192	10,559,675	15,245,749	36,793,620	197,259,607
Excess (deficiency) of revenues over (under) expenses	31,613,873	(3,435,465)	(10,533,004)	(9,439,792)	(31,851,275)	(23,645,663)
Other financing sources (uses):						
Issuance of bond	-	-	-	37,855,000	-	37,855,000
Issuance of premium	-	-	-	2,524,605	-	2,524,605
Issuance of lease liabilities	244,755	-	-	-	-	244,755
Issuance of subscription liabilities	9,211	-	-	-	-	9,211
Transfers in	84,456	3,435,465	10,533,004	19,199,474	1,115,970	34,368,369
Transfers out	(31,045,045)	-	-	(2,908,391)	(414,933)	(34,368,369)
Other financing sources (uses), net	(30,706,623)	3,435,465	10,533,004	56,670,688	701,037	40,633,571
Net change in fund balances	907,250	-	-	47,230,896	(31,150,238)	16,987,908
Fund balances, beginning	22,891,746	-	-	72,221,331	35,018,781	130,131,858
Fund balances, ending	$ 23,798,996	$ -	$ -	$ 119,452,227	$ 3,868,543	$ 147,119,766

See Notes to Financial Statements.

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2024

		Governmental Funds
Net change in fund balances - total governmental funds		$ 16,987,908
Reconciliation of amounts reported for governmental activities in the Statement of Activities:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation and amortization expense. This is the amount by which depreciation and amortization exceeded capital outlays in the current period.		
Expenditures for capital assets	$ 11,852,024	
Less depreciation and amortization expense	(3,803,941)	
Excess of depreciation and amortization over capital outlays		8,048,083
The net effect of miscellaneous transactions involving capital assets (i.e. sales, trade-ins and donations) is to increase net position.		14,744,877
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		
Unavailable revenue	(603,479)	
OPEB non-employer contributions from the Commonwealth	12,173	
		(591,306)
Notes receivable - Middle River Regional Jail Buy-In		(810,623)
Equity interest in joint ventures		1,843,644
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.		
Revenue bond debt	(37,855,000)	
Premium on revenue bond debt	(2,524,605)	
Issuance of subscription liabilities	(9,211)	
Issuance of lease liabilities	(244,755)	
		(40,633,571)
Principal repayments:		
General obligation debt	5,691,822	
Revenue bonds	627,677	
Private placement notes	388,448	
Subscription liabilities	460,985	
Lease liabilities	256,132	
		7,425,064
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Accrued interest	(511,167)	
Compensated absences	(474,893)	
Amortization of premium	504,459	
Changes in OPEB liabilities and related deferred outflows and inflows of resources	199,910	
Changes in pension liabilities and related deferred outflows and inflows of resources	2,911,687	
		2,629,996
Internal Service Funds are used by management to charge the costs of certain activities to individual funds. The net income of the internal service fund is reported with governmental activities.		
Total revenues	14,919,812	
Total expenses	(13,864,580)	
		1,055,232
Change in net position of governmental activities		$ 10,699,304

STATEMENT OF NET POSITION –
INTERNAL SERVICE FUND
June 30, 2024

	Self - Insurance
ASSETS	
Current assets:	
Cash and cash equivalents	$ 19,742,627
Prepaid expenses	14,149
Total current assets	19,756,776
Total assets	19,756,776
LIABILITIES	
Current liabilities:	
Accounts payable	1,575,914
Insurance and benefit claims	1,390,000
Total liabilities	2,965,914
NET POSITION	
Unrestricted	16,790,862
Total net position	$ 16,790,862

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION – INTERNAL SERVICE FUND
Year Ended June 30, 2024

	Self - Insurance
Operating revenues:	
Charges for services	$ 22,605,776
Total operating revenues	22,605,776
Operating expenses:	
Contractual services	8,505
Risk financing and benefit payments	23,093,888
Total operating expenses	23,102,393
Operating loss	(496,617)
Change in net position	(496,617)
Total net position, beginning	17,287,479
Total net position, ending	$ 16,790,862

See Notes to Financial Statements.

STATEMENT OF CASH FLOWS – INTERNAL SERVICE FUND
Year Ended June 30, 2024

		Self - Insurance
Cash flows from operating activities:		
Receipts from interfund services provided	$	22,686,032
Claims and benefits paid		(23,705,859)
Payments to suppliers for goods and services		(232,505)
Net cash used in operating activities		(1,252,332)
Net change in cash and cash equivalents		(1,252,332)
Cash and cash equivalents:		
Beginning		20,994,959
Ending	$	19,742,627
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	$	(496,617)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Change in operating accounts:		
Decrease in accounts receivable		80,256
Decrease in prepaid expenses		16,106
Decrease in accounts payable		(628,077)
Decrease in insurance and benefit claims		(224,000)
Net cash used in operating activities	$	(1,252,332)

See Notes to Financial Statements.

STATEMENT OF FIDUCIARY NET POSITION –
FIDUCIARY FUNDS
June 30, 2024

ASSETS	
Cash and cash equivalents	$ 797,382
Total assets	797,382
LIABILITIES	
Accounts payable	24,981
Total liabilities	24,981
NET POSITION	
Restricted for:	
Other	642,230
Individuals	130,171
Total net position	$ 772,401

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – FIDUCIARY FUNDS
Year Ended June 30, 2024

ADDITIONS	
Benefits collected on behalf of others	$ 1,292,011
Total additions	1,292,011
DEDUCTIONS	
Payments to participants or beneficiaries	1,236,505
Total deductions	1,236,505
Net change in fiduciary net position	55,506
Total net position, beginning	716,895
Total net position, ending	$ 772,401

See Notes to Financial Statements.

Note 1. Summary of Significant Accounting Policies

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

A. Financial Reporting Entity

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

Blended Component Units

There are no blended component units for the year ended June 30, 2024.

Discretely Presented Component Unit

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

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

Related Organizations

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

Undivided Interests

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

Note 1. Summary of Significant Accounting Policies (Continued)

A. Financial Reporting Entity (Continued)

Joint Ventures

The County and the Cities of Staunton and Waynesboro participate in supporting the Augusta Regional Landfill for local residents. The Augusta Regional Landfill is a hybrid undivided interest/joint venture contractually formed by the City of Staunton, Virginia, the County of Augusta, Virginia and the City of Waynesboro, Virginia. A summary of revenues for the Augusta Regional Landfill for the year ended June 30, 2024 is as follows:

	County of Augusta	City of Staunton	City of Waynesboro
Revenues	$ 2,449,629	$ 634,821	$ 823,275
% of total revenues	62.69%	16.24%	21.07%

The County's net investment is recorded on the Statement of Net Position. The County's equity interest as of June 30, 2024 was $6,621,606.

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

The County School Board and the Cities of Staunton and Waynesboro participate in supporting the Valley Career and Technical Center (Center) for local residents. The Center provides vocational training to secondary and adult students. The Center is governed by a six-member board of trustees of which two are appointed by the Augusta County School Board, two by City of Staunton School Board and two by City of Waynesboro School Board. Funding for the Center was provided by the County of Augusta, City of Staunton and City of Waynesboro for the year ended June 30, 2024 as follows:

	County of Augusta	City of Staunton	City of Waynesboro
Operations	$ 4,007,195	$ 643,212	$ 704,403
% of total revenues	74.83%	12.02%	13.15%

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

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

	County of Augusta	City of Staunton	City of Waynesboro
Operations	$ 365,429	$ 163,768	$ 113,033
% of total revenues	56.90%	25.50%	17.60%

The County's net investment is recorded on the Statement of Net Position. The County's equity interest as of June 30, 2024 was $365,429.

Note 1. Summary of Significant Accounting Policies (Continued)

A. Financial Reporting Entity (Continued)

Jointly Governed Organizations

The County, in conjunction with other localities, has created the Shenandoah Valley Airport Commission, the Shenandoah Valley Juvenile Detention Home Commission, the Valley Community Services Board, and the Middle River Regional Jail Authority. The School Board participates in the Shenandoah Valley Regional Program for Special Education. The governing bodies of these organizations are appointed by the respective governing bodies of the participating jurisdictions. During the year, the County contributed $236,500 for operations to the Valley Community Services Board, $172,141 to the Shenandoah Valley Airport, $318,012 to the Shenandoah Valley Juvenile Detention Home and $5,419,541 to the Middle River Regional Jail Authority. The School Board contributed $1,138,966 to the Shenandoah Valley Regional Program for operations.

B. Government-wide and Fund Financial Statements

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

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

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

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

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

Note 1. Summary of Significant Accounting Policies (Continued)

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

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

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

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

The government reports the following major governmental funds:

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

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

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

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

Additionally, the government reports the following fund types:

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

Note 1. Summary of Significant Accounting Policies (Continued)

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

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

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

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

Net Position Flow Assumption

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

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

Deposits and Investments

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

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

Receivables and Payables

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

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

Note 1. Summary of Significant Accounting Policies (Continued)

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

Inventory and Prepaid Items

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

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid expenditures in the General Fund of expendable services held for consumption and are accounted for under the consumption method. Cost is recorded as an expense at the time the individual inventory items are used.

Property Taxes

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

Allowance for Uncollectible Accounts

The County calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. At June 30, 2024, the General Fund had allowances of $822,536 for property taxes and $140,817 for EMS transport fees. The allowance for property taxes represents 0.18% percent of the total levies for the previous six years.

Use of Estimates

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

Capital Assets

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

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

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

Note 1. Summary of Significant Accounting Policies (Continued)

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

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

Assets	Years
Buildings	40
Building Improvements	40
Land Improvements	15-20
Machinery and Equipment	5-10
Intangible Right-to-Use Lease Land	2-27
Intangible Right-to-Use Lease Building	6
Intangible Right-to-Use Lease Equipment	2-5
Intangible Right-to-Use Lease Infrastructure	16-26
Intangible Subscription Assets	1-5

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 liabilities in the Statement of Net Position. In accordance with the provisions of Government Accounting Standards No. 16, *Accounting for Compensated Absences*, no liability is recorded for non-vesting accumulating rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulating sick leave benefits that it is estimated will be the maximum paid upon retirement. The County accrues salary-related payments associated with the payment of compensated absences.

Long-Term Obligations

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

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

Leases

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

Note 1. Summary of Significant Accounting Policies (Continued)

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

Leases (Continued)

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

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

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

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

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

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

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

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

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

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

Note 1. Summary of Significant Accounting Policies (Continued)

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

Subscription-based information technology arrangements (SBITAs)

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

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

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

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

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

Fund Balance/Fund Net Position

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

- Nonspendable fund balance – amounts that are not in spendable form (such as inventory and prepaids) or are required to be maintained intact (corpus of a permanent fund);
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- Committed fund balance – amounts constrained to specific purposes determined by the adoption of an ordinance committing fund balance for a specified purpose by the Board of Supervisors prior to the end of the fiscal year. To be reported as committed, amounts cannot be used for any other purpose unless the Board of Supervisors takes the action to remove or change the constraint;
- Assigned fund balance – amounts intended to be used by the County for specific purposes but do not meet the criteria to be classified as committed. The Board of Supervisors has by resolution authorized the Director of Finance to assign fund balance. The Board of Supervisors may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.
- Unassigned fund balance – amounts that are available for any purpose; positive amounts are only reported in the General Fund.

Note 1. Summary of Significant Accounting Policies (Continued)

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

Fund Equity (Continued)

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

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

In the General Fund, the County strives to maintain an unrestricted fund balance to be used for unanticipated emergencies of no less than two months of the GAAP basis General Fund operating expenditures at the close of the fiscal year, as adjusted for temporary funding of unanticipated budgetary shortfalls, if applicable. In the event the unassigned General Fund balance is used to provide for temporary funding of unanticipated budgetary shortfalls, the County shall restore the unrestricted General Fund balance to the minimum level of two months of General Fund operating expenditures within three to five fiscal years following the fiscal year in which the event occurred. The plan to restore the unrestricted General Fund balance shall be included and highlighted in the County's adopted budget. At June 30, 2024, the County had more than the required two months of operating expenditures by $884,338. The County also recognizes its obligation to the Debt Service Fund and Virginia Public Assistance Fund. When those obligations are considered in conjunction with the fund balance policy requirements, the County has less than the required two months of General Fund operating expenditures by $5,082,411. See Note 22 for more information on fund balance designations.

Net Position

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

Restricted Assets

Capital Improvements Fund reports restricted cash at June 30, 2024 for unspent bond proceeds.

Deferred Outflows/Inflows of Resources

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

Note 1. Summary of Significant Accounting Policies (Continued)

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

Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Several types of items qualify for reporting in this category related to the pension plan and OPEB plans. See Notes 9 through 15 for details regarding these items. Accordingly, two other items, unavailable revenue representing property taxes receivable and other unavailable revenues which contain repayment of loans, which arise under the modified accrual basis of accounting, are reported only as unavailable revenues in the governmental funds Balance Sheet. These amounts are deferred and recognized as inflows of resources in the period that the amounts become available. Under the accrual basis, property taxes collected in advance and lease related charges are reported as deferred inflows of resources on the Statement of Net Position. Other deferred revenues are also reported as deferred inflows of resources on the Statement of Net Position.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the County of Augusta and its component unit, the Augusta County School Board, retirement plans and the additions to/deductions from the County, and the Augusta County School Board's retirement plan's net fiduciary positions have been determined on the same basis as they were reported by the Virginia Retirement System (VRS). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The General Fund has typically been used in prior years to liquidate pension liability.

Other Postemployment Benefits

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

Medical Insurance Programs

The Medical Insurance Programs are single-employer plans. Differences between expected and actual experience and actuarial assumptions are amortized over the average of the expected remaining service lives of all employees that are covered through the plans, which is 7.71 years for the County plan and 7.52 years for the School plan. Plan amendments are recognized immediately.

Group Life Insurance

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

Note 1. Summary of Significant Accounting Policies (Continued)

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

Health Insurance Credit Program

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

Line of Duty Act Program

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

Virginia Local Disability Program

The VRS Political Subdivision Employee Virginia Local Disability Program (VLDP) is a multiple-employer, cost-sharing plan. For purposes of measuring the net VLDP OPEB liability, deferred outflows of resources and deferred inflows of resources related to the VLDP OPEB, and the VLDP OPEB expense, information about the fiduciary net position of the VLDP; and the additions to/deductions from the VLDP's net fiduciary position have been determined on the same basis as they were reported by VRS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

E. Subsequent Events

The County has evaluated subsequent events through December 4, 2024, the date on which the financial statements were available to be issued.

Note 2. Stewardship, Compliance and Accountability

A. Budgetary Information

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

1. Prior to April 1, the County Administrator submits to the Board of Supervisors a proposed operating and capital budget for the fiscal year commencing the following July 1. The operating and capital budget includes proposed expenditures and the means of financing them. The following Funds have legally adopted budgets: General Fund, Virginia Public Assistance Fund, School Operating Fund, School Cafeteria Fund, School Capital Improvements Fund, Debt Service Fund, Head Start Fund, Governor's School Fund and County Capital Improvements Fund.

2. Public hearings are conducted to obtain citizen comments.

3. Prior to June 30, the budget is legally enacted through passage of an Appropriations Resolution.

4. The Appropriations Resolution places legal restrictions on expenditures at the department level. The appropriation for each department or category can be revised only by the Board of Supervisors. During preparation of the revised budget, the County Administrator is authorized to transfer budgeted amounts between general government departments and the School Board is authorized to transfer budgeted amounts within the school system's categories.

5. Formal budgetary review is employed as a management control device during the year for all budgeted funds.

6. Appropriations lapse on June 30 for all County units. The County's practice is to appropriate capital projects by project.

7. All budget data presented in the accompanying financial statements is the original and revised budget as of June 30.

8. Encumbrances, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriations, lapse at year end.

9. Annual budgets are adopted on a basis consistent with GAAP for all governmental funds.

B. Excess of Expenditures over Appropriations

For the year ended June 30, 2024, the School Cafeteria Fund had expenditures exceeding appropriations due to a non-cash adjustment for USDA inventories.

Note 3. Deposits and Investments

Deposits

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

Custodial Credit Risk (Deposits)

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

Investments

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

Custodial Credit Risk (Investments)

The County's investment policy provides that securities purchased for the County shall be held by the County Treasurer or by the Treasurer's custodian. If held by a custodian, the securities must be in the County's name or in the custodian's nominee name and identifiable on the custodian's books as belonging to the County. Further, if held by a custodian, the custodian must be a third-party, not a counterparty (buyer or seller) to the transaction. At June 30, 2024, all of the County's investments were held in accordance with this policy.

Credit Risk of Debt Securities

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

The County's rated debt investments as of June 30, 2024 were rated by Moody and the ratings are presented below using the Moody rating scale.

	Fair Quality	
	AA+	AAAm
U.S. Agencies	$ 12,001,725	$ -
U.S. Treasury Obligations	51,879	-
Municipal/Public Bonds	11,827,624	-
Local Government Investment Pool	-	172,626
Total	$ 23,881,228	$ 172,626

Note 3. Deposits and Investments (Continued)

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

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

	Investment Maturities (in years)		
Investment Type	Fair Value	Less than 1 Year	1-5 Years
U.S. Treasury Obligations	$ 51,879	$ 51,879	$ -
Municipal/Public Bonds	11,827,624	5,439,462	6,388,162
U.S. Agencies	12,001,725	10,184,788	1,816,937
Total	$ 23,881,228	$ 15,676,129	$ 8,205,099

External Investment Pools
The LGIP is a professionally managed money market fund which invests in qualifying obligations and securities as permitted by Virginia Statutes pursuant to Section 2.2-4605 *Code of Virginia*. The Treasury Board of the Commonwealth sponsors the LGIP and has delegated certain functions to the State Treasurer. The LGIP reports to the Treasury Board at their regularly scheduled monthly meetings. The County's investment in the LGIP, totaling $172,626, is stated at amortized cost and classified as cash and cash equivalents. The maturity of the LGIP is less than one year. There are no limitations or restrictions on withdrawals.

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

Fair Value Measurements (Continued)
The County has the following recurring fair value measurements as of June 30, 2024:

- U.S. agency securities of $7,410,532 are valued using quoted market prices (Level 1 inputs) and $4,591,193 are valued as Level 2 inputs using significant other observable inputs, including quoted prices for similar assets in active markets.
- U.S. Treasury obligations and municipal/public bonds of $11,879,503 are valued using quoted market prices (Level 1 inputs).

Note 4. Due from Other Governmental Units

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

	Primary Government	Component Unit - School Board
Shenandoah Valley Regional Program for Special Education:		
Net pension and other post employment benefits liability	$ -	$ 1,256,285
Commonwealth of Virginia:		
Local sales tax	-	2,423,059
State sales tax	1,806,476	-
Motor vehicle carrier's tax	67,588	-
Peer to Peer vehicle sharing tax	618	-
Reimbursement of shared services	486,833	-
Auto rental tax	22,404	-
Criminal Justice	109,016	-
Broadband Grant	135,026	-
NG911	85,387	-
Wireless PSAP	54,065	-
Library	66,496	-
Timber tax	630	-
School Grants	-	584,674
Other	5,009	-
Children's services act	527,718	-
Virginia public assistance	339,315	-
Federal Government:		
Virginia public assistance	619,556	-
Criminal justice	56,542	-
VTC ARPA Grant	10,599	-
Transportation	1,053,182	-
COSSAP Grant	36,769	-
HVAC ARPA Grant	590,017	-
School grants	-	2,616,391
Head Start	-	670,754
Totals	$ 6,073,246	$ 7,551,163

Note 5. Encumbrances

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

General Fund	$ 439,693
County Capital Improvements Fund	74,268,540
Total	$ 74,708,233

Note 6. Interfund/Entity Obligations

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

Fund	Interfund Receivable	Interfund Payable	Due to Primary Government/ Component Unit	Due from Primary Government/ Component Unit
Primary Government:				
General Fund	$ 1,032,781	$ -	$ 4,911,454	$ 843,823
County Capital Improvements Fund		-	-	-
VPA Fund	-	1,032,781	-	-
Total	$ 1,032,781	$ 1,032,781	$ 4,911,454	$ 843,823
Component Unit - School Board:				
School Operating Fund	$ -	$ -	$ -	$ 4,911,454
Head Start Fund	-	-	9,639	-
Governor's School Fund	-	-	834,184	-
Total	$ -	$ -	$ 843,823	$ 4,911,454

Note 7. Interfund Transfers

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

Fund	Transfers In	Transfers Out
Primary Government:		
General Fund	$ 84,456	$ 31,045,045
Virginia Public Assistance Fund	3,435,465	-
School Capital Improvements Fund	1,115,970	414,933
Debt Service Fund	10,533,004	-
County Capital Improvements Fund	19,199,474	2,908,391
Total	$ 34,368,369	$ 34,368,369

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

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

The transfer from the School Capital Improvements Fund to the Debt Service Fund was to move school construction grant funds received to pay down eligible debt payments. Transfers to the County Capital Improvements Fund was to meet the obligation of the broadband project, which is set up on an annual repayment schedule.

Note 7. Interfund Transfers (Continued)

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

Note 8. Long-Term Obligations

Primary Government – Governmental Activity Indebtedness

The following is a summary of long-term debt transactions for the County for the year ended June 30, 2024:

	Balance June 30, 2023	Issuances	Retirements	Balance June 30, 2024
General obligation bonds	$ 107,827,501	$ -	$ 5,691,822	$ 102,135,679
Revenue bonds	3,478,695	37,855,000	627,677	40,706,018
Premiums on bond issues	11,337,878	2,524,605	504,459	13,358,024
Private placement notes	1,170,784	-	388,448	782,336
Lease liabilities	5,198,740	244,755	256,132	5,187,363
Compensated absences	2,796,124	1,230,672	755,779	3,271,017
Subscription liabilities	1,179,492	9,211	460,985	727,718
Total long-term liabilities	$ 132,989,214	$ 41,864,243	$ 8,685,302	$ 166,168,155

Note 8. Long-Term Obligations

Primary Government – Governmental Activity Indebtedness (Continued)

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

	General Obligation Bonds		Revenue Bonds	
Year(s) Ending June 30,	Principal	Interest	Principal	Interest
2025	$ 7,205,405	$ 4,273,841	$ 657,676	$ 1,896,725
2026	6,766,860	3,970,668	992,676	1,847,075
2027	7,001,094	3,656,124	1,037,676	1,801,078
2028	5,412,320	3,392,197	1,082,677	1,752,353
2029	4,860,000	3,186,535	1,132,676	1,700,841
2030-2034	26,915,000	12,803,626	4,152,637	7,880,731
2035-2039	24,730,000	7,169,806	4,910,000	6,712,359
2040-2044	19,245,000	2,315,429	6,335,000	5,209,453
2045-2049	-	-	8,030,000	3,496,634
2050-2054	-	-	10,055,000	1,331,975
2055	-	-	2,320,000	-
Total	$ 102,135,679	$ 40,768,226	$ 40,706,018	$ 33,629,224

	Private Placement Notes		Lease liabilities		Subscription liabilities	
Year(s) Ending June 30,	Principal	Interest	Principal	Interest	Principal	Interest
2025	$ 403,548	$ 31,215	$ 237,084	$ 93,441	$ 441,512	$ 14,599
2026	378,788	15,512	229,772	89,499	281,158	3,653
2027	-	-	228,697	85,429	5,048	69
2028	-	-	207,426	81,446	-	-
2029	-	-	203,822	77,860	-	-
2030-2034	-	-	1,175,672	331,382	-	-
2035-2039	-	-	1,151,160	222,631	-	-
2040-2044	-	-	927,831	128,895	-	-
2045-2049	-	-	794,207	36,125	-	-
2050-2053	-	-	31,692	1,885	-	-
Total	$ 782,336	$ 46,727	$ 5,187,363	$ 1,148,593	$ 727,718	$ 18,321

Note 8. Long-Term Obligations (Continued)

Primary Government – Governmental Activity Indebtedness (Continued)

Details of long-term indebtedness:

	Total Amount	Amount Due Within One Year
General obligation bonds (issued for school construction):		
$5,875,000 2004A Series, issued May 13, 2004, Virginia Public School Authority Bonds, due in annual installments of $290,000 through July 2025, plus semi-annual interest at 5.1%. The bond was issued at a premium of $425,392 which will be amortized over the life of the bond.	$ 290,000	$ 290,000
$6,454,481 2004B Series, issued November 10, 2004, Virginia Public School Authority Bonds, due in annual installments from $366,334 to $372,067 through July 15, 2024, plus semi-annual interest at 4.6%. The bond was issued at a premium of $474,102 which will be amortized over the life of the bond.	372,067	372,067
$26,610,000 2006A Series, issued November 9, 2006, Virginia Public School Authority Bonds, due in annual installments of $1,330,000 through July 2026, plus semi-annual interest at 4.6% to 4.75%. The bond was issued at a premium of $791,524 which will be amortized over the life of the bond.	3,990,000	1,330,000
$12,729,426 2007A Series, issued November 8, 2007, Virginia Public School Authority Bonds, due in annual installments of $750,000 through July 15, 2027, plus semi-annual interest at 3%. The bond was issued at a premium of $686,698 which will amortized over the life of the bond.	2,882,362	699,588
$7,500,000 2011A Series, issued June 28, 2011, Virginia Public School Authority Bonds as Qualified School Construction Bonds, due in annual installments of $468,750 through June 1, 2027, plus semi-annual interest which will be reimbursed to VPSA as a federal tax credit and then transferred to the County.	1,406,250	468,750
$6,600,000 2012B Series, issued May 10, 2012, Virginia Public School Authority Bonds due in annual installments from $345,000 to $490,000 through July 15, 2032, plus semi-annual interest at 3.05% to 5.05%. The bond was issued at a premium of $966,694 which will be amortized over the life of the bond.	3,725,000	345,000
$27,825,000 2016A Series, issued April 26, 2016, Virginia Public School Authority Bonds due in annual installments from $1,270,000 to $1,875,000 through July 15, 2035 plus semi-annual interest at 2.3% to 5.05%. The bond was issued at a premium of $2,381,661 which will be amortized over the life of the bond.	20,530,000	1,270,000
$14,285,000 2016B Series, issued October 25, 2016, Virginia Public School Authority Bonds due in annual installments from $645,000 to $990,000 through July 15, 2036 plus semi-annual interest at 2.925% to 5.05%. The bond was issued at a premium of $1,247,289 which will be amortized over the life of the bond.	10,675,000	645,000

Note 8. Long-Term Obligations (Continued)

Primary Government – Governmental Activity Indebtedness (Continued)

	Total Amount	Amount Due Within One Year
General obligation bonds (issued for school construction): (continued)		
$20,520,000 2022B Series, issued October 18, 2022, Virginia Public School Authority Bonds due in annual installments from $655,000 to $1,565,000 through July 15, 2042 plus semi-annual interest at 4.05% to 5.05%. The bond was issued at a premium of $1,538,927 which will be amortized over the life of the bond.	$ 20,120,000	$ 655,000
$38,145,000 2023A Series, issued April 25, 2023, Virginia Public School Authority Bonds due in annual installments from $1,130,000 to $2,955,000 through July 15, 2043 plus semi-annual interest at 5.05%. The bond was issued at a premium of $6,027,453 which will be amortized over the life of the bond.	38,145,000	1,130,000
Sub-total general obligation bonds payable	102,135,679	7,205,405
Unamortized premium on general obligation bonds	10,563,036	705,717
Revenue bonds:		
$1,789,123 2012B Series, issued August 23, 2012, Virginia Resources Authority Bonds due in annual installments of $92,677 through December 1, 2033. The loan is interest free.	816,018	92,676
$4,415,000 2013A Series, issued June 5, 2013, Virginia Resources Authority Bonds due in annual installments from $330,000 to $390,000 through October 1, 2028, plus semi-annual interest at 4.254% to 4.825%. The bond was issued at a premium of $718,271 which will be amortized over the life of the bond.	1,800,000	330,000
$1,890,000 2014C Series, issued November 19, 2014, Virginia Resources Authority Bonds due in annual installment of $235,000 through October 1, 2024, plus semi-annual interest at 5.125%. The bond was issued at a premium of $309,600 which will be amortized over the life of the bond.	235,000	235,000
$37,855,000 2024A Series, issued May 15, 2024, Virginia Resources Authority Bonds due in annual installments from $555,000 to $2,320,000 through October 1, 2054, plus semi-annual interest at 4.299% to 5.125%. The bond was issued at a premium of $2,524,605 which will be amortized over the life of the bond.	37,855,000	-
Sub-total revenue bonds payable	40,706,018	657,676
Unamortized premium on revenue bonds	2,794,988	78,845

Note 8. Long-Term Obligations (Continued)

Primary Government – Governmental Activity Indebtedness (Continued)

	Total Amount	Amount Due Within One Year
Private placement notes:		
ePlus Group, Inc. note, dated October 16, 2019, due in annual installments from $363,886 to $378,788 through November 1, 2025, plus annual interest at 4.095%.	$ 742,674	$ 363,886
ePlus Group, Inc. capital lease, dated February 7, 2022, due in annual installment of $39,662 through November 1, 2024, plus annual interest at 4.75%.	39,662	39,662
Sub-total private placement notes payable	782,336	403,548
Compensated absences (payable from the General Fund)	3,271,017	591,040
Total	$ 160,253,074	$ 9,642,231

Arbitrage Rebate Compliance:
As of June 30, 2024, and for the year then ended, the County was not liable for any amounts due under current rules governing arbitrage earnings.

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

Discretely Presented Component Unit-School Board-Indebtedness:

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

	Balance June 30, 2023	Issuances	Retirements	Balance June 30, 2024
Compensated absences	$ 2,809,209	$ 1,399,458	$ 1,272,236	$ 2,936,431
Lease liabilities	515,732	328,821	324,176	520,377
Subscription liabilities	134,305	-	69,197	65,108
Total long-term liabilities	$ 3,459,246	$ 1,728,279	$ 1,665,609	$ 3,521,916

Note 8. Long-Term Obligations (Continued)

Discretely Presented Component Unit-School Board-Indebtedness:

Details of long-term indebtedness:

	Total Amount	Amount Due Within One Year
Accrued compensated absences (payable from the School Operating Fund)	$ 2,936,431	$ 561,421
Total long-term obligations	$ 2,936,431	$ 561,421

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

	Lease liabilities		Subscription liabilities	
Year Ending June 30,	Principal	Interest	Principal	Interest
2025	$ 197,615	$ 9,825	$ 65,108	$ 1,399
2026	132,339	6,760	-	-
2027	98,895	3,936	-	-
2028	82,264	1,281	-	-
2029	9,264	64	-	-
Total	$ 520,377	$ 21,866	$ 65,108	$ 1,399

Note 9. Leases

A. <u>Leases Receivable</u>

Primary Government

During the current fiscal year, the County leased land, building and infrastructure to a third party. The building leases range from 13 to 62 months. The County will receive monthly fixed payments ranging from $1,221 to $3,705. The land leases range from 36 to 112 months. The County will receive annual payments ranging from $385 to $23,265. The infrastructure lease (radio antenna slot) is a 204 month lease, and the County will receive annual fixed payments of $1,754. The County recognized $69,536 in lease revenue and $2,846 in interest revenue during the current fiscal year related to these leases. As of June 30, 2024, the County's receivable for lease payments was $292,003. Also, the County has a deferred inflow of resources associated with these leases that will be recognized as revenue over the lease term. As of June 30, 2024, the balance of the deferred inflow of resources was $1,655,919.

Note 9. Leases (Continued)

B. Leases Payable

Primary Government

During the current fiscal year, the County had 53 agreements as a lessee for land, buildings, equipment and infrastructure. As of June 30, 2024, the value of the lease liability was $5,187,363. The leases have an interest rate ranging from 0.2450% to 3.689%. The intangible lease assets have one to twenty-nine year estimated useful life. The value of the intangible lease assets as of the end of the current fiscal year was $5,816,266 and had accumulated amortization of $946,322.

School Board

During the current fiscal year, the School Board had 51 agreements as a lessee for equipment. As of June 30, 2024, the value of the lease liability was $520,377. The leases have an interest rate ranging from 0.308% to 3.445%. The intangible lease assets have one to twenty-nine year estimated useful life. The value of the intangible lease assets as of the end of the current fiscal year was $1,262,036 and had accumulated amortization of $742,277.

C. Subscription-based information technology arrangements

Primary Government

During the current fiscal year, the County had 19 SBITAs. As of June 30, 2024, the value of the subscription liability was $727,718. The subscriptions have an interest rate ranging from 2.024% to 3.305%. The intangible subscription assets have one to three year estimated useful life. The value of the intangible subscription assets as of the end of the current fiscal year was $1,635,171 and had accumulated amortization of $324,651.

School Board

During the current fiscal year, the School Board had three SBITAs. As of June 30, 2024, the value of the subscription liability was $65,108. The subscriptions have an interest rate ranging from 2.024% to 2.610%. The intangible subscription assets have two to three year estimated useful life. The value of the intangible subscription assets as of the end of the current fiscal year was $213,798 and had accumulated amortization of $136,926.

Note 10. Pension Plan

Name of Plan: Virginia Retirement System (VRS)

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

Administering Entity: Virginia Retirement System (System)

A. Plan Description

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

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

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

Note 10. Pension Plan (Continued)

A. Plan Description (Continued)

PLAN 1

Eligible Members

Political Subdivision Employees: Members are in Plan 1 if their membership date is before July 1, 2010, and they were vested as of January 1, 2013, and they have not taken a refund.

School division employees (teachers): Members are in Plan 1 if their membership date is prior to July 1, 2010, they were vested before January 1, 2013, and they have not taken a refund.

Hybrid Opt-In Election
Plan 1 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014.

The Hybrid Retirement Plan's effective date for eligible Plan 1 members who opted in was July 1, 2014.

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

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

PLAN 2

Eligible Members

Political subdivision employees: Members are in Plan 2 if their membership date is on or after July 1, 2010, or their membership date is before July 1, 2010, and they were not vested as of January 1, 2013.

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

Hybrid Opt-In Election
Eligible Plan 2 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014.

The Hybrid Retirement Plan's effective date for eligible Plan 2 members who opted in was July 1, 2014.

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

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

HYBRID RETIREMENT PLAN

Eligible Members

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

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

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

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

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

Note 10. Pension Plan (Continued)

A. Plan Description (Continued)

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

Note 10. Pension Plan (Continued)

A. Plan Description (Continued)

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
Vesting Vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members become vested when they have at least five years (60 months) of service credit. Vesting means members are eligible to qualify for retirement if they meet the age and service requirements for their plan. Members also must be vested to receive a full refund of their member contribution account balance if they leave employment and request a refund. Members are always 100% vested in the contributions that they make.	**Vesting** Same as Plan 1.	**Vesting** *Defined Benefit Component* Defined benefit vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members are vested under the defined benefit component of the Hybrid Retirement Plan when they reach five years (60 months) of service credit. Plan 1 or Plan 2 members with at least five years (60 months) of creditable service who opted into the Hybrid Retirement Plan remain vested in the defined benefit component. *Defined Contribution Component* Defined contribution vesting refers to the minimum length of service a member needs to be eligible to withdraw the employer contributions from the defined contribution component of the plan. Members are always 100% vested in the contributions that they make. Upon retirement or leaving covered employment, a member is eligible to withdraw a percentage of employer contributions to the defined contribution component of the plan, based on service. • After two years, a member is 50% vested and may withdraw 50% of employer contributions. • After three years, a member is 75% vested and may withdraw 75% of employer contributions. • After four or more years, a member is 100% vested and may withdraw 100% of employer contributions. Distributions not required, except as governed by law or except as governed by law until age 73 for the County plan.

Note 10. Pension Plan (Continued)

A. Plan Description (Continued)

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

Note 10. Pension Plan (Continued)

A. Plan Description (Continued)

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

Note 10. Pension Plan (Continued)

A. Plan Description (Continued)

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

Note 10. Pension Plan (Continued)

A. Plan Description (Continued)

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
Cost-of-Living Adjustment (COLA) in Retirement (Continued) *Exceptions to COLA Effective Dates* *School Division (Teachers) and Political Subdivision Employees:* The COLA is effective July 1 following one full calendar year (January 1 to December 31) under any of the following circumstances: • The member is within five years of qualifying for an unreduced retirement benefit as of January 1, 2013. • The member retires on disability. • The member retires directly from short-term or long-term disability. • The member is involuntarily separated from employment for causes other than job performance or misconduct and is eligible to retire under the Workforce Transition Act or the Transitional Benefits Program. • The member dies in service and the member's survivor or beneficiary is eligible for a monthly death-in-service benefit. The COLA will go into effect on July 1 following one full calendar year (January 1 to December 31) from the date the monthly benefit begins.	**Cost-of-Living Adjustment (COLA) in Retirement (Continued)** *Exceptions to COLA Effective Dates* *School Division (Teachers) and Political Subdivision Employees:* Same as Plan 1.	**Cost-of-Living Adjustment (COLA) in Retirement (Continued)** *Exceptions to COLA Effective Dates* *School Division (Teachers) and Political Subdivision Employees:* Same as Plan 1 and Plan 2.

Note 10. Pension Plan (Continued)

A. Plan Description (Continued)

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

Note 10. Pension Plan (Continued)

B. 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:

County Plan (Agent Plan)

	Number
Inactive members or their beneficiaries currently receiving benefits	388
Inactive members:	
Vested inactive members	110
Non-vested inactive members	183
Inactive members active elsewhere in VRS	369
Active members	511
Total covered employees	1,561

School Board Non-Professional Plan (Agent Plan)

	Number
Inactive members or their beneficiaries currently receiving benefits	61
Inactive members:	
Vested inactive members	23
Non-vested inactive members	66
Long-term disability	2
Inactive members active elsewhere in VRS	28
Active members	83
Total covered employees	263

Note 10. Pension Plan (Continued)

C. Contributions

County Plan (Agent Plan)

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

The County's contractually required contribution rate for the year ended June 30, 2024 was 10.39% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the County were $3,080,684 and $2,764,879 for the years ended June 30, 2024 and 2023, respectively.

School Board Non-Professional Plan (Agent Plan)

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

The School Board non-professional's contractually required contribution rate for the year ended June 30, 2024 was 5.27% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the School Board for the non-professional plan were $166,832 and $160,151 for the years ended June 30, 2024 and 2023, respectively.

Note 10. Pension Plan (Continued)

C. Contributions (Continued)

School Board Professional Plan (Cost-Sharing Plan)

The contribution requirement for active employees is governed by Section 51.1-145 of the *Code of Virginia*, as amended, but may be impacted as a result of funding options provided to school divisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement. Prior to July 1, 2012, all or part of the 5.00% member contribution may have been assumed by the employer. Beginning July 1, 2012, new employees were required to pay the 5.00% member contribution. In addition, for existing employees, employers were required to begin making the employee pay the 5.00% member contribution. This could be phased in over a period of up to five years and the employer is required to provide a salary increase equal to the amount of the increase in the employee-paid member contribution.

The School Board Professional's contractually required 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 Board for the professional plan were $11,754,186 and $11,118,946 for the years ended June 30, 2024 and 2023, respectively.

In June 2023, the Commonwealth made a special contribution of approximately $147.5 million to the VRS Teacher Employee 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-employee contribution. The School Board's proportionate share is reflected in exhibit 2 within the School Board operating grants and contributions and exhibit 41 of our financial statements.

D. Net Pension Liability

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

The County and the School Board's non-professional plans' net pension liabilities are calculated separately for each employer and represents that particular employer's total pension liability determined in accordance with GASB Statement No. 68, less that employer's fiduciary net position. For the County and School Board's non-professional plans, the net pension liability was measured as of June 30, 2023. The total pension liabilities used to calculate the net pension liabilities were determined by an actuarial valuation performed as of June 30, 2022, rolled forward to the measurement date of June 30, 2023.

Note 10. Pension Plan (Continued)

D. Net Pension Liability (Continued)

School Board Professional Plan (Cost-Sharing Plan)

At June 30, 2024, the School Board reported a liability for the professional plan of $71,187,065 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 Board's proportion of the net pension liability was based on the School Board's actuarially determined employer contributions to the pension plan for the year ended June 30, 2023 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2023, the School Board's proportion was 0.70432% as compared to 0.68621% at June 30, 2022.

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

	Teacher Employee Retirement Plan
Total pension liability	$ 57,574,609
Plan fiduciary net position	47,467,405
Employers' net pension liability	$ 10,107,204
Plan fiduciary net position as a percentage of the total pension liability	82.45%

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

E. Actuarial Assumptions

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

General Employees

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

Note 10. Pension Plan (Continued)

E. <u>Actuarial Assumptions</u> (Continued)

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

General Employees (Continued)

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

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

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

Note 10. Pension Plan (Continued)

E. Actuarial Assumptions (Continued)

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

Public Safety Employees

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

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

The actuarial assumptions used in the June 30, 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 PUB2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70.
Withdrawal Rates	Decreased rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Largest 10 Hazardous Duty
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Note 10. Pension Plan (Continued)

E. Actuarial Assumptions (Continued)

School Board Professional Plan (Cost-Sharing Plan)

The total pension liability for the VRS Teacher retirement plan was based on an actuarial valuation as of June 30, 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 as 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 expense, including inflation

Mortality Rates:

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

The actuarial assumptions used in the June 30, 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 PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan2/Hybrid; changed final retirement age from 75 to 80 for all.
Withdrawal Rates	Adjusted rates to better fit experience each year, age and service through nine years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

Note 10. Pension Plan (Continued)

F. Long-Term Expected Rate of Return

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

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

Asset Class (Strategy)	Long-Term Target Asset Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return*
Public equity	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%
	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 6.75%, which is roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.50%.

Note 10. Pension Plan (Continued)

G. Discount Rate

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

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions; political subdivisions were also provided with an opportunity to use an alternate employer contribution rate. For the year ended June 30, 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. From July 1, 2023 on, participating employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

School Board Professional Plan (Cost-Sharing Plan)

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2023, the rate contributed by the school division for the VRS Teacher Retirement Plan will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 112% of the actuarially determined contribution rate. From July 1, 2023, on, school divisions are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Note 10. Pension Plan (Continued)

H. Changes in the Net Pension Liability (Asset)

County Plan (Agent Plan)

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balances at June 30, 2022	$ 113,995,461	$ 111,267,764	$ 2,727,697
Changes for the year:			
Service cost	3,351,983	-	3,351,983
Interest	7,723,242	-	7,723,242
Differences between expected and actual experience	(1,261,958)	-	(1,261,958)
Contributions - employer	-	2,764,879	(2,764,879)
Contributions - employee	-	1,329,260	(1,329,260)
Net investment income	-	7,171,048	(7,171,048)
Benefit payments, including refunds of employee contributions	(5,858,078)	(5,858,078)	-
Administrative expense	-	(71,445)	71,445
Other changes	-	2,887	(2,887)
Net changes	3,955,189	5,338,551	(1,383,362)
Balances at June 30, 2023	$ 117,950,650	$ 116,606,315	$ 1,344,335

School Board Non-Professional Plan (Agent Plan)

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balances at June 30, 2022	$ 14,477,297	$ 14,477,651	$ (354)
Changes for the year:			
Service cost	275,636	-	275,636
Interest	960,125	-	960,125
Differences between expected and actual experience	(19,790)	-	(19,790)
Contributions - employer	-	160,151	(160,151)
Contributions - employee	-	164,001	(164,001)
Net investment income	-	906,849	(906,849)
Benefit payments, including refunds of employee contributions	(1,057,720)	(1,057,720)	-
Administrative expense	-	(9,471)	9,471
Other changes	-	362	(362)
Net changes	158,251	164,172	(5,921)
Balances at June 30, 2023	$ 14,635,548	$ 14,641,823	$ (6,275)

Note 10. Pension Plan (Continued)

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

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

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

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
County net pension liability (asset)	$ 17,889,963	$ 1,344,335	$ (12,214,904)
School Board non-professional net pension liability (asset)	1,821,902	(6,275)	(1,508,895)
School Board professional net pension liability	126,189,275	71,187,065	25,970,724

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

County Plan (Agent Plan)

For the year ended June 30, 2024, the County recognized pension expense of $122,124. The County also reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ (2,474,937)
Changes of assumptions	316,875	-
Net difference between projected and actual earnings on pension plan investments	-	(1,743,100)
Employer contributions subsequent to the measurement date	3,080,684	-
	$ 3,397,559	$ (4,218,037)

The $3,080,684 reported as deferred outflows of resources related to pensions resulting from the County's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 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 Ending June 30,	Amount
2025	$ (2,698,949)
2026	(2,791,251)
2027	1,533,503
2028	55,535
	$ (3,901,162)

Note 10. Pension Plan (Continued)

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

School Board Non-Professional Plan (Agent Plan)

For the year ended June 30, 2024, the School Board recognized pension credit related to its non-professional plan of $18,116. The School Board also reported deferred outflows of resources and deferred inflows of resources related to its non-professional plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ (19,630)
Net difference between projected and actual earnings on pension plan investments	-	(233,004)
Employer contributions subsequent to the measurement date	166,832	-
	$ 166,832	$ (252,634)

The $166,832 reported as deferred outflows of resources related pensions resulting from the School Board non-professional plan's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 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 Ending June 30,	Amount
2025	$ (185,610)
2026	(285,756)
2027	209,665
2028	9,067
	$ (252,634)

School Board Professional Plan (Cost-Sharing Plan)

For the year ended June 30, 2024, the School Board recognized pension expense related to the professional plan of $6,745,957 and the Commonwealth's special contribution of $1,038,569. Since there was a change in proportionate share between measurement dates, a portion of the pension expense was related to deferred amounts from changes in proportion and from differences between employer contributions and the proportionate share of employer contributions. Beginning with June 30, 2022, measurement date, the difference between expected and actual contributions is included with the pension expense calculation.

The School Board professional plan includes employees of the Shenandoah Valley Regional Program for the purpose of determining the actuarial valuation for postemployment retirement liability. The actuarial valuation cannot be determined for the Program's employees separately from the School Board's employees, but a portion of the pension expense totaling $298,760 has been allocated and reported as due from the Program.

Note 10. Pension Plan (Continued)

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

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

At June 30, 2024, the School Board reported deferred outflows of resources and deferred inflows of resources related to pensions for the professional plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ (2,778,023)
Changes of assumptions	3,227,159	-
Net difference between projected and actual earnings on pension plan investments	6,115,029	(4,628,595)
Changes in proportionate share	1,514,038	(1,048,022)
Employer contributions subsequent to the measurement date	11,754,186	-
	$ 22,610,412	$ (8,454,640)

The $11,754,186 reported as deferred outflows of resources related to pensions resulting from the School Board's contributions for the professional plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 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 Ending June 30,	Amount
2025	$ (1,404,359)
2026	(3,981,475)
2027	6,098,811
2028	1,688,609
	$ 2,401,586

K. Pension Plan Data

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

Note 11. Other Postemployment Benefits – Medical Insurance Program

A. Plan Description

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

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

County

MEDICAL INSURANCE PROGRAM PLAN PROVISIONS
Eligibility Conditions A retired employee, who is participating in the employer's medical program is eligible to elect post-retirement coverage if: • Is at least age 50 with 10 years of service, and is eligible for immediate retirement benefits under VRS, or • Has at least 10 years of service and is eligible for immediate disability retirement benefits under VRS. Coverage ceases if the retiree is employed and that employer offers to pay 50% or more of the monthly premium for individual coverage as a benefit of that job. Coverage ceases when retiree turns 65 and is eligible for Medicare.
Covered Employees All full time employees (must be covered by the active plan at time or retirement or disability).
Medical Coverage Pre-Medicare coverage is provided under the same plan as provided to active employees under the employer's group health coverage. Several post-65 retirees are grandfathered and will continue for life. Disabled retirees are covered until the attainment of age 65. If they become eligible for Medicare benefits due to their disability prior to the attainment of age 65, their coverage ceases upon their date of eligibility for Medicare.
Spousal Coverage Offer COBRA insurance after death of retiree.
Retiree Cost Sharing Spouses – Pay 100% of reported medical rates.
Changes to Benefit Terms Retiree cost sharing was updated to reflect the plan change as of July 1, 2022. The County now pays up to $2,500 annually towards retirees' premium amounts for retirees who are at least 55 years old and were employed by the County for at least 10 years prior to retirement. Previously, retirees paid 100% of the premium.

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

A. Plan Description (Continued)

School Board

MEDICAL INSURANCE PROGRAM PLAN PROVISIONS
Eligibility Conditions A retiring employee, who is participating in the employer's medical program at the time of retirement, is eligible to elect post retirement coverage: • If the employee is eligible to retire under the Virginia Retirement System (VRS), or • If not eligible for VRS, the employee is at least 55 years of age, and has worked for the School Board for at least five years. • An employee who is participating in the employer's medical program at the time of retirement and who is disabled is eligible to elect post-retirement coverage. • If covered by VRS, must have at least 10 years of service and be eligible for VRS disability benefits, or • If not covered by VRS, the employee is a least 55 years of age, and has worked for the School Board for at least five years and to be disabled under Social Security. Coverage ceases at the earlier eligibility for Medicare or for any other health coverage.
Covered Employees All full time employees (must be covered by the active plan at time or retirement or disability).
Medical Coverage Employee Cost Sharing • Employee pays 100% of individual premium. • Spouse – Employee pays 100% of spousal premium. Coverage ceases upon eligibility for any other health coverage, including Medicare.

B. Employees Covered by Benefit Terms

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

County

	Number
Inactive employees or beneficiaries currently receiving benefit payments	10
Active employees	470
Total	480

School Board

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

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

C. Total Medical Insurance Program OPEB Liability

County and School Board

The County's total Medical Insurance OPEB liability of $4,330,000 was measured as of July 1, 2023 and was determined by an actuarial valuation as of July 1, 2021. The School Board's total Medical Insurance OPEB liability of $12,584,000 was measured as of July 1, 2023 and was determined by an actuarial valuation as of July 1, 2023. The current estimated portion for the County and School Board was $73,043 and $303,210, respectively.

D. Actuarial Assumptions and Other Inputs

County and School Board

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

Inflation	N/A
Salary increases	2.50%
Discount rate	3.86%
Healthcare cost trend rates	6.50% for fiscal year end 2024, decreasing 0.25% per year to an ultimate rate of 4.50%.

The discount rate was based on Municipal GO AA 20-year yield curve rate as of June 30, 2022.

Mortality Rates

RP-2014 Fully Generational Mortality Table, with base year 2006, projected using two-dimensional improvement scale MP-2021.

E. Changes in the Total Medical Insurance OPEB Liability

County

	Total Medical Insurance OPEB Liability
Balance at July 1, 2022	$ 5,292,000
Changes for the year:	
Service cost	310,000
Interest	207,000
Difference between expected and actual experience	(1,378,000)
Contributions - employer	(2,000)
Other changes	(99,000)
Net changes	(962,000)
Balance at June 30, 2023	$ 4,330,000

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

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

School Board

	Total Medical Insurance OPEB Liability
Balance at July 1, 2022	$ 11,095,000
Changes for the year:	
Service cost	543,000
Interest	431,000
Difference between expected and actual experience	537,000
Contributions - employer	74,000
Assumption changes	(96,000)
Net changes	1,489,000
Balance at June 30, 2023	$ 12,584,000

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

The following presents the total OPEB liabilities of the County and the School Board calculated using the stated discount rate, as well as what the County and the School Board's total Medical Insurance OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.86%) or 1-percentage-point higher (4.86%) than the current discount rate:

	1% Decrease (2.86%)	Current Discount Rate (3.86%)	1% Increase (4.86%)
County	$ 4,867,000	$ 4,330,000	$ 3,861,000
School Board	13,845,000	12,584,000	11,434,000

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

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

	1% Decrease	Current Trend Rate	1% Increase
County	$ 3,789,000	$ 4,330,000	$ 4,984,000
School Board	11,135,000	12,584,000	14,286,000

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

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

County

For the year ended June 30, 2024, the County recognized Medical OPEB plan credit of $100,000. The County also reported deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 234,000	$ (3,172,000)
Changes of assumptions	762,000	(1,276,000)
Employer contributions after measurement date but prior to fiscal year end	73,043	-
	$ 1,069,043	$ (4,448,000)

The $73,043 reported as deferred outflows of resources to the Medical OPEB plan resulting from the County's contributions subsequent to the measurement date will be recognized as a reduction of the total Medical OPEB plan liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources related to the Medical OPEB plan will be recognized in future reporting periods as follows:

Year Ending June 30,	Amount
2025	$ (617,000)
2026	(493,000)
2027	(594,000)
2028	(675,000)
2029	(611,000)
Thereafter	(462,000)
	$ (3,452,000)

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

H. <u>Medical Insurance OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Medical Insurance OPEB</u> (Continued)

School Board

For the year ended June 30, 2024, the School Board recognized Medical OPEB plan credit of $307,000. The School Board also reported deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 917,000	$ (4,657,000)
Changes of assumptions	1,441,000	(1,818,000)
Employer contributions after measurement date but prior to fiscal year end	303,210	-
	$ 2,661,210	$ (6,475,000)

The $303,210 reported as deferred outflows of resources related to the Medical OPEB plan resulting from the School Board's contributions subsequent to the measurement date will be recognized as a reduction of the total Medical OPEB plan liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources related to the Medical OPEB plan will be recognized in future reporting periods as follows:

Year Ending June 30,	Amount
2025	$ (1,281,000)
2026	(1,075,000)
2027	(723,000)
2028	(455,000)
2029	(595,000)
Thereafter	12,000
	$ (4,117,000)

Note 12. Other Postemployment Benefits – Group Life Insurance Program

A. Plan Description

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

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

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

<table>
<tr><th>GROUP LIFE INSURANCE PROGRAM PLAN PROVISIONS</th></tr>
<tr><td>Eligibility Conditions
The GLI was established July 1, 1960, for state employees, teachers and employees of political subdivisions that elect the program.
Basic GLI coverage is automatic upon employment. Coverage ends for employees who leave their position before retirement eligibility or who take a refund of their accumulated retirement member contributions and accrued interest.</td></tr>
<tr><td>Benefit Amounts
The benefits payable under the GLI have several components.
<u>Natural Death Benefit:</u> The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled.
<u>Accidental Death Benefit:</u> The accidental death benefit is double the natural death benefit.
<u>Other Benefit Provisions:</u> In addition to the basic natural and accidental death benefits, the program provides additional benefits provided under specific circumstances. These include:
Accidental dismemberment benefit
Seatbelt benefit
Repatriation benefit
Felonious assault benefit
Accelerated death benefit option</td></tr>
<tr><td>Reduction in Benefit Amounts
The benefit amounts provided to members covered under the GLI are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value.</td></tr>
<tr><td>Minimum Benefit Amount and Cost-of-Living Adjustment (COLA)
For covered members with at least 30 years of service credit, there is a minimum benefit payable under GLI. The minimum benefit was set at $8,000 by statute in 2015. This amount is increased annually based on the VRS Plan 2 COLA calculation. The minimum benefit adjusted for the COLA was $9,254 effective June 30, 2024.</td></tr>
</table>

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

B. <u>Contributions</u>

The contribution requirements for the GLI are governed by Sections 51.1-506 and 51.1-508 of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the GLI was 1.34% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.80% (1.34% X 60%) and the employer component was 0.54% (1.34% X 40%). Employers may elect to pay all or part of the employee contribution, however, the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2024 was 0.54% of covered employee compensation. This rate was the final approved General Assembly rate which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the GLI from the participating employers for the years ended June 30, 2024 and June 30, 2023 were as follows:

	2024	2023
County	$ 157,780	$ 111,753
School Board Non-Professional	22,087	16,604
School Board Professional	402,958	288,761

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. Our proportionate share is reflected in exhibit 2 allocated within the operating grants and contribution, 6, and 41 of our financial statements. The amount contributed to the GLI Program for the County was $12,173, for the Schools professional group was $30,403, and for the Schools non-professional group was $1,619.

C. <u>GLI OPEB Liabilities, GLI OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the GLI OPEB</u>

At June 30, 2024, the participating employers' reported liabilities for its proportionate share of the net GLI OPEB liability as follows:

County	$ 1,438,936
School Board Non-Professional	191,410
School Board Professional	3,593,743

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 employers' proportion of the net GLI OPEB liability was based on the covered employer's actuarially determined employer contributions to the GLI for the year ended June 30, 2023 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2023, comparisons of the participating employers' proportions to June 30, 2022 are as follows:

	2023	2022
County	0.11998%	0.11434%
School Board Non-Professional	0.01596%	0.01416%
School Board Professional	0.29965%	0.29417%

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

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

For the year ended June 30, 2024, the County, School Board non-professional, and School Board professional employees recognized GLI OPEB expense of $94,631, $131,979, and $11,682, respectively. Since there was a change in the proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

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

County

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 143,715	$ (43,679)
Net difference between projected and actual earnings on GLI OPEB investments	-	(57,825)
Changes of assumptions	30,758	(99,695)
Changes in proportionate share	85,427	(9,780)
Employer contributions subsequent to the measurement date	157,780	-
	$ 417,680	$ (210,979)

The $157,780 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:

Year Ending June 30,	Amount
2025	$ 12,300
2026	(40,878)
2027	38,451
2028	13,097
2029	25,951
	$ 48,921

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

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

School Board Non-Professional Plan

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 19,117	$ (5,810)
Net difference between projected and actual earnings on GLI OPEB investments	-	(7,692)
Changes of assumptions	4,091	(13,262)
Changes in proportionate share	25,755	(922)
Employer contributions subsequent to the measurement date	22,087	-
	$ 71,050	$ (27,686)

The $22,087 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:

Year Ending June 30,	Amount
2025	$ 3,585
2026	(2,148)
2027	8,762
2028	5,441
2029	5,637
	$ 21,277

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

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

School Board Professional Plan

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 358,927	$ (109,088)
Net difference between projected and actual earnings on GLI OPEB investments	-	(144,417)
Changes of assumptions	76,818	(248,989)
Changes in proportionate share	59,480	(68,814)
Employer contributions subsequent to the measurement date	402,958	-
	$ 898,183	$ (571,308)

The $402,958 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:

Year Ending June 30,	Amount
2025	$ (45,511)
2026	(156,224)
2027	60,847
2028	17,915
2029	46,890
	$ (76,083)

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

D. Actuarial Assumptions

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

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 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:	
Teachers	3.50% – 5.95%
Locality – general employees	3.50% – 5.35%
Locality – hazardous duty employees	3.50% – 4.75%
Investment rate of return	6.75%, net of investment expense, including inflation

School Board Professional Plan

Mortality Rates – Teachers

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

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

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

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

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

The actuarial assumptions used in the June 30, 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 are as follows:

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

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

D. Actuarial Assumptions (Continued)

County and School Board Non-Professional Plans

Mortality Rates – General Employees

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

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

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

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

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

The actuarial assumptions used in the June 30, 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 PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Mortality Rates – Hazardous Duty Employees

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

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

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

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

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

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

D. Actuarial Assumptions (Continued)

County and School Board Non-Professional Plans (Continued)

Mortality Rates – Hazardous Duty Employees (Continued)

The actuarial assumptions used in the June 30, 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 PUB2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Top 10 Hazardous Duty
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

E. Net GLI OPEB Liability

School Board Professional Plan

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

	Group Life Insurance OPEB Program
Total GLI OPEB liability	$ 3,907,052
Plan fiduciary net position	2,707,739
Employers' net GLI OPEB liability	$ 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.

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

F. Long-Term Expected Rate of Return

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

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

Asset Class (Strategy)	Long-Term Target Asset Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return*
Public equity	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%
	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. The results provide a range of returns over various time periods that ultimately provide a median return of 7.14%, including expected inflation of 2.50%.

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

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

G. Discount Rate

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

The discount rate used to measure the total GLI OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made per the VRS guidance and the employer contributions will be made in accordance with the VRS funding policy and at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ending June 30, 2023, the rate contributed by the participating employers for the GLI OPEB will subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 113% of the actuarially determined contribution rates. From July 1, 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.

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

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

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

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
County	$ 2,132,953	$ 1,438,936	$ 877,819
School Board Non-Professional	283,730	191,410	116,769
School Board Professional	5,327,050	3,593,743	2,192,353

I. GLI Fiduciary Net Position

Detailed information about the GLI'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 varetire.org/pdf/publications/2023-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, Virginia, 23218-2500.

Note 13. Other Postemployment Benefits – Health Insurance Credit Program

A. Plan Description

School Board Non-Professional and School Board Professional Plans

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

School Board Non-Professional Plan

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

POLITICAL SUBDIVISION HIC PLAN PROVISIONS
Eligible Employees The Political Subdivision Retiree HIC was established July 1, 1993 for retired political subdivision employees of employers who elect the benefit and who retire with at least 15 years of service credit. Eligible employees are enrolled automatically upon employment. They include: • Full-time permanent salaried employees of the participating political subdivision who are covered under the VRS pension plan.
Benefit Amounts The political subdivision's Retiree HIC provides the following benefits for eligible employees: • At Retirement – for employees who retire, the monthly benefit is \$1.50 per year of service per month with a maximum benefit of \$45.00 per month. • Disability Retirement – for employees who retire on disability or go on long-term disability under the Virginia Local Disability Program (VLDP), the monthly benefit is \$45.00 per month.
Health Insurance Credit Program Notes • The monthly HIC benefit cannot exceed the individual premium amount • No HIC for premiums paid and qualified under Line of Duty Act (LODA), however, the employee may receive the credit for premiums paid for other qualified health plans. Employees who retire after being on long-term disability under VLDP must have at least 15 years of service credit to qualify for the HIC as a retiree.

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

A. Plan Description (Continued)

School Board Professional Plan

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

TEACHER EMPLOYEE HIC PLAN PROVISIONS
Eligible Employees The Teacher Employee Retiree HIC was established July 1, 1993 for retired Teacher Employees covered under VRS who retire with at least 15 years of service credit. Eligible employees are enrolled automatically upon employment. They include: • Full-time permanent (professional) salaried employees of public school divisions covered under VRS.
Benefit Amounts The Teacher Employee Retiree HIC provides the following benefits for eligible employees: • At Retirement – for Teacher and other professional school employees who retire, the monthly benefit is $4.00 per year of service per month with no cap on the benefit amount. • Disability Retirement – for Teacher and other professional school employees who retire on disability or go on long-term disability under the VLDP, the monthly benefit is either: o $4.00 per month, multiplied by twice the amount of service credit, or o $4.00 per month, multiplied by the amount of service earned had the employee been active until age 60, whichever is lower.
HIC Program Notes • The monthly HIC benefit cannot exceed the individual premium amount. • Employees who retire after being on long-term disability under VLDP must have at least 15 years of service credit to qualify for the HIC as a retiree.

B. Employees Covered by Benefit Terms

School Board Non-Professional Plan

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

	Number
Inactive employees or their beneficiaries currently receiving benefit payments	13
Inactive members:	
Vested	3
Long Term Disability	2
Active elsewhere in VRS	28
Active employees	83
Total	129

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

C. Contributions

School Board Non-Professional and School Board Professional Plans

The contribution requirement for active employees is governed by §51.1-1401(E) of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Each school division's contractually required employer contribution rates for the School Board non-professional and School Board professional plans for the year ended June 30, 2024 was 0.59% and 1.21%, respectively, of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 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 to the HIC from the participating employers for the years ended June 30, 2024 and June 30, 2023 were as follows:

	2024	2023
School Board Non-Professional	$ 25,546	$ 21,757
School Board Professional	902,564	765,788

In June 2023, the Commonwealth made a special contribution of approximately $4.0 million to the VRS Teacher Health Insurance credit Program. 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 amount contributed to the HIC program for the Schools professional group was $28,218 included within exhibit 2 within the School Boards operating grants and contributions and 41 of our financial statements.

D. Net HIC OPEB Liability

School Board Non-Professional Plan

The School Board Non-Professional plan's net HIC OPEB liability was measured as of June 30, 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.

School Board Professional Plan

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

	Teacher Employee HIC OPEB Program
Total HIC OPEB liability	$ 1,475,471
Plan fiduciary net position	264,054
Employers' net HIC OPEB liability	$ 1,211,417
Plan fiduciary net position as a percentage of the total teacher employee HIC OPEB liability	17.90%

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

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

E. Actuarial Assumptions

School Board Non-Professional and School Board Professional Plans

The total HIC OPEB liability was based on an actuarial valuation as of June 30, 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:	
Teacher employees	3.50% – 5.95%
General employees	3.50% – 5.35 %
Investment rate of return	6.75%, net of plan investment expense, including inflation

School Board Non-Professional Plan

Mortality Rates – General Employees

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

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

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

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

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

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

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

E. Actuarial Assumptions (Continued)

School Board Professional Plan

Mortality Rates – Teachers

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

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

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

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

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

The actuarial assumptions used in the June 30, 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 PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all.
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

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

F. Long-Term Expected Rate of Return

School Board Non-Professional and School Board Professional Plans

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

Asset Class (Strategy)	Long-Term Target Asset Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return*
Public equity	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%
	100.00%		5.75%
	Inflation		2.50%
	*Expected arithmetic nominal return		8.25%

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

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

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

G. Discount Rate

School Board Non-Professional and School Board Professional Plans

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

H. Changes in the Net HIC OPEB Liability

School Board Non-Professional Plan

	Total HIC OPEB Liability	Plan Fiduciary Net Position	Total HIC OPEB Liability
Balance at July 1, 2022	$ 276,667	$ 28,667	$ 248,000
Changes for the year:			
Service cost	1,618	-	1,618
Interest	18,564	-	18,564
Difference between expected and actual experience	(143,570)	-	(143,570)
Contributions - employer	-	21,757	(21,757)
Net investment income	-	2,420	(2,420)
Benefit Payments	(6,539)	(6,539)	-
Administrative expense	-	(70)	70
Other Changes	-	20	(20)
Net changes	(129,927)	17,588	(147,515)
Balance at June 30, 2023	$ 146,740	$ 46,255	$ 100,485

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

School Board Non-Professional and School Board Professional Plans

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

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
School Board Professional	$ 9,656,003	$ 8,536,737	$ 7,588,257
School Board Non-Professional	117,403	100,485	86,326

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

J. HIC OPEB Liability, HIC OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to HIC OPEB

School Board Non-Professional Plan

For the year ended June 30, 2024, the School Board non-professional plan recognized HIC OPEB credit of $3,815. At June 30, 2024, the School Board non-professional plan reported deferred outflows of resources and deferred inflows of resources related to the HIC OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ (111,159)
Net difference between projected and actual earnings on HIC OPEB investments	375	-
Changes of assumptions	30,560	-
Employer contributions subsequent to the measurement date	25,546	-
	$ 56,481	$ (111,159)

The $25,546 reported as deferred outflows of resources related to the HIC OPEB resulting from the school Board non-professional plan's contributions subsequent to the measurement date will be recognized as a reduction of the total HIC OPEB liability in the fiscal year ending June 30, 2025. No other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIC OPEB will be recognized in future reporting periods as follows:

Year Ending June 30,	Amount
2025	$ (21,600)
2026	(21,691)
2027	(23,298)
2028	(13,635)
	$ (80,224)

School Board Professional Plan

At June 30, 2024, the School Board professional plan reported a liability of $8,536,737 for its proportionate share of the Teacher Employee HIC total OPEB liability. The Net Teacher Employee HIC OPEB liability was measured as of June 30, 2023 and the total Teacher Employee HIC OPEB liability used to calculate the total Teacher Employee HIC OPEB liability was determined by an actuarial valuation performed as of June 30, 2021 and rolled forward to the measurement date of June 30, 2023. The School Board professional plan's proportion of the total Teacher Employee HIC OPEB liability was based on the School Board professional plan's actuarially determined employer contributions to the Teacher Employee HIC OPEB plan for the year ended June 30, 2023 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2023, the School Board professional plan's proportion of the Teacher Employee HIC was 0.70469% as compared to 0.68564% at June 30, 2022.

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

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

For the year ended June 30, 2024, the School Board professional plan recognized Teacher Employee HIC OPEB expense of $626,597. Since there was a change in proportionate share between measurement dates a portion of the Teacher Employee HIC net OPEB expense was related to deferred amounts from changes in proportion.

At June 30, 2024, the School Board professional plan reported deferred outflows of resources and deferred inflows of resources related to the Teacher Employee HIC OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ (375,745)
Net difference between projected and actual earnings on HIC OPEB investments	4,284	-
Changes of assumptions	198,721	(8,602)
Changes in proportionate share	214,444	(231,615)
Employer contributions subsequent to the measurement date	902,564	-
	$ 1,320,013	$ (615,962)

The $902,564 reported as deferred outflows of resources related to the Teacher Employee HIC OPEB resulting from the School Board professional plan's contributions subsequent to the measurement date will be recognized as a reduction of the total Teacher Employee HIC OPEB liability in the fiscal year ending June 30, 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 Ending June 30,	Amount
2025	$ (78,187)
2026	(69,297)
2027	(17,590)
2028	(32,940)
2029	(12,945)
Thereafter	12,446
	$ (198,513)

K. HIC Credit Program Plan Data

Detailed information about the VRS Political Subdivision and Teacher Employee Health Insurance Credit Program is available in the separately issued VRS 2023 Annual Comprehensive Financial Report (Annual Report). A copy of the 2023 VRS Annual Report may be downloaded from the VRS website at 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 14. Other Postemployment Benefits – Virginia Local Disability Program

A. <u>Plan Description</u>

School Board Professional Plan

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

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

<table>
<tr><th>TEACHER EMPLOYEE VIRGINIA LOCAL DISABILITY PROGRAM (VLDP) PLAN PROVISIONS</th></tr>
<tr><td>Eligible Employees
The Teacher Employee VLDP was implemented January 1, 2014 to provide short-term and long-term disability benefits for non-work-related and work-related disabilities for employees with hybrid plan retirement benefits.
Eligible employees are enrolled automatically upon employment, unless their employer has elected to provide comparable coverage. They include:
• Teachers and other full-time permanent (professional) salaried employees of public school divisions covered under VRS.</td></tr>
<tr><td>Benefit Amounts
• The Teacher Employee VLDP provides the following benefits for eligible employees:
<u>Short-Term Disability</u> :
o The program provides a short-term disability benefit beginning after a seven calendar-day waiting period from the first day of disability. Employees become eligible for non-work-related short-term disability coverage after one year of continuous participation in VLDP with their current employer.
o During the first five years of continuous participation in VLDP with their current employer, employees are eligible for 60% of their pre-disability income if they go out on non-work-related of work-related disability.
o Once the eligibility period is satisfied, employees are eligible for higher income replacement levels.

<u>Long-Term Disability</u>:
o The VLDP program provides a long-term disability benefit beginning after 125 workdays of short-term disability. Members are eligible if they are unable to work at all or are working fewer than 20 hours per week.
o Members approved for long-term disability will receive 60% of their pre-disability income. If approved for work-related long-term disability, the VLDP benefit will be offset by the workers' compensation benefit. Members will not receive a VLDP benefit if their workers' compensation benefit is greater than the VLDP benefit.</td></tr>
</table>

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

A. Plan Description (Continued)

Virginia Local Disability Program Notes

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

B. Contributions

School Board Professional Plan

The contribution requirement for active hybrid plan employees is governed by §51.1-1178(C) of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Each school division's contractually required employer contribution rate for the year ended June 30, 2024 was 0.47% of covered employee compensation for employees in the VRS Teacher Employee VLDP. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 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 VLDP were $161,127 and $138,409 for the years ended June 30, 2024 and June 30, 2023, respectively.

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

School Board Professional Plan

At June 30, 2024, the school division reported a liability of $18,325 for its proportionate share of the VRS Teacher Employee VLDP Net OPEB Liability. The Net VRS Teacher Employee VLDP OPEB Liability was measured as of June 30, 2023 and the total VRS Teacher Employee VLDP OPEB liability used to calculate the Net VRS Teacher Employee VVLDP OPEB Liability was determined by an actuarial valuation as of June 30, 2022, rolled forward to the measurement date of June 30, 2023. The school division's proportion of the Net VRS Teacher Employee VLDP OPEB Liability was based on the school division's actuarially determined employer contributions to the VRS Teacher Employee VDLP 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 VLDP was 2.76009% as compared to 2.51809% at June 30, 2022.

For the year ended June 30, 2024, the school division recognized VRS Teacher Employee VLDP OPEB expense of $96,695. Since there was a change in proportionate share between measurement dates a portion of the VRS Teacher Employee VLDP Net OPEB expense was related to deferred amounts from changes in proportion.

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

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 80,424	$ (8,033)
Net difference between projected and actual earnings on VLDP OPEB investments	567	-
Changes of assumptions	7,968	-
Changes in proportionate share	55	(4,260)
Employer contributions subsequent to the measurement date	161,127	-
	$ 250,141	$ (12,293)

The $161,127 reported as deferred outflows of resources related to the Teacher Employee VLDP OPEB resulting from the school division's contributions subsequent to the measurement date will be recognized as a reduction of the Net Teacher Employee VLDP OPEB Liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Teacher Employee VLDP OPEB will be recognized in the Teacher Employee VLDP OPEB expense in future reporting periods.

Year Ending June 30,	Amount
2025	$ 6,838
2026	6,244
2027	10,546
2028	7,826
2029	7,832
Thereafter	37,435
	$ 76,721

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

D. Actuarial Assumptions

School Board Professional Plan

The total Teacher Employee VLDP OPEB liability for the VRS Teacher Employee VLDP was based on an actuarial valuation as of June 30, 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:	
Political subdivision employees	3.50% – 5.95%
Investment rate of return	6.75%, including inflation

Mortality Rates – Teachers

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

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

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

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

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

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

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

E. Net Teacher Employee VLDP OPEB Liability

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

	Teacher Employee VLDP OPEB Plan
Total Teacher Employee VLDP OPEB Liability	$ 10,672
Plan fiduciary net position	10,007
Teacher Employee net VLDP OPEB Liability (Asset)	$ 665
Plan fiduciary net position as a percentage of the total teacher employee VLDP OPEB liability	93.77%

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

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

F. Long-Term Expected Rate of Return

School Board Professional Plan

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

Asset Class (Strategy)	Long-Term Target Asset Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return*
Public equity	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%
	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. The results provide a range of returns over various time periods that ultimately provide a median return of 7.14%, including expected inflation of 2.50%.

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

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

G. Discount Rate

School Board Professional Plan

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

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

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

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
School division's proportionate share of the VRS Teacher Employee VLDP OPEB Plan Net VLDP OPEB Liability (Asset)	$ 51,652	$ 18,325	$ (10,656)

I. VLDP OPEB Fiduciary Net Position

Detailed information about the VRS Teacher Employee Virginia Local Disability Program's Fiduciary Net Position is available in the separately issued VRS 2023 Annual Comprehensive Financial Report (Annual Report). A copy of the 2023 VRS Annual Report may be downloaded from the VRS website at 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 15. Pension and Other Postemployment Benefits

Pension and Other Postemployment Benefits (OPEB) are long term liabilities created by a commitment to provide benefits to employee's postemployment. The net pension liability and net OPEB liability are determined by an actuarial assessment and presented on the face of the financial statements. Amounts for deferred inflows and deferred outflows are also presented on the face of the financial statements. Details about the actuarial assessment and inflows and outflows are presented in the Pension and OPEB note disclosures. Individual plan expenses are also presented in those notes. Aggregate amounts of the recognized pension expense and OPEB expense for the fiscal year ended June 30, 2024 are presented below.

Aggregate pension expense, liabilities, deferred outflows, and deferred inflows recognized for the fiscal year ended June 30, 2024:

	Primary Government	Component Unit		
	Governmental Activities	School Board Professional	School Board Non-Professional	Totals
Pension Expense (Credit)	$ 122,124	$ 6,745,957	$ (18,116)	$ 6,727,841
Net Pension Liability	1,344,335	71,187,065	-	71,187,065
Net Pension Asset	-	-	(6,275)	(6,275)
Deferred Inflows	(4,218,037)	(8,454,640)	(252,634)	(8,707,274)
Deferred Outflows	3,397,559	22,610,412	166,832	22,777,244

Note 15. Pension and Other Postemployment Benefits (Continued)

Aggregate OPEB expense, liabilities, deferred outflows, and deferred inflows recognized for the fiscal year ended June 30, 2024:

	Primary Government	Component Unit		
	Governmental Activities	School Board Professional	School Board Non-Professional	Totals
Medical				
OPEB Expense	$ (100,000)	$ (307,000)	$ -	$ (307,000)
Total OPEB Liability	4,330,000	12,584,000	-	12,584,000
Deferred Inflows	(4,448,000)	(6,475,000)	-	(6,475,000)
Deferred Outflows	1,069,043	2,661,210	-	2,661,210
GLI				
OPEB Expense	$ 94,631	$ 131,979	$ 11,682	$ 143,661
Net OPEB Liability	1,438,936	3,593,743	191,410	3,785,153
Deferred Inflows	(210,979)	(571,308)	(27,686)	(598,994)
Deferred Outflows	417,680	898,183	71,050	969,233
HIC				
OPEB Expense	$ -	$ 626,597	$ (3,815)	$ 622,782
Net OPEB Liability	-	8,536,737	100,485	8,637,222
Deferred Inflows	-	(615,962)	(111,159)	(727,121)
Deferred Outflows	-	1,320,013	56,481	1,376,494
VLDP				
OPEB Expense	$ -	$ 96,695	$ -	$ 96,695
Net OPEB Liability	-	18,325	-	18,325
Deferred Inflows	-	(12,293)	-	(12,293)
Deferred Outflows	-	250,141	-	250,141
Totals				
OPEB Expense	$ (5,369)	$ 548,271	$ 7,867	$ 556,138
Total OPEB Liability	5,768,936	24,732,805	291,895	25,024,700
Deferred Inflows	(4,658,979)	(7,674,563)	(138,845)	(7,813,408)
Deferred Outflows	1,486,723	5,129,547	127,531	5,257,078

Note 16. Unearned Revenue

Unearned revenue represents amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Unearned revenue totaling $2,270,615 and $2,652,193 is comprised of the following:

	Governmental Activities	School Board
American Rescue Plan Act 2021	$ 1,879,912	$ -
Federal payment in lieu of taxes	681,909	-
EMS transport fees	158,794	-
Grants	-	2,578,650
Prepaid meals - cafeteria	-	25,593
Other	-	47,950
	$ 2,720,615	$ 2,652,193

Note 17. Unavailable and Deferred Revenue

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

	General Fund Unavailable Revenue	
	Property Taxes	Other
Property taxes receivable, net of allowance (reported on Fund statements)	$ 6,019,035	$ -
Land held for investment	-	269,210
Repayment of loans from fire departments	-	1,300,000
Other	-	2,269
	$ 6,019,035	$ 1,571,479

Note 18. Capital Assets

Primary Government

Capital asset activity for the year ended June 30, 2024 was as follows:

Governmental Activities	Beginning Balance	Increase	Decrease	Transfers	Ending Balance
Capital assets not being depreciated or amortized:					
Land	$ 5,359,876	$ 43,999	$ -	$ -	$ 5,403,875
Construction in progress	3,117,133	9,083,295	-	-	12,200,428
Total capital assets not being depreciated or amortized	8,477,009	9,127,294	-	-	17,604,303
Capital assets being depreciated or amortized:					
Buildings	77,745,756	14,828,177	-	-	92,573,933
Machinery and equipment	29,830,271	2,016,295	(452,706)	-	31,393,860
Land improvements	7,293,177	210,126	-	-	7,503,303
Intangible right-to-use subscription assets	1,490,130	190,873	(45,832)	-	1,635,171
Intangible right-to-use lease land	2,253,281	232,335	(25,687)	-	2,459,929
Intangible right-to-use lease building	109,120	-	-	-	109,120
Intangible right-to-use lease equipment	217,194	12,420	(28,548)	-	201,066
Intangible right-to-use lease infrastructure	3,046,151	-	-	-	3,046,151
Total capital assets being depreciated or amortized	121,985,080	17,490,226	(552,773)	-	138,922,533
Accumulated depreciation/amortization for:					
Buildings	(29,409,554)	(724,097)	-	-	(30,133,651)
Machinery and equipment	(18,212,414)	(2,191,930)	432,087	-	(19,972,257)
Land improvements	(3,727,781)	(357,643)	-	-	(4,085,424)
Intangible right-to-use subscription assets	(192,532)	(177,861)	45,832	-	(324,561)
Intangible right-to-use lease land	(249,002)	(141,706)	25,687	-	(365,021)
Intangible right-to-use lease building	(39,088)	(19,544)	-	-	(58,632)
Intangible right-to-use lease equipment	(84,211)	(49,934)	28,548	-	(105,597)
Intangible right-to-use lease infrastructure	(275,846)	(141,226)	-	-	(417,072)
Total accumulated depreciation/amortization	(52,190,428)	(3,803,941)	532,154	-	(55,462,215)
Total capital assets being depreciated or amortized, net	69,794,652	13,686,285	(20,619)	-	83,460,318
Governmental activities capital assets, net	$ 78,271,661	$ 22,813,579	$ (20,619)	$ -	$ 101,064,621

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

Governmental Activities	Amount
General government	$ 1,213,828
Judicial administration	74,418
Public safety	1,926,933
Public works	308,166
Health and welfare	61,420
Parks, recreation and cultural	167,213
Community development	51,963
Total depreciation/amortization expenses - governmental activities	$ 3,803,941

Note 18. Capital Assets (Continued)

Discretely Presented Component Unit

Capital asset activity for the School Board for the year ended June 30, 2024 was as follows:

School Board	Beginning Balance	Increase	Decrease	Transfers	Ending Balance
Capital assets not being depreciated or amortized:					
Land	$ 1,551,430	$ -	$ -	$ -	$ 1,551,430
Construction in progress	33,444,165	118,074	-	(33,444,165)	118,074
Total capital assets not being depreciated or amortized	34,995,595	118,074	-	(33,444,165)	1,669,504
Capital assets being depreciated or amortized:					
Buildings	175,022,576	28,775,237	(14,862,448)	32,046,755	220,982,120
Machinery and equipment	34,004,136	5,974,867	(948,863)	1,397,410	40,427,550
Intangible right-to-use subscription assets	213,798	-	-	-	213,798
Intangible right-to-use lease equipment	1,113,787	313,293	(165,044)	-	1,262,036
Total capital assets being depreciated or amortized	210,354,297	35,063,397	(15,976,355)	33,444,165	262,885,504
Accumulated depreciation for:					
Buildings	(100,788,234)	(6,852,585)	34,270	-	(107,606,549)
Machinery and equipment	(24,560,649)	(2,729,247)	948,863	-	(26,341,033)
Intangible right-to-use subscription assets	(63,592)	(73,334)	-	-	(136,926)
Intangible right-to-use lease equipment	(593,068)	(314,253)	165,044	-	(742,277)
Total accumulated depreciation/amortization	(126,005,543)	(9,969,419)	1,148,177	-	(134,826,785)
Total capital assets being depreciated or amortized, net	84,348,754	25,093,978	(14,828,178)	33,444,165	128,058,719
School Board capital assets, net	$ 119,344,349	$ 25,212,052	$ (14,828,178)	$ -	$ 129,728,223

Depreciation/amortization expense charged to education was $9,969,419.

Legislation enacted during the year ended June 30, 2002, Section 15.2-1800.1 of the *Code of Virginia*, 1950, as amended, has changed the reporting of local school capital assets and related debt for financial statement purposes. Historically, debt incurred by local governments' on-behalf of school boards was reported in the school board's discrete column along with the related capital assets. Under the new law, local governments have a tenancy in common with the school board whenever the locality incurs any financial obligation for any school property which is payable over more than one fiscal year. For financial reporting purposes, the legislation permits the locality to report the portion of school property related to any outstanding financial obligation eliminating any potential deficit from capitalizing assets financed with debt. The effect on the School Board of Augusta County, Virginia for the year ended June 30, 2024, is that school financed assets in the amount of $102,135,679 are reported in the Primary Government for financial reporting purposes.

Note 19. Risk Management

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

Note 19. Risk Management (Continued)

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

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

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

Note 20. Joint Venture

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

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

At June 30, 2024, the Augusta Regional Landfill reported as its landfill closure liability $8,377,179, which represents the cumulative amount reported to date based on the use of 90.4% of the estimated capacity of the Permit #585 (Phases 1-3) landfill, 93.3% of the estimated capacity of the Permit #585 Phase 4 landfill and the stockpile financial assurance liability. The Augusta Regional Landfill reported a post-closure monitoring liability of $3,610,888 at June 30, 2024. This represents the cumulative amount reported to date based on the use of 100.00% of the estimated capacity of the Permit #21 landfill of which the County is 60.33% responsible and 90.4% of the estimated capacity of the Permit #585 (Phases 1-3) and 93.3% of the Permit #585 (Phase 4) landfill, of which the County is 53.26% responsible. Total closure and post-closure care costs and post-closure monitoring costs accrued at June 30, 2024 for both landfill permits are $11,988,067. The Landfill will recognize the majority of the remaining estimated cost of closure and post-closure care and post-closure monitoring of $578,106 for the Permit #585 (Phases 1-3) landfill as the remaining estimated capacity is filled within the next eighteen to twenty four months and $202,993 for the newly opened Phase 4 cell as it is filled in the next two to five years. The amount for the Permit #21 landfill is based on what it would have cost to perform all post-closure care in 2004 and has been inflated annually at the DEQ approved inflation rate. The amounts for the Permit #585 landfill were re-evaluated in March 2008 based on what it would have cost to perform all closure and post-closure care in 2008 and approved by the Virginia Department of Environmental Quality as part of a permit to expand the landfill beyond the first three phases. These costs have been inflated at the DEQ approved inflation rate since 2009. Actual costs for both permitted landfills may be different due to actual inflation or deflation, changes in technology, or changes in laws or regulations.

Note 20. Joint Venture (Continued)

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

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

Note 21. Construction Contracts Outstanding

The Primary Government had the following material contracts outstanding at June 30, 2024:

Project	Original Contract Amount	Amount Spent as of June 30, 2024	Amount of Contract Remaining at Year End
Craigsville Elementary School Boiler & Hot Water equip	$ 460,838	$ -	$ 460,838
North River Elementary School Boiler & Hot Water equip	463,858	-	463,858
Stump Elementary School Boiler & Hot Water equip	457,654	-	457,654
Verona Pedestrian Project	2,360,432	2,285,869	74,563
Project management-Courthouse	1,497,234	452,118	1,045,116
Courthouse Construction	62,329,484	2,458,431	59,871,053
Courts Complex design	6,741,652	5,416,095	1,325,557
Government Center Renovation Project	3,417,282	3,144,744	272,538
Total	$ 77,728,434	$ 13,757,257	$ 63,971,177

Note 22. Fund Balance

Fund balance had the following classifications at June 30, 2024:

Fund Balances	General	County Capital Improvements	School Capital Improvements	Total
Nonspendable:				
Inventories	$ 9,130	$ -	$ -	$ 9,130
Prepaid items	63,818	-	-	63,818
Land held for sale	269,210	-	-	269,210
Restricted for:				
Fire revolving loan program	2,412,814	-	-	2,412,814
Drug enforcement	127,643	-	-	127,643
ARPA	956,148	-	-	956,148
Capital projects	-	40,283,660	3,868,543	44,152,203
Committed to:				
Education	896,985	-	-	896,985
Emergency medical services	2,127,513	-	-	2,127,513
Assigned to:				
Fire revolving loan program	502,583	-	-	502,583
Drug enforcement	111,590	-	-	111,590
Capital projects	-	79,168,567	-	79,168,567
Unassigned	16,321,562	-	-	16,321,562
Total	$ 23,798,996	$ 119,452,227	$ 3,868,543	$ 147,119,766

Note 23. Notes Receivable

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

Amounts due to the County at June 30, 2024 from the Riverheads, Swoope, Deerfield, Weyers Cave, Mt. Solon, and Churchville Fire Departments include:

Year(s) Ending June 30,	Principal	Interest
2025	$ 120,000	$ -
2026	120,000	-
2027	120,000	-
2028	120,000	-
2029	120,000	-
Thereafter	700,000	-
	$ 1,300,000	$ -

Note 23. Notes Receivable (Continued)

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

The total paid to the County by the County of Rockingham and City of Harrisonburg in accordance with the July 1, 2015 agreement was $810,623 in fiscal year 2024, which has been shown as a recovered cost in the Capital Improvements Fund, and as a reduction in the receivable on the Governmental Activities Statement of Net Position.

Amounts due to the County at June 30, 2024 include:

Year Ending June 30,	Principal	Interest
2025	$ 828,214	$ 17,972
	$ 828,214	$ 17,972

Note 24. Risk Management

Health Insurance – County and School Board

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

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

Based on the requirements of GASB Statement No. 10, the County records an estimated liability for indemnity healthcare claims. The following represents the change in the fund's claims liability for 2022 through 2024.

Fiscal Year Ended	Beginning Liability	Claims and Changes in Estimates	Claim Payments	Ending Liability
June 30, 2024	$ 1,614,000	$ 1,390,000	$ (1,614,000)	$ 1,390,000
June 30, 2023	2,061,000	1,614,000	(2,061,000)	1,614,000
June 30, 2022	1,990,000	2,061,000	(1,990,000)	2,061,000

Note 25. Commitments, Contingencies, and Subsequent Events

Federal and State-Assisted Programs

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

Subsequent Events

The Board of Supervisors approved a new tower lease related to the Regional Radio Project for emergency communications at their meeting on September 11, 2024. The new tower lease will be located in Grottoes. The monthly rent is $2,600 a month and has an initial term of 10 years with (4) 5-year renewals.

At the August 23, 2024 Board of Supervisors meeting, a tax refund was approved for Hershey and McKee Foods. This refund was in accordance with Section 58.1-3981 of the *Code of Virginia*. According to the Commissioner of Revenue, these taxpayers were erroneously billed for tax year 2023. The total refunded to McKee foods was $66,331 and $133,567 to Hershey.

Note 26. Tax Abatements

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

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

Note 26. Tax Abatements (Continued)

The County has tax abatement agreements for the following as of June 30, 2024:

Purpose	Type of Tax Abated During the Fiscal Year	Percentage of Taxes Abated During the Fiscal Year	Amount of Taxes Abated During the Fiscal Year
Industry expansion	Machinery & tools	100%	$ 828,142
Construct water tank in commerce park	Real, personal property & business license	100%	643,823
Construct transportation corridor (Rt 636)	Real, personal property & business license	100%	338,801

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

Note 27. Upcoming Pronouncements

At June 30, 2024, the GASB had issued several statements not yet implemented by the County. The statements which might impact the County are as follows:

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

GASB Statement No. 102, *Certain Risk Disclosures*, requires all state and local governments to disclose essential information about risks related to vulnerabilities due to certain concentrations or constraints. Statement No. 102 will be effective for fiscal years beginning after June 15, 2024.

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

GASB Statement No. 104, *Disclosures of Certain Capital Assets*, objective is to provide users of government financial statements with essential information about certain types of capital assets. This statement requires certain types of capital assets to be disclosed separately in the capital assets not disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnership and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset in capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription-Based Information Technology Arrangements*, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. Statement No. 104 will be effective for the Authority beginning with its year ending June 30, 2026.

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

REQUIRED SUPPLEMENTARY INFORMATION

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

COUNTY OF AUGUSTA, VIRGINIA **EXHIBIT 12**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
GENERAL FUND
Year Ended June 30, 2024

	General Fund			
	Budgeted Amounts		Actual	Variance with Final Budget Over
	Original	Final	Amounts	(Under)
Revenues:				
General property taxes	$ 75,687,426	$ 84,746,836	$ 85,051,519	$ 304,683
Other local taxes	22,733,679	23,758,827	25,648,050	1,889,223
Permits, privilege fees and regulatory licenses	683,700	726,500	759,407	32,907
Fines and forfeitures	250,150	261,950	336,450	74,500
Revenue from the use of money and property	1,587,630	5,246,930	6,425,137	1,178,207
Charges for services	4,400,059	5,512,159	5,792,275	280,116
Miscellaneous	949,570	686,746	1,221,443	534,697
Recovered costs	56,400	68,173	125,784	57,611
Intergovernmental revenues:				
Commonwealth	13,602,114	13,445,155	13,672,405	227,250
Federal	814,386	1,393,775	7,036,774	5,642,999
Total revenues	120,765,114	135,847,051	146,069,244	10,222,193
Expenditures:				
Current:				
General government administration	10,736,032	12,220,558	10,601,175	(1,619,383)
Judicial administration	3,144,143	3,375,324	3,280,650	(94,674)
Public safety	33,186,185	37,598,557	35,635,136	(1,963,421)
Public works	5,172,885	5,391,472	5,515,213	123,741
Health and welfare	1,592,813	1,608,680	1,714,182	105,502
Education	49,033,505	49,033,505	48,419,312	(614,193)
Parks, recreation and cultural	2,712,963	2,868,249	2,797,489	(70,760)
Community development	2,974,091	2,768,848	2,631,505	(137,343)
Nondepartmental	3,921,792	4,385,252	3,340,247	(1,045,005)
Debt service:				
Principal - subscriptions	-	-	178,590	178,590
Principal - leases	-	-	244,538	244,538
Interest - subscription liabilities	-	-	26,567	26,567
Interest - lease liabilities	-	-	70,767	70,767
Total expenditures	112,474,409	119,250,445	114,455,371	(4,795,074)
Excess of revenues over expenditures	8,290,705	16,596,606	31,613,873	15,017,267
Other financing sources (uses):				
Issuance of lease liabilities	-	-	244,755	244,755
Issuance of subscription liabilities	-	-	9,211	9,211
Transfers in	111,423	102,215	84,456	(17,759)
Transfers out	(15,603,612)	(31,082,704)	(31,045,045)	37,659
Total other financing uses, net	(15,492,189)	(30,980,489)	(30,706,623)	273,866
Net change in fund balance	(7,201,484)	(14,383,883)	907,250	15,291,133
Fund balance, beginning	-	-	22,891,746	22,891,746
Fund balance (deficit), ending	$ (7,201,484)	$ (14,383,883)	$ 23,798,996	$ 38,182,879

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
SPECIAL REVENUE FUND – VIRGINIA PUBLIC ASSISTANCE FUND
Year Ended June 30, 2024

	Special Revenue Fund			
	Budgeted Amounts		Actual	Variance with Final Budget Over
	Original	Final	Amounts	(Under)
Revenues:				
Charges for services	$ 189,515	$ 189,515	$ 169,127	$ (20,388)
Recovered costs	1,193,515	1,193,515	1,193,515	-
Intergovernmental revenues:				
Commonwealth	8,008,474	8,097,974	7,655,709	(442,265)
Federal	8,195,705	8,195,705	7,751,376	(444,329)
Total revenues	17,587,209	17,676,709	16,769,727	(906,982)
Expenditures:				
Current:				
Health and welfare	21,099,208	21,280,208	20,192,961	(1,087,247)
Debt service:				
Principal - lease liabilities	-	-	11,594	11,594
Interest - lease liabilities	-	-	637	637
Total debt service	-	-	12,231	12,231
Total expenditures	21,099,208	21,280,208	20,205,192	(1,075,016)
Deficiency of revenues under expenditures	(3,511,999)	(3,603,499)	(3,435,465)	168,034
Other financing sources:				
Transfers in	3,511,999	3,603,499	3,435,465	(168,034)
Total other financing sources	3,511,999	3,603,499	3,435,465	(168,034)
Net change in fund balance	-	-	-	-
Fund balance, beginning	-	-	-	-
Fund balance, ending	$ -	$ -	$ -	$ -

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

	Fiscal Year June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	**2023**
Total Pension Liability:										
Service cost	$ 2,078,481	$ 2,101,912	$ 2,204,270	$ 2,278,810	$ 2,280,199	$ 2,348,634	$ 2,566,036	$ 2,694,586	$ 2,842,031	**$ 3,351,983**
Interest	5,396,036	5,639,039	5,859,705	6,057,382	6,143,689	6,400,578	6,659,671	7,019,625	7,618,088	**7,723,242**
Differences between expected and actual experience	-	(82,018)	(603,214)	(2,238,406)	(3,104)	307,198	1,013,759	(2,569,101)	(3,718,383)	**(1,261,958)**
Changes of assumptions	-	-	-	(298,488)	-	2,983,642	-	4,119,357	-	**-**
Benefit payments, including refunds of employee contributions	(3,868,114)	(4,137,964)	(4,875,173)	(4,398,430)	(4,734,253)	(4,767,639)	(4,862,513)	(4,951,134)	(5,529,617)	**(5,858,078)**
Net change in total pension liability	3,606,403	3,520,969	2,585,588	1,400,868	3,686,531	7,272,413	5,376,953	6,313,333	1,212,119	**3,955,189**
Total pension liability - beginning	79,020,284	82,626,687	86,147,656	88,733,244	90,134,112	93,820,643	101,093,056	106,470,009	112,783,342	**113,995,461**
Total pension liability - ending (a)	$ 82,626,687	$ 86,147,656	$ 88,733,244	$ 90,134,112	$ 93,820,643	$ 101,093,056	$ 106,470,009	$ 112,783,342	$ 113,995,461	**$ 117,950,650**
Plan Fiduciary Net Position:										
Contributions - employer	$ 2,210,642	$ 2,313,950	$ 2,361,901	$ 2,022,988	$ 2,107,494	$ 2,003,652	$ 2,106,254	$ 2,420,992	$ 2,515,408	**$ 2,764,879**
Contributions - employee	909,646	921,678	947,593	1,063,805	1,023,897	1,054,711	1,119,279	1,128,832	1,203,558	**1,329,260**
Net investment income	9,910,591	3,285,690	1,268,675	8,979,601	6,008,267	5,705,114	1,724,376	24,628,786	(108,965)	**7,171,048**
Benefit payments, including refunds of employee contributions	(3,868,114)	(4,137,964)	(4,875,173)	(4,398,430)	(4,734,253)	(4,767,639)	(4,862,513)	(4,951,134)	(5,529,617)	**(5,858,078)**
Administrative expense	(53,478)	(45,225)	(46,683)	(52,053)	(52,142)	(56,801)	(58,633)	(60,915)	(70,507)	**(71,445)**
Other changes	523	(693)	(543)	(7,992)	(5,345)	(3,595)	(2,031)	2,325	2,615	**2,887**
Net change in plan fiduciary net position	9,109,810	2,337,436	(344,230)	7,607,919	4,347,918	3,935,442	26,732	23,168,886	(1,987,508)	**5,338,551**
Plan fiduciary net position - beginning	63,065,359	72,175,169	74,512,605	74,168,375	81,776,294	86,124,212	90,059,654	90,086,386	113,255,272	**111,267,764**
Plan fiduciary net position - ending (b)	$ 72,175,169	$ 74,512,605	$ 74,168,375	$ 81,776,294	$ 86,124,212	$ 90,059,654	$ 90,086,386	$ 113,255,272	$ 111,267,764	**$ 116,606,315**
County's net pension liability (asset) - ending (a) - (b)	$ 10,451,518	$ 11,635,051	$ 14,564,869	$ 8,357,818	$ 7,696,431	$ 11,033,402	$ 16,383,623	$ (471,930)	$ 2,727,697	**$ 1,344,335**
Plan fiduciary net position as a percentage of the total pension liability	87.35%	86.49%	83.59%	90.73%	91.80%	89.09%	84.61%	100.42%	97.61%	**98.86%**
Covered payroll	$ 17,685,136	$ 18,437,849	$ 18,819,928	$ 19,717,232	$ 20,540,877	$ 21,247,635	$ 22,335,673	$ 22,647,259	$ 23,530,477	**$ 26,610,962**
County's net pension liability (asset) as a percentage of covered payroll	59.10%	63.10%	77.39%	42.39%	37.47%	51.93%	73.35%	-2.08%	11.59%	**5.05%**

See Notes to Required Supplementary Information – Virginia Retirement System.

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

	Fiscal Year June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	**2023**
Total Pension Liability:										
Service cost	$ 257,529	$ 250,850	$ 245,933	$ 230,020	$ 211,874	$ 213,677	$ 227,383	$ 235,558	$ 240,770	**$ 275,636**
Interest	739,629	770,891	782,063	808,631	798,893	815,037	838,856	881,006	941,916	**960,125**
Differences between expected and actual experience	-	(276,356)	(44,608)	(316,829)	(98,224)	132,192	258,712	(169,667)	(57,124)	**(19,790)**
Changes of assumptions	-	-	-	(240,745)	-	344,653	-	421,318	-	**-**
Benefit payments, including refunds of employee contributions	(529,213)	(571,921)	(599,653)	(608,033)	(632,344)	(731,495)	(711,397)	(689,600)	(723,626)	**(1,057,720)**
Net change in total pension liability	467,945	173,464	383,735	(126,956)	280,199	774,064	613,554	678,615	401,936	**158,251**
Total pension liability - beginning	10,830,741	11,298,686	11,472,150	11,855,885	11,728,929	12,009,128	12,783,192	13,396,746	14,075,361	**14,477,297**
Total pension liability - ending (a)	$ 11,298,686	$ 11,472,150	$ 11,855,885	$ 11,728,929	$ 12,009,128	$ 12,783,192	$ 13,396,746	$ 14,075,361	$ 14,477,297	**$ 14,635,548**
Plan Fiduciary Net Position:										
Contributions - employer	$ 218,931	$ 226,499	$ 222,018	$ 149,548	$ 141,368	$ 96,440	$ 96,681	$ 138,395	$ 149,747	**$ 160,151**
Contributions - employee	131,504	130,761	127,674	124,819	119,026	122,114	127,149	128,455	136,851	**164,001**
Net investment income	1,445,168	476,637	183,043	1,287,880	852,020	785,148	234,684	3,270,732	(10,031)	**906,849**
Benefit payments, including refunds of employee contributions	(529,213)	(571,921)	(599,653)	(608,033)	(632,344)	(731,495)	(711,397)	(689,600)	(723,626)	**(1,057,720)**
Administrative expense	(7,868)	(6,644)	(6,779)	(7,625)	(7,521)	(8,174)	(8,238)	(8,329)	(9,384)	**(9,471)**
Other changes	76	(102)	(78)	(1,136)	(751)	(493)	(273)	306	340	**362**
Net change in plan fiduciary net position	1,258,598	255,230	(73,775)	945,453	471,798	263,540	(261,394)	2,839,959	(456,103)	**164,172**
Plan fiduciary net position - beginning	9,234,345	10,492,943	10,748,173	10,674,398	11,619,851	12,091,649	12,355,189	12,093,795	14,933,754	**14,477,651**
Plan fiduciary net position - ending (b)	$ 10,492,943	$ 10,748,173	$ 10,674,398	$ 11,619,851	$ 12,091,649	$ 12,355,189	$ 12,093,795	$ 14,933,754	$ 14,477,651	**$ 14,641,823**
School Board non-professional net pension liability (asset) - ending (a) - (b)	$ 805,743	$ 723,977	$ 1,181,487	$ 109,078	$ (82,521)	$ 428,003	$ 1,302,951	$ (858,393)	$ (354)	**$ (6,275)**
Plan fiduciary net position as a percentage of the total pension liability	92.87%	93.69%	90.03%	99.07%	100.69%	96.65%	90.27%	106.10%	100.00%	**100.04%**
Employer's covered payroll	$ 2,593,969	$ 2,642,929	$ 2,590,642	$ 2,492,467	$ 2,356,133	$ 2,318,269	$ 3,894,976	$ 2,427,982	$ 2,627,140	**$ 3,038,918**
School Board's non-professional net pension liability (asset) as a percentage of covered payroll	31.06%	27.39%	45.61%	4.38%	-3.50%	18.46%	33.45%	-35.35%	-0.01%	**-0.21%**

See Notes to Required Supplementary Information – Virginia Retirement System.

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

	Fiscal Year June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	**2023**
Employer's proportion of the net pension liability	0.73785%	0.74809%	0.72566%	0.73384%	0.71350%	0.70662%	0.69991%	0.68859%	0.68621%	**0.70432%**
Employer's proportionate share of the net pension liability	$ 89,167,000	$ 94,157,000	$ 101,694,000	$ 90,248,000	$ 83,908,000	$ 92,995,208	$ 101,855,286	$ 53,455,912	$ 65,331,300	**$ 71,187,065**
Employer's covered payroll	$ 53,959,194	$ 55,620,152	$ 55,328,691	$ 55,212,149	$ 52,894,571	$ 52,358,565	$ 58,208,878	$ 62,161,212	$ 61,336,137	**$ 66,900,999**
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	165.25%	169.29%	183.80%	163.46%	158.63%	177.61%	174.98%	86.00%	106.51%	**106.41%**
Plan fiduciary net position as a percentage of the total pension liability	70.88%	70.88%	68.28%	72.92%	74.81%	73.51%	71.47%	85.46%	82.61%	**82.45%**

See Notes to Required Supplementary Information – Virginia Retirement System.

SCHEDULE OF COUNTY CONTRIBUTIONS – VIRGINIA RETIREMENT SYSTEM

	Fiscal Year June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	**2024**
Contractually required contribution (CRC)	$ 2,313,950	$ 2,361,901	$ 2,022,988	$ 2,107,494	$ 2,003,652	$ 2,106,254	$ 2,420,992	$ 2,515,408	$ 2,764,879	**$ 3,080,684**
Contributions in relation to the CRC	2,313,950	2,361,901	2,022,988	2,107,494	2,003,652	2,106,254	2,420,992	2,515,408	2,764,879	**3,080,684**
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**
Employer's covered payroll	$ 18,437,849	$ 18,819,928	$ 19,717,232	$ 20,540,877	$ 21,247,635	$ 22,335,673	$ 22,647,259	$ 23,530,477	$ 26,610,962	**$ 29,650,472**
Contributions as a percentage of covered payroll	12.55%	12.55%	10.26%	10.26%	9.43%	9.43%	10.69%	10.69%	10.39%	**10.39%**

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

	Fiscal Year June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	**2024**
Contractually required contribution (CRC)	$ 226,499	$ 222,018	$ 149,548	$ 141,368	$ 96,440	$ 162,031	$ 138,395	$ 149,747	$ 160,151	**$ 166,832**
Contributions in relation to the CRC	226,499	222,018	149,548	141,368	96,440	162,031	138,395	149,747	160,151	**166,832**
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**
Employer's covered payroll	$ 2,642,929	$ 2,590,642	$ 2,492,467	$ 2,356,133	$ 2,318,269	$ 3,894,976	$ 2,427,982	$ 2,627,140	$ 3,038,918	**$ 3,165,693**
Contributions as a percentage of covered payroll	8.57%	8.57%	6.00%	6.00%	4.16%	4.16%	5.70%	5.70%	5.27%	**5.27%**

See Notes to Required Supplementary Information – Virginia Retirement System.

SCHEDULE OF SCHOOL BOARD PROFESSIONAL CONTRIBUTIONS – VIRGINIA RETIREMENT SYSTEM

	Fiscal Year June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	**2024**
Contractually required contribution (CRC)	$ 8,064,922	$ 7,779,214	$ 8,094,101	$ 8,632,394	$ 8,209,823	$ 9,127,152	$ 9,746,878	$ 10,194,066	$ 11,118,946	**$ 11,754,186**
Contributions in relation to the CRC	8,064,922	7,779,214	8,094,101	8,632,394	8,209,823	9,127,152	9,746,878	10,194,066	11,118,946	**11,754,186**
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**
Employer's covered payroll	$ 55,620,152	$ 55,328,691	$ 55,212,149	$ 52,894,571	$ 52,358,565	$ 58,208,878	$ 62,161,212	$ 61,336,137	$ 66,900,999	**$ 70,723,141**
Contributions as a percentage of covered payroll	14.50%	14.06%	14.66%	16.32%	15.68%	15.68%	15.68%	16.62%	16.62%	**16.62%**

Note 1. Change of Benefit Terms

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

Note 2. Changes of Assumptions

The actuarial assumptions used in the June 30, 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:

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

General Employees

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

Public Safety Employees with Hazardous Duty Benefits

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Largest 10 Hazardous Duty
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Note 2. Changes of Assumptions (Continued)

School Board Professional Plan (Cost-Sharing)

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

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

	Fiscal Year June 30,						
	2017	2018	2019	2020	2021	2022	**2023**
Total Medical Insurance OPEB liability:							
Service cost	$ 134,000	$ 137,000	$ 93,000	$ 374,000	$ 444,000	$ 455,000	**$ 310,000**
Interest	101,000	108,000	79,000	192,000	177,000	132,000	**207,000**
Differences between expected and actual experience	-	(633,000)	2,532,000	-	(1,762,000)	(1,076,000)	**(1,378,000)**
Changes in assumptions	-	(363,000)	764,000	(83,000)	-	(1,553,000)	**-**
Benefit payments	-	91,000	311,000	522,000	-	50,000	**-**
Contributions - employer	(186,000)	-	(210,000)	7,000	11,000	909,000	**(2,000)**
Other changes	-	-	-	-	726,000	-	**(99,000)**
Net change in total OPEB liability	49,000	(660,000)	3,569,000	1,012,000	(404,000)	(1,083,000)	**(962,000)**
Total Medical Insurance OPEB liability - beginning	2,809,000	2,858,000	2,198,000	5,767,000	6,779,000	6,375,000	**5,292,000**
County total Medical Insurance OPEB liability - ending	$ 2,858,000	$ 2,198,000	$ 5,767,000	$ 6,779,000	$ 6,375,000	$ 5,292,000	**$ 4,330,000**
Plan fiduciary net position as a percentage of the total Medical Insurance OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	**0.00%**
Covered-employee payroll	$ 20,009,000	$ 20,009,000	$ 23,959,000	$ 23,959,000	$ 24,609,000	$ 24,609,000	**$ 25,791,000**
Total OPEB liability as a percentage of covered-employee payroll	14.28%	10.99%	24.07%	28.29%	25.91%	21.50%	**16.79%**

Note to Schedule:

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

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

	Fiscal Year June 30,						
	2017	2018	2019	2020	2021	2022	**2023**
Total Medical Insurance OPEB liability:							
Service cost	$ 626,000	$ 642,000	$ 602,000	$ 593,000	$ 777,000	$ 907,000	**$ 543,000**
Interest	570,000	604,000	554,000	385,000	363,000	288,000	**431,000**
Differences between expected and actual experience	-	(1,681,000)	(4,483,000)	939,000	(2,221,000)	(1,951,000)	**537,000**
Changes in assumptions	-	(1,257,000)	648,000	866,000	1,304,000	(2,064,000)	**(96,000)**
Benefit payments	-	-	-	-	-	(308,000)	**-**
(Contributions)/refunds- employer	(514,000)	31,000	98,000	(743,000)	(111,000)	-	**74,000**
Net change in total OPEB liability	682,000	(1,661,000)	(2,581,000)	2,040,000	112,000	(3,128,000)	**1,489,000**
Total Medical Insurance OPEB liability - beginning	15,631,000	16,313,000	14,652,000	12,071,000	14,111,000	14,223,000	**11,095,000**
School Board total Medical Insurance OPEB liability - ending	$ 16,313,000	$ 14,652,000	$ 12,071,000	$ 14,111,000	$ 14,223,000	$ 11,095,000	**$ 12,584,000**
School Board net Medical Insurance OPEB liability - ending (a) - (b)	$ 16,313,000	$ 14,652,000	$ 12,071,000	$ 14,111,000	$ 14,223,000	$ 11,095,000	**$ 12,584,000**
Plan fiduciary net position as a percentage of the total Medical Insurance OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	**0.00%**
Covered-employee payroll	$ 59,686,000	$ 59,686,000	$ 60,842,000	$ 60,842,000	$ 62,630,000	$ 62,630,000	**$ 76,913,000**
Total OPEB liability as a percentage of covered payroll	27.33%	24.55%	19.84%	23.19%	22.71%	17.72%	**16.36%**

Note to Schedule:

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

(2) There are no assets accumulated in a trust that meets the criteria of GASB P22.101 or P52.101 to pay related benefits for OPEB.

SCHEDULE OF COUNTY CONTRIBUTIONS – MEDICAL INSURANCE PROGRAM

	Fiscal Year June 30,						
	2018	2019	2020	2021	2022	2023	**2024**
Contractually required contribution (CRC)	$ 157,183	$ 166,679	$ 114,981	$ 100,309	$ 91,850	$ 79,147	**$ 73,043**
Contributions in relation to the CRC	157,183	166,679	114,981	100,309	91,850	79,147	**73,043**
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**
Employer's covered-employee payroll	$ 20,009,000	$ 23,959,000	$ 23,959,000	$ 24,609,000	$ 24,609,000	$ 25,791,000	**$ 25,791,000**
Contributions as a percentage of covered-employee payroll	0.79%	0.70%	0.48%	0.41%	0.37%	0.31%	**0.28%**

Note to Schedule:

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

SCHEDULE OF SCHOOL BOARD CONTRIBUTIONS – MEDICAL INSURANCE PROGRAM

	Fiscal Year June 30,						
	2018	2019	2020	2021	2022	2023	**2024**
Contractually required contribution (CRC)	$ 559,611	$ 505,656	$ 440,894	$ 432,244	$ 367,282	$ 372,592	**$ 303,210**
Contributions in relation to the CRC	559,611	505,656	440,894	432,244	367,282	372,592	**303,210**
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**
Employer's covered-employee payroll	$ 59,686,000	$ 60,842,000	$ 60,842,000	$ 62,630,000	$ 62,630,000	$ 76,913,000	**$ 76,913,000**
Contributions as a percentage of covered payroll	0.94%	0.83%	0.72%	0.69%	0.59%	0.48%	**0.39%**

Note to Schedule:

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

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

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

Note to Schedule:

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

SCHEDULE OF EMPLOYER CONTRIBUTIONS – OPEB – GROUP LIFE INSURANCE PROGRAM

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	**2024**
County:										
Contractually required contribution (CRC)	$ 88,818	$ 91,237	$ 102,000	$ 107,117	$ 110,267	$ 117,141	$ 124,169	$ 130,314	$ 111,753	**$ 157,780**
Contributions in relation to the CRC	88,818	91,237	102,000	107,117	110,267	117,141	124,169	130,314	111,753	**157,780**
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**
Employer's covered payroll	$ 18,503,682	$ 19,007,633	$ 19,615,385	$ 20,599,423	$ 21,205,192	$ 22,527,115	$ 22,994,259	$ 24,132,222	$ 20,695,000	**$ 29,218,519**
Contributions as a percentage of covered payroll	0.48%	0.48%	0.52%	0.52%	0.52%	0.52%	0.54%	0.54%	0.54%	0.54%
School Board Non-Professional:										
Contractually required contribution (CRC)	$ 12,872	$ 12,712	$ 13,000	$ 3,132	$ 14,657	$ 15,470	$ 16,244	$ 17,994	$ 16,604	**$ 22,087**
Contributions in relation to the CRC	12,872	12,712	13,000	3,132	14,657	15,470	16,244	17,994	16,604	**22,087**
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**
Employer's covered payroll	$ 2,681,766	$ 2,648,274	$ 2,500,000	$ 602,308	$ 2,818,654	$ 2,975,000	$ 3,008,148	$ 3,332,222	$ 3,074,815	**$ 4,090,185**
Contributions as a percentage of covered payroll	0.48%	0.48%	0.52%	0.52%	0.52%	0.52%	0.54%	0.54%	0.54%	0.54%
School Board Professional:										
Contractually required contribution (CRC)	$ 266,977	$ 265,599	$ 295,000	$ 331,929	$ 344,130	$ 351,118	$ 343,833	$ 361,545	$ 288,761	**$ 402,958**
Contributions in relation to the CRC	266,977	265,599	295,000	331,929	344,130	351,118	343,833	361,545	288,761	**402,958**
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**
Employer's covered payroll	$ 55,620,150	$ 55,333,132	$ 56,730,769	$ 63,832,500	$ 66,178,846	$ 67,522,692	$ 63,672,778	$ 66,952,778	$ 53,474,259	**$ 74,621,852**
Contributions as a percentage of covered payroll	0.48%	0.48%	0.52%	0.52%	0.52%	0.52%	0.54%	0.54%	0.54%	0.54%

See Notes to Required Supplementary Information – Other Postemployment Benefits.

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

	Fiscal Year June 30,			
	2020	2021	2022	**2023**
Balance, beginning	$ -	$ 196,803	$ 199,229	**$ 248,000**
Changes for the year:				
Service cost	-	2,747	2,040	**1,618**
Interest	-	13,284	14,584	**18,564**
Changes in assumptions	-	4,127	49,079	**-**
Difference between expected and actual experience	-	-	(121)	**(143,570)**
Contributions - employer	-	(15,542)	(16,663)	**(21,757)**
Net investment income	-	(2,260)	173	**(2,420)**
Administrative expense	-	70	61	**70**
Other changes	-	-	(382)	**(20)**
Changes in benefit terms	196,803	-	-	**-**
Net changes	196,803	2,426	48,771	**(147,515)**
Balance, ending	$ 196,803	$ 199,229	$ 248,000	**$ 100,485**
Plan Fiduciary Net Position:				
Contributions - employer	$ -	$ -	$ -	**$ -**
Contributions - employee	-	-	-	**-**
Net investment income	-	-	-	**-**
Benefit payments, including refunds of employee contributions	-	-	-	**-**
Administrative expense	-	-	-	**-**
Other changes	-	-	-	**-**
Net change in plan fiduciary net position	-	-	-	**-**
Plan fiduciary net position - beginning	-	-	-	**-**
Plan fiduciary net position - ending (b)	$ -	$ -	$ -	**$ -**
County net Medical Insurance OPEB	$ 196,803	$ 199,229	$ 248,000	**$ 100,485**
Plan fiduciary net position as a percentage of the total Medical Insurance OPEB liability	0.00%	0.00%	0.00%	**0.00%**
Covered-employee payroll	1,954,103	1,954,103	3,695,273	**3,955,818**
Total OPEB liability as a percentage of covered-employee payroll	10.07%	10.20%	6.71%	**2.54%**

Note to Schedule:

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

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

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

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

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

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

Note to Schedule:

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

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

	Fiscal Year June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	**2024**
Contractually required contribution (CRC)	$ 589,574	$ 586,484	$ 642,494	$ 709,169	$ 701,595	$ 728,889	$ 748,499	$ 789,923	$ 765,788	**$ 902,564**
Contributions in relation to the CRC	589,574	586,484	642,494	709,169	701,595	728,889	748,499	789,923	765,788	**902,564**
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**
Employer's covered payroll	$ 55,620,150	$ 55,328,691	$ 57,882,342	$ 63,889,099	$ 63,206,757	$ 60,740,750	$ 61,859,421	$ 65,282,893	$ 63,288,264	**$ 74,592,066**
Contributions as a percentage of covered payroll	1.06%	1.06%	1.11%	1.11%	1.11%	1.20%	1.21%	1.21%	1.21%	**1.21%**

See Notes to Required Supplementary Information – Other Postemployment Benefits.

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

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

Note to Schedule:

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

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

	Fiscal Year June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	**2024**
Contractually required contribution (CRC)	$ 1,997	$ 2,677	$ 18,000	$ 36,824	$ 56,759	$ 68,934	$ 88,417	$ 107,154	$ 138,409	**$ 161,127**
Contributions in relation to the CRC	1,997	2,677	18,000	36,824	56,759	68,934	88,417	107,154	138,409	**161,127**
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**
Employer's covered payroll	$ 332,787	$ 446,202	$ 3,000,000	$ 6,137,333	$ 7,883,194	$ 16,813,171	$ 18,812,196	$ 22,798,723	$ 29,448,723	**$ 34,282,340**
Contributions as a percentage of covered payroll	0.60%	0.60%	0.60%	0.60%	0.72%	0.41%	0.47%	0.47%	0.47%	**0.47%**

See Notes to Required Supplementary Information – Other Postemployment Benefits.

Note 1. Medical Insurance Program

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

A. Changes of Benefit Terms

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

B. Changes of Assumptions

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

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

Note 2. Group Life Insurance Program

A. Changes of Benefit Terms

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

B. Changes of Assumptions

The actuarial assumptions used in the June 30, 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:

School Board Professional Plan

Teachers

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

Note 2. Group Life Insurance Program (Continued)

B. Changes of Assumptions (Continued)

County and School Board Non-Professional Plans

General Employees

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

Hazardous Duty Employees

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates and changed from rates based on service only to better fit experience and to be more consistent with Locals To 10 Hazardous Duty
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Note 3. Health Insurance Credit Program

A. Changes of Benefit Terms

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

B. Changes of Assumptions

The actuarial assumptions used in the June 30, 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:

School Board Non-Professional Plan

Non-Largest 10 Locality Employers – General Employees

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

School Board Professional Plan (Cost-Sharing)

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

Note 4. Virginia Local Disability Program

A. Changes of Benefit Terms

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

B. Changes of Assumptions

The actuarial assumptions used in the June 30, 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:

School Board Non-Professional Plan

Non-Largest Ten Locality Employers – General Employees

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

School Board Professional Plan

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

OTHER SUPPLEMENTARY INFORMATION

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL – DEBT SERVICE FUND
Year Ended June 30, 2024

	Debt Service Fund			
	Budgeted Amounts		Actual	Variance with Final Budget Over
	Original	Final	Amounts	(Under)
Revenues:				
Charges for services	$ 37,489	$ 26,671	$ 26,671	$ -
Total revenues	37,489	26,671	26,671	-
Expenditures:				
Principal retirement	6,319,499	6,319,499	6,319,499	-
Interest and other fiscal charges	4,390,655	4,241,050	4,240,176	(874)
Total expenditures	10,710,154	10,560,549	10,559,675	(874)
Deficiency of revenues under expenditures	(10,672,665)	(10,533,878)	(10,533,004)	874
Other financing sources:				
Transfers in	10,672,665	10,533,878	10,533,004	(874)
Total other financing sources	10,672,665	10,533,878	10,533,004	(874)
Net change in fund balance	-	-	-	-
Fund balances, beginning	-	-	-	-
Fund balances, ending	$ -	$ -	$ -	$ -

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL – COUNTY CAPITAL IMPROVEMENTS FUND
Year Ended June 30, 2024

	County Capital Improvements Fund			
	Budgeted Amounts		Actual	Variance with Final Budget Over
	Original	Final	Amounts	(Under)
Revenues:				
Revenues from the use of money and property	$ 5,000	$ 5,000	$ 312,716	$ 307,716
Miscellaneous	30,000	135,000	122,274	(12,726)
Recovered costs	903,186	1,010,135	1,054,502	44,367
Intergovernmental revenues:				
Augusta County School Board	-	625,000	625,000	-
Commonwealth	2,821,831	2,360,150	1,613,401	(746,749)
Federal	-	1,988,238	2,078,064	89,826
Total revenues	3,760,017	6,123,523	5,805,957	(317,566)
Expenditures:				
Capital projects	8,139,326	25,191,747	14,942,766	(10,248,981)
Debt service:				
Principal - subscriptions	-	-	282,395	282,395
Interest - subscriptions	-	-	20,588	20,588
Total expenditures	8,139,326	25,191,747	15,245,749	(9,945,998)
Deficiency of revenues under expenditures	(4,379,309)	(19,068,224)	(9,439,792)	9,628,432
Other financing sources (uses):				
Issuance of bond	-	40,000,000	37,855,000	(2,145,000)
Issuance of premium	-	-	2,524,605	2,524,605
Transfers in	4,379,309	19,068,224	19,199,474	131,250
Transfers out	(3,736,851)	(2,926,149)	(2,908,391)	17,758
Total other financing sources, net	642,458	56,142,075	56,670,688	528,613
Net change in fund balance	(3,736,851)	37,073,851	47,230,896	10,157,045
Fund balances, beginning	-	-	72,221,331	72,221,331
Fund balances (deficit), ending	$ (3,736,851)	$ 37,073,851	$119,452,227	$ 82,378,376

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL – SCHOOL CAPITAL IMPROVEMENTS FUND
Year Ended June 30, 2024

	School Capital Improvements Fund			
	Budgeted Amounts		Actual	Variance with Final Budget Over
	Original	Final	Amounts	(Under)
Revenues:				
Revenues from the use of money and property	$ 517,625	$ 1,317,625	$ 1,388,795	$ 71,170
Intergovernmental revenues:				
Augusta County School Board	2,455,500	2,535,000	2,413,430	(121,570)
Federal	-	555,500	158,862	(396,638)
Miscellaneous	173,965	2,058,375	981,258	(1,077,117)
Total revenues	3,147,090	6,466,500	4,942,345	(1,524,155)
Expenditures:				
Current:				
Capital projects	44,955,991	45,002,334	36,358,857	(8,643,477)
Debt service:				
Principal retirement	-	-	388,448	388,448
Interest and other fiscal charges	-	-	46,315	46,315
Total expenditures	44,955,991	45,002,334	36,793,620	(8,208,714)
Deficiency of revenues under expenditures	(41,808,901)	(38,535,834)	(31,851,275)	6,684,559
Other financing sources (uses):				
Transfers in	1,080,000	1,115,970	1,115,970	-
Transfers out	(414,933)	(414,933)	(414,933)	-
Total other financing sources, net	665,067	701,037	701,037	-
Net change in fund balance	(41,143,834)	(37,834,797)	(31,150,238)	6,684,559
Fund balances, beginning	-	-	35,018,781	35,018,781
Fund balances, ending	$ (41,143,834)	$ (37,834,797)	$ 3,868,543	$ 41,703,340

Fiduciary Funds

COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2024

	Custodial Funds		
	Special Welfare	Shenandoah Valley Animal Services Center	Total
ASSETS			
Cash and cash equivalents	$ 130,171	$ 667,211	$ 797,382
Total assets	130,171	667,211	797,382
LIABILITIES			
Accounts payable	-	24,981	24,981
Total liabilities	-	24,981	24,981
NET POSITION			
Restricted for:			
Other	-	642,230	642,230
Individuals	130,171	-	130,171
Total net position	$ 130,171	$ 642,230	$ 772,401

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
Year Ended June 30, 2024

	Custodial Funds		
	Special Welfare	Shenandoah Valley Animal Services Center	Total
ADDITIONS			
Benefits collected on behalf of others	$ 350,485	$ 941,526	$ 1,292,011
Total additions	350,485	941,526	1,292,011
DEDUCTIONS			
Payments to participants or beneficiaries	345,803	890,702	1,236,505
Total deductions	345,803	890,702	1,236,505
Net change in fiduciary net position	4,682	50,824	55,506
Total net position, beginning	125,489	591,406	716,895
Total net position, ending	$ 130,171	$ 642,230	$ 772,401

Capital Assets Used in the Operation of Governmental Funds

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
COMPARATIVE SCHEDULES BY SOURCE
June 30, 2024, 2023 and 2022

	2024	2023	2022*
Governmental capital assets:			
Intangible right-to-use lease assets	$ 5,816,266	$ 5,625,746	$ 5,322,086
Intangible right-to-use subscription assets	1,635,171	1,490,130	381,427
Land	5,403,875	5,359,876	5,449,063
Buildings	92,573,933	77,745,756	82,557,094
Machinery and equipment	31,393,860	29,830,271	28,612,160
Land improvements	7,503,303	7,293,177	7,282,402
Construction in progress	12,200,428	3,117,133	1,539,723
Total governmental capital assets	$ 156,526,836	$ 130,462,089	$ 131,143,955
Investments in governmental capital assets by source:			
General fund	$ 156,526,836	$ 129,754,322	$ 130,484,597
Special revenue funds	-	707,767	659,358
Total governmental capital assets by source	$ 156,526,836	$ 130,462,089	$ 131,143,955

*The June 30, 2022 intangible right-to-use subscription assets balance has been restated with the implementation of GASB 96, *Subscription-based information technology arrangements*.

COUNTY OF AUGUSTA, VIRGINIA — EXHIBIT 38

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY
June 30, 2024

	Intangible right-to-use lease assets	Intangible right-to-use subscription assets	Land	Land Improvements	Buildings	Machinery and Equipment	Construction in Progress	Total
General governmental administration:								
Board of supervisors	$ -	$ -	$3,876,775	$6,277,747	$27,421,192	$3,694,335	$12,200,428	$ 53,470,477
County administrator	11,002	146,448	-	-	-	90,995	-	248,445
Human Resources	1,552	298,681	-	-	-	22,852	-	323,085
County attorney	1,456	5,440	-	-	-	-	-	6,896
Commissioner of revenue	3,225	2,720	-	-	-	311,026	-	316,971
Treasurer	1,978	11,881	-	-	-	-	-	13,859
Central accounting	(1,511)	325,161	-	-	-	33,740	-	357,390
Management information systems	33	88,585	-	45,000	-	1,924,821	-	2,058,439
Board of elections	-	-	-	-	-	362,095	-	362,095
Total general government administration	17,735	878,916	3,876,775	6,322,747	27,421,192	6,439,864	12,200,428	57,157,657
Judicial administration:								
Circuit Court	8,126	-	-	-	-	-	-	8,126
Clerk of Circuit Court	27,463	116,171	-	-	-	156,030	-	299,664
General District Court	7,660	-	-	-	-	19,252	-	26,912
Commonwealth's Attorney	109,121	12,763	-	-	-	117,395	-	239,279
Total judicial administration	152,370	128,934	-	-	-	292,677	-	573,981
Public safety:								
Sheriff	13,269	-	-	-	19,756	5,639,040	-	5,672,065
Emergency operations	4,665,357	-	-	-	-	4,767,284	-	9,432,641
Fire department	16,783	1,178	62,000	129,479	371,617	10,319,944	-	10,901,001
Emergency services	-	18,448	-	-	-	52,774	-	71,222
Juvenile detention and probation	13,876	-	-	-	5,913	44,635	-	64,424
Building inspections	-	-	-	-	-	150,240	-	150,240
Animal control	6,469	-	-	-	-	156,086	-	162,555
Drug enforcement	-	-	-	-	-	20,602	-	20,602
Total public safety	4,715,754	19,626	62,000	129,479	397,286	21,150,605	-	26,474,750
Public works:								
Sanitation and waste removal	255,781	-	-	53,084	60,446	368,561	-	737,872
Maintenance of buildings and grounds	8,241	298,680	-	203,371	422,951	1,253,350	-	2,186,593
Total public works	264,022	298,680	-	256,455	483,397	1,621,911	-	2,924,465
Education:								
Schools	-	-	-	-	63,990,680	-	-	63,990,680
Total education	-		-	-	63,990,680	-	-	63,990,680
Health and welfare:								
Social services	51,656	-	-	-	-	707,767	-	759,423
Total health and welfare	51,656	-	-	-	-	707,767	-	759,423
Parks, recreation, and cultural:								
Parks and recreation	5,910	-	1,465,100	783,847	281,378	474,824	-	3,011,059
Library	593,390	9,211	-	10,775	-	372,141	-	985,517
Total parks, recreation, and cultural	599,300	9,211	1,465,100	794,622	281,378	846,965	-	3,996,576
Community development:								
Community development	15,429	298,680	-	-	-	285,041	-	599,150
Economic development	-	1,124	-	-	-	49,030	-	50,154
Total community development	15,429	299,804	-	-	-	334,071	-	649,304
Total governmental capital assets	$ 5,816,266	$ 1,635,171	$ 5,403,875	$ 7,503,303	$ 92,573,933	$ 31,393,860	$ 12,200,428	$ 156,526,836

COUNTY OF AUGUSTA, VIRGINIA EXHIBIT 39

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY Year Ended June 30, 2024

	Balance July 1, 2023	Additions	Deductions	Transfers	Balance June 30, 2024
General governmental administration:					
Board of supervisors	$ 44,224,141	$ 9,246,336	$ -	$ -	$ 53,470,477
County administrator	248,445	-	-	-	248,445
Human Resources	277,628	45,457	-	-	323,085
County Attorney	6,896	-	-	-	6,896
Commissioner of revenue	316,971	-	-	-	316,971
Treasurer	13,859	-	-	-	13,859
Central accounting	316,122	45,416	4,148	-	357,390
Management information systems	1,880,435	223,836	45,832	-	2,058,439
Board of elections	365,540	-	3,445	-	362,095
Total general government administration	47,650,037	9,561,045	53,425	-	57,157,657
Judicial administration:					
Circuit Court	8,126	-	-	-	8,126
Clerk of Circuit Court	299,664	-	-	-	299,664
General District Court	26,912	-	-	-	26,912
Commonwealth's Attorney	242,532	-	3,253	-	239,279
Total judicial administration	577,234	-	3,253	-	573,981
Public safety:					
Sheriff	5,012,280	1,018,848	359,063	-	5,672,065
Emergency operations	9,432,641	-	-	-	9,432,641
Fire department	10,516,355	384,646	-	-	10,901,001
Emergency services	71,222	-	-	-	71,222
Juvenile detention and probation	64,424	-	-	-	64,424
Building inspections	111,038	39,202	-	-	150,240
Animal control	101,130	61,425	-	-	162,555
Drug enforcement	20,602	-	-	-	20,602
Total public safety	25,329,692	1,504,121	359,063	-	26,474,750
Public works:					
Sanitation and waste removal	441,747	341,665	45,540	-	737,872
Maintenance of buildings and grounds	2,077,654	137,390	28,451	-	2,186,593
Total public works	2,519,401	479,055	73,991	-	2,924,465
Education:					
Schools	49,162,503	14,828,177	-	-	63,990,680
Total education	49,162,503	14,828,177	-	-	63,990,680
Health and welfare:					
Social services	711,014	106,079	57,670	-	759,423
Total health and welfare	711,014	106,079	57,670	-	759,423
Parks, recreation, and cultural:					
Parks and recreation	2,972,519	43,911	5,371	-	3,011,059
Library	976,306	9,211	-	-	985,517
Total parks, recreation, and cultural	3,948,825	53,122	5,371	-	3,996,576
Community development:					
Community development	513,229	85,921	-	-	599,150
Economic development	50,154	-	-	-	50,154
Total community development	563,383	85,921	-	-	649,304
Total governmental capital assets	$ 130,462,089	$ 26,617,520	$ 552,773	$ -	$ 156,526,836

Discretely Presented Component Unit – School Board

COMBINING BALANCE SHEET
DISCRETELY PRESENTED COMPONENT UNIT – SCHOOL BOARD
June 30, 2024

	School Operating Fund	School Cafeteria Fund	Total Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 17,287	$ 1,808,819	$ 1,142,948	$ 2,969,054
Cash in custody of others	10,000	-	-	10,000
Receivables (net of allowance for uncollectibles):				
Accounts receivable	165,275	-	15,000	180,275
Due from primary government	4,911,454	-	-	4,911,454
Due from other governmental units	5,558,995	39,129	696,754	6,294,878
Total assets	$ 10,663,011	$ 1,847,948	$ 1,854,702	$ 14,365,661
LIABILITIES				
Reconciled overdraft	$ 919,511	$ -	$ 522,934	$ 1,442,445
Accounts payable	3,494,130	229,017	155,417	3,878,564
Accrued liabilities	3,622,770	106,171	137,775	3,866,716
Due to primary government	-	-	843,823	843,823
Unearned revenue	2,626,600	25,593	-	2,652,193
Total liabilities	10,663,011	360,781	1,659,949	12,683,741
FUND BALANCES				
Assigned	-	1,487,167	-	1,487,167
Restricted for:				
JW Riley Endowment Fund	-	-	85,625	85,625
Matthews Private Purpose Trust	-	-	109,128	109,128
Total fund balances	-	1,487,167	194,753	1,681,920
Total liabilities and fund balances	$ 10,663,011	$ 1,847,948	$ 1,854,702	$ 14,365,661

Total fund balances		$ 1,681,920
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets of $264,555,008 net of accumulated depreciation and amortization of $134,826,785, used in governmental activities are not financial resources and, therefore, are not reported in the funds.		129,728,223
Net pension asset		6,275
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Lease liabilities	$ (520,377)	
Subscription liabilities	(65,108)	
Interest payable	(5,185)	
Compensated absences	(2,936,431)	
Net pension liability	(71,187,065)	
Other postemployment benefits	(25,024,700)	
		(99,738,866)
Deferred outflows of resources represents a consumption of net position that applies to a future period and are not recognized as deferred outflows of resources in the governmental funds.		
Pension plan	22,777,244	
Other postemployment benefits	5,257,078	
		28,034,322
Deferred inflows of resources represents an acquisition of net position that applies to a future period and are not recognized as deferred inflows of resources in the governmental funds.		
Pension plan	(8,707,274)	
Other postemployment benefits	(7,813,408)	
		(16,520,682)
Long-term due from other government - pension plan & other postemployment benefits		1,256,285
Internal Service Funds are used by management to charge the cost of goods provided to other departments or funds. The assets and liabilities of the internal service fund is included in governmental activities in the Statement of Net Position.		5,708,893
Net position of governmental activities		$ 50,156,370

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS DISCRETELY PRESENTED COMPONENT UNIT – SCHOOL BOARD
Year Ended June 30, 2024

	School Operating Fund	School Cafeteria Fund	Total Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
Revenue from the use of money and property	$ 13,081	$ 116,951	$ 4,763	$ 134,795
Charges for services	1,610,423	633,608	1,226,732	3,470,763
Miscellaneous	344,017	-	92,725	436,742
Private donations	-	-	2,538	2,538
Intergovernmental revenues:				
Local government	48,523,636	-	-	48,523,636
Commonwealth	81,484,480	177,019	865,123	82,526,622
Federal	7,845,686	5,221,456	3,599,625	16,666,767
Total revenues	139,821,323	6,149,034	5,791,506	151,761,863
Expenditures:				
Current:				
Education	139,709,919	7,745,978	5,816,727	153,272,624
Debt service:				
Principal - lease liabilities	314,923	-	9,253	324,176
Principal - subscription liabilities	69,197	-	-	69,197
Interest - lease liabilities	10,419	-	1,007	11,426
Interest - subscription liabilities	2,904	-	-	2,904
Total debt service	397,443	-	10,260	407,703
Total expenditures	140,107,362	7,745,978	5,826,987	153,680,327
Deficiency of revenues under expenditures	(286,039)	(1,596,944)	(35,481)	(1,918,464)
Other financing sources:				
Issuance of lease	286,039	-	42,782	328,821
Total other financing sources	286,039	-	42,782	328,821
Net change in fund balances	-	(1,596,944)	7,301	(1,589,643)
Fund balances, beginning	-	3,084,111	187,452	3,271,563
Fund balances, ending	$ -	$ 1,487,167	$ 194,753	$ 1,681,920

Net change in fund balances		$ (1,589,643)
Reconciliation of amounts reported for governmental activities in the Statement of Activities:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation and amortization expense. This is the amount by which depreciation and amortization exceeded capital outlay in the current period.		
Expenditure for capital assets	$ 35,181,471	
Less depreciation and amortization expense	(9,969,419)	
Excess of depreciation and amortization over capital outlays		25,212,052
The net effect of various miscellaneous transactions involving capital assets (i.e.) sales, trade-ins and donations) is to decrease net position.		(14,828,178)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		
Pension non-employer contributions from the Commonwealth	1,038,569	
OPEB non-employer contributions from the Commonwealth	60,240	
Long-term due from other government - other postemployment benefits	224,338	
Long-term due from other government - pension plan	73,521	
		1,396,668
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effects of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Debt issued:		
Lease liabilities	(328,821)	
Principal repayments:		
Lease liabilities	324,176	
Subscription liabilities	69,197	
		64,552
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Accrued interest	(4,771)	
Compensated absences	(127,222)	
Changes in OPEB liabilities and related deferred outflows and inflows of resources	975,569	
Changes in pension liabilities and related deferred outflows and inflows of resources	5,229,415	
		6,072,991
Internal Service Funds are used by management to charge the costs of certain activities to individual funds. The net income of the internal service fund is reported with governmental activities.		
Total revenues	7,685,964	
Total expenses	(9,237,813)	
		(1,551,849)
Change in net position of governmental activities		$ 14,776,593

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL DISCRETELY PRESENTED COMPONENT UNIT – SCHOOL BOARD
Year Ended June 30, 2024

	School Operating Fund				School Cafeteria Fund			
	Budgeted Amounts			Variance with Final Budget	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	Over (Under)	Original	Final	Actual	Over (Under)
Revenues:								
Revenue from the use of money and property	$ 15,000	$ 17,500	$ 13,081	$ (4,419)	$ 100,000	$ 120,000	$ 116,951	$ (3,049)
Charges for services	1,636,946	1,778,737	1,610,423	(168,314)	964,200	613,200	633,608	20,408
Miscellaneous	235,681	305,276	344,017	38,741	-	-	-	-
Intergovernmental revenues:								
Local government	49,028,505	49,028,505	48,523,636	(504,869)	-	-	-	-
Commonwealth	79,984,810	83,076,393	81,484,480	(1,591,913)	100,000	51,721	177,019	125,298
Federal	8,006,092	8,519,761	7,845,686	(674,075)	3,200,000	4,082,180	5,221,456	1,139,276
Total revenues	138,907,034	142,726,172	139,821,323	(2,904,849)	4,364,200	4,867,101	6,149,034	1,281,933
Expenditures:								
Current:								
Education	138,907,034	142,726,172	139,709,919	(3,016,253)	6,484,386	6,744,073	7,745,978	1,001,905
Debt service:								
Principal - lease liabilities	-	-	314,923	314,923	-	-	-	-
Principal - subscription liabilities	-	-	69,197	69,197	-	-	-	-
Interest - lease liabilities	-	-	10,419	10,419	-	-	-	-
Interest - subscription liabilities	-	-	2,904	2,904	-	-	-	-
Total debt service	-	-	397,443	397,443	-	-	-	-
Total expenditures	138,907,034	142,726,172	140,107,362	(2,618,810)	6,484,386	6,744,073	7,745,978	1,001,905
Deficiency of revenues under expenditures	-	-	(286,039)	(286,039)	(2,120,186)	(1,876,972)	(1,596,944)	280,028
Other financing sources:								
Issuance of lease	-	-	286,039	286,039	-	-	-	-
Total other financing sources	-	-	286,039	286,039	-	-	-	-
Net change in fund balances	-	-	-	-	(2,120,186)	(1,876,972)	(1,596,944)	280,028
Fund balances (deficit), beginning	-	4,022,458	-	(3,969,453)	(3,401,094)	(2,314,244)	3,084,111	5,398,355
Fund balances (deficit), ending	$ -	$ 4,022,458	$ -	$ (3,969,453)	$ (5,521,280)	$ (4,191,216)	$ 1,487,167	$ 5,678,383

Nonmajor Special Revenue Funds

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS –
DISCRETELY PRESENTED COMPONENT UNIT – SCHOOL BOARD
June 30, 2024

	Head Start Fund	Governor's School Fund	School Endowments Fund	Total
ASSETS				
Cash and cash equivalents	$ -	$ 948,195	$ 194,753	$ 1,142,948
Accounts receivable	15,000	-	-	15,000
Due from other governmental units	670,754	26,000	-	696,754
Total assets	$ 685,754	$ 974,195	$ 194,753	$ 1,854,702
LIABILITIES				
Reconciled overdraft	$ 522,934	$ -	$ -	$ 522,934
Accounts payable	79,800	75,617	-	155,417
Accrued liabilities	73,381	64,394	-	137,775
Due to primary government	9,639	834,184	-	843,823
Total liabilities	685,754	974,195	-	1,659,949
FUND BALANCES				
Restricted for:				
JW Riley Endowment Fund	-	-	85,625	85,625
Matthews Private Purpose Trust	-	-	109,128	109,128
Total fund balances	-	-	194,753	194,753
Total liabilities and fund balances	$ 685,754	$ 974,195	$ 194,753	$ 1,854,702

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR SPECIAL REVENUE FUNDS – DISCRETELY PRESENTED COMPONENT UNIT – SCHOOL BOARD

Year Ended June 30, 2024

	Head Start Fund	Governor's School Fund	School Endowments Fund	Total
Revenues:				
Revenue from the use of money and property	$ -	$ -	$ 4,763	$ 4,763
Charges for services	-	1,226,732	-	1,226,732
Private donations	-	-	2,538	2,538
Miscellaneous	79,040	13,685	-	92,725
Intergovernmental revenues:				
Commonwealth	-	865,123	-	865,123
Federal	3,599,625	-	-	3,599,625
Total revenues	3,678,665	2,105,540	7,301	5,791,506
Expenditures:				
Current:				
Education	3,688,450	2,128,277	-	5,816,727
Debt service				
Principal - lease liabilities	3,736	5,517	-	9,253
Interest - lease liabilities	317	690	-	1,007
Total expenditures	3,692,503	2,134,484	-	5,826,987
Excess (deficiency) of revenues over (under) expenditures	(13,838)	(28,944)	7,301	(35,481)
Other financing sources:				
Issuance of lease	13,838	28,944	-	42,782
Net change in fund balances	-	-	7,301	7,301
Fund balance, beginning	-	-	187,452	187,452
Fund balance, ending	$ -	$ -	$ 194,753	$ 194,753

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUNDS – DISCRETELY PRESENTED COMPONENT UNIT – SCHOOL BOARD
Year Ended June 30, 2024

	Head Start Fund				Governor's School Fund			
	Budgeted Amounts			Variance with Final Budget Over	Budgeted Amounts			Variance with Final Budget Over
	Original	Final	Actual	(Under)	Original	Final	Actual	(Under)
Revenues:								
Charges for services	$ -	$ -	$ -	$ -	$ 1,313,115	$ 1,272,615	$ 1,226,732	$ (45,883)
Miscellaneous	60,000	60,000	79,040	19,040	2,800	2,800	13,685	10,885
Intergovernmental revenues:								
Commonwealth	-	-	-	-	882,719	882,719	865,123	(17,596)
Federal	3,686,407	3,782,395	3,599,625	(182,770)	-	-	-	-
Total revenues	3,746,407	3,842,395	3,678,665	(163,730)	2,198,634	2,158,134	2,105,540	(52,594)
Expenditures:								
Current:								
Education	3,746,407	3,842,395	3,688,450	(153,945)	2,198,634	2,183,487	2,128,277	(55,210)
Debt service:								
Principal - lease liabilities	-	-	3,736	3,736	-	-	5,517	5,517
Interest - lease liabilities	-	-	317	317	-	-	690	690
Total debt service	-	-	4,053	4,053	-	-	6,207	6,207
Total expenditures	3,746,407	3,842,395	3,692,503	(149,892)	2,198,634	2,183,487	2,134,484	(49,003)
Deficiency of revenues under expenditures	-	-	(13,838)	(13,838)	-	(25,353)	(28,944)	(3,591)
Other financing sources:								
Issuance of lease	-	-	13,838	13,838	-	-	28,944	28,944
Net change in fund balances	-	-	-	-	-	(25,353)	-	25,353
Fund balance (deficit), beginning	(8,160)	(7,341)	-	7,341	-	(19,495)	-	19,495
Fund balance (deficit), ending	$ (8,160)	$ (7,341)	$ -	$ 7,341	$ -	$ (44,848)	$ -	$ 44,848

Capital Assets Used in the Operation of Governmental Funds

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS – DISCRETELY PRESENTED COMPONENT UNIT – SCHOOL BOARD COMPARATIVE SCHEDULES BY SOURCE
June 30, 2024, 2023 and 2022

	June 30,		
	2024	2023	2022*
Governmental funds capital assets:			
Intangible right-to-use lease assets	$ 1,262,036	$ 1,113,787	$ 1,031,670
Intangible right-to-use subscription assets	213,798	213,798	152,733
Land	1,551,430	1,551,430	1,551,430
Buildings	220,982,120	175,022,576	169,592,667
Machinery and equipment	40,427,550	34,004,136	29,449,241
Construction in progress	118,074	33,444,165	3,015,537
Total governmental funds capital assets	$ 264,555,008	$ 245,349,892	$ 204,793,278
Investments in governmental funds capital assets by source:			
Special revenue funds	$ 264,555,008	$ 245,349,892	$ 204,793,278
Total governmental funds capital assets	$ 264,555,008	$ 245,349,892	$ 204,793,278

*The June 30, 2022 intangible right-to-use subscription assets balance has been restated with the implementation of GASB 96, *Subscription-based information technology arrangements.*

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS – DISCRETELY PRESENTED COMPONENT UNIT – SCHOOL BOARD
SCHEDULE BY FUNCTION AND ACTIVITY
June 30, 2024

	Intangible Right-to-Use Lease Assets	Intangible Right-to-Use Subscription Assets	Land	Building	Machinery and Equipment	Construction in Progress	Total
Education:							
Schools	$ 1,262,036	$ 213,798	$ 1,551,430	$220,982,120	$ 40,427,550	$ 118,074	$264,555,008
Total governmental funds capital assets	$ 1,262,036	$ 213,798	$ 1,551,430	$220,982,120	$ 40,427,550	$ 118,074	$264,555,008

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS – DISCRETELY PRESENTED COMPONENT UNIT – SCHOOL BOARD SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY
Year Ended June 30, 2024

	Governmental Funds Capital Assets July 1, 2023	Additions	Deductions	Governmental Funds Capital Assets June 30, 2024
Education:				
Schools	$245,349,892	$ 35,181,471	$ (15,976,355)	$264,555,008
Total governmental funds capital assets	$245,349,892	$ 35,181,471	$ (15,976,355)	$264,555,008

SUPPORTING SCHEDULES

SCHEDULE OF REVENUES – BUDGET AND ACTUAL GOVERNMENTAL FUNDS Year Ended June 30, 2024

Entity, Fund, Major and Minor Revenue Source	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Vairance with Final Budget Over (Under)
Primary Government:				
General Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	$ 48,500,550	$ 55,295,100	$ 55,270,702	$ (24,398)
Real and personal public service corporation property taxes	2,406,612	2,645,524	2,513,708	(131,816)
Personal property taxes	18,877,557	20,812,300	20,882,710	70,410
Mobile home tax	237,707	232,212	226,816	(5,396)
Machinery and tools taxes	4,611,000	4,611,700	4,770,166	158,466
Penalties	509,000	550,000	660,097	110,097
Interest	545,000	600,000	727,320	127,320
Total general property taxes	75,687,426	84,746,836	85,051,519	304,683
Other local taxes:				
Local sales and use taxes	9,000,000	9,370,000	9,746,717	376,717
Consumers' utility taxes	1,818,000	1,818,000	1,854,907	36,907
Business license tax	4,730,000	4,819,000	5,759,183	940,183
Utility license tax	282,000	282,000	291,881	9,881
Bank stock taxes	335,200	335,200	274,660	(60,540)
Taxes on recordation and wills	1,061,700	978,700	1,006,608	27,908
Hotel and motel room taxes	1,100,000	1,400,000	1,392,053	(7,947)
Restaurant food tax	3,978,279	4,277,427	4,844,507	567,080
Cigarette tax	350,000	400,000	388,034	(11,966)
Interest on local tax	78,500	78,500	89,500	11,000
Total other local taxes	22,733,679	23,758,827	25,648,050	1,889,223
Permits, privilege fees and regulatory licenses:				
Animal licenses	42,000	34,700	15,450	(19,250)
Land use application fees	31,500	33,000	31,942	(1,058)
Transfer fees	2,200	2,200	2,142	(58)
Cellular tower fees	10,000	10,000	500	(9,500)
Permits and other licenses	598,000	646,600	709,373	62,773
Total permits, privilege fees and regulatory licenses	683,700	726,500	759,407	32,907
Fines and forfeitures:				
Court fines and forfeitures	235,150	250,150	335,606	85,456
Dog violation fines	15,000	11,800	844	(10,956)
Total fines and forfeitures	250,150	261,950	336,450	74,500
Revenue from use of money and property:				
Revenue from use of money	1,205,100	4,875,700	6,036,193	1,160,493
Revenue from use of property	382,530	371,230	388,944	17,714
Total revenue from use of money and property	1,587,630	5,246,930	6,425,137	1,178,207

SCHEDULE OF REVENUES – BUDGET AND ACTUAL
GOVERNMENTAL FUNDS
Year Ended June 30, 2024

Entity, Fund, Major and Minor Revenue Source	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Over (Under)
Primary Government:				
General Fund:				
Revenue from local sources:				
Charges for services:				
Charges for law enforcement and traffic control	$ 31,259	$ 30,859	$ 4,098	$ (26,761)
Charges for courthouse maintenance	55,800	55,800	59,688	3,888
Treasurer's collection fees	92,600	92,600	98,186	5,586
Concealed weapons permits	42,500	42,500	44,721	2,221
Courthouse fees	166,400	181,400	226,818	45,418
Charges for Commonwealth's Attorney	8,600	9,300	10,504	1,204
Miscellaneous jail and inmate fees	30,200	30,200	33,379	3,179
Charges for sanitation and waste removal	1,593,600	2,164,600	2,135,191	(29,409)
Charges for parks and recreation	463,500	603,900	718,764	114,864
Charges for library	600	1,000	1,566	566
EMS transport services	1,915,000	2,300,000	2,459,360	159,360
Total charges for services	4,400,059	5,512,159	5,792,275	280,116
Miscellaneous revenue:				
Miscellaneous	5,000	25,000	20,688	(4,312)
Opioid settlement funds	35,684	57,860	513,987	456,127
Repayment of loans from fire companies	105,636	125,636	210,212	84,576
Seized funds	800	800	1,845	1,045
Contributions	802,450	477,450	474,711	(2,739)
Total miscellaneous revenue	949,570	686,746	1,221,443	534,697
Recovered costs:				
Library E-rate reimbursement	-	10,000	10,000	-
Other	48,400	48,400	106,011	57,611
Juvenile and domestic relations court costs	8,000	9,773	9,773	-
Total recovered costs	56,400	68,173	125,784	57,611
Total revenue from local sources	106,348,614	121,008,121	125,360,065	4,351,944
Intergovernmental Revenues:				
Revenue from the Commonwealth:				
Non-categorical aid:				
Motor vehicle carriers' tax	78,100	61,386	67,588	6,202
Mobile home titling tax	159,400	159,400	87,957	(71,443)
Communications sales and use tax	1,740,190	1,700,000	1,629,915	(70,085)
Timber sales	1,800	1,800	1,538	(262)
Motor vehicle rental tax	86,200	95,000	104,112	9,112
Personal property tax relief funds	4,296,000	4,296,000	4,295,993	(7)
Moped sales tax	34,900	40,000	42,093	2,093
Peer to peer vehicle sharing	1,100	2,000	2,193	193
Total non-categorical aid	6,397,690	6,355,586	6,231,389	(124,197)

SCHEDULE OF REVENUES – BUDGET AND ACTUAL
GOVERNMENTAL FUNDS
Year Ended June 30, 2024

Entity, Fund, Major and Minor Revenue Source	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Over (Under)
Primary Government:				
General Fund:				
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	$ 857,235	$ 886,837	$ 943,297	$ 56,460
Sheriff	3,406,217	3,672,074	3,657,192	(14,882)
Commissioner of revenue	265,624	273,860	296,855	22,995
Treasurer	197,353	186,057	219,751	33,694
Registrar/electoral board	101,691	108,047	162,259	54,212
Clerk of the circuit court	590,411	628,696	650,836	22,140
Total shared expenses	5,418,531	5,755,571	5,930,190	174,619
Other categorical aid:				
Department of behavioral health-transfer detention order	-	43,114	38,794	(4,320)
Litter control grant	20,000	36,049	36,049	-
Library grant	211,050	247,664	261,518	13,854
Grant for restoration of records	47,687	47,687	47,687	-
Victim-witness grant	33,208	33,208	33,208	-
Performing arts grant	4,500	4,500	4,500	-
Firemans' insurance fund	322,630	344,821	344,821	-
Technology trust fund	40,000	40,000	45,990	5,990
Seized funds	10,000	20,000	43,965	23,965
E-911 wireless funding	273,483	312,000	319,990	7,990
Spay and neuter funds	2,000	2,225	2,652	427
Share of state sales tax	-	-	56,250	56,250
Forest sustainability fund	24,164	-	-	-
Heat grant	-	5,100	5,100	-
SRO salary grant	797,171	197,630	270,302	72,672
Total other categorical aid	1,785,893	1,333,998	1,510,826	176,828
Total categorical aid	7,204,424	7,089,569	7,441,016	351,447
Total revenue from the Commonwealth	13,602,114	13,445,155	13,672,405	227,250
Revenue from the federal government:				
Non-categorical aid:				
Payments in lieu of taxes	580,578	580,578	641,169	60,591
Total non-categorical aid	580,578	580,578	641,169	60,591

SCHEDULE OF REVENUES – BUDGET AND ACTUAL
GOVERNMENTAL FUNDS
Year Ended June 30, 2024

Entity, Fund, Major and Minor Revenue Source	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Over (Under)
Primary Government:				
General Fund:				
Intergovernmental:				
Revenue from the federal government:				
Categorical aid:				
DMV ground transportation safety grant	$ 37,000	$ 28,900	$ 38,266	$ 9,366
Domestic violence grant	31,020	31,020	13,218	(17,802)
Sane grant	15,243	29,870	32,918	3,048
Justice assistance grant	-	14,229	9,902	(4,327)
Bulletproof vest partnership grant	-	-	5,719	5,719
COVID-19 economic relief	35,927	487,420	6,058,984	5,571,564
Victim-witness grant	69,736	69,737	69,737	-
Emergency management performance grant	14,882	14,882	14,882	-
Opioid & substance abuse grant	30,000	137,139	151,979	14,840
Total categorical aid	233,808	813,197	6,395,605	5,582,408
Total revenue from the federal government	814,386	1,393,775	7,036,774	5,642,999
Total intergovernmental revenues	14,416,500	14,838,930	20,709,179	5,870,249
Total General Fund	$ 120,765,114	$ 135,847,051	$ 146,069,244	$ 10,222,193
Special Revenue Fund:				
Virginia Public Assistance Fund:				
Revenue from local sources:				
Charges for services:				
Public assistance and welfare administration	$ 189,515	$ 189,515	$ 169,127	$ (20,388)
Total charges for services	189,515	189,515	169,127	(20,388)
Recovered costs:				
City of Staunton, Virginia	613,140	613,140	613,140	-
City of Waynesboro, Virginia	580,375	580,375	580,375	-
Total recovered costs	1,193,515	1,193,515	1,193,515	-
Total revenue from local sources	1,383,030	1,383,030	1,362,642	(20,388)
Intergovernmental revenues:				
Revenue from the Commonwealth:				
Categorical aid:				
Public assistance and welfare administration	4,468,474	4,468,474	3,932,320	(536,154)
Children's Services Act program	3,540,000	3,629,500	3,723,389	93,889
Total categorical aid	8,008,474	8,097,974	7,655,709	(442,265)
Total revenue from the Commonwealth	8,008,474	8,097,974	7,655,709	(442,265)

SCHEDULE OF REVENUES – BUDGET AND ACTUAL
GOVERNMENTAL FUNDS
Year Ended June 30, 2024

Entity, Fund, Major and Minor Revenue Source	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Over (Under)
Primary Government:				
Special Revenue Fund:				
Virginia Public Assistance Fund:				
Intergovernmental revenues:				
Revenue from the federal government:				
Categorical aid:				
Public assistance and welfare administration	$ 8,195,705	$ 8,195,705	$ 7,592,892	$ (602,813)
Children's Services Act program	-	-	158,484	158,484
Total categorical aid	8,195,705	8,195,705	7,751,376	(444,329)
Total revenue from the federal government	8,195,705	8,195,705	7,751,376	(444,329)
Total intergovernmental revenues	16,204,179	16,293,679	15,407,085	(886,594)
Total Virginia Public Assistance Fund	$ 17,587,209	$ 17,676,709	$ 16,769,727	$ (906,982)
Debt Service Fund:				
County Debt Service Fund:				
Revenue from local sources:				
Charges for services:				
Other charges for services	$ 37,489	$ 26,671	$ 26,671	$ -
Total charges for services	37,489	26,671	26,671	-
Total revenue from local sources	37,489	26,671	26,671	-
Total County Debt Service Fund	$ 37,489	$ 26,671	$ 26,671	$ -
Capital Projects Funds:				
County Capital Improvements Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	$ -	$ -	$ 281,843	$ 281,843
Revenue from the use of property	5,000	5,000	30,873	25,873
Total revenue from use of money and property	5,000	5,000	312,716	307,716
Miscellaneous revenue:				
Other miscellaneous	30,000	135,000	122,274	(12,726)
Total miscellaneous revenue	30,000	135,000	122,274	(12,726)
Recovered costs:				
Other recovered costs	903,186	1,010,135	1,054,502	44,367
Total recovered costs	903,186	1,010,135	1,054,502	44,367
Total revenue from local sources	938,186	1,150,135	1,489,492	339,357

SCHEDULE OF REVENUES – BUDGET AND ACTUAL
GOVERNMENTAL FUNDS
Year Ended June 30, 2024

Entity, Fund, Major and Minor Revenue Source	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Over (Under)
Primary Government:				
Capital Projects Funds:				
County Capital Improvement Funds:				
Intergovernmental revenues:				
Revenue from Augusta County School Board	$ -	$ 625,000	$ 625,000	$ -
Total local governments	-	625,000	625,000	-
Revenue from the Commonwealth:				
Categorical aid:				
VA-GOF	-	50,000	50,000	-
Hazardous Material Grant	10,000	43,509	43,509	-
Reimbursement Department of Transportation	1,185,506	2,094,258	899,933	(1,194,325)
Dept of Housing and Community Development (Broadband)	-	172,383	498,467	326,084
DEQ stormwater local assistance fund grant	926,325	-	-	-
NG911 grant	-	-	119,154	119,154
DuPont settlement grant	700,000	-	2,338	2,338
Total categorical aid	2,821,831	2,360,150	1,613,401	(746,749)
Total revenue from the Commonwealth	2,821,831	2,360,150	1,613,401	(746,749)
Revenue from the federal government:				
Categorical aid:				
Transportation enhancement	-	-	1,053,184	1,053,184
DuPont settlement grant	-	1,988,238	1,024,880	(963,358)
Total categorical aid	-	1,988,238	2,078,064	89,826
Total revenue from the federal government	-	1,988,238	2,078,064	89,826
Total intergovernmental revenues	2,821,831	4,348,388	4,316,465	(656,923)
Total County Capital Improvements Fund	$ 3,760,017	$ 5,498,523	$ 5,805,957	$ (317,566)
School Capital Improvements Fund:				
Intergovernmental revenues:				
Revenue from Augusta County School Board	$ 2,455,500	$ 2,535,000	$ 2,413,430	$ (121,570)
Total local governments	2,455,500	2,535,000	2,413,430	(121,570)
Revenue from the federal government:				
Categorical aid:				
ARPA	-	555,500	158,862	(396,638)
Total revenue from the federal government	-	555,500	158,862	(396,638)
Total categorical aid	-	555,500	158,862	(396,638)
Total intergovernmental revenues	2,455,500	3,090,500	2,572,292	(518,208)
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	500,000	1,300,000	1,372,641	72,641
Revenue from the use of property	17,625	17,625	16,154	(1,471)
Total revenue from use of money and property	517,625	1,317,625	1,388,795	71,170
Miscellaneous revenue:				
Other miscellaneous	173,965	2,058,375	981,258	(1,077,117)
Total miscellaneous revenue	173,965	2,058,375	981,258	(1,077,117)
Total revenue from local sources	691,590	3,376,000	2,370,053	(1,005,947)
Total School Capital Improvements Fund	$ 3,147,090	$ 6,466,500	$ 4,942,345	$ (1,524,155)
Total Primary Government	$ 145,296,919	$ 165,515,454	$ 173,613,944	$ 7,473,490

SCHEDULE OF REVENUES – BUDGET AND ACTUAL
GOVERNMENTAL FUNDS
Year Ended June 30, 2024

Entity, Fund, Major and Minor Revenue Source	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Over (Under)
Discretely Presented Component Unit - School Board:				
School Operating Fund:				
Revenue from local sources:				
Revenue from the use of money and property:				
Revenue from the use of property	$ 15,000	$ 17,500	$ 13,081	$ (4,419)
Total revenue from the use of money and property	15,000	17,500	13,081	(4,419)
Charges for services:				
Charges for education	513,946	513,446	542,667	29,221
Tuition and payments from other divisions	1,123,000	1,265,291	1,067,756	(197,535)
Total charges for services	1,636,946	1,778,737	1,610,423	(168,314)
Miscellaneous revenue:				
Other miscellaneous	235,681	305,276	344,017	38,741
Total miscellaneous revenue	235,681	305,276	344,017	38,741
Total revenue from local sources	1,887,627	2,101,513	1,967,521	(133,992)
Revenues from local governments:				
Contribution from County of Augusta, Virginia	49,028,505	49,028,505	48,523,636	(504,869)
Total revenues from local governments	49,028,505	49,028,505	48,523,636	(504,869)
Revenue from the Commonwealth:				
Categorical aid:				
Share of state sales tax	16,195,041	15,251,101	14,586,710	(664,391)
Basic school aid	32,372,404	33,028,416	33,781,465	753,049
Regular foster children	179,087	179,087	136,690	(42,397)
Adult secondary education	100,653	100,653	122,402	21,749
Gifted and talented	335,106	337,976	337,979	3
Remedial education	1,019,207	1,026,791	963,663	(63,128)
Special education	2,764,628	2,788,301	2,788,324	23
Textbook payment	792,168	798,951	798,958	7
Standards of learning-project graduation	10,663	10,663	10,663	-
Vocational standards of quality payments	1,430,186	1,442,433	1,442,445	12
Vocational adult education	16,405	16,405	16,346	(59)
Social security instructional	1,914,894	1,925,256	1,925,282	26
Retirement instructional	4,464,096	4,490,251	4,490,289	38
Group life insurance instructional	137,633	138,812	138,813	1
Compensation supplement	4,856,406	5,079,743	5,076,526	(3,217)
Early reading intervention	424,993	424,993	364,280	(60,713)
Infrastructure/operation	2,471,500	2,471,500	2,128,444	(343,056)
Homebound education	17,747	17,747	3,670	(14,077)
Regional tuition program	1,617,814	1,617,814	2,188,779	570,965
Vocational education - equipment	43,989	43,989	26,962	(17,027)
Vocational occupational preparedness	212,419	212,419	187,590	(24,829)
Mentor teacher program	2,792	3,956	3,366	(590)
Special education - foster children	85,978	85,978	87,011	1,033
At risk payments	1,797,067	1,854,452	1,627,270	(227,182)
Primary class size	1,292,146	1,292,146	1,293,121	975
Technology	518,000	518,000	518,000	-
Standards of learning algebra readiness	111,398	111,398	108,932	(2,466)
At risk four-year olds	1,128,284	1,128,284	-	(1,128,284)
English as a second language	304,331	304,331	272,947	(31,384)
Early reading specialist	-	-	50,736	50,736
Other state funds	3,367,775	6,374,547	6,006,817	(367,730)
Total categorical aid	79,984,810	83,076,393	81,484,480	(1,591,913)
Total revenue from the Commonwealth	79,984,810	83,076,393	81,484,480	(1,591,913)

SCHEDULE OF REVENUES – BUDGET AND ACTUAL
GOVERNMENTAL FUNDS
Year Ended June 30, 2024

Entity, Fund, Major and Minor Revenue Source	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Over (Under)
Discretely Presented Component Unit - School Board:				
School Operating Fund:				
Intergovernmental revenues:				
Revenue from the federal government:				
Categorical aid:				
Federal land use	$ 152,000	$ 142,060	$ 140,537	$ (1,523)
Title I	1,412,250	1,396,730	1,427,030	30,300
Title VI-B, special education flow-through	2,435,580	2,421,802	2,392,340	(29,462)
Vocational education	164,767	159,771	156,487	(3,284)
Title VI-B, special education pre-school	68,000	68,292	67,920	(372)
Title IV Part A	77,000	70,300	70,300	-
Title III Part A	24,697	26,970	10,873	(16,097)
Title II Part A	280,975	285,738	280,414	(5,324)
ITCV grant	74,462	137,512	137,512	-
ARPA	3,316,361	3,810,586	3,162,273	(648,313)
Total categorical aid	8,006,092	8,519,761	7,845,686	(674,075)
Total revenue from the federal government	8,006,092	8,519,761	7,845,686	(674,075)
Total intergovernmental revenues	137,019,407	140,624,659	137,853,802	(2,770,857)
Total School Operating Fund	$ 138,907,034	$ 142,726,172	$ 139,821,323	$ (2,904,849)
School Cafeteria Fund:				
Revenue from local sources:				
Revenue from the use of money and property:				
Revenue from the use of money	$ 100,000	$ 120,000	$ 116,951	$ (3,049)
Total revenue from use of money and property	100,000	120,000	116,951	(3,049)
Charges for services:				
Cafeteria sales	964,200	613,200	633,608	20,408
Total charges for services	964,200	613,200	633,608	20,408
Total revenue from local sources	1,064,200	733,200	750,559	17,359
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
School food program grant	100,000	51,721	177,019	125,298
Total categorical aid	100,000	51,721	177,019	125,298
Total revenue from the Commonwealth	100,000	51,721	177,019	125,298
Revenue from the federal government:				
Categorical aid:				
School food program grant	3,200,000	4,082,180	5,221,456	1,139,276
Total categorical aid	3,200,000	4,082,180	5,221,456	1,139,276
Total revenue from the federal government	3,200,000	4,082,180	5,221,456	1,139,276
Total intergovernmental revenues	3,300,000	4,133,901	5,398,475	1,264,574
Total School Cafeteria Fund	$ 4,364,200	$ 4,867,101	$ 6,149,034	$ 1,281,933

SCHEDULE OF REVENUES – BUDGET AND ACTUAL
GOVERNMENTAL FUNDS
Year Ended June 30, 2024

Entity, Fund, Major and Minor Revenue Source	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Over (Under)
Discretely Presented Component Unit - School Board:				
Head Start Fund:				
Revenue from local sources:				
Miscellaneous revenue:				
Other miscellaneous	$ 60,000	$ 60,000	$ 79,040	$ 19,040
Total miscellaneous revenue	60,000	60,000	79,040	19,040
Total revenue from local sources	60,000	60,000	79,040	19,040
Revenue from the federal government:				
Categorical aid:				
Head start grant	3,686,407	3,782,395	3,599,625	(182,770)
Total categorical aid	3,686,407	3,782,395	3,599,625	(182,770)
Total revenue from the federal government	3,686,407	3,782,395	3,599,625	(182,770)
Total intergovernmental revenues	3,686,407	3,782,395	3,599,625	(182,770)
Total Head Start Fund	$ 3,746,407	$ 3,842,395	$ 3,678,665	$ (163,730)
Governor's School Fund:				
Revenue from local sources:				
Charges for services:				
Tuition	$ 1,183,115	$ 1,142,615	$ 1,187,613	$ 44,998
Special fees	130,000	130,000	39,119	(90,881)
Total charges for services	1,313,115	1,272,615	1,226,732	(45,883)
Miscellaneous revenue:				
Other miscellaneous	2,800	2,800	13,685	10,885
Total miscellaneous revenue	2,800	2,800	13,685	10,885
Total revenue from local sources	1,315,915	1,275,415	1,240,417	(34,998)
Intergovernmental revenues:				
Revenue from the Commonwealth:				
Governor's school grant	856,719	856,719	839,123	(17,596)
Technology funds	26,000	26,000	26,000	-
Total revenue from the Commonwealth	882,719	882,719	865,123	(17,596)
Total categorical aid	882,719	882,719	865,123	(17,596)
Total intergovernmental revenues	882,719	882,719	865,123	(17,596)
Total Governor's School Fund	$ 2,198,634	$ 2,158,134	$ 2,105,540	$ (52,594)

SCHEDULE OF REVENUES – BUDGET AND ACTUAL GOVERNMENTAL FUNDS
Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Over
	Original	Final	Amounts	(Under)
Discretely Presented Component Unit - School Board (Continued):				
School Endowments:				
Revenue from local sources:				
Scholarship	$ -	$ -	$ 2,538	$ 2,538
Use of money and property	-	-	4,763	4,763
Total revenue from local sources	-	-	7,301	7,301
Total Endowment Fund	$ -	$ -	$ 7,301	$ 7,301
Total Discretely Presented Component Unit- School Board	$ 149,216,275	$ 153,593,802	$ 151,761,863	$ (1,831,939)

SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL
GOVERNMENTAL FUNDS
Year Ended June 30, 2024

Entity, Fund, Function, Activity and Elements	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Over (Under)
Primary Government:				
General Fund:				
General government administration:				
Legislative:				
Board of Supervisors	$ 180,344	$ 181,263	$ 155,908	$ (25,355)
Total legislative	180,344	181,263	155,908	(25,355)
General and financial administration:				
County administrator	3,700,246	4,820,346	3,568,091	(1,252,255)
Human resources	367,813	344,645	287,095	(57,550)
Legal services	451,018	514,031	517,346	3,315
Commissioner of revenue	1,217,096	1,229,573	1,185,497	(44,076)
Reassessment	579,109	1,166,780	1,022,013	(144,767)
Treasurer	662,841	616,678	638,901	22,223
Finance	511,406	507,381	443,853	(63,528)
Information technology	1,147,978	1,160,404	1,086,895	(73,509)
Other general and financial administration	1,421,765	1,107,129	1,102,503	(4,626)
Total general and financial administration	10,059,272	11,466,967	9,852,194	(1,614,773)
Board of elections:				
Electoral board and officials	496,416	572,328	593,073	20,745
Total board of elections	496,416	572,328	593,073	20,745
Total general government administration	10,736,032	12,220,558	10,601,175	(1,619,383)
Judicial administration:				
Courts:				
Circuit court	208,355	223,489	206,493	(16,996)
General district court	18,744	18,952	16,885	(2,067)
Special magistrates	4,771	7,171	2,788	(4,383)
Clerk of the circuit court	1,214,214	1,235,348	1,169,792	(65,556)
Total courts	1,446,084	1,484,960	1,395,958	(89,002)
Commonwealth's attorney:				
Commonwealth's attorney	1,698,059	1,890,364	1,884,692	(5,672)
Total commonwealth's attorney	1,698,059	1,890,364	1,884,692	(5,672)
Total judicial administration	3,144,143	3,375,324	3,280,650	(94,674)

SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL GOVERNMENTAL FUNDS
Year Ended June 30, 2024

Entity, Fund, Function, Activity and Elements	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Over (Under)
Primary Government:				
General Fund:				
Public safety:				
Law enforcement and traffic control:				
Sheriff	$ 10,407,550	$ 11,452,514	$ 11,351,324	$ (101,190)
Emergency operations center	2,741,983	2,789,137	2,221,632	(567,505)
Total law enforcement and traffic control	13,149,533	14,241,651	13,572,956	(668,695)
Fire and rescue services:				
Fire department	11,225,801	11,451,294	11,457,197	5,903
Volunteer emergency operations	1,986,730	2,046,024	1,948,458	(97,566)
Fire training center	686,052	635,894	543,291	(92,603)
Fire revolving fund disbursements	605,000	605,000	87,748	(517,252)
Emergency management	107,285	115,654	104,027	(11,627)
EMS transport service	1,121,422	1,189,450	649,549	(539,901)
Total fire and rescue services	15,732,290	16,043,316	14,790,270	(1,253,046)
Correction and detention:				
Probation and detention	2,973,495	5,975,791	5,944,967	(30,824)
Total correction and detention	2,973,495	5,975,791	5,944,967	(30,824)
Inspections:				
Building	516,680	520,468	497,934	(22,534)
Total inspections	516,680	520,468	497,934	(22,534)
Other protection:				
Animal control	766,187	760,031	763,805	3,774
Drug enforcement funds	48,000	57,300	65,204	7,904
Total other protection	814,187	817,331	829,009	11,678
Total public safety	33,186,185	37,598,557	35,635,136	(1,963,421)
Public works:				
Maintenance of highways, streets, bridges and sidewalks:				
Highways, streets, bridges and sidewalks	20,000	20,000	17,324	(2,676)
Streetlights	121,000	121,000	133,841	12,841
Total maintenance of highways, streets, bridges and sidewalks	141,000	141,000	151,165	10,165
Sanitation and waste removal:				
Refuse collection and disposal	2,630,274	2,804,006	2,930,761	126,755
Recycling program	176,300	184,100	165,037	(19,063)
Total sanitation and waste removal	2,806,574	2,988,106	3,095,798	107,692
Maintenance of general buildings and grounds:				
General properties	2,225,311	2,262,366	2,268,250	5,884
Total maintenance of general buildings and grounds	2,225,311	2,262,366	2,268,250	5,884
Total public works	5,172,885	5,391,472	5,515,213	123,741

SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL
GOVERNMENTAL FUNDS
Year Ended June 30, 2024

Entity, Fund, Function, Activity and Elements	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Over (Under)
Primary Government:				
General Fund:				
Health and welfare:				
Health:				
Supplement to local health department	$ 719,687	$ 719,687	$ 719,687	$ -
Total health	719,687	719,687	719,687	-
Mental health and mental retardation:				
Community services board	236,500	236,500	236,500	-
Total mental health and mental retardation	236,500	236,500	236,500	-
Welfare:				
Valley Program for the Aging	31,250	31,250	31,250	-
BRITE Transit Services	50,638	51,910	51,910	-
Community Centers	8,750	8,750	8,750	-
Verona Food Pantry	39,540	39,540	39,540	-
Lions Sight and Hearing/Oak Grove Theatre	3,443	597	597	-
Inter-regional public transit	11,351	11,351	11,351	-
CAPSAW	63,125	63,125	63,125	-
Craigsville personal property	46,859	62,018	62,018	-
Miscellaneous	20,837	20,837	20,837	-
Tax relief for the elderly	360,833	363,115	468,617	105,502
Total welfare	636,626	652,493	757,995	105,502
Total health and welfare	1,592,813	1,608,680	1,714,182	105,502
Education:				
Other instructional costs:				
Contributions to Blue Ridge Community College	5,000	5,000	5,000	-
Contribution to County School Board	49,028,505	49,028,505	48,414,312	(614,193)
Total education	49,033,505	49,033,505	48,419,312	(614,193)
Parks, recreation and cultural:				
Parks and recreation:				
Supervision of parks and recreation	926,627	992,927	1,020,940	28,013
Total parks and recreation	926,627	992,927	1,020,940	28,013
Cultural enrichment:				
Fine Arts Grant	9,500	9,500	9,500	-
Total cultural enrichment	9,500	9,500	9,500	-
Library:				
Contribution to county library	1,776,836	1,865,822	1,767,049	(98,773)
Total library	1,776,836	1,865,822	1,767,049	(98,773)
Total parks, recreation and cultural	2,712,963	2,868,249	2,797,489	(70,760)

SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL
GOVERNMENTAL FUNDS
Year Ended June 30, 2024

Entity, Fund, Function, Activity and Elements	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Over (Under)
Primary Government:				
General Fund:				
Community development:				
Planning and community development:				
Community development	$ 1,217,002	$ 1,174,029	$ 1,073,318	$ (100,711)
Tourism development	338,906	510,380	487,198	(23,182)
Economic development	347,052	338,308	326,071	(12,237)
Contribution to Economic Development Authority	802,450	477,450	474,711	(2,739)
Total planning and community development	2,705,410	2,500,167	2,361,298	(138,869)
Environmental management:				
Contribution to soil and water district	103,503	103,503	109,030	5,527
Total environmental management	103,503	103,503	109,030	5,527
Cooperative extension program:				
Extension office	165,178	165,178	161,177	(4,001)
Total cooperative extension program	165,178	165,178	161,177	(4,001)
Total community development	2,974,091	2,768,848	2,631,505	(137,343)
Nondepartmental:				
Shenandoah Valley Regional Airport	172,141	172,141	172,141	-
Contingencies	3,415,000	3,415,000	2,499,672	(915,328)
School Safety Equipment	334,651	798,111	668,434	(129,677)
Total nondepartmental	3,921,792	4,385,252	3,340,247	(1,045,005)
Debt service:				
Principal - subscription liabilities	-	-	178,590	178,590
Principal - lease liabilities	-	-	244,538	244,538
Interest - subscription liabilities	-	-	26,567	26,567
Interest - lease liabilities	-	-	70,767	70,767
Total debt service	-	-	520,462	520,462
Total General Fund	$ 112,474,409	$ 119,250,445	$ 114,455,371	$ (4,795,074)
Special Revenue Fund:				
Virginia Public Assistance Fund:				
Health and welfare:				
Welfare and social services:				
Welfare administration	$ 12,286,634	$ 12,286,634	$ 11,228,440	$ (1,058,194)
Public assistance	3,312,574	3,312,574	2,773,689	(538,885)
Children's services	5,500,000	5,681,000	6,190,832	509,832
Total welfare and social services	21,099,208	21,280,208	20,192,961	(1,087,247)
Total health and welfare	21,099,208	21,280,208	20,192,961	(1,087,247)
Debt service:				
Principal - lease liabilities	-	-	11,594	11,594
Interest - lease liabilities	-	-	637	637
Total debt service	-	-	12,231	12,231
Total Virginia Public Assistance Fund	$ 21,099,208	$ 21,280,208	$ 20,205,192	$ (1,075,016)
Debt Service Fund:				
County Debt Service:				
Debt Service:				
Principal retirement	$ 627,677	$ 627,677	$ 627,677	$ -
Interest and other fiscal charges	104,415	104,415	104,415	-
Total County Debt Service	732,092	732,092	732,092	-

SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL GOVERNMENTAL FUNDS
Year Ended June 30, 2024

Entity, Fund, Function, Activity and Elements	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Over (Under)
Primary Government:				
Debt Service Fund:				
School Debt Service:				
Debt Service:				
Principal retirement	$ 5,691,822	$ 5,691,822	$ 5,691,822	$ -
Interest and other fiscal charges	4,286,240	4,136,635	4,135,761	(874)
Total School Debt Service	9,978,062	9,828,457	9,827,583	(874)
Total Debt Service Fund	$ 10,710,154	$ 10,560,549	$ 10,559,675	$ (874)
Capital Projects Funds:				
County Capital Improvements Fund:				
Capital projects expenditures:				
Landfill	$ 400,000	$ 2,939,579	$ 2,858,828	$ (80,751)
Road construction	1,185,506	2,027,009	1,842,983	(184,026)
Programs	3,235,263	2,714,808	1,044,961	(1,669,847)
Equipment replacement	1,704,062	6,353,187	2,827,335	(3,525,852)
Building renovations and construction	859,495	9,370,491	6,123,084	(3,247,407)
Economic development	200,000	690,859	(563,112)	(1,253,971)
Community contributions	555,000	1,095,814	808,687	(287,127)
Total capital projects expenditures	8,139,326	25,191,747	14,942,766	(10,248,981)
Debt service:				
Principal - subscription liabilities	-	-	282,395	282,395
Interest - subscription liabilities	-	-	20,588	20,588
Total debt service	-	-	302,983	302,983
Total County Capital Improvements Fund	$ 8,139,326	$ 25,191,747	$ 15,245,749	$ (9,945,998)
School Capital Improvements Fund:				
Capital projects expenditures:				
Transportation	$ 1,080,000	$ 1,258,066	$ 1,147,745	$ (110,321)
Equipment/technology	754,763	762,763	328,000	(434,763)
Other School projects	765,000	166,568	547,083	380,515
Building renovations	42,356,228	42,814,937	34,336,029	(8,478,908)
Total capital projects expenditures	44,955,991	45,002,334	36,358,857	(8,643,477)
Debt Service:				
Principal retirement	-	-	388,448	388,448
Interest and other fiscal charges	-	-	46,315	46,315
	-	-	434,763	434,763
Total School Capital Improvements Fund	$ 44,955,991	$ 45,002,334	$ 36,793,620	$ (8,208,714)
Total Primary Government	$ 197,379,088	$ 221,285,283	$ 197,259,607	$ (24,025,676)

SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL
GOVERNMENTAL FUNDS
Year Ended June 30, 2024

Entity, Fund, Function, Activity and Elements	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Over (Under)
Discretely Presented Component Unit - School Board:				
School Operating Fund:				
Education:				
Administration of schools:				
School board	$ 256,841	$ 244,400	$ 312,154	$ 67,754
Executive administration services	963,138	991,075	977,016	(14,059)
Personnel	778,341	798,138	779,817	(18,321)
Fiscal services	953,775	973,938	1,027,654	53,716
Data processing services	585,642	599,755	594,528	(5,227)
Total administration of schools	3,537,737	3,607,306	3,691,169	83,863
Instruction costs:				
Elementary and secondary schools	85,028,275	87,220,830	84,952,977	(2,267,853)
Guidance services	3,755,357	3,921,277	3,934,381	13,104
Social worker services	1,022,282	1,100,810	1,025,162	(75,648)
Other instructional costs	4,683,251	4,980,234	4,939,251	(40,983)
Media services	2,090,506	2,072,436	2,066,288	(6,148)
Technology services	4,751,573	4,751,529	4,306,176	(445,353)
Office of the principal	8,458,496	8,551,327	8,268,593	(282,734)
Total instruction costs	109,789,740	112,598,443	109,492,828	(3,105,615)
Operating costs:				
Attendance and health services	2,315,095	2,321,362	2,299,090	(22,272)
Pupil transportation	8,358,732	8,729,979	8,805,869	75,890
Operation and maintenance of school plant	12,450,230	12,309,082	12,382,533	73,451
Contribution to the primary government	2,455,500	3,160,000	3,038,430	(121,570)
Total operating costs	25,579,557	26,520,423	26,525,922	5,499
Total education	138,907,034	142,726,172	139,709,919	(3,016,253)
Debt service:				
Principal - lease liabilities	-	-	314,923	314,923
Principal - subscription liabilities	-	-	69,197	69,197
Interest - lease liabilities	-	-	10,419	10,419
Interest - subscription liabilities	-	-	2,904	2,904
Total debt service	-	-	397,443	397,443
Total School Operating Fund	$ 138,907,034	$ 142,726,172	$ 140,107,362	$ (2,618,810)
Cafeteria Fund:				
Education:				
School food services:				
Administration of school food program	$ 6,484,386	$ 6,744,073	$ 7,745,978	$ 1,001,905
Total school food services	6,484,386	6,744,073	7,745,978	1,001,905
Total education	6,484,386	6,744,073	7,745,978	1,001,905
Total Cafeteria Fund	$ 6,484,386	$ 6,744,073	$ 7,745,978	$ 1,001,905

SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL
GOVERNMENTAL FUNDS
Year Ended June 30, 2024

Entity, Fund, Function, Activity and Elements	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Over (Under)
Discretely Presented Component Unit - School Board:				
Head Start Fund:				
Education:				
Instruction	$ 3,159,514	$ 3,204,760	$ 3,050,883	$ (153,877)
Administration, attendance and health	438,022	530,814	526,626	(4,188)
Transportation services	102,674	104,417	104,505	88
Operations and maintenance services	46,197	2,404	2,450	46
Contribution to primary government	-	-	3,986	3,986
Total education	3,746,407	3,842,395	3,688,450	(153,945)
Debt service:				
Principal - lease liabilities	-	-	3,736	3,736
Interest - lease liabilities	-	-	317	317
Total debt service	-	-	4,053	4,053
Total Head Start Fund	$ 3,746,407	$ 3,842,395	$ 3,692,503	$ (149,892)
Governor's School Fund:				
Education:				
Instruction	$ 2,003,596	$ 1,987,949	$ 1,960,647	$ (27,302)
Administration, attendance and health	32,838	33,338	40,461	7,123
Operations and maintenance services	162,200	162,200	21,831	(140,369)
Contribution to primary government	-	-	105,338	105,338
Total education	2,198,634	2,183,487	2,128,277	(55,210)
Debt service:				
Principal - lease liabilities	-	-	5,517	5,517
Interest - lease liabilities	-	-	690	690
Total debt service	-	-	6,207	6,207
Total Governor's School Fund	$ 2,198,634	$ 2,183,487	$ 2,134,484	$ (49,003)
Total Discretely Presented Component Unit - School Board	$ 151,336,461	$ 155,496,127	$ 153,680,327	$ (1,815,800)

STATISTICAL SECTION

COUNTY OF AUGUSTA, VIRGINIA

STATISTICAL SECTION
TABLE OF CONTENTS

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

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

COUNTY OF AUGUSTA, VIRGINIA

Table 1

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

	Fiscal Year June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	**2024**
Primary Government										
Governmental activities:										
Net investment in capital assets	$ 16,731,529	$ 14,697,452	$ (28,355,363)	$ 14,587,191	$ 16,861,519	$ 16,560,315	$ 17,804,738	$ 15,301,355	$ (7,044,213)	**$ (9,171,486)**
Restricted	3,933,728	26,675,632	8,456,531	3,800,220	2,950,318	2,858,862	2,872,983	2,802,660	2,802,660	**3,496,605**
Unrestricted	25,271,482	4,559,615	39,611,252	36,958,335	43,746,456	44,584,619	62,473,568	74,888,315	85,618,587	**97,751,219**
Total primary government, governmental activities net position	$ 45,936,739	$ 45,932,699	$ 19,712,420	$ 55,345,746	$ 63,558,293	$ 64,003,796	$ 83,151,289	$ 92,992,330	$ 81,377,034	**$ 92,076,338**
Component Unit[1]										
Component unit - school board:										
Net investment in capital assets	$ 75,857,589	$ 88,522,897	$ 118,060,129	$ 78,473,778	$ 78,418,587	$ 81,373,540	$ 83,276,085	$ 86,011,383	$ 118,694,312	**$ 129,142,738**
Restricted - Pension asset	-	-	-	-	-	-	-	-	3,185	**6,275**
Unrestricted (deficit)	(98,567,183)	(96,659,726)	(96,428,666)	(115,961,481)	(112,884,090)	(111,869,153)	(110,660,711)	(95,631,257)	(83,317,720)	**(78,992,643)**
Total component unit net position	$ (22,709,594)	$ (8,136,829)	$ 21,631,463	$ (37,487,703)	$ (34,465,503)	$ (30,495,613)	$ (27,384,626)	$ (9,619,874)	$ 35,379,777	**$ 50,156,370**
Total Reporting Entity										
Net investment in capital assets	$ 92,589,118	$ 103,220,349	$ 89,704,766	$ 93,060,969	$ 95,280,106	$ 97,933,855	$ 101,080,823	$ 101,312,738	$ 111,650,099	**$ 119,971,252**
Restricted	3,933,728	26,675,632	8,456,531	3,800,220	2,950,318	2,858,862	2,872,983	2,802,660	2,805,845	**3,502,880**
Unrestricted	(73,295,701)	(92,100,111)	(56,817,414)	(79,003,146)	(69,137,634)	(67,284,534)	(48,187,143)	(20,742,942)	2,300,867	**18,758,576**
Total reporting entity net position	$ 23,227,145	$ 37,795,870	$ 41,343,883	$ 17,858,043	$ 29,092,790	$ 33,508,183	$ 55,766,663	$ 83,372,456	$ 116,756,811	**$ 142,232,708**

Notes:

(1) Component unit net position is included in the table due to public schools being significant portions of the County operations. In Virginia, the County issues debt to finance the construction of facilities for the component unit because the component unit does not have borrowing or taxing authority.

(2) At June 30, 2017, net position was restated for the implementation of GASB Statement No. 75, which reduced net position by $2,777,000 for the primary government and $21,048,441 for the component unit - School Board.

(3) At June 30, 2021, net position was restated for the implementation of GASB Statement No. 84, which increased net position for the primary government by $4,215,616 and $3,345,882 for the component unit – School Board.

COUNTY OF AUGUSTA, VIRGINIA

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

	Fiscal Year June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	**2024**
Primary Government										
Expenses:										
Governmental activities:										
General government	$ 5,872,140	$ 5,499,180	$ 6,377,127	$ 6,503,063	$ 8,988,980	$ 7,547,543	$ 10,368,248	$ 8,286,735	$ 32,372,386	**$ 11,485,352**
Judicial administration	1,716,540	1,865,010	1,995,424	2,017,262	2,108,041	2,103,246	3,201,680	2,691,584	3,202,542	**3,120,986**
Public safety	18,716,024	12,567,986	21,392,046	23,846,222	24,101,613	30,057,120	30,145,981	30,002,649	47,166,622	**37,268,093**
Public works	6,880,503	7,230,620	5,305,146	7,281,618	4,543,783	8,891,842	5,660,252	6,626,020	7,075,561	**8,419,792**
Health and welfare	14,725,715	14,668,197	16,469,416	16,186,578	18,370,628	19,625,147	19,449,540	18,754,703	20,642,569	**21,766,939**
Education	45,818,355	57,310,966	75,383,817	10,657,884	48,304,659	53,373,007	51,977,469	53,851,688	52,286,098	**70,150,260**
Parks, recreation and cultural	2,771,476	2,821,846	2,858,721	3,316,542	2,449,762	2,870,905	2,713,834	2,333,408	3,945,271	**3,648,361**
Community development	2,878,735	1,750,061	1,797,866	2,184,255	1,905,013	2,051,382	2,498,072	2,856,493	3,195,028	**2,051,793**
Interest on long-term debt	2,137,087	1,869,342	3,246,063	2,710,519	2,403,885	2,167,209	1,992,140	1,801,289	2,681,449	**4,411,758**
Total primary government expenses	101,516,575	105,583,208	134,825,626	74,703,943	113,176,364	128,687,401	128,007,216	127,204,569	172,567,526	**162,323,334**
Program revenues:										
Governmental activities:										
Charges for services:										
General government	854,701	647,440	740,688	738,561	696,917	730,655	735,644	90,905	151,882	**115,778**
Judicial administration	222,118	207,767	232,593	267,257	281,445	210,170	237,672	273,339	317,644	**297,010**
Public safety	1,502,939	1,430,692	1,631,946	1,914,075	3,155,549	2,963,621	3,447,974	3,587,731	3,845,290	**4,058,294**
Public works	1,065,703	1,093,681	1,281,673	1,528,230	2,221,686	1,822,007	1,714,279	2,648,132	2,958,318	**2,903,677**
Health and welfare	142,772	181,556	158,177	190,817	1,342,228	1,712,553	1,783,934	1,533,206	1,418,610	**1,362,642**
Parks, recreation and cultural	772,613	843,530	824,567	817,258	996,007	488,413	223,121	421,246	618,896	**720,330**
Operating grants and contributions	16,701,623	16,661,521	18,706,733	19,057,643	18,868,004	22,870,708	28,670,410	20,931,240	27,717,740	**29,255,879**
Capital grants and contributions	3,084,267	3,994,031	2,296,245	3,423,147	1,204,916	1,635,216	5,639,809	2,481,367	4,574,409	**6,888,757**
Total primary government program revenues	24,346,736	25,060,218	25,872,622	27,936,988	28,766,752	32,433,343	42,452,843	31,967,166	41,602,789	**45,602,367**
Total primary government net expenses[(1)]	(77,169,839)	(80,522,990)	(108,953,004)	(46,766,955)	(84,409,612)	(96,254,058)	(85,554,373)	(95,237,403)	(130,964,737)	**(116,720,967)**
General revenues and other changes in net assets/position:										
Governmental activities:										
Taxes:										
Property taxes	53,585,755	56,937,887	58,296,837	60,545,183	66,259,967	68,989,644	69,028,670	73,313,552	79,678,434	**85,816,268**
Local sales and use taxes	4,984,203	5,422,965	5,542,113	5,673,129	6,240,415	6,822,265	7,827,992	8,911,976	9,896,423	**9,746,717**
Consumer utility taxes	1,749,332	1,781,431	1,786,347	1,791,413	1,804,213	1,812,435	1,834,845	1,858,499	1,857,916	**1,854,907**
Business licenses taxes	3,734,050	3,526,206	3,625,435	3,813,142	4,065,916	4,313,711	4,384,814	5,079,478	5,499,363	**5,759,183**
Restaurant food taxes	2,320,903	2,419,683	2,544,440	2,504,972	2,558,254	2,418,593	2,599,472	4,149,877	4,543,182	**4,844,507**
Other local taxes	1,856,653	1,964,970	2,106,591	2,107,785	2,171,699	2,094,917	2,650,641	3,453,997	3,501,010	**3,442,736**
Unrestricted grants and contributions	7,446,327	7,510,753	7,497,164	7,382,817	7,540,903	7,399,577	7,116,508	7,062,172	7,087,803	**6,872,558**
Unrestricted revenues from use of money and property	567,927	634,230	592,384	795,317	1,510,344	1,272,079	685,333	327,657	4,592,957	**8,126,648**
Gain on disposal of capital assets	-	-	285,000	-	-	-	-	-	-	**-**
Miscellaneous	270,000	320,825	456,414	563,523	470,448	1,576,340	4,357,975	921,236	2,692,353	**956,747**
Total primary government general revenues and other changes in net position	76,515,150	80,518,950	82,732,725	85,177,281	92,622,159	96,699,561	100,486,250	105,078,444	119,349,441	**127,420,271**
Change in net position:										
Total primary government	$ (654,689)	$ (4,040)	$ (26,220,279)	$ 38,410,326	$ 8,212,547	$ 445,503	$ 14,931,877	$ 9,841,041	$ (11,615,296)	**$ 10,699,304**

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

	Fiscal Year June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	**2024**
Component Unit[2]										
Expenses:										
School Board	$ 106,500,888	$ 96,031,665	$ 83,895,486	$ 156,045,549	$ 113,102,026	$ 115,752,405	$ 128,035,472	$ 115,130,443	$ 102,563,627	**$ 138,144,319**
Total component unit expenses	106,500,888	96,031,665	83,895,486	156,045,549	113,102,026	115,752,405	128,035,472	115,130,443	102,563,627	**138,144,319**
Program revenues:										
Charges for services	3,257,108	3,367,635	3,116,679	3,027,439	4,147,506	3,729,168	2,448,647	2,947,224	4,176,896	**3,470,763**
Operating grants and contributions	63,399,705	64,139,916	66,074,497	67,255,166	69,424,386	72,793,629	82,508,442	84,982,866	95,496,908	**100,352,438**
Capital grants and contributions	449,479	46,509	-	-	-	-	-	-	-	**-**
Total component unit program revenues	67,106,292	67,554,060	69,191,176	70,282,605	73,571,892	76,522,797	84,957,089	87,930,090	99,673,804	**103,823,201**
Total component unit net expense[1]	(39,394,596)	(28,477,605)	(14,704,310)	(85,762,944)	(39,530,134)	(39,229,608)	(43,078,383)	(27,200,353)	(2,889,823)	**(34,321,118)**
General revenues and other changes in net assets/position:										
Unrestricted grants and contributions	41,844,914	42,430,723	43,347,751	46,156,655	42,124,975	42,848,640	42,439,923	44,011,874	47,267,961	**48,523,636**
Unrestricted revenues from use of money and property	34,841	54,183	55,715	143,819	116,756	105,152	11,608	22,829	160,816	**134,795**
Miscellaneous	999,891	565,464	1,069,136	1,391,745	310,603	245,706	391,957	930,402	460,697	**439,280**
Total component unit general revenues and other changes in net position	42,879,646	43,050,370	44,472,602	47,692,219	42,552,334	43,199,498	42,843,488	44,965,105	47,889,474	**49,097,711**
Change in net position:										
Total component unit	$ 3,485,050	$ 14,572,765	$ 29,768,292	$ (38,070,725)	$ 3,022,200	$ 3,969,890	$ (234,895)	$ 17,764,752	$ 44,999,651	**$ 14,776,593**
Total Reporting Entity Change in Net Position	$ 2,830,361	$ 14,568,725	$ 3,548,013	$ 339,601	$ 11,234,747	$ 4,415,393	$ 14,696,982	$ 27,605,793	$ 33,384,355	**$ 25,475,897**

Notes:

(1) Net (expense) revenues is the difference between the expenses and program revenues. This difference indicates the degree to which a function or program is supported with its own fees and program-specific grants versus its reliance upon funding from taxes and other general revenues. Numbers in a parentheses are net expenses indicating that expenses were greater than program revenues and, therefore, general revenues were needed to finance that function or program. Numbers without parentheses are net revenues, demonstrating that program revenues were more than sufficient to cover expenses.

(2) The component unit, School Board, was included in this table due to their significance to the County.

COUNTY OF AUGUSTA, VIRGINIA **Table 3**

GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
Last Ten Fiscal Years
(accrual basis of accounting)

Fiscal Year	Property Tax	Local Sales and Use Tax	Consumers' Utility Tax	Business License Tax	Restaurant Food Tax	Other Local Taxes	Total
2024	$ 85,816,268	$ 9,746,717	$ 1,854,907	$ 5,759,183	$ 4,844,507	$ 3,442,736	$ 111,464,318
2023	79,678,434	9,896,423	1,857,916	5,499,363	4,543,182	3,501,010	104,976,328
2022	73,313,552	8,911,976	1,858,499	5,079,478	4,149,877	3,453,997	96,767,379
2021	69,028,670	7,827,992	1,834,845	4,384,814	2,599,472	2,650,641	88,326,434
2020	68,989,644	6,822,265	1,812,435	4,313,711	2,418,593	2,094,917	86,451,565
2019	66,259,967	6,240,415	1,804,213	4,065,916	2,558,254	2,171,699	83,100,464
2018	60,545,183	5,673,129	1,791,413	3,813,142	2,504,972	2,107,785	76,435,624
2017	58,296,837	5,542,113	1,786,347	3,625,435	2,544,440	2,106,591	73,901,763
2016	56,937,887	5,422,965	1,781,431	3,526,206	2,419,683	1,964,970	72,053,142
2015	53,585,755	4,984,203	1,749,332	3,734,050	2,320,903	1,856,653	68,230,896

COUNTY OF AUGUSTA, VIRGINIA

Table 4

FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	**2024**
General Fund										
Nonspendable	$ 154,477	$ 106,493	$ 93,961	$ 1,203,806	$ 1,209,984	$ 1,203,343	$ 727,134	$ 132,077	$ 385,363	**$ 342,158**
Restricted	2,352,414	2,659,784	2,966,538	2,932,086	2,756,012	2,556,267	2,872,983	2,802,660	2,630,042	**3,496,605**
Committed	1,116,221	1,249,070	1,171,649	1,498,042	1,714,591	2,794,338	5,099,049	3,017,774	2,441,430	**3,024,498**
Assigned	221,784	234,072	253,977	257,332	317,243	387,367	454,735	477,388	518,470	**614,173**
Unassigned	12,001,256	12,439,272	13,658,436	11,798,202	13,172,482	18,202,654	12,958,451	17,295,207	16,916,441	**16,321,562**
Total general fund	15,846,152	16,688,691	18,144,561	17,689,468	19,170,312	25,143,969	22,112,352	23,725,106	22,891,746	**23,798,996**
All Other Governmental Funds										
Restricted	455,329	19,457,305	5,489,993	868,135	194,307	302,595	-	-	35,018,781	**44,152,203**
Committed	1,148,900	2,645,897	-	-	-	-	-	-	-	**-**
Assigned	25,357,733	25,219,223	27,326,844	27,607,372	31,371,591	30,034,487	48,942,712	55,768,439	72,221,331	**79,168,567**
Unassigned	(318,771)	(757,966)	(397,747)	-	-	-	-	(1,094,598)	-	**-**
Total all other governmental funds	26,643,191	46,564,459	32,419,090	28,475,507	31,565,898	30,337,082	48,942,712	54,673,841	107,240,112	**123,320,770**
Total fund balances	$ 42,489,343	$ 63,253,150	$ 50,563,651	$ 46,164,975	$ 50,736,210	$ 55,481,051	$ 71,055,064	$ 78,398,947	$ 130,131,858	**$ 147,119,766**

COUNTY OF AUGUSTA, VIRGINIA

Table 5

CHANGES FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	**2024**
Revenues										
General property taxes	$ 52,963,125	$ 56,207,747	$ 58,114,396	$ 61,109,229	$ 66,330,173	$ 68,528,431	$ 69,199,131	$ 73,302,421	$ 79,295,181	**$ 85,051,519**
Other local taxes	14,671,097	15,140,297	15,613,974	15,890,441	16,840,497	17,461,921	19,297,764	23,453,827	25,297,894	**25,648,050**
Permits, priviledge fees and regulatory licenses	764,794	568,023	645,578	637,374	608,943	602,235	643,011	982,968	863,409	**759,407**
Fines and forfeitures	206,125	149,052	214,784	311,426	347,877	272,161	253,102	213,290	285,634	**336,450**
Revenue from use of money and property	594,562	677,776	719,415	843,096	1,510,344	1,272,079	685,333	334,269	4,592,957	**8,126,648**
Charges for services	3,589,927	3,644,104	4,009,282	4,507,398	5,340,430	4,392,269	4,496,600	4,538,997	5,736,024	**5,988,073**
Miscellaneous	432,789	813,309	1,624,932	616,839	470,448	1,576,340	4,357,975	922,091	1,668,289	**2,324,975**
Recovered costs	2,430,905	2,493,669	2,433,649	2,712,874	2,396,582	2,660,754	2,749,911	2,811,836	2,391,591	**2,373,801**
Intergovernmental:										
Commonwealth	19,888,254	18,484,319	19,110,574	20,881,834	18,972,342	18,693,674	20,146,027	21,249,084	23,915,156	**22,941,515**
Federal	7,128,583	9,164,401	8,084,971	8,880,678	8,641,481	13,211,827	18,698,241	9,225,695	15,464,796	**17,025,076**
Local	-	-	-	-	-	-	2,582,459	-	124,064	**3,038,430**
Total revenues	102,670,161	107,342,697	110,571,555	116,391,189	121,459,117	128,671,691	143,109,554	137,034,478	159,634,995	**173,613,944**
Expenditures										
General government administration	4,673,312	4,638,398	5,075,701	5,856,944	5,466,486	5,673,355	6,379,278	6,651,799	8,933,779	**10,601,175**
Judicial administration	1,839,987	1,910,072	2,030,508	2,137,419	2,178,024	2,375,328	2,716,093	3,048,457	3,238,222	**3,280,650**
Public safety	18,173,128	19,178,655	20,393,454	21,739,801	23,021,684	24,190,420	26,513,291	29,121,098	34,042,021	**35,635,136**
Public works	3,465,517	3,467,975	3,686,463	3,810,788	4,415,893	4,710,949	4,676,980	4,874,456	5,049,537	**5,515,213**
Health and welfare	16,389,266	16,378,953	17,863,715	18,103,067	18,819,407	18,824,305	18,947,537	18,776,252	20,545,457	**21,907,143**
Education	37,852,654	38,511,372	40,078,627	41,566,439	42,051,057	42,768,948	45,049,041	44,013,179	47,272,961	**48,419,312**
Parks, recreation and cultural	2,685,441	2,798,340	2,834,341	2,838,479	2,489,020	2,377,415	2,115,538	2,283,316	2,637,396	**2,797,489**
Community development	1,447,545	1,555,969	1,808,146	1,838,995	1,859,303	2,030,070	2,197,780	2,380,106	3,086,044	**2,631,505**
Nondepartmental	144,535	169,899	209,231	143,194	213,767	240,340	2,679,548	279,582	4,768,042	**3,340,247**
Capital projects	13,012,823	19,974,595	37,433,314	13,166,593	6,947,042	13,566,401	8,606,376	9,757,131	38,125,572	**51,301,623**
Debt service:										
Principal	5,554,182	5,766,351	4,909,556	6,208,384	6,464,345	6,304,005	5,881,758	6,193,311	6,710,543	**7,425,064**
Interest and other fiscal charges	2,440,691	2,232,757	2,755,287	3,379,762	2,961,858	2,695,710	2,523,195	2,325,176	2,213,164	**4,405,050**
Total expenditures	107,679,081	116,583,336	139,078,343	120,789,865	116,887,886	125,757,246	128,286,415	129,703,863	176,622,738	**197,259,607**
Excess (deficiency) of revenues over (under) expenditures	(5,008,920)	(9,240,639)	(28,506,788)	(4,398,676)	4,571,231	2,914,445	14,823,139	7,330,615	(16,987,743)	**(23,645,663)**
Other Financing Sources (Uses)										
Sale of land	-	-	285,000	-	-	-	-	-	900,000	**-**
Transfers in	17,538,558	20,160,743	15,898,012	19,450,584	22,495,848	23,820,301	28,485,546	22,755,493	30,624,911	**34,368,369**
Transfers out	(17,538,558)	(20,160,743)	(15,898,012)	(19,450,584)	(22,495,848)	(23,820,301)	(28,485,546)	(22,755,493)	(30,624,911)	**(34,368,369)**
Proceeds from issuance of lease liabilities	-	-	-	-	-	1,830,396	750,874	13,268	356,324	**244,755**
Proceeds from issuance of subscription liabilities	-	-	-	-	-	-	-	-	1,071,100	**9,211**
Proceeds from issuance of private placement notes	-	-	-	-	-	-	-	-	161,850	**-**
Bonds issued	2,185,655	27,622,785	14,285,000	-	-	-	-	-	66,231,380	**37,855,000**
Premium on bonds issued	-	2,381,661	1,247,289	-	-	-	-	-	-	**2,524,605**
Total other financing sources, net	2,185,655	30,004,446	15,817,289	-	-	1,830,396	750,874	13,268	68,720,654	**40,633,571**
Net change in fund balances	$ (2,823,265)	$ 20,763,807	$ (12,689,499)	$ (4,398,676)	$ 4,571,231	$ 4,744,841	$ 15,574,013	$ 7,343,883	$ 51,732,911	**$ 16,987,908**
Debt Service as a Percentage of Noncapital Expenditures	7.68%	6.99%	5.60%	8.10%	8.06%	7.38%	6.77%	6.65%	5.25%	**6.38%**

GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE
Last Ten Fiscal Years
(modified accrual basis of accounting)

Fiscal Year	Property Tax	Local Sales and Use Tax	Consumers' Utility Tax	Business License Tax	Restaurant Food Tax	Other Local Tax	Total
2024	$ 85,051,519	$ 9,746,717	$ 1,854,907	$ 5,759,183	$ 4,844,507	3,442,736	$ 110,699,569
2023	79,295,181	9,896,423	1,857,916	5,499,363	4,543,182	3,501,010	104,593,075
2022	73,302,421	8,911,976	1,858,499	5,079,478	4,149,877	3,453,997	96,756,248
2021	69,199,131	7,827,992	1,834,845	4,384,814	2,599,472	2,650,641	88,496,895
2020	68,528,431	6,822,265	1,812,435	4,313,711	2,418,593	2,094,917	85,990,352
2019	66,330,173	6,240,415	1,804,213	4,065,916	2,558,254	2,171,699	83,170,670
2018	61,109,229	5,673,129	1,791,413	3,813,142	2,504,972	2,107,785	76,999,670
2017	58,114,396	5,542,113	1,786,347	3,625,435	2,544,440	2,106,591	73,719,322
2016	56,207,747	5,422,965	1,781,431	3,526,206	2,444,725	1,964,970	71,348,044
2015	52,963,125	4,984,203	1,749,332	3,734,050	2,320,903	1,856,653	67,608,266

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

Fiscal Year	Real Estate[1]	Personal Property[2]	Machinery and Tools	Public Service[3]	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	State Sales Assessment Ratio[4]
2024	$9,746,645,096	$1,053,872,760	$287,090,160	$434,737,293	$11,522,345,309	$0.94	$12,110,936,839	95.14%
2023	7,721,932,887	1,057,332,840	284,339,470	420,334,003	9,483,939,200	0.87	14,155,133,134	67.00%
2022	7,655,920,958	859,133,240	264,108,470	483,096,064	9,262,258,732	0.84	12,918,073,545	71.70%
2021	7,582,050,648	780,556,010	242,485,670	482,755,979	9,087,848,307	0.81	11,219,565,811	81.00%
2020	7,471,356,719	757,708,190	233,718,440	471,627,175	8,934,410,524	0.81	10,095,379,123	88.50%
2019	7,179,876,646	726,168,020	216,125,380	458,514,898	8,580,684,944	0.81	9,157,614,668	93.70%
2018	6,596,809,781	694,028,820	210,101,090	452,830,444	7,953,770,135	0.81	8,654,809,723	91.90%
2017	6,809,979,950	685,423,223	199,672,770	459,153,026	8,154,228,969	0.76	8,647,114,495	94.30% [5]
2016	6,749,732,645	664,734,844	190,814,950	394,852,593	8,000,135,032	0.76	8,483,706,291	94.30%
2015	6,664,333,605	634,007,910	182,405,510	304,068,097	7,784,815,122	0.74	7,792,607,730	99.90%

Source: Commissioner of Revenue

Notes:
(1) Real estate is assessed at 100% of fair market value.
(2) Includes PPTRA.
(3) Assessed values are established by the State Corporation Commission.
(4) Source: Virginia Department of Taxation.
(5) 2017 Information is unavailable; used 2016 ratio.

PROPERTY TAX RATES[1]
Last Ten Calendar Years

Calendar Year	Property Tax Rates: Real Estate	Personal Property[2]: Vehicle	Personal Property[2]: Other	Mobile Homes	Machinery and Tools	Total Direct Rate
2024	$0.52	$2.60	$2.00	$0.52	$2.00	$0.94
2023	0.63	2.60	2.00	0.63	2.00	0.87
2022	0.63	2.60	2.00	0.63	2.00	0.84
2021	0.63	2.60	2.00	0.63	2.00	0.81
2020	0.63	2.50	2.00	0.63	2.00	0.81
2019	0.63	2.50	2.00	0.63	2.00	0.81
2018	0.63	2.50	2.00	0.63	2.00	0.81
2017	0.58	2.50	2.00	0.58	2.00	0.76
2016	0.58	2.50	2.00	0.58	2.00	0.76
2015	0.58	2.50	2.00	0.58	2.00	0.74

Notes:
(1) Per $100 of assessed value.
(2) Personal Property includes:
Vehicle – auto, motorcycle, campers, boats, airplanes, trailers
Other – business personal property, large trucks and trailers

PRINCIPAL PROPERTY TAXPAYERS
Current Year and the Period Nine Years Prior

		Fiscal Year 2024			Fiscal Year 2015		
Taxpayer	Business Type	2024 Assessed Valuation	Rank	% of Total Assessed Valuation	2015 Assessed Valuation	Rank	% of Total Assessed Valuation
Virginia Power	Public Utility	$ 449,909,999	1	3.90%	$ 225,705,951	1	2.90%
Charlottesville Industrial LLC	Fullfillment Warehouse	193,440,990	2	1.68%	-	N/A	-
Hershey Foods Corporation	Food Manufacturer	188,241,820	3	1.63%	136,492,260	2	1.75%
McKee Baking Company	Food Manufacturer	85,432,840	4	0.74%	103,514,940	3	1.33%
Target Corporation(Dayton Hudson Corp)	Distribution Center	73,678,880	5	0.64%	43,003,180	5	0.55%
Shenandoah Valley Electric	Public Utility	72,926,570	6	0.63%	56,313,400	4	0.72%
Augusta Health Care Inc.	Health Care	52,353,330	7	0.45%	-	N/A	-
Waynesboro VA Property Owner LLC	Building Supply Manufacturer	34,462,700	8	0.30%	-	N/A	-
McQuay International	Industrial Air Cond. Equip.	34,310,300	9	0.30%	23,826,690	8	0.31%
Nibco, Inc.	Copper Pipe Fittings	32,139,520	10	0.34%	20,026,060	9	0.26%
Verizon	Public Utility	-	N/A	-	14,756,050	10	0.19%
MeadWestvaco	Paper Mfg. Warehouse	-	N/A	-	26,485,300	7	0.34%
Hollister, Inc	Medical Supplies Mfg.	-	N/A	-	27,105,940	6	0.35%
		$1,216,896,949		10.61%	$ 677,229,771		8.70%

Source: Commissioner of Revenue

PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Calendar Years

Calendar Year		Total Tax Levy for the Calendar Year	Collected within the Calendar Year of the Levy [1] Amount	Collected within the Calendar Year of the Levy [1] Percentage of Levy	Collections in Subsequent Calendar Years		Total Collections to Date Amount	Total Collections to Date Percentage of Levy
2024	[2]	$ 60,562,895	$ 30,908,969	51.04%	$ -		$ 30,908,969	51.04%
2023	[2]	76,491,692	74,113,184	96.89%	-	[3]	74,113,184	96.89%
2022		75,667,655	73,086,537	96.59%	1,381,515		74,468,052	98.41%
2021		70,121,901	67,550,254	96.33%	1,670,360		69,220,614	98.71%
2020		67,192,028	64,684,273	96.27%	1,778,987		66,463,260	98.92%
2019		64,933,964	63,630,951	97.99%	1,258,461		64,889,412	99.93%
2018		61,276,873	59,184,706	96.59%	1,875,607		61,060,313	99.65%
2017		56,348,173	54,566,805	96.84%	1,774,822		56,341,627	99.99%
2016		55,511,225	53,258,040	95.94%	1,649,123		54,907,163	98.91%
2015		54,957,577	52,062,743	94.73%	1,679,850		53,742,593	97.79%

Source: Commissioner of Revenue, County Treasurer's Office

Notes:
(1) Includes PPTRA collections from the Commonwealth of Virginia.
(2) Taxes levied for the current calendar year include real estate taxes only; which are levied in May and due 50% in June and 50% in December. Personal property taxes are levied by September.
(3) The calendar year levy is not considered delinquent and a subsequent year collection until July 1 of the following fiscal year.

RATIO OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years

	Governmental Activities							
Fiscal Years	General Obligation Bonds	Revenue Bonds	Private Placement Notes	Leases	Subscriptions	Total Primary Government	Percentage of Personal Income[1]	Per Capita[1]
2024	$ 112,698,715	$ 43,501,006	$ 782,336	$ 5,187,363	$ 727,718	$ 162,897,138	3.93%	$ 2,082
2023	118,816,151	3,478,695	1,170,784	5,198,740	1,179,492	129,843,862	3.20%	1,663
2022	58,110,052	4,509,443	1,428,063	5,091,839	-	69,139,397	1.87%	891
2021	63,516,501	5,170,965	1,750,669	-	-	70,438,135	1.99%	909
2020	68,813,173	5,807,487	2,126,746	-	-	76,747,406	2.29%	1,016
2019	74,473,645	6,424,009	-	-	-	80,897,654	2.53%	1,072
2018	80,768,982	7,020,530	-	-	-	87,789,512	2.75%	1,168
2017	86,828,357	7,597,052	-	-	-	94,425,409	2.97%	1,259
2016	75,885,169	8,163,572	-	-	-	84,048,741	2.84%	1,131
2015	51,139,403	8,715,094	-	-	-	59,854,497	2.04%	805

Notes:

(1) See the Schedule of Demographic and Economic Statistics – Table 13

(2) Details regarding the County’s outstanding debt can be found in the Notes to Financial Statements.

RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUE AND NET BONDED DEBT PER CAPITA
Last Ten Fiscal Years

Fiscal Year	Net Bonded Debt[(3)]	Ratio of Net General Obligation Debt to Assessed Value[(2)]	Net Bonded Debt per Capita[(1)]
2024	$ 112,698,715	0.98%	$ 1,440
2023	118,816,151	1.25%	1,522
2022	58,110,052	0.63%	749
2021	63,516,501	0.70%	820
2020	68,813,173	0.77%	911
2019	74,473,645	0.87%	987
2018	80,768,982	1.02%	1,075
2017	86,828,357	1.06%	1,158
2016	75,885,169	0.95%	1,021
2015	51,139,403	0.66%	688

Notes:

(1) Population data can be found in the Schedule of Demographic and Economic Statistics – Table 13.

(2) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property – Table 7.

(3) Includes all long-term general obligation bonded debt, excludes revenue bonds, private placement notes, leases, subscriptions, and compensated absences.

DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Fiscal Years

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2024	78,247	$ 52,910	67.62%	45-49[1]	9,649	2.80%
2023	78,064	51,965	66.57%	45-49[1]	9,695	2.60%
2022	77,563	47,794	61.62%	45-49[1]	9,498	2.70%
2021[2]	77,487	45,658	58.92%	45-49	9,745	3.50%
2020[2]	75,558	44,316	58.65%	45-49	9,896	5.80%
2019	75,457	42,436	56.24%	45-49	9,925	2.60%
2018	75,144	42,436	56.47%	45-49	9,939	3.00%
2017	74,997	42,436	56.58%	45-49	9,968	3.60%
2016	74,314	39,856	53.63%	50-54	10,106	3.50%
2015	74,314	39,479	53.12%	50-54	10,162	4.70%

Source: Weldon Cooper Center, Virginia Employment Commission, Labor Market Information, and Annual School Report – prepared by the County

Note:
(1) Data that is unavailable for a more recent year is noted as the prior year's amount.
(2) Fiscal year 2020 and 2021 unemployment rate was affected by the Worldwide COVID 19 pandemic.

PRINCIPAL EMPLOYERS
Current Year and Nine Years Prior

	Fiscal Year 2024			Fiscal Year 2015		
Employer	Employees	Rank	% of Total County Employment	Employees	Rank	% of Total County Employment
Augusta Medical Center	1000+	1	3.90%	1000+	2	4.05%
Augusta County School Board	1000+	2	3.90%	1000+	1	4.05%
Hershey Chocolate of Virginia	1000+	3	3.90%	500-999	4	2.02%
McKee Foods Corporation	1000+	4	3.90%	500-999	3	2.02%
Target Corp.	1000+	5	3.90%	500-999	5	2.02%
AAF McQuay, Inc.	500-999	6	1.95%	250-499	8	1.01%
University Instructors Inc	500-999	7	1.95%	-		-
Hollister, Inc.	500-999	8	1.95%	500-999	6	2.02%
County of Augusta	250-499	9	0.97%	250-499	9	1.01%
NIBCO of Virginia	250-499	10	0.97%	-		-
J.B. Hunt Transport	-		-	250-499	10	1.01%
Blue Ridge Community College	-		-	250-499	7	1.01%
Totals, average	10,500		27.29%	7,125		20.22%
Total County employment	38,500			37,065		

Source: Virginia Employment Commission, Labor Market Information (LMI)

FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION
Last Ten Fiscal Years

	Fiscal Year June 30,									
Function	2015	2016	2017	2018	2019	2020	2021	2022	2023	**2024**
General government	47	50	50	50	50	53	53	55	55	**59**
Judicial administration	23	26	27	27	27	30	31	33	33	**33**
Public safety:										
Sheriffs department	80	76	78	80	85	88	89	94	108	**108**
Emergency communication center	18	18	18	18	18	18	21	22	22	**22**
Fire & rescue	86	105	105	105	105	106	109	125	125	**128**
Building inspections	6	6	6	6	6	6	6	6	6	**7**
Animal control	3	3	3	3	3	3	3	3	3	**3**
Public works										
Facilities management:	19	27	31	31	35	35	35	35	35	**34**
Health and welfare:										
Department of social services	132	134	144	145	145	153	156	163	168	**174**
Culture and recreation:										
Parks and recreation	11	10	10	10	6	6	7	7	7	**7**
Library	15	16	16	16	16	16	16	16	17	**18**
Community development	10	11	11	11	11	11	12	12	12	**12**
Economic development	2	2	2	2	2	2	2	2	2	**2**
Totals	452	484	501	504	509	527	540	573	593	**607**

Source: Human Resources

OPERATING INDICATORS BY FUNCTION
Last Ten Fiscal Years

	Fiscal Year June 30,									
Function	2015	2016	2017	2018	2019	2020	2021	2022	2023	**2024**
Public Safety										
Sheriffs Department:										
Number of police personnel and officers	80	73	80	80	88	88	89	94	106	**112**
Physical arrests	1,876	1,907	2,383	2,469	2,328	2,549	2,676	2,559	2,713	**2,277**
Traffic violations	3,444	2,419	5,045	5,695	5,273	5,631	5,778	4,313	4,761	**8,441**
Parking violations	9	6	6	-	4	5	-	-	-	**-**
Fire and rescue:										
Number of calls answered	17,645	17,866	18,338	18,811	20,055	15,845	20,031	17,232	18,464	**18,421**
Number of volunteers(1)	921	858	813	785	607	605	650	632	596	**559**
Number of paid fire personnel and officers	86	86	105	105	105	106	109	125	126	**141**
Building inspections:										
Permits issued	812	826	907	779	825	794	840	851	866	**N/A**
Animal control:										
Number of calls answered	2,961	2,781	2,510	2,737	2,854	2,589	2,854	2,375	1,991	**N/A**
Public Works										
Facilities Management										
Trucks/vehicles(3)	7	7	7	15	15	16	16	16	16	**16**
Health and Welfare										
Department of Social Services:										
Caseload	11,555	11,420	11,514	11,708	12,299	13,809	15,601	17,167	18,852	**18,855**
Culture and Recreation										
Parks and recreation:										
After-school program participants(4)	284	285	279	272	226	159	-	-	-	**-**
Community Development										
Planning:										
Zoning permits issued	509	521	517	475	492	459	480	N/A	N/A	**N/A**
Component Unit - School Board										
Education:										
Instruction	1,079	1,071	1,079	1,056	1,064	1,077	1,115	1,113	1,138	**1,136**
Other	476	485	513	502	511	510	483	515	547	**539**
Total	1,555	1,556	1,592	1,558	1,575	1,587	1,598	1,628	1,685	**1,675**
Average daily membership	10,162	10,106	9,968	9,939	9,925	9,896	9,750	9,498	9,695	**9,649**
Local expenditures per pupil(2)	4,459.09	4,530	4,640	5,090	5,113	5,109	6,008	5,380	5,599	**6,037**

Source: Individual County departments

Notes:

(1) All County funded stations

(2) Includes debt service

(3) In fiscal year 2018, Maintenance and Parks and Recreation grounds was merged to create Facilities Management. Vehicles were moved from Parks and Recreation.

(4) In fiscal year 2020, the Parks and Recreation departments' after-school program was significantly impacted by the COVID 19 pandemic. The program ceased operating in March of 2020 due to shelter at home orders, this program has not been restored.

CAPITAL ASSET STATISTICS BY FUNCTION
Last Ten Fiscal Years

Function	Fiscal Year June 30, 2015	2016	2017	2018	2019	2020	2021	2022	2023	**2024**
General Government										
Administration buildings	17	17	17	17	17	17	17	17	17	**17**
Vehicles	5	5	5	5	5	5	5	5	5	**5**
Public Safety										
Sheriff's Department:										
Number of stations	1	1	1	1	1	1	1	1	1	**1**
Patrol units	75	74	75	81	81	87	93	93	121	**112**
Other vehicles	13	15	10	19	19	21	21	21	30	**26**
Fire and rescue:										
Number of fire & rescue stations	17	17	17	17	17	17	17	17	17	**17**
Number of apparatus	169	170	176	179	179	190	181	172(3)	169(3)	**171(3)**
Building inspections:										
Vehicles	4	4	4	4	4	4	4	4	4	**4**
Animal control:										
Vehicles	3	3	3	3	3	3	3	3	3	**3**
Emergency management	-	-	-	-	-	-	-	1	1	**1**
Mobile Command Units	1	1	1	1	1	1	1	1	1	**1**
Public Works										
General maintenance:										
Trucks/vehicles(2)	7	7	7	15	15	16	16	16	16	**16**
Compactor sites	10	10	10	10	10	10	10	10	10	**10**
Health and Welfare										
Department of Social Services:										
Vehicles	28	29	28	29	29	30	30	30	30	**30**
Culture and Recreation										
Parks and recreation:										
Community centers	6	6	6	6	6	6	6	6	6	**3**
Vehicles	14	12	12	12	7	6	6	6	6	**6**
Parks	5	5	5	5	5	5	5	5	5	**5**
Parks acreage	210	210	210	210	217	217	217	217	217	**217**
Swimming pools	2	2	2	2	2	2	2	2	2	**2**
Tennis courts(1)	18	18	18	18	18	18	18	18	18	**18**
Library:										
Vehicles	1	1	1	1	1	1	1	1	1	**1**
Community Development										
Planning:										
Vehicles	4	4	4	4	4	4	4	4	4	**4**
Economic Development:										
Vehicles	1	1	1	1	1	1	1	1	1	**1**
Component Unit - School Board										
Education:										
Number of schools:										
Elementary	11	11	11	11	11	11	11	11	11	**9**
Middle	4	4	4	4	4	4	4	4	4	**5**
High	5	5	5	5	5	5	5	5	5	**5**

Source: Individual County departments

Notes:
(1) At high and middle schools.
(2) Maintenance and Parks and Recreation grounds were combined to create facilities management that moved vehicles between departments.
(3) Excludes antique vehicles.

COMPLIANCE SECTION

PBMares
CPAs and Consultants

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States (*Government Auditing Standards)*; and the *Specifications for Audits of Counties, Cities and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Augusta, Virginia (County), as of and for the year ended June 30, 2024 and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 4, 2024.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a deficiency in internal control, described in the accompanying Schedule of Finding and Questioned Costs as item 2024-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

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

The County's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the finding identified in our audit and described in the accompanying Schedule of Finding and Questioned Costs. The County's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

PBMares, LLP

Harrisonburg, Virginia
December 4, 2024

PBMares
CPAs and Consultants

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 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 (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards)*; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

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

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

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

PBMares, LLP

Harrisonburg, Virginia
December 4, 2024

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2024

Federal Grantor/ Pass - Through Grantor/ Program Title (Pass - Through Grantor's Number) / Cluster Title	Assistance Listing Number	Pass-through Entity Identifying Number	Provided to Subrecipients	Federal Expenditures
Department of Agriculture:				
Pass-Through Payments:				
Department of Agriculture:				
Child Nutrition Cluster:				
Commodity Distributions	10.555	Not Provided	$ -	$ 437,602
Department of Education:				
Child Nutrition Cluster:				
School Breakfast Program	10.553	Not Provided	-	1,562,866
National School Lunch Program	10.555	Not Provided	-	3,214,809
Total Child Nutrition Cluster				5,215,277
Pandemic EBT Administrative Costs	10.649	Not Provided	-	6,180
Forest Service Schools and Roads Cluster:				
Schools and Roads - Grants to States	10.665	Not Provided	-	140,537
Total Forest Service Schools and Roads Cluster				140,537
Department of Social Services:				
SNAP Cluster:				
State Administration Matching Grants for the Supplemental Nutrition Assistance Program	10.561	Not Provided	-	1,946,617
Total SNAP Cluster				1,946,617
Total Department of Agriculture				7,308,611
Department of the Interior:				
Direct payments:				
Bureau of Land Management:				
Payments in Lieu of Taxes	15.226	N/A	-	641,169
Natural Resource Damage Assessment and Restoration	15.658	Dupont Settlement Grant	-	1,024,880
Total Department of the Interior				1,666,049
Department of Justice:				
Direct payments:				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA-23-GG-03861-JAGX	-	9,902
Bulletproof Vest Partnership Program	16.607	2023 Regular Fund	-	5,719
Comprehensive Opioid, Stimulant, and other Substances Use Program	16.838	2020-AR-BX-0052	-	151,979
Total Department of Justice - direct payments				167,600
Department of Justice:				
Pass-Through Payments:				
Department of Criminal Justice Services:				
Crime Victim Assistance (VW)	16.575	24-O1138VW20	-	69,737
Violence Against Women Formula Grants (DV)	16.588	24-Y3161VA22	-	13,218
Violence Against Women Formula Grants (SANE)	16.588	23-R4704VA21	-	9,590
Violence Against Women Formula Grants (SANE)	16.588	24-S4704VA22	-	23,328
Total Department of Justice - pass-through payments				115,873
Total Department of Justice				283,473
Department of Transportation:				
Pass-Through Payments:				
Department of Motor Vehicles:				
Alcohol Open Container Requirements	20.607	Not Provided	-	38,266
Department of Transportation:				
Highway Planning and Construction	20.205	Verona Pedestrian	-	1,053,184
Total Department of Transportation				1,091,450

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2024

Federal Grantor/ Pass - Through Grantor/ Program Title (Pass - Through Grantor's Number) / Cluster Title	Assistance Listing Number	Pass-through Entity Identifying Number	Provided to Subrecipients	Federal Expenditures
Department of the Treasury:				
Pass-Through Payments:				
Department of Accounts:				
COVID-19 ARPA Relief Funds	21.027	Not Provided	$ -	$ 5,768,010
COVID-19 Virginia Tourism-American Recovery Funds	21.027	Not Provided	-	23,974
COVID-19 ARPA LDSS Overtime Surge	21.027	Not Provided	-	76,147
COVID-19 ARPA Law Enforcement Equipment	21.027	2023 ARPA	-	267,000
COVID-19 APRA CSLFRF Ventilation Improvement Projects	21.027	APE45277	-	158,862
Total Department of the Treasury				6,293,993
Department of Education:				
Pass-Through Payments:				
Department of Education:				
Title I: Grants to Local Educational Agencies	84.010	Not Provided	-	1,427,030
Special Education Cluster:				
Special Education - Grants to States	84.027	9001-APE43071	-	2,392,340
COVID-19 Special Education - Grants to States	84.027X	179001-APE40287	-	55,203
Special Education - Preschool Grants	84.173	179001-APE62521	-	67,920
Total Special Education Cluster				2,515,463
Career and Technology Education: Basic Grants to States	84.048	179001-APE60031	-	156,487
Special Education - Grants for Infants and Families	84.181	Not Provided	-	137,512
English Language Acquisition State Grants	84.365	Not Provided	-	10,873
Supporting Effective Instruction State Grants	84.367	Not Provided	-	280,414
Student Support and Academic Enrichment Program	84.424	179001-APE60281	-	70,300
Education Stabilization Fund:				
COVID-19 American Rescue Plan -Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	Not Provided	-	2,440,304
COVID-19 American Rescue Plan -Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	Not Provided	-	641,240
COVID-19 Homeless II Children/Youth	84.425W	Not Provided	-	25,526
Total Education Stabilization Fund				3,107,070
Total Department of Education				7,705,149
Department of Health and Human Services:				
Direct Payments:				
Head Start Cluster:				
Head Start	93.600	N/A	-	3,599,625
Head Start Cluster Total				3,599,625
Total Dept. Health & Human Services - direct payments				3,599,625
Pass-Through Payments:				
Department of Social Services:				
Guardianship Assistance	93.090	Not Provided	-	1,470
Title IV-E Prevention Program	93.472	Not Provided	-	40,600
MaryLee Allen Promoting Safe and Stable Families	93.556	Not Provided	-	39,836
Temporary Assistance for Needy Families	93.558	Not Provided	-	933,226
Refugee and Entrant Assistance - State/Replacement Designee Administered Programs	93.566	Not Provided	-	13,895
Low Income Home Energy Assistance	93.568	Not Provided	-	221,057
Child Care and Development Cluster:				
Child Care and Development Block Grant	93.575	Not Provided	-	(508)
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	Not Provided	-	218,275
Child Care and Development Cluster Total				217,767

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2024

Federal Grantor/ Pass - Through Grantor/ Program Title (Pass - Through Grantor's Number) / Cluster Title	Assistance Listing Number	Pass-through Entity Identifying Number	Provided to Subrecipients	Federal Expenditures
Pass-Through Payments (Continued):				
Chafee Education and Training Vouchers Program (ETV)	93.599	Not Provided	$ -	$ 5,623
Adoption and Legal Guardianship Incentive Payments	93.603	Not Provided	-	4,489
Stephanie Tubbs Jones Child Welfare Services Program	93.645	Not Provided	-	981
Foster Care - Title IV-E	93.658	Not Provided	-	694,860
Adoption Assistance	93.659	Not Provided	-	819,642
Social Services Block Grant	93.667	Not Provided	-	1,085,347
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	Not Provided	-	25,334
Elder Abuse Prevention Interventions Program	93.747	Not Provided	-	15,243
Children's Health Insurance Program	93.767	Not Provided	-	19,831
Medicaid Cluster:				
Medical Assistance Program	93.778	Not Provided	-	1,589,410
Medicaid Cluster Total				1,589,410
Total Dept. Health & Human Services - pass-through payments				5,728,611
Total Department Health and Human Services				9,328,236
U.S. Department of Homeland Security:				
Pass-Through Payments:				
Department of Emergency Management:				
Emergency Management Performance Grant	97.042	EMP-2022-EP-00006	-	14,882
Total Department of Homeland Security				14,882
Total Expenditures of Federal Awards				$ 33,691,843

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2024

Note 1. Basis of Presentation

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

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Pass-through entity identifying numbers are presented where available.

Note 3. Indirect Cost Rate

The County has elected to not use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 4. Food Distribution

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

COUNTY OF AUGUSTA, VIRGINIA

SCHEDULE OF FINDING AND QUESTIONED COSTS
Year Ended June 30, 2024

Section I. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:		
Material weakness(es) identified?	____ Yes	√ No
Significant deficiency(ies) identified?	√ Yes	____ None Reported
Noncompliance material to financial statements noted?	____ Yes	√ No

Federal Awards

Internal control over major federal programs:		
Material weakness(es) identified?	____ Yes	√ No
Significant deficiency(ies) identified?	____ Yes	√ None Reported

Type of auditor's report issued on compliance for major federal programs: Unmodified

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

Identification of major federal programs:

Federal Assistance Listing Number	Name of Federal Program or Cluster
15.658	Natural Resource Damage Assessment and Restoration
20.205	Highway Planning and Construction
84.010	Title I: Grants to Local Educational Agencies
93.667	Social Services Block Grant
Coronavirus State and Local Fiscal Recovery Funds:	
21.027	COVID-19 ARPA Relief Funds
21.027	COVID-19 Virginia Tourism – American Recovery Funds
21.027	COVID-19 ARPA Medicaid Unwinding
21.027	COVID-19 ARPA Law Enforcement Equipment
21.027	COVID-19 ARPA CSLFRF Ventilation Improvement Projects
Child Nutrition Cluster:	
10.553	School Breakfast Program
10.555	National School Lunch Program
Special Education Cluster:	
84.027	Special Education – Grants to States
84.027X	COVID-19 Special Education – Grants to States
84.173	Special Education – Preschool Grants

Section I. SUMMARY OF AUDITOR'S RESULTS (Continued)

Federal Awards (Continued)

Dollar threshold used to distinguish between type A and type B programs $1,010,755

Auditee qualified as low-risk auditee? ___√___ Yes ______ No

Section II. FINANCIAL STATEMENT FINDING

A. Significant Deficiency in Internal Control

2024-001: Significant Deficiency Due to Significant Audit Adjustments

Criteria: The year-end financial statements obtained from the County to be audited should be final and free of material misstatements.

Condition: Upon auditing the County's financial statements, there were significant delays and audit adjustments to the trial balance and schedule of expenditures of federal awards.

Cause: In the current year, the County has been under significant limitations with staffing along with an increase in workload as the County is in the process of implementing a new enterprise resource program.

Effect: The necessary entries above were significant to the financial statements, and were included as adjustments in order to represent the financial position of the County more accurately.

Recommendation: The County should strive to complete the audit along with all adjustments prior to the auditor starting the audit to avoid any delays and give staff extra time to review all adjustments made to avoid any reconciling items or miskeying errors.

Views of Responsible Officials: Management agrees that there were significant delays and adjustments to the trial balance and schedule of expenditures of federal awards this year. The auditors' assessment of the cause is accurate as well. The department began implementation of a new financial software in June of 2023. An aggressive timeline (12 months) for the implementation was adopted by the County at the recommendation of the software company. In talking with other localities, it was highly stressed upon that the implementation should not be done in less than 14 months. The County decided to go with the software company's recommendation. During this period of increased workload with a significant special project, the finance department faced a staffing shortage of approximately 60%. During this fiscal year the department was responsible for not only the day to day tasks as well as a significant workload of preparing a new financial software from scratch, but also the audit, the budget, and the hiring and training of new staff. Management recognizes that timeliness is a fundamental threshold for financial reporting. Management also recognizes that accuracy is also a fundamental threshold.

Section III. FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

No matters were reported.

AUGUSTA
COUNTY, VIRGINIA

Finance Department
18 Government Center Lane * PO Box 590
Verona, VA 24482-0590
Phone: 540-245-5741 * Fax: 540-245-5742

CORRECTIVE ACTION PLAN
Year Ended June 30, 2024

Identifying Number: 2024-001 Significant Deficiency Due to Significant Audit Adjustments

Finding: Upon auditing the County's financial statements, there were significant delays and audit adjustments to the trial balance and schedule of expenditures of federal awards.

Corrective Action Taken or Planned: The staffing shortages have been rectified, but training for new staff along with the challenges of the new software continues. Management feels that with continued training of new staff and the ability to redistribute the workload more evenly will prevent these delays in the future. We actively work to retain employees and build upon their knowledge and expertise. We will continue to work on cross training staff to ensure that the workload can be absorbed should staffing shortages be encountered in the future.

The contact person responsible for the corrective action is Misty Cook, Director of Finance for the County.

COUNTY OF AUGUSTA, VIRGINIA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended June 30, 2024

The prior year single audit disclosed no findings in the Schedule of Findings and Questioned Costs and no uncorrected or unresolved findings exist from prior audit's Summary Schedule of Prior Audit Findings.