



County of Augusta, Virginia

**Annual Comprehensive Financial Report
For the Fiscal Year Ended: June 30, 2023**

COUNTY OF AUGUSTA, VIRGINIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR FISCAL YEAR ENDED JUNE 30, 2023



Prepared by

Misty Cook, Director of Finance

Lora Swartzel, Accountant

Augusta County, Virginia

COUNTY OF AUGUSTA, VIRGINIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
Fiscal Year Ended June 30, 2023

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INTRODUCTORY SECTION



COUNTY OF AUGUSTA

Finance Department

18 Government Center Lane * PO Box 590

Verona, VA 24482-0590

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

December 13, 2023

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

The annual comprehensive financial report of the County of Augusta for the year ended June 30, 2023, 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, 2023, 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 2023 population is estimated at 78,064. Augusta County enjoys a diversified economy, with manufacturing accounting for approximately 24% of the jobs in the County. Manufacturing employs approximately 7,100 of 37,200 workers in the County's labor force and makes up approximately 3.31% of the total local property taxes. Agriculture is a large portion of the overall economy of the County. According to the 2017 (updated every five years, new data due February 2024) U.S. Census of Agriculture, Augusta County is ranked 2nd in the state and 265th in the U.S. for total value of agricultural products sold (\$292 Million) with 1,665 farms totaling 290,911 acres. Also, from the census, Augusta County is ranked 1st in the state cattle and calves and 2nd in the state for the following two commodity group sales: Livestock, poultry, and products as well as 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 decreased from 2.7% in 2022 to 2.6% in 2023. The County's rate remains lower than that of the State's unemployment rate of 2.8% and compares favorably to the national unemployment rate of 3.8%.

The economy in the region remains strong, and includes a diverse local economy. Amazon Fulfillment Center opened a 1 million square-foot facility in Fishersville in May 2023, its tenth in Virginia. In April 2023 the County launched its 2023 tourism grant program to support and expand tourism efforts in the County. These grants will fund new marketing campaigns for businesses or local events as well as expansion of tourism related facilities in the County. Applicants may receive up to \$5,000.

In fiscal year 2023, local revenues increased by 12.6%. The main contributors to this increase was an increase in personal property taxes, interest on deposits, sales tax, meals and Business license taxes. Personal property taxes increased due to the increases in the NADA values on vehicles related to nationwide shortages on which the tax is assessed. Another contributor was interest on deposits which is directly related to the Federal Reserve increasing interest rates. Business license taxes increased by approximately 8% or \$419,885 over last year, this increase can be attributed to continued inflation and growth in businesses operating in the County. Meals taxes also increased 10% when compared to last fiscal year, or \$416,580. This increase is a good indicator that consumer spending has rebounded since the COVID19 pandemic.

Also contributing to the increase for local revenues was sales and use tax, which were up by approximately 11% over the prior year. The County budgeted conservatively for sales tax revenue in FY23, as the state had forecast a decline of 1.3% but the state realized a 3.9% increase. All of the increases in local revenue can be linked as least partially continued inflation. The total taxable sales for Augusta County as reported by the Virginia Department of Taxation, increased by approximately 9.82% over the prior year. Taxes on recordation and wills decreased 24%, or \$328,606 over last year. According to the Clerk of the Circuit Court, given the areas has a reduced inventory of available properties combined with the Federal Reserve increasing interest rates during the period is the reason behind the significant decrease.

Personal property taxes are due in December 2023 and Business License tax is due in March 2024, both of which are important to the overall tax base. Personal Property taxes continue to be uncertain as National macroeconomic factors, including supply chain issues and pent-up demand, continues to affect assessed value on vehicles. The County uses JD Power (NADA) to assess vehicle value. These vehicle values are the basis for the assessments of taxpayers' vehicles and thus the basis for personal property tax paid for their vehicles. Many vehicle assessments increased by double-digit percentages from CY 2021 to CY 2022, but as the car market has begun to normalize these assessments decreased in CY 2023. In CY 2022 the assessment was reduced from 100% to 92% of assessed value by the board of supervisors to help alleviate the burden on taxpayers. This assessment returned to 100% in CY 2023.

□ 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 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 the amount of \$1,497,234 to provide onsite staff and management of the courthouse. Final construction documents are estimated to be completed in Fiscal Year 2024 with a formal bid being issued in early calendar year 2024. Estimated cost for the project is approximately \$80 million. Funding for this project will be a combination of Capital funds and bonds issued.

During Fiscal Year 2023, 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 \$4.2 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 Verona Pedestrian Improvement Project will provide ADA compliant sidewalks along Route 612(Laurel Hill Road) and US Route 11 (Lee Highway). This project is a collaboration with the Virginia Department of Transportation (VDOT) and a contract has been awarded to A&J development & Excavating, construction is expected to begin in October 2023 with completion in the Spring 2024.

The County invested in a new heavy squad replacement for Fire & Rescue in January 2023. The current heavy squad is a 2008 American LaFrance. The manufacturer of the current squad is no longer in business and procurement of replacement parts for this aging apparatus is getting increasingly hard. The heavy rescues squad is a countywide rescue vehicle and in 2021 responded to 345 calls for service. An RFP was issued and a contract awarded to Atlantic Emergency solutions for a new Pierce Heavy Rescue squad. Total cost is estimated at approximately \$1.65 million with a build time of 28 months. Funding for this project will come from Capital.

The County continues with a project approved in Fiscal Year 2022, for an expansion of the county Government Center. This expansion will move Parks & Recreation to a new space on the current dock. This new space will restore programming rooms for P&R previously renovated for other uses. ECC will also receive a much-needed expansion of their space which will expand into the current County Attorney space. The County Attorney will move with Human Resources upstairs to the current Parks and Recreation space. ARPA funds will be used to complete this project. A contract was awarded to Lantz Construction Company for approximately \$3.12 million, and construction is underway with an estimated completion in early 2024.

The County Continues to work towards replacing its aging Accounting Software. The current software was implemented in 1986 and upgrades have not kept up with changing technologies. In Fiscal Year 2023 the County entered into a contract with Tyler Technologies after reviewing all proposals submitted by vendors during the RFP process. This project will have four phases, Finance, Human Resources, Community Development and Facilities Management. The first phase began in June 2023 and it is estimated the Finance department will go-live with the new software for fiscal year 2025. Funding for this project will come from Capital.

Augusta County Fire-Rescue maintains a fleet of ambulances to respond to emergency medical calls. The ambulance purchased in FY2023 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, 2023, the County has more than two months of General Fund operating expenditures by \$1,374,361. 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 \$3,398,301. The County will consider this requirement as it reviews the fund balance policy and prepares for the fiscal year 2024 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, 2023, the County had a number of debt issues outstanding related to school construction. These issues totaled \$ 107,827,502 in general obligation bonds. This amount includes two new debt issues related to the new construction of two middle schools, one in Buffalo Gap and the other in Riverheads. At June 30, 2023, the County also had revenue bonds for construction of a gravity sewage system, a roadway and bridge construction, and Mill Place water tank outstanding. These issues totaled \$ 3,478,695.

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 .125% to 4.625%. LGIP interest rates have risen since last year with a range of rates of 1.67% to 5.242% ending in June 2023. The County continues to carry a balance in a money market account and checking with interest rates starting at a rate of 1.50% and finishing much stronger in June at 5.00%. 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, 2022. This is the twenty-fifth 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.

The Government Finance Officers Association of the United States (GFOA) awarded a Certificate of Achievement for Excellence in Budget Presentation to the County of Augusta, Virginia for its Budget preparation document for the 2024 Fiscal Year Budget. This was the seventh 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 Budget document. 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 this is an important goal to strive for yearly and we will continue to make it a goal for our budget documents.

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
Director of Finance



Lora Swartzel
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

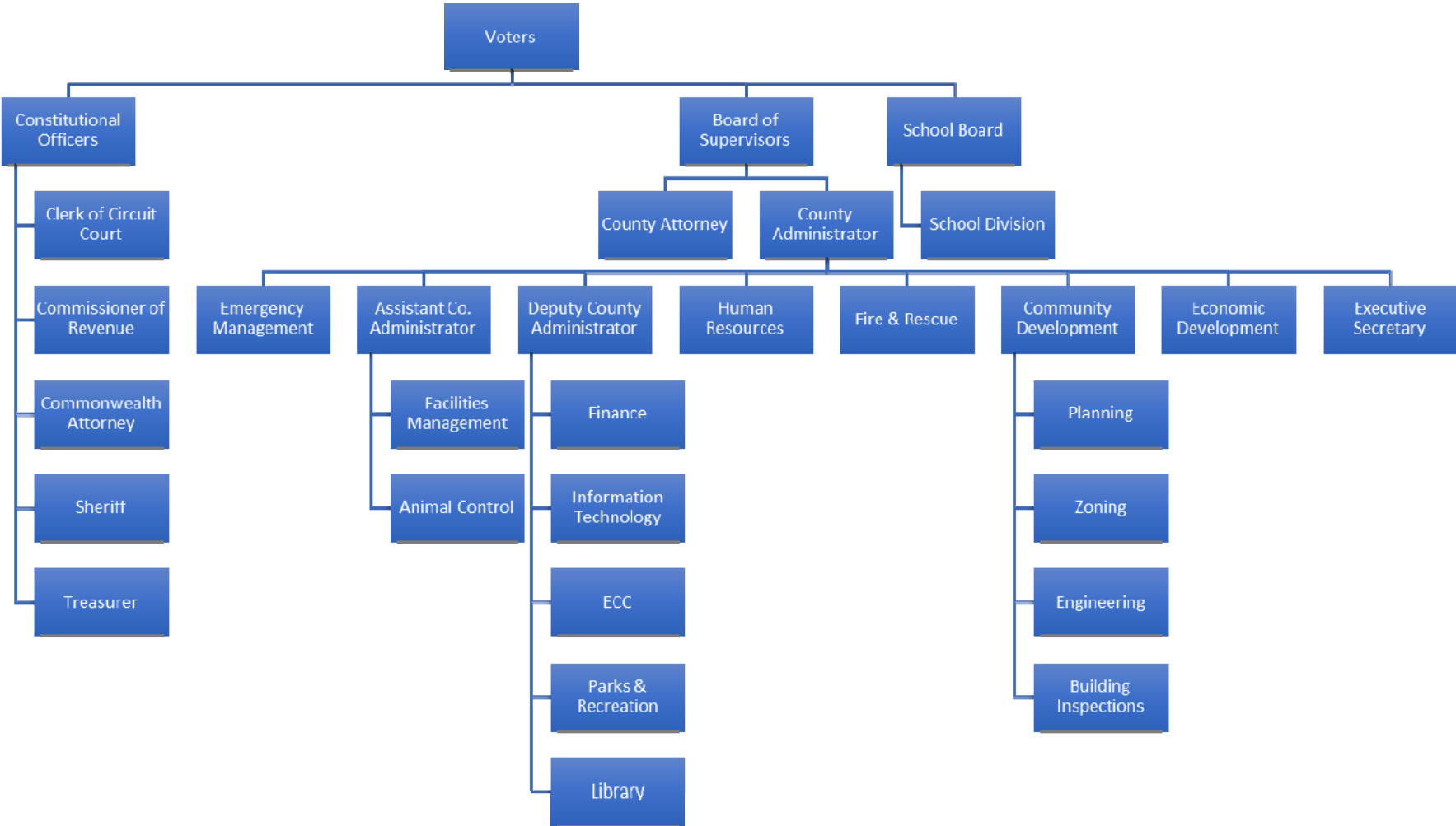
June 30, 2022

Christopher P. Morill

Executive Director/CEO

COUNTY OF AUGUSTA, VIRGINIA

ORGANIZATIONAL CHART



COUNTY OF AUGUSTA, VIRGINIA

LIST OF ELECTED AND APPOINTED OFFICIALS

Board of Supervisors

Michael L. Shull, Chairman
Jeffrey A. Slaven, Vice-Chairman

Scott Seaton
Pamela L. Carter
G.L. "Butch" Wells

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

County School Board

Nicholas T. Collins, Chairman
Donna H. Wells, Vice-Chairman

David R. Shiflett
Timothy M. Simmons
John M. Ward

Timothy Z. Swortzel
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, and Hon. Edward K. Stein
Judges of the General District Court	Hon. Christopher M. Billias (Chief Judge), Hon. William H. Cleaveland, Hon. Robin J. Mayer, and Hon. Rupen Shah
Judges of the Juvenile & Domestic Court	Hon. Correy R. Smith (Chief Judge), Hon. Robert C. Hagan Jr., Hon. Susan B. Read, Hon. Linda S. Jones., Hon. Paul A. Tucker
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	W. Jean Shrewsbury
Treasurer	Jacqueline C. Nash
Sheriff	Donald Smith
Superintendent of Schools	Dr. Eric Bond
Director of Augusta Water	Phil Martin
Director of Social Services	Anita Harris
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
Director of 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



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, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

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, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for 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 122-147, 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.

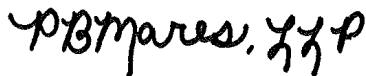
Other Information

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 13, 2023 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County's internal control over financial reporting and compliance.



Harrisonburg, Virginia
December 13, 2023

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, 2023. 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 \$ 81,377,034 (net position). Of this amount, \$ 85,618,587 is unrestricted, or may be used to meet the government's ongoing obligations to creditors and citizens. The School Board's net position was \$ 35,379,777 of which \$ (83,317,720) is unrestricted. (See Exhibit 1.)
- The County's total net position decreased by \$ 11,615,296. The School Board's total net position increased by \$ 44,999,651. (See Exhibit 2.)
- The primary government and School Board general revenues, charges for services, operating grants and contributions, and capital grants and contributions were \$ 160,952,230 and \$ 147,563,278, respectively, for fiscal year 2023. (See Exhibit 2.)
- Expenses were \$ 172,567,526 for governmental activities and \$102,563,627 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 \$ 16,916,441, or 15.2 percent, of the total General Fund expenditures. (See Exhibit 3.) This amount includes taxes, accounts and notes receivable reflected in the fiscal year 2023 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 \$ 130,131,858, an increase of \$ 51,732,911 in comparison with the prior year. The majority of this change can be attributed to the two bond issuances related to the middle school projects. Approximately 13 percent of this total amount, or \$ 16,916,441, 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 \$ 81,377,034 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, 2023 and 2022

	Governmental Activities	
	2023	2022
Current and other assets	\$ 208,362,621	\$ 142,945,523
Capital assets, net	78,271,661	81,690,559
Total assets	\$ 286,634,282	\$ 224,636,082
Deferred outflows of resources	\$ 6,151,129	\$ 8,205,209
Long-term liabilities	\$ 142,385,675	\$ 79,428,415
Other liabilities	31,554,840	17,728,516
Total liabilities	\$ 173,940,515	\$ 97,156,931
Deferred inflows of resources	\$ 37,467,862	\$ 42,692,030
Net position:		
Net investment in capital assets	\$ (7,044,213)	\$ 15,301,355
Restricted	2,802,660	2,802,660
Unrestricted	85,618,587	74,888,315
Total net position	\$ 81,377,034	\$ 92,992,330

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 3.4 percent of total net position and are resources that are subject to external restrictions on how they may be used. The majority of restricted net position is used for capital projects, fire service, education and training, as well as, law enforcement operations to support drug education, awareness, and enforcement. The balance of unrestricted net position, which is \$ 85,618,587, or 105.2 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 decreased by \$ 11,615,296.

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 decreased the County's net position by \$ 11,615,296. Key elements of this increase are as follows:

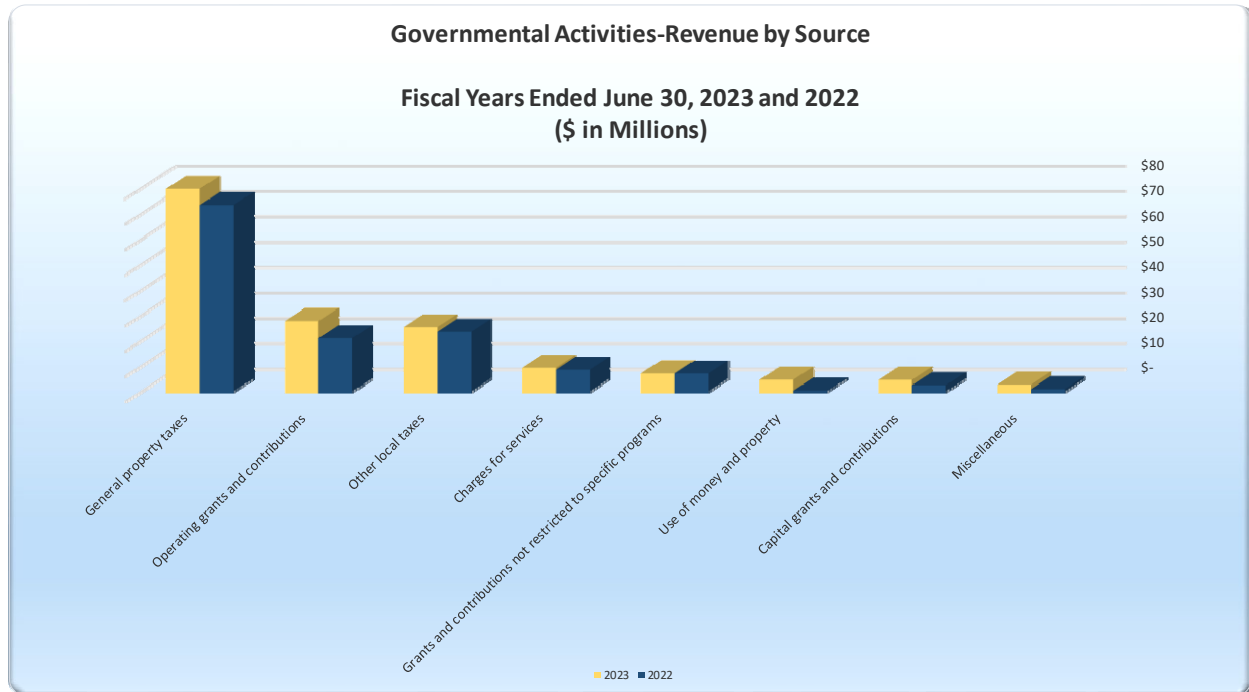
	Governmental Activities	
	2023	2022
Revenues:		
Program revenues:		
Charges for services	\$ 9,310,640	\$ 8,554,559
Operating grants and contributions	27,717,740	20,931,240
Capital grants and contributions	4,574,409	2,481,367
General revenues:		
General property taxes	79,678,434	73,313,552
Other local taxes	25,297,894	23,453,827
Use of money and property	4,592,957	327,657
Miscellaneous	2,692,353	921,236
Grants and contributions not restricted to specific programs	7,087,803	7,062,172
Total revenues	160,952,230	137,045,610
Expenses:		
General government	32,372,386	8,286,735
Judicial administration	3,202,542	2,691,584
Public safety	47,166,622	30,002,649
Public works	7,075,561	6,626,020
Health and welfare	20,642,569	18,754,703
Education	52,286,098	53,851,688
Parks, recreation and cultural	3,945,271	2,333,408
Community development	3,195,028	2,856,493
Interest on long-term debt	2,681,449	1,801,289
Total expenses	172,567,526	127,204,569
Increase in net position	(11,615,296)	9,841,041
Net position, beginning	92,992,330	83,151,289
Net position, ending	\$ 81,377,034	\$ 92,992,330

Governmental Activities – Revenues

- General property taxes increased by approximately \$6,364,882. This increase is due to growth in real estate taxes and personal property taxes. The largest part of this increase is due to 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 calendar year 2021 and calendar year 2022 due to market demand. But as the market has begun to normalize the values have been reduced for calendar year 2023 but are still elevated when compared to pre-pandemic values. In calendar year 2022 the County Board of Supervisors reduced the assessment from 100% to 92% of NADA value. For calendar year 2023 this assessment was restored to 100% of NADA value.
- Operating grants and contributions had an increase of \$ 6,786,500 over the prior year or 32 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 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 \$4,265,300 over the prior year. This increase is due to interest rate increases by the Federal Reserve resulting in higher rates on deposits.
- Miscellaneous revenue increased \$ 1,771,116 partially due to a private grant for the purchase of electric school buses.
- Sales tax revenue increased \$984,447 or 11 percent, which accounts for some of the increase in other local taxes. This increase can be attributed to strong consumer spending on goods and services upon which the tax is assessed.

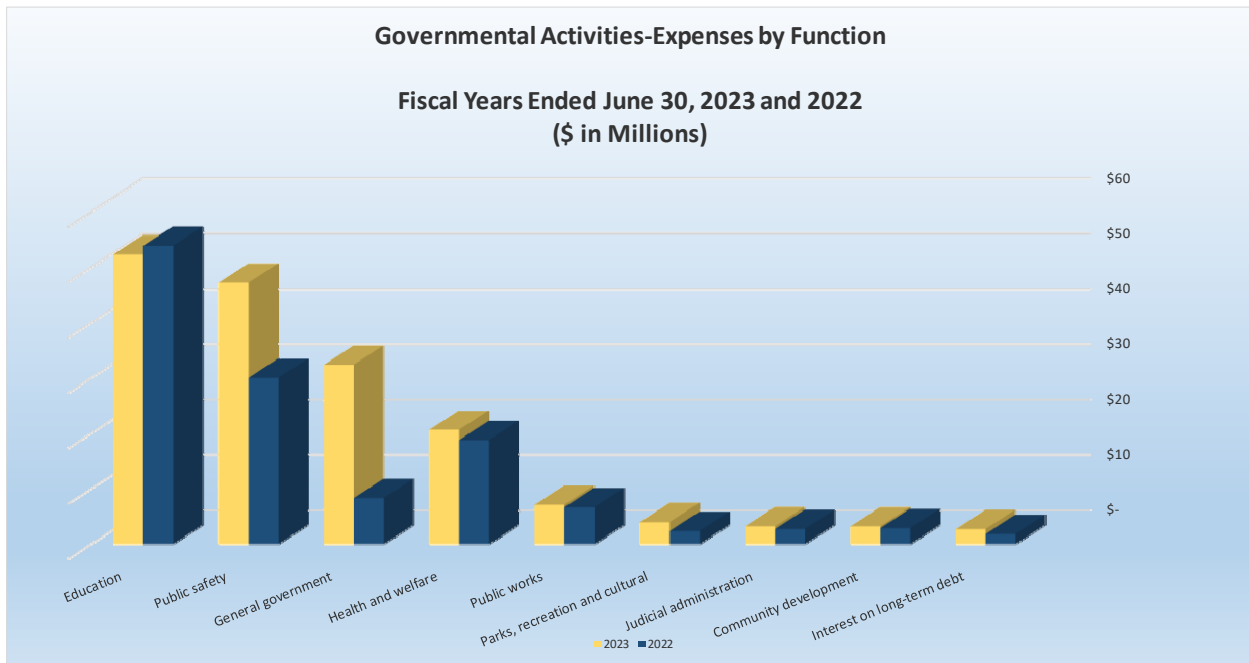
**Governmental Activities – Revenues by Source
Years Ended June 30, 2023 and 2022**



Governmental Activities – Expenses

- Expenses allocated to education were 3.0 percent lower than the prior year due to a decrease in operating expenses.
- Expenses allocated to general government was \$24,085,650 higher than the prior year due to an increase in allocations for capital outlays.
- Expenses allocated to judicial administration were 19.0 percent higher than the prior year due to an increase in allocations for capital outlays.
- Expenses allocated to Public Safety were 57.0 percent higher than the prior year due to an increase in capital outlay and operating expenses.
- Expenses allocated to Parks & Recreation and Cultural were 69.0 percent higher than the prior year due to a increase in allocations for capital outlays.

**Governmental Activities – Expenses by Function
Years Ended June 30, 2023 and 2022**



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 \$ 130,131,858. Approximately 13 percent of this total amount constitutes unassigned fund balance, which is available for spending at the government’s discretion. The remainder of fund balance falls within the categories of nonspendable, restricted, committed, or assigned. Nonspendable fund balance totals \$ 385,363, 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 general government renovations.

The General Fund is the chief operating fund of the County. As of June 30, 2023, total fund balance of the General Fund was \$ 22,891,746, of which \$ 16,916,441 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 13.0 percent of total General Fund expenditures, which includes transfers to the School Board component unit of \$ 47,267,961.

The fund balance of the County's General Fund decreased by \$ 833,360 during the current fiscal year due to an increase in transfers out to the Capital Projects Fund. 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, the new Augusta County Courthouse and the replacement of the current financial software. 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, 2023, total fund balances of these funds were \$0, \$0, \$ 72,221,331, and \$ 35,018,781, 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 financial software upgrades. 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 to include two bond issuances in FY2023 to fund construction 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 \$ 5,364,262 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 revised allowed for the full contribution to be paid from the general fund. Budgeted revenues increased by \$ 17,152,309 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, sales tax revenue and Business license tax as well as interest on deposits. Sales tax revenue can be attributed to increased inflation that has affected prices of consumer goods on which the tax is assessed. Business License tax is based on the gross receipts of the business entity and this increased inflation has also affected this tax. The interest rates on deposits has fluctuated as the Federal Reserve has adjusted rates to combat inflation. The rate in July of 2022 was 1.5% on deposits but in July of 2023 it was 5%. These increased rates allowed the county to realize a much stronger return than originally budgeted, approximately a \$3.2 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, 2023 is \$ 78,271,661 (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 2023 the County completed much needed repairs to the burn building at the fire training center. The County also sold 15 acres of land at the county owned Mill Place industrial park.
- Construction in progress includes the Courts Complex design, two new middle schools at Buffalo Gap and Riverheads, renovations to the government center to include relocation of the Emergency Communications Center and the Jennings Branch Stream restoration construction.

County of Augusta, Virginia
Capital Assets for Governmental Activities (net of depreciation)
June 30, 2023 and 2022

	Governmental Activities	
	2023	2022
Land	\$ 5,359,876	\$ 5,449,063
Buildings and system	48,336,202	53,670,638
Machinery and equipment	11,617,857	12,129,166
Land improvements	3,565,396	3,915,509
Right-to-use subscription assets	1,297,598	-
Right-to-use lease assets	4,977,599	4,986,460
Construction in progress	3,117,133	1,539,723
Total assets	\$ 78,271,661	\$ 81,690,559

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	
	2023	2022
General obligation bonds	\$ 107,827,501	\$ 54,339,113
Premium on general obligation bonds	10,988,650	3,770,939
Revenue bonds	3,478,695	4,081,371
Premium on revenue bonds	349,228	428,072
Private placement notes	1,170,784	1,428,063
Leases	5,198,740	5,091,839
Compensated absences	2,796,124	2,571,147
Subscription liabilities	1,179,492	-
Total assets	\$ 132,989,214	\$ 71,710,544

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 2023 was 2.6 percent. The County's rate is slightly better than the state's unemployment rate of 2.8 percent and still compares favorably to the national average rate of 3.8 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 9.50 percent, 45.71 percent, and 56.27 percent of total revenues for the General Fund, Virginia Public Assistance Fund, and the School Operating Fund, respectively. Revenues from the Federal government represent 5.36 percent, 45.38 percent, and 6.29 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 fiscal year 2023 are \$.63 per \$100 of assessed value. Personal Property tax rates for autos and motorcycles are \$2.60 per \$100 of assessed value. Other Personal Property tax rates are \$2.00 per \$100 of assessed value for campers, boats, and airplanes and \$2.00 per \$100 assessed value for business personal property, large trucks and machinery and tools.

All of these factors were considered in preparing the County's budget for the 2024 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, 2023, the County has more than the required two months of General Fund operating expenditures by \$ 1,374,361. 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 \$ 3,398,301. The County will consider this requirement as it reviews its fund balance policy and prepares for the fiscal year 2024 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 2024 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, 2023

	Primary Government <u>Governmental</u> Activities	<u>Component Unit</u> School Board
ASSETS		
Cash and cash equivalents	\$ 89,932,227	\$ 13,162,343
Restricted cash and cash equivalents	49,960,019	-
Cash in custody of others	521,794	10,000
Investments	22,803,067	-
Investments - land held for sale	269,210	-
Receivables, net:		
Taxes receivable	29,176,140	-
Accounts receivable	2,280,977	178,707
Notes receivable	3,064,473	-
Leases receivable	217,448	-
Due from primary government	-	3,205,033
Due from component unit	734,499	-
Due from other governmental units	4,125,675	4,820,518
Inventories	8,469	-
Prepaid expenses	125,232	12,707
Net pension asset	-	354
Net OPEB asset	-	2,831
Equity interest in joint venture	5,143,391	-
Capital assets, net of accumulated depreciation and amortization:		
Intangible right-to-use lease assets	4,977,599	520,719
Intangible right-to-use subscription assets	1,297,598	150,206
Land	5,359,876	1,551,430
Buildings and system	48,336,202	74,234,342
Machinery and equipment	11,617,857	9,443,487
Land improvement	3,565,396	-
Construction in progress	3,117,133	33,444,165
Total assets	286,634,282	140,736,842
DEFERRED OUTFLOWS OF RESOURCES		
Pension plan	4,441,321	17,478,735
Other postemployment benefits	1,709,808	4,788,091
Total deferred outflows of resources	6,151,129	22,266,826

STATEMENT OF NET POSITION (Continued)
June 30, 2023

	Primary Government <u>Governmental</u> Activities	<u>Component Unit</u> School Board
LIABILITIES		
Reconciled overdraft	\$ 3,383,557	\$ 261,482
Accounts payable	9,899,585	4,518,884
Accrued liabilities	2,282,489	4,321,176
Accrued interest payable	1,870,747	414
Due to primary government	-	734,499
Due to component unit	3,205,033	-
Unearned revenue	8,247,534	62,536
Deposits held in escrow	2,665,895	-
Long-term liabilities:		
Due within one year	8,983,102	876,010
Due in more than one year	124,006,112	2,583,236
Net pension liability	2,727,697	65,331,300
Other postemployment benefits	6,668,764	23,619,553
Total liabilities	<u>173,940,515</u>	<u>102,309,090</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred revenue - property taxes	24,569,725	-
Deferred revenue - other	1,696,476	-
Leases	217,218	-
Pension plan	6,790,124	15,526,593
Other postemployment benefits	4,194,319	9,788,208
Total deferred inflows of resources	<u>37,467,862</u>	<u>25,314,801</u>
NET POSITION		
Net investment in capital assets	(7,044,213)	118,694,312
Restricted:		
Fire revolving loans	2,634,955	-
Drug enforcement	123,389	-
ARPA	44,316	-
Pension asset	-	354
OPEB asset	-	2,831
Unrestricted (deficit)	85,618,587	(83,317,720)
Total net position	<u>\$ 81,377,034</u>	<u>\$ 35,379,777</u>

STATEMENT OF ACTIVITIES
Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities	Component Unit School Board
Primary Government:						
Governmental activities:						
General government administration	\$ 32,372,386	\$ 151,882	\$ 6,958,893	\$ -	\$ (25,261,611)	\$ -
Judicial administration	3,202,542	317,644	1,847,518	-	(1,037,380)	-
Public safety	47,166,622	3,845,290	4,168,930	10,000	(39,142,402)	-
Public works	7,075,561	2,958,318	629	45,285	(4,071,329)	-
Health and welfare	20,642,569	1,418,610	14,526,837	-	(4,697,122)	-
Education	52,286,098	-	-	4,485,489	(47,800,609)	-
Parks, recreation and cultural	3,945,271	618,896	214,933	-	(3,111,442)	-
Community development	3,195,028	-	-	33,635	(3,161,393)	-
Interest on long-term debt	2,681,449	-	-	-	(2,681,449)	-
Total governmental activities	172,567,526	9,310,640	27,717,740	4,574,409	(130,964,737)	-
Total primary government	\$ 172,567,526	\$ 9,310,640	\$ 27,717,740	\$ 4,574,409	(130,964,737)	-
Component Unit:						
School Board	\$ 102,563,627	\$ 4,176,896	\$ 95,496,908	\$ -	-	(2,889,823)
Total component units	\$ 102,563,627	\$ 4,176,896	\$ 95,496,908	\$ -	-	(2,889,823)
General revenues:						
Taxes:						
General property taxes					79,678,434	-
Local sales tax					9,896,423	-
Consumers' utility tax					1,857,916	-
Business license taxes					5,499,363	-
Restaurant food taxes					4,543,182	-
Other local taxes					3,501,010	-
Unrestricted revenues from use of money and property					4,592,957	160,816
Miscellaneous					2,692,353	460,697
Grants and contributions not restricted to specific programs					7,087,803	47,267,961
Total general revenues					119,349,441	47,889,474
Change in net position					(11,615,296)	44,999,651
Net position (deficit), beginning					92,992,330	(9,619,874)
Net position, ending					\$ 81,377,034	\$ 35,379,777

Fund Financial Statements

**BALANCE SHEET –
GOVERNMENTAL FUNDS
June 30, 2023**

	General	Virginia Public Assistance	County Capital Improvements	School Capital Improvements	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 3,882,536	\$ -	\$ 73,872,615	\$ -	\$ 77,755,151
Restricted cash and cash equivalents	7,485,111	-	-	42,474,908	49,960,019
Cash in custody of others	517,494	4,300	-	-	521,794
Investments	22,803,067	-	-	-	22,803,067
Receivables, net:					
Taxes receivable	29,176,140	-	-	-	29,176,140
Accounts receivable	2,209,636	-	12,500	12,293	2,234,429
Notes receivable	1,425,636	-	-	-	1,425,636
Leases receivable	217,448	-	-	-	217,448
Due from other funds	591,332	-	-	-	591,332
Due from component unit	734,499	-	-	-	734,499
Due from other governmental units	2,616,307	998,843	79,370	431,155	4,125,675
Inventories	8,469	-	-	-	8,469
Prepaid items	107,684	-	-	-	107,684
Land held for sale	269,210	-	-	-	269,210
Total assets	\$ 72,044,569	\$ 1,003,143	\$ 73,964,485	\$ 42,918,356	\$ 189,930,553
LIABILITIES					
Reconciled overdraft	\$ -	\$ -	\$ -	\$ 3,383,557	\$ 3,383,557
Accounts payable	2,544,974	82,176	1,743,154	4,250,966	8,621,270
Accrued liabilities	751,682	329,635	-	265,052	1,346,369
Due to other funds	-	591,332	-	-	591,332
Due to component unit	3,205,033	-	-	-	3,205,033
Unearned revenue	8,247,534	-	-	-	8,247,534
Deposits held in escrow	2,665,895	-	-	-	2,665,895
Total liabilities	17,415,118	1,003,143	1,743,154	7,899,575	28,060,990
DEFERRED INFLOWS OF RESOURCES					
Property taxes collected in advance	1,269,103	-	-	-	1,269,103
Unavailable revenue - property taxes	28,554,908	-	-	-	28,554,908
Unavailable revenue - other	1,696,476	-	-	-	1,696,476
Leases	217,218	-	-	-	217,218
Total deferred inflows of resources	31,737,705	-	-	-	31,737,705
FUND BALANCES					
Nonspendable	385,363	-	-	-	385,363
Restricted	2,630,042	-	-	35,018,781	37,648,823
Committed	2,441,430	-	-	-	2,441,430
Assigned	518,470	-	72,221,331	-	72,739,801
Unassigned	16,916,441	-	-	-	16,916,441
Total fund balances	22,891,746	-	72,221,331	35,018,781	130,131,858
Total liabilities, deferred inflows of resources and fund balances	\$ 72,044,569	\$ 1,003,143	\$ 73,964,485	\$ 42,918,356	\$ 189,930,553

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
June 30, 2023**

	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	\$ 130,131,858
Capital assets of \$130,462,089 net of accumulated depreciation and amortization of \$52,190,428, used in governmental activities are not financial resources and, therefore, are not reported in the funds.	78,271,661
Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue in the funds	5,254,286
Notes receivable - Middle River Regional Jail Buy-In	1,638,837
Equity interest in joint venture not reported in the funds.	5,143,391
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.	10,026,737
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	\$ (122,644,074)
Private placement notes	(1,170,784)
Lease liabilities	(5,198,740)
Subscription liabilities	(1,179,492)
Compensated absences	(2,796,124)
Interest payable	(1,870,747)
Other postemployment benefits	(6,668,764)
Net pension liability	<u>(2,727,697)</u>
	(144,256,422)
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	4,441,321
Other postemployment benefits	<u>1,709,808</u>
	6,151,129
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	(6,790,124)
Other postemployment benefits	<u>(4,194,319)</u>
	<u>(10,984,443)</u>
Net position of governmental activities	<u><u>\$ 81,377,034</u></u>

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
GOVERNMENTAL FUNDS
Year Ended June 30, 2023**

	General	Virginia Public Assistance	Debt Service	County Capital Improvements	School Capital Improvements	Total Governmental Funds
Revenues:						
General property taxes	\$ 79,295,181	\$ -	\$ -	\$ -	\$ -	\$ 79,295,181
Other local taxes	25,297,894	-	-	-	-	25,297,894
Permits, privilege fees and regulatory licenses	863,409	-	-	-	-	863,409
Fines and forfeitures	285,634	-	-	-	-	285,634
Revenue from the use of money and property	3,973,574	-	-	10,296	609,087	4,592,957
Charges for services	5,524,178	195,727	16,119	-	-	5,736,024
Miscellaneous	993,401	-	-	40,486	634,402	1,668,289
Recovered costs	135,118	1,222,883	-	1,033,590	-	2,391,591
Intergovernmental:						
Commonwealth	12,984,481	7,274,780	-	327,366	3,328,529	23,915,156
Federal	7,324,683	7,221,599	-	76,885	841,629	15,464,796
Augusta County School Board	-	-	-	-	124,064	124,064
Total revenues	136,677,553	15,914,989	16,119	1,488,623	5,537,711	159,634,995
Expenditures:						
Current:						
General government administration	8,933,779	-	-	-	-	8,933,779
Judicial administration	3,238,222	-	-	-	-	3,238,222
Public safety	34,042,021	-	-	-	-	34,042,021
Public works	5,049,537	-	-	-	-	5,049,537
Health and welfare	1,442,583	19,102,874	-	-	-	20,545,457
Education	47,272,961	-	-	-	-	47,272,961
Parks, recreation and cultural	2,637,396	-	-	-	-	2,637,396
Community development	3,086,044	-	-	-	-	3,086,044
Nondepartmental	4,768,042	-	-	-	-	4,768,042
Capital projects	-	-	-	4,734,862	33,390,710	38,125,572
Debt service:						
Principal retirement - subscription liabilities	207,385	-	-	59,150	-	266,535
Principal retirement - lease liabilities	236,732	12,691	-	-	-	249,423
Principal retirement - bonds	-	-	5,779,288	-	415,297	6,194,585
Interest and other fiscal charges	97,176	393	1,937,635	-	177,960	2,213,164
Total expenditures	111,011,878	19,115,958	7,716,923	4,794,012	33,983,967	176,622,738
Excess (deficiency) of revenues over (under) expenses	25,665,675	(3,200,969)	(7,700,804)	(3,305,389)	(28,446,256)	(16,987,743)
Other financing sources (uses):						
Issuance of bond	-	-	-	-	66,231,380	66,231,380
Issuance of lease liabilities	331,124	25,200	-	-	-	356,324
Issuance of subscription liabilities	95,605	-	-	975,495	-	1,071,100
Issuance of private placement notes	-	-	-	-	161,850	161,850
Proceeds from sale of land	-	-	-	900,000	-	900,000
Transfers in	63,681	3,175,769	7,700,804	18,604,657	1,080,000	30,624,911
Transfers out	(26,989,445)	-	-	(721,871)	(2,913,595)	(30,624,911)
Other financing sources (uses), net	(26,499,035)	3,200,969	7,700,804	19,758,281	64,559,635	68,720,654
Net change in fund balances	(833,360)	-	-	16,452,892	36,113,379	51,732,911
Fund balances (deficit), beginning	23,725,106	-	-	55,768,439	(1,094,598)	78,398,947
Fund balances, ending	\$ 22,891,746	\$ -	\$ -	\$ 72,221,331	\$ 35,018,781	\$ 130,131,858

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2023**

	Governmental Funds	
Net change in fund balances - total governmental funds	\$	51,732,911
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	\$	6,520,164
Less depreciation and amortization expense		<u>(3,677,629)</u>
Excess of depreciation and amortization over capital outlays		2,842,535
The net effect of miscellaneous transactions involving capital assets (i.e. sales, trade-ins and donations) is to decrease net position.		(6,636,360)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		
Unavailable revenue		383,253
OPEB non-employer contributions from the Commonwealth		<u>34,803</u>
		418,056
Notes receivable - EDA loan		(60,000)
Notes receivable - Middle River Regional Jail Buy-In		(793,406)
Equity interest in joint venture		(465,117)
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Issuance of private placement notes		(161,850)
General obligation debt		(58,665,000)
Premium on general obligation debt		(7,566,380)
Issuance of subscription liabilities		(1,071,100)
Issuance of lease liabilities		<u>(356,324)</u>
		(67,820,654)
Principal repayments:		
General obligation debt		5,779,288
Private placement notes		419,129
Subscription liabilities		266,535
Lease liabilities		<u>249,423</u>
		6,714,375
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		(895,798)
Compensated absences		(224,977)
Amortization of premium		427,513
Changes in OPEB liabilities and related deferred outflows and inflows of resources		(1,085,257)
Changes in pension liabilities and related deferred outflows and inflows of resources		<u>2,439,614</u>
		661,095
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		14,277,989
Total expenses		<u>(12,486,720)</u>
		<u>1,791,269</u>
Change in net position of governmental activities	\$	<u>(11,615,296)</u>

**STATEMENT OF NET POSITION –
INTERNAL SERVICE FUND
June 30, 2023**

	Self - Insurance
<hr/>	
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 20,994,959
Accounts receivable	80,256
Prepaid expenses	<u>30,255</u>
Total current assets	<u>21,105,470</u>
Total assets	<u>21,105,470</u>
LIABILITIES	
Current liabilities:	
Accounts payable	2,203,991
Insurance and benefit claims	<u>1,614,000</u>
Total liabilities	<u>3,817,991</u>
NET POSITION	
Unrestricted	<u>17,287,479</u>
Total net position	<u><u>\$ 17,287,479</u></u>

**STATEMENT REVENUES, EXPENSES AND
CHANGES IN NET POSITION –
INTERNAL SERVICE FUND
Year Ended June 30, 2023**

	Self - Insurance
Operating revenues:	
Charges for services	<u>\$ 24,617,223</u>
Total operating revenues	<u>24,617,223</u>
Operating expenses:	
Contractual services	1,577,293
Risk financing and benefit payments	<u>20,726,030</u>
Total operating expenses	<u>22,303,323</u>
Operating income	<u>2,313,900</u>
Change in net position	2,313,900
Total net position, beginning	<u>14,973,579</u>
Total net position, ending	<u><u>\$ 17,287,479</u></u>

**STATEMENT OF CASH FLOWS –
INTERNAL SERVICE FUND
Year Ended June 30, 2023**

	Self - Insurance
<hr/>	
Cash flows from operating activities:	
Receipts from interfund services provided	\$ 24,536,967
Claims and benefits paid	(20,312,165)
Payments to suppliers for goods and services	<u>(2,024,293)</u>
Net cash provided by operating activities	<u>2,200,509</u>
Net change in cash and cash equivalents	2,200,509
Cash and cash equivalents:	
Beginning	<u>18,794,450</u>
Ending	<u><u>\$ 20,994,959</u></u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 2,313,900
Adjustments to reconcile operating income to net cash provided by operating activities:	
Change in operating accounts:	
Increase in accounts receivable	(80,256)
Increase in prepaid expenses	(30,255)
Increase in accounts payable	444,120
Decrease in insurance and benefit claims	<u>(447,000)</u>
Net cash provided by operating activities	<u><u>\$ 2,200,509</u></u>

**STATEMENT OF FIDUCIARY NET POSITION –
FIDUCIARY FUNDS
June 30, 2023**

ASSETS	
Cash and cash equivalents	\$ 696,137
Accounts receivable	45,179
	<hr/>
Total assets	741,316
	<hr/>
LIABILITIES	
Accounts payable	24,421
	<hr/>
Total liabilities	24,421
NET POSITION	
Restricted for:	
Other	\$ 591,406
Individuals	125,489
	<hr/>
Total net position	\$ 716,895
	<hr/> <hr/>

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION –
FIDUCIARY FUNDS
Year Ended June 30, 2023**

ADDITIONS	
Benefits collected on behalf of others	\$ 1,264,019
Total additions	<u>1,264,019</u>
DEDUCTIONS	
Payments to participants or beneficiaries	<u>1,175,947</u>
Total deductions	<u>1,175,947</u>
Net change in fiduciary net position	88,072
Total net position, beginning	<u>628,823</u>
Total net position, ending	<u><u>\$ 716,895</u></u>

COUNTY OF AUGUSTA, VIRGINIA

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, 2023.

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 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 County Service Authority are related organizations of the County. This determination was based on the justification that the County is able to appoint a voting majority of the Authority's board, but a financial benefit and/or burden relationship does not exist between the two. The Augusta County Economic Development Authority and the Augusta County Service Authority have separate audited financial statements.

Undivided Interests

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

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

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, 2023 is as follows:

	County of Augusta	City of Staunton	City of Waynesboro
Revenues	\$ 2,391,142	\$ 613,432	\$ 902,547
% of total revenues	61.20%	15.70%	23.10%

The County’s net investment is recorded on the Statement of Net Position. The County’s equity interest as of June 30, 2023 was \$4,803,332.

Complete financial statements for the Landfill can be obtained at the Augusta County Service Authority 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, 2023 as follows:

	County of Augusta	City of Staunton	City of Waynesboro
Operations	\$ 3,843,519	\$ 661,055	\$ 772,193
% of total revenues	72.84%	12.53%	14.63%

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	\$ 340,059	\$ 138,507	\$ 112,840
% of total revenues	57.50%	23.42%	19.08%

The County’s net investment is recorded on the Statement of Net Position. The County’s equity interest as of June 30, 2023 was \$340,059.

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

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 Alcohol Safety Action Program, 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 \$215,000 for operations to the Valley Community Services Board, \$134,080 to the Shenandoah Valley Airport, \$108,800 to the Shenandoah Valley Juvenile Detention Home and \$5,130,734 to the Middle River Regional Jail Authority. The School Board contributed \$1,020,638 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 financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

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

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

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

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

The government reports the following major governmental funds:

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

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

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

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

Additionally, the government reports the following fund types:

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

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

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.

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

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, 2023, the General Fund had allowances of \$923,770 for property taxes and \$105,754 for EMS transport fees. The allowance for property taxes represents 0.2095 percent of the total levies for the previous six years.

Use of Estimates

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

Capital Assets

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

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

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

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

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

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

<u>Assets</u>	<u>Years</u>
Buildings	40
Building Improvements	40
Land Improvements	15-20
Machinery and Equipment	5-10
Intangible Right-to-Use Lease Land	2-27
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.

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

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.

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

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

Subscription-based information technology arrangements (SBITAs)

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

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

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

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

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

Fund Equity

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

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

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

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, 2023, the County had more than the required two months of operating expenditures by \$1,374,361. 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 \$3,398,301. 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, 2023 for unspent bond proceeds. General Fund reports restricted cash at June 30, 2023 for unspent grant proceeds.

Deferred Outflows/Inflows of Resources

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

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

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

Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Several types of items qualify for reporting in this category related to the pension plan and OPEB plans. See Notes 10 through 15 for details regarding these items. Accordingly, two other items, unavailable revenue representing property taxes receivable and other unavailable revenues, which 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, the second half installment of property taxes 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 7.39 years for the County plan and 7.15 years for the School plan. Plan amendments are recognized immediately.

Group Life Insurance

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

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

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 13, 2023, the date on which the financial statements were available to be issued.

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

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, 2023, the School Cafeteria Fund had expenditures exceeding appropriations due to a non-cash adjustment for USDA inventories.

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

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, 2023, 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, 2023 were rated by Standard & Poor’s and the ratings are presented below using the Standard & Poor’s rating scale.

	Ratings			
	AA	AAA	AA+	AAAm
U.S. Agencies	\$ -	\$ -	\$ 15,591,689	\$ -
U.S. Treasury Obligations	-	-	2,127,760	-
Municipal/Public Bonds	-	-	3,873,804	-
Local Government Investment Pool	-	-	-	163,445
Total	\$ -	\$ -	\$ 21,593,253	\$ 163,445

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 3. Deposits and Investments (Continued)

Concentration of Credit Risk

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

Interest Rate Risk

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

Investment Type	Investment Maturities (in years)		
	Fair Value	Less than 1 Year	1-5 Years
U.S. Treasury Obligations	\$ 2,127,760	\$ 1,008,085	\$ 1,119,675
Municipal/Public Bonds	3,873,804	978,404	2,895,400
U.S. Agencies	15,591,689	5,731,281	9,860,408
Total	\$ 21,593,253	\$ 7,717,770	\$ 13,875,483

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 \$163,445, 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, 2023:

- U.S. agency securities of \$9,559,336 are valued using quoted market prices (Level 1 inputs) and \$6,032,353 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 \$6,001,564 are valued using quoted market prices (Level 1 inputs).
- Money market funds of \$1,209,814 are valued using quoted market prices (Level 1 inputs).

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 4. Due from Other Governmental Units

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

	Primary Government	Component Unit - School Board
Shenandoah Valley Regional Program for Special Education:		
Net pension and other post employment benefits liability	\$ -	\$ 958,426
Commonwealth of Virginia:		
Local sales tax	-	2,491,419
State sales tax	1,730,568	-
Motor vehicle carrier's tax	61,386	-
Peer to Peer vehicle sharing tax	201	-
Reimbursement of shared services	441,571	-
Titling tax	66,484	-
Auto rental tax	19,654	-
Criminal Justice	92,021	-
Broadband Grant	47,770	-
Wireless PSAP	50,796	-
Library	52,763	-
Other	849	-
Children's services act	479,072	-
Virginia public assistance	115,185	-
Juror payments	1,920	-
Federal Government:		
Virginia public assistance	404,586	-
Criminal justice	46,931	-
EMPG Grant	14,882	-
IRF Planning Grant	31,600	-
Transportation	4,660	-
COSSAP Grant	31,621	-
HVAC ARPA Grant	431,155	-
School grants	-	985,963
Head Start	-	384,710
Totals	<u>\$ 4,125,675</u>	<u>\$ 4,820,518</u>

Note 5. Encumbrances

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

General Fund	\$ 1,799,669
Capital Projects Fund	<u>9,302,204</u>
Total	<u>\$ 11,101,873</u>

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 6. Interfund/Entity Obligations

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

Fund	Interfund Receivable	Interfund Payable	Due to Primary Government/ Component Unit	Due from Primary Government/ Component Unit
Primary Government:				
General Fund	\$ 591,332	\$ -	\$ 3,205,033	\$ 734,499
VPA Fund	-	591,332	-	-
Total	\$ 591,332	\$ 591,332	\$ 3,205,033	\$ 734,499
Component Unit - School Board:				
School Operating Fund	\$ -	\$ -	\$ -	\$ 3,205,033
Head Start Fund	-	-	5,653	-
Governor's School Fund	-	-	728,846	-
Total	\$ -	\$ -	\$ 734,499	\$ 3,205,033

Note 7. Interfund Transfers

Interfund transfers for the year ended June 30, 2023 consisted of the following:

Fund	Transfers In	Transfers Out
Primary Government:		
General Fund	\$ 63,681	\$ 26,989,445
Virginia Public Assistance Fund	3,175,769	-
School Capital Improvements Fund	1,080,000	2,913,595
Debt Service Fund	7,700,804	-
County Capital Improvements Fund	18,604,657	721,871
Total	\$ 30,624,911	\$ 30,624,911

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

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

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, 2023:

	* Balance		Balance	
	June 30, 2022	Issuances	Retirements	June 30, 2023
General obligation bonds	\$ 54,339,113	\$ 58,665,000	\$ 5,176,612	\$ 107,827,501
Revenue bonds	4,081,371	-	602,676	3,478,695
Premiums on bond issues	4,199,011	7,566,380	427,513	11,337,878
Private placement notes	1,428,063	161,850	419,129	1,170,784
Lease liabilities	5,091,839	356,324	249,423	5,198,740
Compensated absences	2,571,147	1,130,017	905,040	2,796,124
Subscription liabilities	374,927	1,071,100	266,535	1,179,492
Total long-term liabilities	\$ 72,085,471	\$ 68,950,671	\$ 8,046,928	\$ 132,989,214

*The beginning balance for subscriptions was restated with the implementation of GASB 96, with no impact to the overall net position.

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

Year(s) Ending June 30,	General Obligation Bonds		Revenue Bonds	
	Principal	Interest	Principal	Interest
2024	\$ 5,691,822	\$ 4,229,032	\$ 627,677	\$ 104,416
2025	7,205,405	4,273,841	657,676	78,141
2026	6,766,860	3,970,668	437,677	57,703
2027	7,001,094	3,656,124	452,676	42,456
2028	5,412,320	3,392,197	467,677	26,147
2029-2033	26,345,000	13,871,323	835,312	8,844
2034-2038	26,550,000	8,267,795	-	-
2039-2044	22,855,000	3,336,279	-	-
Total	\$ 107,827,501	\$ 44,997,259	\$ 3,478,695	\$ 317,707

Year(s) Ending June 30,	Private Placement Notes		Lease liabilities		Subscription liabilities	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 388,448	\$ 46,315	\$ 240,821	\$ 91,829	\$ 451,773	\$ 26,567
2025	403,548	31,215	225,161	87,940	441,512	14,599
2026	378,788	15,512	217,043	84,284	281,158	3,653
2027	-	-	215,215	80,525	5,049	69
2028	-	-	193,672	76,864	-	-
2029-2033	-	-	1,053,161	333,067	-	-
2034-2038	-	-	1,140,012	235,124	-	-
2039-2043	-	-	881,795	145,975	-	-
2044-2048	-	-	961,870	53,274	-	-
2049-2051	-	-	69,990	3,332	-	-
Total	\$ 1,170,784	\$ 93,042	\$ 5,198,740	\$ 1,192,214	\$ 1,179,492	\$ 44,888

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 8. Long-Term Obligations (Continued)

Primary Government – Governmental Activity Indebtedness (Continued)

Details of long-term indebtedness:

	Total Amount	Amount Due Within One Year
<u>General obligation bonds (issued for school construction):</u>		
\$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.	\$ 580,000	\$ 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.	738,401	360,859
\$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.	5,320,000	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 be amortized over the life of the bond.	3,569,100	677,002
\$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.	1,875,000	468,750
\$6,600,000 2012B Series, issued May 10, 2012, Virginia Public School Authority Bonds due in annual installments from \$330,000 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.	4,055,000	315,000
\$27,825,000 2016A Series, issued April 26, 2016, Virginia Public School Authority Bonds due in annual installments from \$1,205,000 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.	21,735,000	1,150,000
\$14,285,000 2016B Series, issued October 25, 2016, Virginia Public School Authority Bonds due in annual installments from \$615,000 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.	11,290,000	585,000

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 8. Long-Term Obligations (Continued)

Primary Government – Governmental Activity Indebtedness (Continued)

	Total Amount	Amount Due Within One Year
<u>General obligation bonds (issued for school construction): (continued)</u>		
\$20,520,000 2022B Series, issued October 18, 2022, Virginia Public School Authority Bonds due in annual installments from \$400,000 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.	\$ 20,520,000	\$ 400,000
\$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	-
Sub-total general obligation bonds payable	107,827,501	5,576,611
Unamortized premium on general obligation bonds	10,988,651	504,459
<u>Revenue bonds:</u>		
\$1,789,123 2012B Series, issued August 23, 2012, Virginia Resources Authority Bonds due in annual installments of \$92,677 through December 1, 2033. The loan is interest free.	908,695	92,677
\$4,415,000 2013A Series, issued June 5, 2013, Virginia Resources Authority Bonds due in annual installments from \$315,000 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.	2,115,000	315,000
\$1,890,000 2014C Series, issued November 19, 2014, Virginia Resources Authority Bonds due in annual installments from \$220,000 to \$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.	455,000	220,000
Sub-total revenue bonds payable	3,478,695	627,677
Unamortized premium on revenue bonds	349,227	78,845
<u>Private placement notes:</u>		
ePlus Group, Inc. note, dated October 16, 2019, due in annual installments from \$454,524 to \$322,606 through November 1, 2025, plus annual interest at 4.095%.	1,092,245	349,571
ePlus Group, Inc. capital lease, dated February 7, 2022, due in annual installments from \$40,199 to \$38,877 through November 1, 2024, plus annual interest at 4.75%.	78,539	38,877
Compensated absences (payable from the General Fund)	2,796,124	505,243
Total	\$ 126,610,982	\$ 7,681,283

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 8. Long-Term Obligations (Continued)

Primary Government – Governmental Activity Indebtedness (Continued)

Arbitrage Rebate Compliance:

As of June 30, 2023, 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, 2023:

	Balance June 30, 2022	Issuances	Retirements	Balance June 30, 2023
Compensated absences	\$ 2,430,050	\$ 1,284,756	\$ 905,597	\$ 2,809,209
Lease liabilities	703,180	149,785	337,233	515,732
Subscription liabilities	152,744	53,005	71,444	134,305
Total long-term liabilities	\$ 3,285,974	\$ 1,487,546	\$ 1,314,274	\$ 3,459,246

Details of long-term indebtedness:

	Total Amount	Amount Due Within One Year
Accrued compensated absences (payable from the School Operating Fund)	\$ 2,809,209	\$ 537,097
Total long-term obligations	\$ 2,809,209	\$ 537,097

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

Year Ending June 30,	Lease liabilities		Subscription liabilities	
	Principal	Interest	Principal	Interest
2024	\$ 269,727	\$ 5,357	\$ 69,186	\$ 2,915
2025	133,598	3,480	65,119	1,399
2026	66,564	2,107	-	-
2027	31,388	1,014	-	-
2028	14,455	127	-	-
Total	\$ 515,732	\$ 12,085	\$ 134,305	\$ 4,314

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 9. Leases

A. Leases Receivable

Primary Government

During the current fiscal year, the County leased land, building and infrastructure to a third party. The building leases range from 13 to 62 months. The County will receive monthly fixed payments ranging from \$1,221 to \$3,705. The land lease is a 48 month lease, and the County will receive annual fixed payments of \$385. 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 \$71,498 in lease revenue and \$1,992 in interest revenue during the current fiscal year related to these leases. As of June 30, 2023, the County's receivable for lease payments was \$217,448. 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, 2023, the balance of the deferred inflow of resources was \$217,218.

B. Leases Payable

Primary Government

During the current fiscal year, the County had agreements as a lessee for land, buildings, equipment and infrastructure. For the equipment leases, the County is required to make monthly fixed principal and interest payments ranging from \$25 to \$569 over a period ranging from 13 months to 60 months with interest rates ranging from 0.0308% to 3.445%. For the building lease, the County is required to make monthly fixed payments of \$1,107 over 67 months with an interest rate of 0.815%. The County has three extension options on the building, each for 12 months.

For the land leases, the County is required to make monthly fixed principal and interest payments ranging from \$1,950 to \$4,307 and annual fixed payments ranging from \$1,800 to \$12,706. Interest rates with the fixed payments range from 0.411% to 2.194% over 24 months to 326 months. The County also has one land lease with variable principal and interest payments of \$3,604 based on a CPI index. The lease has an interest rate of 1.471%. The County has several extension options associated with the land leases. For certain infrastructure leases, the County is required to make annual fixed payments ranging from \$908 to \$10,525 with interest rates ranging from 1.577% to 3.689% over a range of 204 months to 360 months. For other infrastructure leases, the County is required to make monthly fixed principal and interest payments ranging from \$1,000 to \$3,697 over a period ranging from 196 months to 310 months with interest rates ranging from 1.544% to 1.813%. The County has several extension options associated with the infrastructure leases.

School Board

During the current fiscal year, the School Board had agreements as a lessee for equipment. The School Board is required to make monthly fixed principal and interest payments ranging from \$52 to \$7,763 over a period ranging from 19 months to 60 months with interest rates ranging from 0.308% to 3.445%.

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 9. Leases (Continued)

C. Subscription-based information technology arrangements

Primary Government

During the current fiscal year, the County had 18 SBITAs. In accordance with the implementation of GASB Statement No. 96, an initial subscription liability was recorded in the amount of \$374,927 during the current fiscal year. As of June 30, 2023, the value of the subscription liability was \$1,179,492. The subscriptions have an interest rate ranging from 2.024% to 3.305%. The intangible subscription assets have one to five year estimated useful life. The value of the intangible subscription assets as of the end of the current fiscal year was \$1,490,130 and had accumulated amortization of \$192,532.

School Board

During the current fiscal year, the County had three SBITAs. In accordance with the implementation of GASB Statement No. 96, an initial subscription liability was recorded in the amount of \$152,744 during the current fiscal year. As of June 30, 2023, the value of the subscription liability was \$134,305. 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 \$63,592.

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

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
<p>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.</p>	<p>About Plan 2 <i>Political subdivision employees:</i> Same as Plan 1. <i>School division employees (teachers):</i> Plan 2 is a defined benefit plan. The retirement benefit is based on a member’s age, service credit and average final compensation at retirement using a formula.</p>	<p>About the Hybrid Retirement Plan The Hybrid Retirement Plan combines the features of a defined benefit plan and a defined contribution plan.</p> <ul style="list-style-type: none"> • 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.

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 10. Pension Plan (Continued)

A. Plan Description (Continued)

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

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 10. Pension Plan (Continued)

A. Plan Description (Continued)

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>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.</p>	<p>Retirement Contributions Same as Plan 1.</p>	<p>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.</p>
<p>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.</p>	<p>Service Credit Same as Plan 1.</p>	<p>Service Credit <i>Defined Benefit Component</i> Under the defined benefit component of the plan, service credit includes active service. Members earn service credit for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional service credit the member was granted. A member’s total service credit is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit.</p> <p><i>Defined Contribution Component</i> Under the defined contribution component, service credit is used to determine vesting for the employer contribution portion of the plan.</p>

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 10. Pension Plan (Continued)

A. Plan Description (Continued)

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

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 10. Pension Plan (Continued)

A. Plan Description (Continued)

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

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 10. Pension Plan (Continued)

A. Plan Description (Continued)

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

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 10. Pension Plan (Continued)

A. Plan Description (Continued)

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

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 10. Pension Plan (Continued)

A. Plan Description (Continued)

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>Cost-of-Living Adjustment (COLA) in Retirement (Continued)</p> <p><i>Exceptions to COLA Effective Dates</i></p> <p><i>School Division (Teachers) and Political Subdivision Employees:</i></p> <p>The COLA is effective July 1 following one full calendar year (January 1 to December 31) under any of the following circumstances:</p> <ul style="list-style-type: none"> • 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. 	<p>Cost-of-Living Adjustment (COLA) in Retirement (Continued)</p> <p><i>Exceptions to COLA Effective Dates</i></p> <p><i>School Division (Teachers) and Political Subdivision Employees:</i></p> <p>Same as Plan 1.</p>	<p>Cost-of-Living Adjustment (COLA) in Retirement (Continued)</p> <p><i>Exceptions to COLA Effective Dates</i></p> <p><i>School Division (Teachers) and Political Subdivision Employees:</i></p> <p>Same as Plan 1 and Plan 2.</p>

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 10. Pension Plan (Continued)

A. Plan Description (Continued)

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>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.</p>	<p>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.</p>	<p>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.</p> <p>Hybrid members (including Plan 1 and Plan 2 opt-ins) covered under VLDP are subject to a one-year waiting period before becoming eligible for non-work related disability benefits.</p>
<p>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.</p>	<p>Purchase of Prior Service Same as Plan 1.</p>	<p>Purchase of Prior Service <i>Defined Benefit Component</i> Same as Plan 1, with the following exception:</p> <ul style="list-style-type: none"> • Hybrid Retirement Plan members are ineligible for ported service. <p><i>Defined Contribution Component</i> Not applicable.</p>

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 10. Pension Plan (Continued)

B. Employees Covered by Benefit Terms

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

County Plan (Agent Plan)

	<u>Number</u>
Inactive members or their beneficiaries currently receiving benefits	<u>365</u>
Inactive members:	
Vested inactive members	86
Non-vested inactive members	177
Inactive members active elsewhere in VRS	<u>339</u>
Total inactive members	<u>602</u>
Active members	<u>503</u>
Total covered employees	<u><u>1,470</u></u>

School Board Non-Professional Plan (Agent Plan)

	<u>Number</u>
Inactive members or their beneficiaries currently receiving benefits	<u>58</u>
Inactive members:	
Vested inactive members	18
Non-vested inactive members	59
Inactive members active elsewhere in VRS	<u>27</u>
Total inactive members	<u>104</u>
Active members	<u>88</u>
Total covered employees	<u><u>250</u></u>

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

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, 2023 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 \$2,811,752 and \$2,515,408 for the years ended June 30, 2023 and 2022, 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, 2023 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 \$123,001 and \$149,747 for the years ended June 30, 2023 and 2022, respectively.

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

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, 2023, was 16.62% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021.

The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the School Board for the professional plan were \$11,118,946 and \$10,194,066 for the years ended June 30, 2023 and 2022, respectively.

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

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, 2022. The total pension liabilities used to calculate the net pension liabilities were determined by an actuarial valuation performed as of June 30, 2021, rolled forward to the measurement date of June 30, 2022.

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 10. Pension Plan (Continued)

D. Net Pension Liability (Continued)

School Board Professional Plan (Cost-Sharing Plan)

At June 30, 2023, the School Board reported a liability for the professional plan of \$65,331,300 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2021, and rolled forward to the measurement date of June 30, 2022. The School 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, 2022 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2022, the School Board’s proportion was 0.68621% as compared to 0.68859% at June 30, 2021.

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, 2022, NPL amounts for the VRS Teacher Employee Retirement Plan is as follows (amounts expressed in thousands):

	Teacher Employee Retirement Plan
Total pension liability	\$ 54,732,329
Plan fiduciary net position	45,211,731
Employers' net pension liability	\$ 9,520,598

Plan fiduciary net position as a percentage of the total pension liability	82.61%
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The total pension liability is calculated by the System’s actuary, and each plan’s fiduciary net position is reported in the System’s financial statements. The net position liability is disclosed in accordance with the requirements of GASB Statement No. 67 in the System’s notes to the financial statements and required supplementary information.

E. Actuarial Assumptions

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

General Employees

The total pension liability for General Employee’s in the County’s retirement plan and the total pension liability for General Employees in the School Board non-professional retirement plan were based on an actuarial valuation as of June 30, 2021, using the Entry Age Normal Actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2022.

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 10. Pension Plan (Continued)

E. Actuarial Assumptions (Continued)

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

General Employees (Continued)

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

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

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

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

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

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

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

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

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, 2021, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date as of June 30, 2022.

Inflation	2.50%
Salary increases, including inflation	3.50% - 5.95%
Investment rate of return	6.75%, net of pension plan investment 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 MP-2020 rates.

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

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

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 10. Pension Plan (Continued)

F. Long-Term Expected Rate of Return

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

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

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

* The above allocation provides a one-year expected return of 7.83%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 6.72%, including expected inflation of 2.50%.

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

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

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, 2021, actuarial valuations, whichever was greater. From July 1, 2022 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, 2022, 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 100% of the actuarially determined contribution rate. From July 1, 2022, on, school divisions are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 10. Pension Plan (Continued)

H. Changes in the Net Pension Liability (Asset)

County Plan (Agent Plan)

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balances at June 30, 2021	\$ 112,783,342	\$ 113,255,272	\$ (471,930)
Changes for the year:			
Service cost	2,842,031	-	2,842,031
Interest	7,618,088	-	7,618,088
Differences between expected and actual experience	(3,718,383)	-	(3,718,383)
Contributions - employer	-	2,515,408	(2,515,408)
Contributions - employee	-	1,203,558	(1,203,558)
Net investment income	-	(108,965)	108,965
Benefit payments, including refunds of employee contributions	(5,529,617)	(5,529,617)	-
Administrative expense	-	(70,507)	70,507
Other changes	-	2,615	(2,615)
Net changes	1,212,119	(1,987,508)	3,199,627
Balances at June 30, 2022	\$ 113,995,461	\$ 111,267,764	\$ 2,727,697

School Board Non-Professional Plan (Agent Plan)

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balances at June 30, 2021	\$ 14,075,361	\$ 14,933,754	\$ (858,393)
Changes for the year:			
Service cost	240,770	-	240,770
Interest	941,916	-	941,916
Differences between expected and actual experience	(57,124)	-	(57,124)
Contributions - employer	-	149,747	(149,747)
Contributions - employee	-	136,851	(136,851)
Net investment income	-	(10,031)	10,031
Benefit payments, including refunds of employee contributions	(723,626)	(723,626)	-
Administrative expense	-	(9,384)	9,384
Other changes	-	340	(340)
Net changes	401,936	(456,103)	858,039
Balances at June 30, 2022	\$ 14,477,297	\$ 14,477,651	\$ (354)

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 10. Pension Plan (Continued)

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

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

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

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
County net pension liability (asset)	\$ 18,711,019	\$ 2,727,697	\$ (10,201,352)
School Board non-professional net pension liability (asset)	1,714,877	(354)	(1,404,165)
School Board professional net pension liability	116,686,703	65,331,300	23,516,709

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, 2023, the County recognized pension expense of \$334,707. 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	\$ 45,200	\$ (3,555,296)
Changes of assumptions	1,584,369	-
Net difference between projected and actual earnings on pension plan investments	-	(3,234,828)
Employer contributions subsequent to the measurement date	2,811,752	-
	<u>\$ 4,441,321</u>	<u>\$ (6,790,124)</u>

The \$2,811,752 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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Year Ending June 30,	Amount
2024	\$ (1,898,586)
2025	(2,353,863)
2026	(2,446,165)
2027	1,538,059
	<u>\$ (5,160,555)</u>

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 10. Pension Plan (Continued)

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

School Board Non-Professional Plan (Agent Plan)

For the year ended June 30, 2023, the School Board recognized pension expense related to its non-professional plan of \$37,053. The School Board also reported deferred outflows of resources and deferred inflows of resources related to its non-professional plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (63,616)
Changes of assumptions	75,976	-
Net difference between projected and actual earnings on pension plan investments	-	(437,340)
Employer contributions subsequent to the measurement date	123,001	-
	<u>\$ 198,977</u>	<u>\$ (500,956)</u>

The \$123,001 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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Year Ending June 30,	Amount
2024	\$ (146,796)
2025	(185,597)
2026	(293,187)
2027	200,600
	<u>\$ (424,980)</u>

School Board Professional Plan (Cost-Sharing Plan)

For the year ended June 30, 2023, the School Board recognized pension expense related to the professional plan of \$2,313,389 and the Commonwealth’s special contribution of \$3,035,595. 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.

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 \$74,422 has been allocated and reported as due from the Program.

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 10. Pension Plan (Continued)

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

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

At June 30, 2023, 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	\$ -	\$ (4,504,851)
Changes of assumptions	6,159,426	-
Net difference between projected and actual earnings on pension plan investments	-	(8,517,833)
Changes in proportionate share	1,386	(2,002,953)
Employer contributions subsequent to the measurement date	11,118,946	-
	<u>\$ 17,279,758</u>	<u>\$ (15,025,637)</u>

The \$11,118,946 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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Year Ending June 30,	Amount
2024	\$ (3,110,596)
2025	(3,524,250)
2026	(6,029,910)
2027	3,799,931
	<u>\$ (8,864,825)</u>

K. Pension Plan Data

Information about the VRS Political Subdivision Retirement Plan and the VRS Teacher Retirement Plan is also available in the separately issued VRS 2022 Annual Comprehensive Financial Report (Annual Report). A copy of the 2022 VRS Annual Report may be downloaded from the VRS website at varetire.org/pdf/publications/2022-annual-report.pdf or by writing to the System’s Chief Financial Officer at P.O. Box 2500, Richmond, Virginia 23218-2500.

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 11. Other Postemployment Benefits – Medical Insurance Program

A. Plan Description

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

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

County

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

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

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

A. Plan Description (Continued)

School Board

MEDICAL INSURANCE PROGRAM PLAN PROVISIONS
<p><i>Eligibility Conditions</i> A retiring employee, who is participating in the employer’s medical program at the time of retirement, is eligible to elect post retirement coverage:</p> <ul style="list-style-type: none"> • 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. <p>Coverage ceases at the earlier eligibility for Medicare or for any other health coverage.</p>
<p><i>Covered Employees</i> All full time employees (must be covered by the active plan at time or retirement or disability).</p>
<p><i>Medical Coverage</i> Employee Cost Sharing</p> <ul style="list-style-type: none"> • Employee pays 100% of individual premium. • Spouse – Employee pays 100% of spousal premium. <p>Coverage ceases upon eligibility for any other health coverage, including Medicare.</p>

B. Employees Covered by Benefit Terms

At July 1, 2021, the following employees were covered by the benefit terms:

County

	<u>Number</u>
Inactive employees or beneficiaries currently receiving benefit payments	10
Active employees	<u>496</u>
Total	<u><u>506</u></u>

School Board

	<u>Number</u>
Inactive employees or beneficiaries currently receiving benefit payments	38
Active employees	<u>1,353</u>
Total	<u><u>1,391</u></u>

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

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 \$5,292,000 was measured as of July 1, 2022 and was determined by an actuarial valuation as of July 1, 2021. The School Board's total Medical Insurance OPEB liability of \$11,095,000 was measured as of July 1, 2022 and was determined by an actuarial valuation as of July 1, 2021.

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, 2022, 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	3.69%
Healthcare cost trend rates	5.75% for fiscal year end 2023, decreasing 0.25% per year to an ultimate rate of 5.00%.

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

	<u>Total Medical Insurance OPEB Liability</u>
Balance at July 1, 2022	\$ 6,375,000
Changes for the year:	
Service cost	455,000
Interest	132,000
Difference between expected and actual experience	(1,076,000)
Contributions - employer	50,000
Changes in Benefit terms	909,000
Other changes	(1,553,000)
Net changes	<u>(1,083,000)</u>
Balance at June 30, 2023	<u>\$ 5,292,000</u>

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

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

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

School Board

	<u>Total Medical Insurance OPEB Liability</u>
Balance at July 1, 2022	\$ 14,223,000
Changes for the year:	
Service cost	907,000
Interest	288,000
Difference between expected and actual experience	(1,951,000)
Contributions - employer	(308,000)
Assumption changes	(2,064,000)
Net changes	<u>(3,128,000)</u>
Balance at June 30, 2023	<u>\$ 11,095,000</u>

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

The following presents the total OPEB liabilities of the County and the School Board calculated using the stated discount rate, as well as what the County and the School Board’s total Medical Insurance OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.69%) or 1-percentage-point higher (4.69%) than the current discount rate:

	1% Decrease (2.69%)	Current Discount Rate (3.69%)	1% Increase (4.69%)
County	\$ 5,960,000	\$ 5,292,000	\$ 4,709,000
School Board	12,151,000	11,095,000	10,130,000

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	\$ 4,587,000	\$ 5,292,000	\$ 6,148,000
School Board	9,719,000	11,095,000	12,721,000

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

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, 2023, the County recognized Medical OPEB plan expense of \$1,071,000. 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	\$ 340,000	\$ (2,456,000)
Changes of assumptions	975,000	(1,451,000)
Employer contributions after measurement date but prior to fiscal year end	79,147	-
	<u>\$ 1,394,147</u>	<u>\$ (3,907,000)</u>

The \$79,147 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, 2024. 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
2024	\$ (425,000)
2025	(425,000)
2026	(301,000)
2027	(402,000)
2028	(483,000)
Thereafter	<u>(556,000)</u>
	<u>\$ (2,592,000)</u>

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

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

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

School Board

For the year ended June 30, 2023, the School Board recognized Medical OPEB plan credit of \$(142,000). 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	\$ 573,000	\$ (6,026,000)
Changes of assumptions	1,806,000	(2,192,000)
Employer contributions after measurement date but prior to fiscal year end	372,592	-
	<u>\$ 2,751,592</u>	<u>\$ (8,218,000)</u>

The \$372,592 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, 2024. 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
2024	\$ (1,339,000)
2025	(1,339,000)
2026	(1,339,000)
2027	(781,000)
2028	(513,000)
Thereafter	(528,000)
	<u>\$ (5,839,000)</u>

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 12. Other Postemployment Benefits – Group Life Insurance Program

A. Plan Description

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

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

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

GROUP LIFE INSURANCE PROGRAM PLAN PROVISIONS
<p><i>Eligibility Conditions</i> The GLI was established July 1, 1960, for state employees, teachers and employees of political subdivisions that elect the program. Basic GLI coverage is automatic upon employment. Coverage ends for employees who leave their position before retirement eligibility or who take a refund of their accumulated retirement member contributions and accrued interest.</p>
<p><i>Benefit Amounts</i> The benefits payable under the GLI have several components.</p> <ul style="list-style-type: none"> • <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: <ul style="list-style-type: none"> ○ Accidental dismemberment benefit ○ Seatbelt benefit ○ Repatriation benefit ○ Felonious assault benefit ○ Accelerated death benefit option
<p><i>Reduction in Benefit Amounts</i> The benefit amounts provided to members covered under the GLI are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value.</p>
<p><i>Minimum Benefit Amount and Cost-of-Living Adjustment (COLA)</i> 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 \$8,984 effective June 30, 2023.</p>

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

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

B. Contributions

The contribution requirements for the GLI are governed by Sections 51.1-506 and 51.1-508 of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the GLI was 1.34% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.80% (1.34% X 60%) and the employer component was 0.54% (1.34% X 40%). Employers may elect to pay all or part of the employee contribution, however, the employer must pay all of the employer contribution. Each employer’s contractually required employer contribution rate for the year ended June 30, 2023 was 0.54% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the GLI from the participating employers for the years ended June 30, 2023 and June 30, 2022 were as follows:

	2023	2022
County	\$ 111,753	\$ 130,314
School Board Non-Professional	16,604	17,994
School Board Professional	288,761	361,545

In June 2022, the Commonwealth made a special contribution of approximately \$30.4 million to the Group Life Insurance plan. This special payment was authorized by a Budget Amendment included in Chapter 1 of the 2022 Appropriation Act. The amount contributed to the GLI Program for the County was \$34,803, for the Schools professional group was \$89,541, and for the Schools non-professional group was \$4,310.

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

At June 30, 2023, the participating employers’ reported liabilities for its proportionate share of the net GLI OPEB liability as follows:

County	\$ 1,376,764
School Board Non-Professional	170,500
School Board Professional	3,542,090

The net GLI OPEB liability was measured as of June 30, 2022 and the total GLI OPEB liability used to calculate the net GLI OPEB liability was determined by an actuarial valuation performed as of June 30, 2021, and rolled forward to the measurement date of June 30, 2022. The covered 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, 2022 relative to the total of the actuarially determined employer contributions for all participating employers.

At June 30, 2022, comparisons of the participating employers’ proportions to June 30, 2021 are as follows:

	2022	2021
County	0.11434%	0.11539%
School Board Non-Professional	0.01416%	0.01369%
School Board Professional	0.29417%	0.29490%

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

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

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

For the year ended June 30, 2023, the County, School Board non-professional, and School Board professional employees recognized GLI OPEB expense of \$67,304, \$3,884, and \$81,742, 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, 2023, 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	\$ 109,022	\$ (55,232)
Net difference between projected and actual earnings on GLI OPEB investments	-	(86,027)
Changes of assumptions	51,351	(134,102)
Changes in proportionate share	43,535	(11,958)
Employer contributions subsequent to the measurement date	111,753	-
	<u>\$ 315,661</u>	<u>\$ (287,319)</u>

The \$111,753 reported as deferred outflows of resources related to the GLI OPEB resulting from the employer’s contributions subsequent to the measurement date will be recognized as a reduction of the net GLI OPEB liability in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

Year Ending June 30,	Amount
2024	\$ (6,110)
2025	(12,799)
2026	(63,659)
2027	11,755
2028	(12,598)
	<u>\$ (83,411)</u>

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

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

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

School Board Non-Professional Plan

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 13,501	\$ (6,840)
Net difference between projected and actual earnings on GLI OPEB investments	-	(10,654)
Changes of assumptions	6,359	(16,607)
Changes in proportionate share	7,993	(3,624)
Employer contributions subsequent to the measurement date	16,604	-
	<u>\$ 44,457</u>	<u>\$ (37,725)</u>

The \$16,604 reported as deferred outflows of resources related to the GLI OPEB resulting from the employer’s contributions subsequent to the measurement date will be recognized as a reduction of the net GLI OPEB liability in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

Year Ending June 30,	Amount
2024	\$ (3,809)
2025	(1,850)
2026	(6,844)
2027	2,817
2028	(186)
	<u>\$ (9,872)</u>

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

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

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

School Board Professional Plan

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 280,489	\$ (142,100)
Net difference between projected and actual earnings on GLI OPEB investments	-	(221,329)
Changes of assumptions	132,114	(345,014)
Changes in proportionate share	7,384	(118,851)
Employer contributions subsequent to the measurement date	288,761	-
	<u>\$ 708,748</u>	<u>\$ (827,294)</u>

The \$288,761 reported as deferred outflows of resources related to the GLI OPEB resulting from the employer’s contributions subsequent to the measurement date will be recognized as a reduction of the net GLI OPEB liability in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

Year Ending June 30,	Amount
2024	\$ (102,480)
2025	(91,004)
2026	(199,465)
2027	13,801
2028	(28,159)
	<u>\$ (407,307)</u>

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

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, 2021, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2022.

Inflation	2.50%
Salary increases, including inflation:	
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 pension plan 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, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study are as follows:

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

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

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

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

Mortality Rates – Hazardous Duty Employees

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

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

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

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

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

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to 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, 2022, NOL amounts for the GLI are as follows (amounts expressed in thousands):

	Group Life Insurance OPEB Program
Total GLI OPEB liability	\$ 3,672,085
Plan fiduciary net position	<u>2,467,989</u>
Employers' net GLI OPEB liability	<u><u>\$ 1,204,096</u></u>

Plan fiduciary net position as a percentage of the total GLI OPEB liability 67.21%

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

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

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

F. Long-Term Expected Rate of Return

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

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

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

* Expected arithmetic nominal return

* The above allocation provides a one-year return of 7.83%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 6.72%, including expected inflation of 2.50%. On October 10, 2019, the VRS Board elected a long-term rate of 6.75%, which is roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11%, including expected inflation of 2.50%.

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, 2022, 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 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.

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

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

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	\$ 2,003,353	\$ 1,376,764	\$ 870,394
School Board Non-Professional	248,098	170,500	107,791
School Board Professional	5,154,156	3,542,090	2,239,321

I. GLI Fiduciary Net Position

Detailed information about the GLI’s fiduciary net position is available in the separately issued VRS 2022 Annual Comprehensive Financial Report (Annual Report). A copy of the 2022 VRS Annual Report may be downloaded from the VRS website at varetire.org/pdf/publications/2022-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.

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

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

A. Plan Description (Continued)

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
<p><i>Eligible Employees</i> The Political Subdivision Retiree HIC was established July 1, 1993 for retired political subdivision employees of employers who elect the benefit and who retire with at least 15 years of service credit.</p> <p>Eligible employees are enrolled automatically upon employment. They include:</p> <ul style="list-style-type: none"> • Full-time permanent salaried employees of the participating political subdivision who are covered under the VRS pension plan.
<p><i>Benefit Amounts</i> The political subdivision’s Retiree HIC provides the following benefits for eligible employees:</p> <ul style="list-style-type: none"> • 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.
<p><i>Health Insurance Credit Program Notes</i></p> <ul style="list-style-type: none"> • 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. <p>Employees who retire after being on long-term disability under VLDP must have at least 15 years of service credit to qualify for the HIC as a retiree.</p>

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
<p><i>Eligible Employees</i> The Teacher Employee Retiree HIC was established July 1, 1993 for retired Teacher Employees covered under VRS who retire with at least 15 years of service credit.</p> <p>Eligible employees are enrolled automatically upon employment. They include:</p> <ul style="list-style-type: none"> • Full-time permanent (professional) salaried employees of public school divisions covered under VRS.

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

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

A. Plan Description (Continued)

School Board Professional Plan (Continued)

TEACHER EMPLOYEE HIC PLAN PROVISIONS (Continued)
<p><i>Benefit Amounts</i> The Teacher Employee Retiree HIC provides the following benefits for eligible employees:</p> <ul style="list-style-type: none"> • <u>At Retirement</u> – for Teacher and other professional school employees who retire, the monthly benefit is \$4.00 per year of service per month with no cap on the benefit amount. • <u>Disability Retirement</u> – for Teacher and other professional school employees who retire on disability or go on long-term disability under the VLDP, the monthly benefit is either: <ul style="list-style-type: none"> ○ \$4.00 per month, multiplied by twice the amount of service credit, or ○ \$4.00 per month, multiplied by the amount of service earned had the employee been active until age 60, whichever is lower.
<p><i>HIC Program Notes</i></p> <ul style="list-style-type: none"> • 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, 2021 actuarial valuation, the following employees were covered by the benefit terms of the HIC plan.

	<u>Number</u>
Inactive employees or their beneficiaries currently receiving benefit payments	31
Inactive members:	
Vested	<u>2</u>
Total inactive members	<u>33</u>
Active employees	<u>88</u>
Total	<u><u>121</u></u>

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

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, 2023 was 0.55% 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, 2023 and June 30, 2022 were as follows:

	2023	2022
School Board Non-Professional	\$ 24,196	\$ 20,324
School Board Professional	765,788	789,923

In June 2022, the Commonwealth made a special contribution of approximately \$12 million to the VRS Teacher Health Insurance credit Program. This special payment was authorized by a budget amendment included in Chapter 1 of the 2022 Appropriation Act, and is classified as a non-employer contribution. The amount contributed to the HIC program for the Schools professional group was \$82,366.

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

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, 2022, NOL amounts for the Teacher Employee HIC are as follows (amounts expressed in thousands):

	Teacher Employee HIC OPEB Program
Total HIC OPEB liability	\$ 1,470,891
Plan fiduciary net position	221,845
Employers' net HIC OPEB liability	\$ 1,249,046
Plan fiduciary net position as a percentage of the total teacher employee HIC OPEB liability	15.08%

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

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

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, 2021, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2022.

Inflation	2.50%
Salary increases, including inflation:	
Teacher employees	3.50% – 5.95%
General employees	3.50% – 5.35 %
Investment rate of return	6.75%, net of pension 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, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

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

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

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

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

F. Long-Term Expected Rate of Return

School Board Non-Professional and School Board Professional Plans

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

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

* The above allocation provides a one-year return of 7.83%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 6.72%, including expected inflation of 2.50%.

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

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

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

G. Discount Rate

School Board Non-Professional and School Board Professional Plans

The discount rate used to measure the total HIC OPEB was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2022, 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, 2022 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, 2021	\$ 216,961	\$ 17,732	\$ 199,229
Changes for the year:			
Service cost	2,040	-	2,040
Interest	14,584	-	14,584
Changes in assumptions	49,079	-	49,079
Difference between expected and actual experience	(121)	-	(121)
Contributions - employer	-	16,663	(16,663)
Net investment income	-	(173)	173
Benefit Payments	(5,876)	(5,876)	-
Administrative expense	-	(61)	61
Other Changes	-	382	(382)
Net changes	59,706	10,935	48,771
Balance at June 30, 2022	\$ 276,667	\$ 28,667	\$ 248,000

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	\$ 9,651,684	\$ 8,563,963	\$ 7,641,928
School Board Non-Professional	272,930	248,000	226,715

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

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

J. HIC OPEB Liability, HIC OPEB Expense, 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, 2023, the School Board non-professional plan recognized HIC OPEB expense of \$25,608. At June 30, 2023, 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	\$ -	\$ (96)
Net difference between projected and actual earnings on HIC OPEB investments	354	-
Changes of assumptions	41,461	-
Employer contributions subsequent to the measurement date	24,196	-
	<u>\$ 66,011</u>	<u>\$ (96)</u>

The \$24,196 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, 2024. 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
2024	\$ 10,877
2025	10,877
2026	10,786
2027	9,179
	<u>\$ 41,719</u>

School Board Professional Plan

At June 30, 2023, the School Board professional plan reported a liability of \$8,563,963 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, 2022 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, 2022. 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, 2022 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2022, the School Board professional plan’s proportion of the Teacher Employee HIC was 0.68564% as compared to 0.68754% at June 30, 2021.

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

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

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

For the year ended June 30, 2023, the School Board professional plan recognized Teacher Employee HIC OPEB expense of \$611,450. 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, 2023, 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	\$ -	\$ (349,081)
Net difference between projected and actual earnings on HIC OPEB investments	-	(8,596)
Changes of assumptions	250,197	(21,870)
Changes in proportionate share	21,044	(314,818)
Employer contributions subsequent to the measurement date	765,788	-
	<u>\$ 1,037,029</u>	<u>\$ (694,365)</u>

The \$765,788 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, 2024. 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
2024	\$ (99,102)
2025	(100,024)
2026	(91,187)
2027	(40,201)
2028	(54,765)
Thereafter	(37,845)
	<u>\$ (423,124)</u>

K. HIC Credit Program Plan Data

Detailed information about the VRS Political Subdivision and Teacher Employee Health Insurance Credit Program is available in the separately issued VRS 2022 Annual Comprehensive Financial Report (Annual Report). A copy of the 2022 VRS Annual Report may be downloaded from the VRS website at varetire.org/pdf/publications/2022-annual-report.pdf, or by writing to the System’s Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 14. Other Postemployment Benefits – Virginia Local Disability Program

A. Plan Description

School Board Professional Plan

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

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

TEACHER EMPLOYEE VIRGINIA LOCAL DISABILITY PROGRAM (VLDP) PLAN PROVISIONS
<p><i>Eligible Employees</i> The Teacher Employee VLDP was implemented January 1, 2014 to provide short-term and long-term disability benefits for non-work-related and work-related disabilities for employees with hybrid plan retirement benefits. Eligible employees are enrolled automatically upon employment, unless their employer has elected to provide comparable coverage. They include:</p> <ul style="list-style-type: none"> • Teachers and other full-time permanent (professional) salaried employees of public school divisions covered under VRS.
<p><i>Benefit Amounts</i></p> <ul style="list-style-type: none"> • The Teacher Employee VLDP provides the following benefits for eligible employees: <u>Short-Term Disability :</u> <ul style="list-style-type: none"> ○ 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. ○ 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. ○ Once the eligibility period is satisfied, employees are eligible for higher income replacement levels. <u>Long-Term Disability:</u> <ul style="list-style-type: none"> ○ 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. ○ 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.

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

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, 2023 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 \$138,409 and \$107,154 for the years ended June 30, 2023 and June 30, 2022, respectively.

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

School Board Professional Plan

At June 30, 2023, the school division reported an asset of \$2,831 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, 2022 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, 2021, rolled forward to the measurement date of June 30, 2022. 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 VDLDP OPEB plan for the year ended June 30, 2022 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2022, the school division’s proportion of the VRS Teacher Employee VLDP was 2.51809% as compared to 2.45840% at June 30, 2021.

For the year ended June 30, 2023, the school division recognized VRS Teacher Employee VLDP OPEB expense of \$72,043. Since there was a change in proportionate share between measurement dates a portion of the VRS Teacher Employee VLDP Net OPEB expense was related to deferred amounts from changes in proportion.

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

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

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 33,390	\$ (8,590)
Net difference between projected and actual earnings on VLDP OPEB investments	-	(788)
Changes of assumptions	8,445	-
Changes in proportionate share	10	(1,350)
Employer contributions subsequent to the measurement date	138,409	-
	<u>\$ 180,254</u>	<u>\$ (10,728)</u>

The \$138,409 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, 2024. 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
2024	\$ 2,052
2025	2,076
2026	1,534
2027	5,458
2028	2,977
Thereafter	17,020
	<u>\$ 31,117</u>

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

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, 2021, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2022.

Inflation	2.50%
Salary increases, including inflation:	
Political subdivision employees	3.50% – 5.95%
Investment rate of return	6.75%, including inflation

Mortality Rates – Teachers

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

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

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

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

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

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

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

D. Actuarial Assumptions (Continued)

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the 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, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all.
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 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, 2022, 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	\$ 7,207
Plan fiduciary net position	7,320
Teacher Employee net VLDP OPEB Liability (Asset)	\$ (113)

Plan fiduciary net position as a percentage of the total teacher employee VLDP OPEB liability	101.57%
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The total Teacher Employee VLDP OPEB liability is calculated by the System’s actuary, and the plan’s fiduciary net position is reported in the System’s financial statements. The net Teacher Employee VLDP OPEB liability is disclosed in accordance with the requirements of GASB Statement No. 74 in the System’s notes to the financial statements and required supplementary information.

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

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

F. Long-Term Expected Rate of Return

School Board Professional Plan

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

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

* The above allocation provides a one-year return of 7.83%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 6.72%, including expected inflation of 2.50%. On October 10, 2019, the VRS Board elected a long-term rate of 6.75%, which is roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11% including expected inflation of 2.50%.

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, 2022, 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, 2022 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.

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

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

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)	\$ 20,511	\$ (2,831)	\$ (23,020)

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 2022 Annual Comprehensive Financial Report (Annual Report). A copy of the 2022 VRS Annual Report may be downloaded from the VRS website at varetire.org/pdf/publications/2022-annual-report.pdf, or by writing to the System’s Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

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, 2023 are presented below.

Aggregate pension expense, liabilities, deferred outflows, and deferred inflows recognized for the fiscal year ended June 30, 2023:

	Primary Government	Component Unit		
	Governmental Activities	School Board Professional	School Board Non- Professional	Totals
Pension Expense	\$ 334,707	\$ 2,313,389	\$ 37,083	\$ 2,350,472
Net Pension Liability	2,727,697	65,331,300	-	65,331,300
Net Pension Asset	-	-	(354)	(354)
Deferred Inflows	(6,790,124)	(15,025,637)	(500,956)	(15,526,593)
Deferred Outflows	4,441,321	17,279,758	198,977	17,478,735

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 15. Pension and Other Postemployment Benefits (Continued)

Aggregate OPEB expense, liabilities, deferred outflows, and deferred inflows recognized for the fiscal year ended June 30, 2023:

	Primary Government		Component Unit		Totals
	Governmental Activities	School Board Professional	School Board		
			School Board Professional	Non-Professional	
Medical					
OPEB Expense (Revenue)	\$ 1,071,000	\$ (142,000)	\$ -	\$ -	\$ (142,000)
Total OPEB Liability	5,292,000	11,095,000	-	-	11,095,000
Deferred Inflows	(3,907,000)	(8,218,000)	-	-	(8,218,000)
Deferred Outflows	1,394,147	2,751,592	-	-	2,751,592
GLI					
OPEB Expense	\$ 67,304	\$ 81,742	\$ 3,884	\$ -	\$ 85,626
Total OPEB Liability	1,376,764	3,542,090	170,500	-	3,712,590
Deferred Inflows	(287,319)	(827,294)	(37,725)	-	(865,019)
Deferred Outflows	315,661	708,748	44,457	-	753,205
HIC					
OPEB Expense	\$ -	\$ 611,450	\$ 25,608	\$ -	\$ 637,058
Total OPEB Liability	-	8,563,963	248,000	-	8,811,963
Deferred Inflows	-	(694,365)	(96)	-	(694,461)
Deferred Outflows	-	1,037,029	66,011	-	1,103,040
VLDP					
OPEB Expense	\$ -	\$ 72,043	\$ -	\$ -	\$ 72,043
Total OPEB Liability (Asset)	-	(2,831)	-	-	(2,831)
Deferred Inflows	-	(10,728)	-	-	(10,728)
Deferred Outflows	-	180,254	-	-	180,254
Totals					
OPEB Expense	\$ 1,138,304	\$ 623,235	\$ 29,492	\$ -	\$ 652,727
Total OPEB Liability	6,668,764	23,201,053	418,500	-	23,619,553
Total OPEB Asset	-	(2,831)	-	-	(2,831)
Deferred Inflows	(4,194,319)	(9,750,387)	(37,821)	-	(9,788,208)
Deferred Outflows	1,709,808	4,677,623	110,468	-	4,788,091

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

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 \$8,247,534 and \$62,536 is comprised of the following:

	Governmental Activities	School Board
American Rescue Plan Act 2021	\$ 7,485,111	\$ -
Federal payment in lieu of taxes	641,169	-
EMS transport fees	119,254	-
Prepaid meals - cafeteria	-	40,958
Other	2,000	21,578
	<u>\$ 8,247,534</u>	<u>\$ 62,536</u>

Note 17. Unavailable and Deferred Revenue

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

	General Fund Unavailable Revenue	
	Property Taxes	Other
Property taxes receivable, net of allowance (reported on Fund statements)	\$ 5,254,286	\$ -
Unbilled property taxes for second half of 2023	23,300,622	-
Land held for investment	-	269,210
Repayment of loans from fire departments	-	1,425,636
Other	-	1,630
	<u>\$ 28,554,908</u>	<u>\$ 1,696,476</u>

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 18. Capital Assets

Primary Government

Capital asset activity for the year ended June 30, 2023 was as follows:

Governmental Activities	Beginning Balance	Increase	Decrease	Transfers	Ending Balance
Capital assets not being depreciated or amortized:					
Land	\$ 5,449,063	\$ -	\$ (89,187)	\$ -	\$ 5,359,876
Construction in progress	1,539,723	3,117,135	(1,539,725)	-	3,117,133
Total capital assets not being depreciated or amortized	6,988,786	3,117,135	(1,628,912)	-	8,477,009
Capital assets being depreciated or amortized:					
Buildings	82,557,094	365,273	(5,176,611)	-	77,745,756
Machinery and equipment	28,612,160	1,561,954	(343,843)	-	29,830,271
Land improvements	7,282,402	10,775	-	-	7,293,177
Intangible right-to-use subscription assets	381,427	1,108,703	-	-	1,490,130
Intangible right-to-use lease land	2,228,838	51,707	(27,264)	-	2,253,281
Intangible right-to-use lease building	109,120	-	-	-	109,120
Intangible right-to-use lease equipment	136,313	106,281	(25,400)	-	217,194
Intangible right-to-use lease infrastructure	2,847,815	198,336	-	-	3,046,151
Total capital assets being depreciated or amortized	124,155,169	3,403,029	(5,573,118)	-	121,985,080
Accumulated depreciation/amortization for:					
Buildings	(28,886,456)	(686,572)	163,474	-	(29,409,554)
Machinery and equipment	(16,482,994)	(2,072,452)	343,032	-	(18,212,414)
Land improvements	(3,366,893)	(360,888)	-	-	(3,727,781)
Intangible right-to-use subscription assets	-	(192,532)	-	-	(192,532)
Intangible right-to-use lease land	(137,098)	(139,168)	27,264	-	(249,002)
Intangible right-to-use lease building	(19,544)	(19,544)	-	-	(39,088)
Intangible right-to-use lease equipment	(44,364)	(65,247)	25,400	-	(84,211)
Intangible right-to-use lease infrastructure	(134,620)	(141,226)	-	-	(275,846)
Total accumulated depreciation/amortization	(49,071,969)	(3,677,629)	559,170	-	(52,190,428)
Total capital assets being depreciated or amortized, net	75,083,200	(274,600)	(5,013,948)	-	69,794,652
Governmental activities capital assets, net	\$ 82,071,986	\$ 2,842,535	\$ (6,642,860)	\$ -	\$ 78,271,661

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

Governmental Activities	Amount
General government	\$ 1,618,342
Judicial administration	5,193
Public safety	1,556,073
Public works	304,608
Health and welfare	42,984
Parks, recreation and cultural	119,264
Community development	31,165
Total depreciation/amortization expenses - governmental activities	\$ 3,677,629

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 18. Capital Assets (Continued)

Discretely Presented Component Unit

Capital asset activity for the School Board for the year ended June 30, 2023 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	3,015,537	31,119,997	-	(691,369)	33,444,165
Total capital assets not being depreciated or amortized	4,566,967	31,119,997	-	(691,369)	34,995,595
Capital assets being depreciated or amortized:					
Buildings	169,592,667	5,429,909	-	-	175,022,576
Machinery and equipment	29,449,241	3,863,526	-	691,369	34,004,136
Intangible right-to-use subscription assets	152,733	61,065	-	-	213,798
Intangible right-to-use lease equipment	1,031,670	149,785	(67,668)	-	1,113,787
Total capital assets being depreciated or amortized	200,226,311	9,504,285	(67,668)	691,369	210,354,297
Accumulated depreciation for:					
Buildings	(94,927,587)	(5,860,647)	-	-	(100,788,234)
Machinery and equipment	(22,672,803)	(1,887,846)	-	-	(24,560,649)
Intangible right-to-use subscription assets	-	(63,592)	-	-	(63,592)
Intangible right-to-use lease equipment	(325,592)	(324,912)	57,436	-	(593,068)
Total accumulated depreciation/amortization	(117,925,982)	(8,136,997)	57,436	-	(126,005,543)
Total capital assets being depreciated or amortized, net	82,300,329	1,367,288	(10,232)	691,369	84,348,754
School Board capital assets, net	\$ 86,867,296	\$ 32,487,285	\$ (10,232)	\$ -	\$ 119,344,349

Depreciation/amortization expense charged to education was \$8,136,997.

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, 2023, is that school financed assets in the amount of \$107,827,502 are reported in the Primary Government for financial reporting purposes.

Note 19. Risk Management

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

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

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 Ventures

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, 2023, the Augusta Regional Landfill reported as its landfill closure liability \$7,678,863, which represents the cumulative amount reported to date based on the use of 91.0% of the estimated capacity of the Permit #585 (Phases 1-3) landfill, 76.0% 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 \$3,444,825 at June 30, 2023. This represents the cumulative amount reported to date based on the use of 100.00% of the estimated capacity of the Permit #21 landfill of which the County is 60.33% responsible and 91.0% of the estimated capacity of the Permit #585 (Phases 1-3) and 76.0% of the Permit #585 (Phase 4) landfill, of which the County is 53.10% responsible. Total closure and post-closure care costs and post-closure monitoring costs accrued at June 30, 2023 for both landfill permits are \$11,123,688. The Landfill will recognize the majority of the remaining estimated cost of closure and post-closure care and post-closure monitoring of \$571,229 for the Permit #585 (Phases 1-3) landfill as the remaining estimated capacity is filled within the next eighteen to twenty four months and \$894,757 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.

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 20. Joint Ventures (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, 2023:

Project	Original Contract Amount	Amount Spent as of June 30, 2023	Amount of Contract Remaining at Year End
Buffalo Gap Middle School-Construction Design	\$ 2,153,486	\$ 1,918,781	\$ 234,705
Buffalo Gap Middle School-Construction	27,011,021	13,664,136	13,346,885
Buffalo Gap Middle School Site Testing	121,645	86,890	34,755
Buffalo Gap Middle School HV AC Equipment	672,710	286,098	386,612
Riverheads Middle School-Construction Design	2,320,285	2,061,909	258,376
Riverheads Middle School-Construction	30,403,515	12,894,482	17,509,033
Riverheads Middle School Site Testing	131,285	114,235	17,050
Riverheads Middle School HVAC Equipment	740,390	71,879	668,511
Riverheads High School HVAC Design	84,000	73,500	10,500
Riverheads High School HVAC Equipment	1,090,404	788,810	301,594
Shenandoah Ctr for Advanced Learning Renovation-Design	262,663	252,154	10,509
Shenandoah Ctr for Advanced Learning Renovation-Construction	3,069,000	35,828	3,033,172
Courts Complex Design	6,626,346	3,462,920	3,163,426
Government Center Renovation Project	3,156,237	783,836	2,372,401
Jennings Branch Stream Restoration-Construction	678,817	-	678,817
Total	\$ 78,521,804	\$ 36,495,458	\$ 42,026,346

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 22. Fund Balance

Fund balance had the following classifications at June 30, 2023:

Fund Balances	General	County Capital Improvements	School Capital Improvements	Total
Nonspendable:				
Inventories	\$ 8,469	\$ -	\$ -	\$ 8,469
Prepaid items	107,684	-	-	107,684
Land held for sale	269,210	-	-	269,210
Restricted for:				
Fire revolving loan program	2,030,104	-	-	2,030,104
Drug enforcement	137,808	-	-	137,808
ARPA	462,130	-	-	462,130
Capital projects	-	-	35,018,781	35,018,781
Committed to:				
Education	521,528	-	-	521,528
Emergency medical services	1,919,902	-	-	1,919,902
Assigned to:				
Fire revolving loan program	418,007	-	-	418,007
Drug enforcement	100,463	-	-	100,463
Capital projects	-	72,221,331	-	72,221,331
Unassigned	16,916,441	-	-	16,916,441
Total	\$ 22,891,746	\$ 72,221,331	\$ 35,018,781	\$ 130,131,858

Note 23. Notes Receivable

Notes receivable consists of two 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, 2023 from the Riverheads, Swoope, Middlebrook, Deerfield, Dooms, Weyers Cave, and Churchville Fire Departments include:

Year(s) Ending June 30,	Principal	Interest
2024	\$ 125,636	\$ -
2025	120,000	-
2026	120,000	-
2027	120,000	-
2028	120,000	-
Thereafter	820,000	-
	\$ 1,425,636	\$ -

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

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 \$793,406 in fiscal year 2023, 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, 2023 include:

Year Ending June 30,	Principal	Interest
2024	\$ 810,623	\$ 35,563
2025	828,214	17,972
	\$ 1,638,837	\$ 53,535

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 2021 through 2023.

Fiscal Year Ended	Beginning Liability	Claims and Changes in Estimates	Claim Payments	Ending Liability
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
June 30, 2021	1,712,000	1,990,000	(1,712,000)	1,990,000

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

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 contract to A&J Development & Excavating for the Verona Pedestrian project in the amount of \$2,374,951 on August 9, 2023. This is a joint project with VDOT covering 80% of the costs.

At the August 23, 2023 Board of Supervisors meeting, a contract was awarded to Hill Studio in the amount of \$317,780 for the County Comprehensive and Economic Development Strategic plan.

The Board of Supervisors approved, at its September 27, 2023, the purchase of an ambulance for Fire & Rescue. Total Cost is \$402,260 and the build time is 30-36 months.

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.

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 26. Tax Abatements (Continued)

The County has tax abatement agreements for the following as of June 30, 2023:

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 relocation	Real, personal property & business license	100%	\$ 33,121
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, 2023, 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. 99, *Omnibus 2022*, will enhance comparability in accounting and financial reporting and improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. Portions of statement No. 99 will be effective for fiscal years beginning after June 15, 2023.

GASB Statement No. 100, *Accounting Changes and Error Corrections*, is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. Statement No. 100 will be effective for fiscal years beginning after June 15, 2023.

GASB Statement No. 101, *Compensated Absences*, is to 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.

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

REQUIRED SUPPLEMENTARY INFORMATION

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

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL
GENERAL FUND
Year Ended June 30, 2023**

	General Fund			Variance with Final Budget Over (Under)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues:				
General property taxes	\$ 75,428,193	\$ 78,411,984	\$ 79,295,181	\$ 883,197
Other local taxes	20,309,804	23,192,056	25,297,894	2,105,838
Permits, privilege fees and regulatory licenses	634,000	925,500	863,409	(62,091)
Fines and forfeitures	291,150	265,150	285,634	20,484
Revenue from the use of money and property	746,340	3,013,114	3,973,574	960,460
Charges for services	4,575,959	4,748,859	5,524,178	775,319
Miscellaneous	493,836	1,179,396	993,401	(185,995)
Recovered costs	159,900	126,565	135,118	8,553
Intergovernmental revenues:				
Commonwealth	12,459,425	12,736,452	12,984,481	248,029
Federal	947,129	8,598,969	7,324,683	(1,274,286)
Total revenues	116,045,736	133,198,045	136,677,553	3,479,508
Expenditures:				
Current:				
General government administration	7,596,131	11,343,827	8,933,779	(2,410,048)
Judicial administration	3,208,141	3,125,491	3,238,222	112,731
Public safety	30,580,540	34,726,922	34,042,021	(684,901)
Public works	4,933,151	5,063,076	5,049,537	(13,539)
Health and welfare	1,456,126	1,472,584	1,442,583	(30,001)
Education	47,748,342	47,748,342	47,272,961	(475,381)
Parks, recreation and cultural	2,619,122	2,684,025	2,637,396	(46,629)
Community development	2,439,460	3,151,459	3,086,044	(65,415)
Nondepartmental	7,788,880	4,418,429	4,768,042	349,613
Debt service:				
Principal - subscriptions	-	-	207,385	207,385
Principal - leases	-	-	236,732	236,732
Interest - leases	-	-	97,176	97,176
Total expenditures	108,369,893	113,734,155	111,011,878	(2,722,277)
Excess of revenues over expenditures	7,675,843	19,463,890	25,665,675	6,201,785
Other financing sources (uses):				
Issuance of lease liabilities	-	-	331,124	331,124
Issuance of subscription liabilities	-	-	95,605	95,605
Transfers in	1,460,256	1,531,379	63,681	(1,467,698)
Transfers out	(17,457,846)	(28,429,043)	(26,989,445)	1,439,598
Total other financing uses, net	(15,997,590)	(26,897,664)	(26,499,035)	398,629
Net change in fund balance	(8,321,747)	(7,433,774)	(833,360)	6,600,414
Fund balance (deficit), beginning	-	-	23,725,106	23,725,106
Fund balance (deficit), ending	\$ (8,321,747)	\$ (7,433,774)	\$ 22,891,746	\$ 30,325,520

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL
SPECIAL REVENUE FUND – VIRGINIA PUBLIC ASSISTANCE FUND
Year Ended June 30, 2023**

	Special Revenue Fund			Variance with Final Budget Over (Under)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues:				
Charges for services	\$ 214,188	\$ 214,188	\$ 195,727	\$ (18,461)
Recovered costs	1,222,883	1,222,883	1,222,883	-
Intergovernmental revenues:				
Commonwealth	7,352,084	7,563,219	7,274,780	(288,439)
Federal	7,664,573	7,664,573	7,221,599	(442,974)
Total revenues	16,453,728	16,664,863	15,914,989	(749,874)
Expenditures:				
Current:				
Health and welfare	19,919,765	20,295,720	19,102,874	(1,192,846)
Debt service:				
Principal - lease liabilities	-	-	12,691	12,691
Interest - lease liabilities	-	-	393	393
Total debt service	-	-	13,084	13,084
Total expenditures	19,919,765	20,295,720	19,115,958	(1,179,762)
Deficiency of revenues under expenditures	(3,466,037)	(3,630,857)	(3,200,969)	429,888
Other financing sources:				
Issuance of lease liabilities	-	-	25,200	25,200
Transfers in	3,446,036	3,630,857	3,175,769	(455,088)
Total other financing sources	3,446,036	3,630,857	3,200,969	(429,888)
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
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
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
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)
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)
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
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
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
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
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
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)
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)
Administrative expense	(53,478)	(45,225)	(46,683)	(52,053)	(52,142)	(56,801)	(58,633)	(60,915)	(70,507)
Other changes	523	(693)	(543)	(7,992)	(5,345)	(3,595)	(2,031)	2,325	2,615
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)
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
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
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
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%
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
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%

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 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	
Total Pension Liability:										
Service cost	\$ 257,529	\$ 250,850	\$ 245,933	\$ 230,020	\$ 211,874	\$ 213,677	\$ 227,383	\$ 235,558	\$ 240,770	
Interest	739,629	770,891	782,063	808,631	798,893	815,037	838,856	881,006	941,916	
Differences between expected and actual experience	-	(276,356)	(44,608)	(316,829)	(98,224)	132,192	258,712	(169,667)	(57,124)	
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)	
Net change in total pension liability	467,945	173,464	383,735	(126,956)	280,199	774,064	613,554	678,615	401,936	
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	
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	
Plan Fiduciary Net Position:										
Contributions - employer	\$ 218,931	\$ 226,499	\$ 222,018	\$ 149,548	\$ 141,368	\$ 96,440	\$ 96,681	\$ 138,395	\$ 149,747	
Contributions - employee	131,504	130,761	127,674	124,819	119,026	122,114	127,149	128,455	136,851	
Net investment income	1,445,168	476,637	183,043	1,287,880	852,020	785,148	234,684	3,270,732	(10,031)	
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)	
Administrative expense	(7,868)	(6,644)	(6,779)	(7,625)	(7,521)	(8,174)	(8,238)	(8,329)	(9,384)	
Other changes	76	(102)	(78)	(1,136)	(751)	(493)	(273)	306	340	
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)	
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	
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	
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)	
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%	
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	
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%	

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.

**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	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%	
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	
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	
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%	
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%	

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.

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

	Fiscal Year June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Contractually required contribution (CRC)	\$ 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	\$ 2,811,752
Contributions in relation to the CRC	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	2,811,752
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's 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	27,062,098
Contributions as a percentage of covered payroll	12.50%	12.55%	12.55%	10.26%	10.26%	9.43%	9.43%	10.69%	10.69%	10.39%

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 County will present information for those years for which information is available.

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

	Fiscal Year June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Contractually required contribution (CRC)	\$ 218,931	\$ 226,499	\$ 222,018	\$ 149,548	\$ 141,368	\$ 96,440	\$ 162,031	\$ 138,395	\$ 149,747	\$ 123,001
Contributions in relation to the CRC	218,931	226,499	222,018	149,548	141,368	96,440	162,031	138,395	149,747	123,001
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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	2,333,985
Contributions as a percentage of covered payroll	8.44%	8.57%	8.57%	6.00%	6.00%	4.16%	4.16%	5.70%	5.70%	5.27%

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 SCHOOL BOARD PROFESSIONAL CONTRIBUTIONS –
VIRGINIA RETIREMENT SYSTEM**

	Fiscal Year June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Contractually required contribution (CRC)	\$ 6,291,642	\$ 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
Contributions in relation to the CRC	6,291,642	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
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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
Contributions as a percentage of covered payroll	11.66%	14.50%	14.06%	14.66%	16.32%	15.68%	15.68%	15.68%	16.62%	16.62%

Note to Schedule:

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

COUNTY OF AUGUSTA, VIRGINIA

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION –
VIRGINIA RETIREMENT SYSTEM
Year Ended June 30, 2023**

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

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

General Employees

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

Public Safety Employees with Hazardous Duty Benefits

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

COUNTY OF AUGUSTA, VIRGINIA

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION –
VIRGINIA RETIREMENT SYSTEM
Year Ended June 30, 2023**

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
Total Medical Insurance OPEB liability:						
Service cost	\$ 134,000	\$ 137,000	\$ 93,000	\$ 374,000	\$ 444,000	\$ 455,000
Interest	101,000	108,000	79,000	192,000	177,000	132,000
Differences between expected and actual experience	-	(633,000)	2,532,000	-	(1,762,000)	(1,076,000)
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
Other changes	-	-	-	-	726,000	-
Net change in total OPEB liability	49,000	(660,000)	3,569,000	1,012,000	(404,000)	(1,083,000)
Total Medical Insurance OPEB liability - beginning	2,809,000	2,858,000	2,198,000	5,767,000	6,779,000	6,375,000
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
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%
Covered-employee payroll	\$ 19,615,385	\$ 20,009,000	\$ 20,009,000	\$ 23,959,000	\$ 23,959,000	\$ 24,609,000
Total OPEB liability as a percentage of covered-employee payroll	14.57%	10.99%	28.82%	28.29%	26.61%	21.50%

Note to Schedule:

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

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
Total Medical Insurance OPEB liability:						
Service cost	\$ 626,000	\$ 642,000	\$ 602,000	\$ 593,000	\$ 777,000	\$ 907,000
Interest	570,000	604,000	554,000	385,000	363,000	288,000
Differences between expected and actual experience	-	(1,681,000)	(4,483,000)	939,000	(2,221,000)	(1,951,000)
Changes in assumptions	-	(1,257,000)	648,000	866,000	1,304,000	(2,064,000)
Benefit payments	-	-	-	-	-	(308,000)
(Contributions)/refunds- employer	(514,000)	31,000	98,000	(743,000)	(111,000)	-
Net change in total OPEB liability	682,000	(1,661,000)	(2,581,000)	2,040,000	112,000	(3,128,000)
Total Medical Insurance OPEB liability - beginning	15,631,000	16,313,000	14,652,000	12,071,000	14,111,000	14,223,000
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
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
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%
Covered-employee payroll	\$ 59,230,769	\$ 59,686,000	\$ 59,686,000	\$ 60,842,000	\$ 60,842,000	\$ 62,630,000
Total OPEB liability as a percentage of covered payroll	27.54%	24.55%	20.22%	23.19%	23.38%	17.72%

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.

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

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

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
Contractually required contribution (CRC)	\$ 559,611	\$ 505,656	\$ 440,894	\$ 432,244	\$ 367,282	\$ 372,592
Contributions in relation to the CRC	559,611	505,656	440,894	432,244	367,282	372,592
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered-employee payroll	\$ 59,686,000	\$ 59,686,000	\$ 60,842,000	\$ 60,842,000	\$ 62,630,000	\$ 62,630,000
Contributions as a percentage of covered payroll	0.94%	0.85%	0.72%	0.71%	0.59%	0.59%

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
County:						
Employer's proportion of the net GLI OPEB liability	0.10938%	0.11123%	0.11245%	0.11400%	0.11539%	0.11434%
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
Employer's covered payroll	\$ 19,615,385	\$ 20,599,423	\$ 21,205,192	\$ 22,527,115	\$ 22,994,259	\$ 24,132,222
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%
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%
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%
Employer's proportionate share of the net GLI OPEB liability	\$ 215,000	\$ 205,000	\$ 218,379	\$ 225,626	\$ 159,389	\$ 170,500
Employer's covered payroll	\$ 2,500,000	\$ 602,308	\$ 2,818,654	\$ 2,975,000	\$ 3,008,148	\$ 3,332,222
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%
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%
School Board Professional:						
Employer's proportion of the net GLI OPEB liability	0.31403%	0.30348%	0.30236%	0.29807%	0.29490%	0.29417%
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
Employer's covered payroll	\$ 56,730,769	\$ 63,832,500	\$ 66,178,846	\$ 67,522,692	\$ 63,672,778	\$ 66,952,778
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%
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%

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,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
County:										
Contractually required contribution (CRC)	\$ 85,206	\$ 88,818	\$ 91,237	\$ 102,000	\$ 107,117	\$ 110,267	\$ 117,141	\$ 124,169	\$ 130,314	\$ 117,753
Contributions in relation to the CRC	85,206	88,818	91,237	102,000	107,117	110,267	117,141	124,169	130,314	117,753
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 17,751,154	\$ 18,503,682	\$ 19,007,633	\$ 19,615,385	\$ 20,599,423	\$ 21,205,192	\$ 22,527,115	\$ 22,994,259	\$ 24,132,222	\$ 21,806,111
Contributions as a percentage of covered payroll	0.48%	0.48%	0.48%	0.52%	0.52%	0.52%	0.52%	0.54%	0.54%	0.54%
School Board Non-Professional:										
Contractually required contribution (CRC)	\$ 12,469	\$ 12,872	\$ 12,712	\$ 13,000	\$ 3,132	\$ 14,657	\$ 15,470	\$ 16,244	\$ 17,994	\$ 16,604
Contributions in relation to the CRC	12,469	12,872	12,712	13,000	3,132	14,657	15,470	16,244	17,994	16,604
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 2,597,712	\$ 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
Contributions as a percentage of covered payroll	0.48%	0.48%	0.48%	0.52%	0.52%	0.52%	0.52%	0.54%	0.54%	0.54%
School Board Professional:										
Contractually required contribution (CRC)	\$ 259,004	\$ 266,977	\$ 265,599	\$ 295,000	\$ 331,929	\$ 344,130	\$ 351,118	\$ 343,833	\$ 361,545	\$ 288,761
Contributions in relation to the CRC	259,004	266,977	265,599	295,000	331,929	344,130	351,118	343,833	361,545	288,761
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 53,959,193	\$ 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
Contributions as a percentage of covered payroll	0.48%	0.48%	0.48%	0.52%	0.52%	0.52%	0.52%	0.54%	0.54%	0.54%

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
Balance, beginning	\$ -	\$ 196,803	\$ 199,229
Changes for the year:			
Service cost	-	2,747	2,040
Interest	-	13,284	14,584
Changes in assumptions	-	4,127	49,079
Difference between expected and actual experience	-	-	(121)
Contributions - employer	-	(15,542)	(16,663)
Net investment income	-	(2,260)	173
Administrative expense	-	70	61
Other changes	-	-	(382)
Changes in benefit terms	196,803	-	-
Net changes	196,803	2,426	48,771
Balance, ending	\$ 196,803	\$ 199,229	\$ 248,000
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
Plan fiduciary net position as a percentage of the total Medical Insurance OPEB liability	0.00%	0.00%	0.00%
Covered-employee payroll	1,954,103	1,954,103	3,695,273
Total OPEB liability as a percentage of covered-employee payroll	10.07%	10.20%	6.71%

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
Contractually required contribution (CRC)	\$ 15,242	\$ 20,324	\$ 24,196
Contributions in relation to the CRC	15,242	20,324	24,196
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 1,954,103	\$ 3,695,273	\$ 4,399,273
Contributions as a percentage of covered payroll	0.78%	0.55%	0.55%

(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
Employer's proportion of the net HIC OPEB liability	0.73343%	0.71330%	0.70627%	0.69930%	0.68754%	0.68564%
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
Employer's covered payroll	\$ 57,882,342	\$ 63,889,099	\$ 63,206,757	\$ 60,740,750	\$ 61,859,421	\$ 65,282,893
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%
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%

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,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Contractually required contribution (CRC)	\$ 598,947	\$ 589,574	\$ 586,484	\$ 642,494	\$ 709,169	\$ 701,595	\$ 728,889	\$ 748,499	\$ 789,923	\$ 765,788
Contributions in relation to the CRC	598,947	589,574	586,484	642,494	709,169	701,595	728,889	748,499	789,923	765,788
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 53,959,193	\$ 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
Contributions as a percentage of covered payroll	1.11%	1.06%	1.06%	1.11%	1.11%	1.11%	1.20%	1.21%	1.21%	1.21%

**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
Employer's proportion of the net VLDP OPEB liability	2.86000%	2.72976%	2.59688%	2.53395%	2.45840%	2.51809%
Employer's proportionate share of the net VLDP OPEB liability (asset)	\$ 17,000	\$ 20,000	\$ 15,097	\$ 20,330	\$ (17,307)	\$ (2,831)
Employer's covered payroll	\$ 3,000,000	\$ 6,137,333	\$ 7,883,194	\$ 16,813,171	\$ 18,812,196	\$ 22,798,723
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%
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%

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,										
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
Contractually required contribution (CRC)	\$ 189	\$ 1,997	\$ 2,677	\$ 18,000	\$ 36,824	\$ 56,759	\$ 68,934	\$ 88,417	\$ 107,154	\$ 138,409	
Contributions in relation to the CRC	189	1,997	2,677	18,000	36,824	56,759	68,934	88,417	107,154	138,409	
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 31,630	\$ 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	
Contributions as a percentage of covered payroll	0.60%	0.60%	0.60%	0.60%	0.60%	0.72%	0.41%	0.47%	0.47%	0.47%	0.47%

COUNTY OF AUGUSTA, VIRGINIA

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION –
OTHER POSTEMPLOYMENT BENEFITS
Year Ended June 30, 2023**

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%

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

School Board Professional Plan

Teachers

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

COUNTY OF AUGUSTA, VIRGINIA

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION –
OTHER POSTEMPLOYMENT BENEFITS
Year Ended June 30, 2023**

Note 2. Group Life Insurance Program (Continued)

B. Changes of Assumptions (Continued)

County and School Board Non-Professional Plans

General Employees

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

Hazardous Duty Employees

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

COUNTY OF AUGUSTA, VIRGINIA

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION –
OTHER POSTEMPLOYMENT BENEFITS
Year Ended June 30, 2023**

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

School Board Non-Professional Plan

Non-Largest 10 Locality Employers – General Employees

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

School Board Professional Plan (Cost-Sharing)

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

COUNTY OF AUGUSTA, VIRGINIA

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION –
OTHER POSTEMPLOYMENT BENEFITS
Year Ended June 30, 2023**

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

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, 2023**

	Debt Service Fund			Variance with Final Budget Over (Under)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues:				
Miscellaneous	\$ 33,300	\$ 16,119	\$ 16,119	\$ -
Total revenues	33,300	16,119	16,119	-
Expenditures:				
Principal retirement	5,779,288	5,779,288	5,779,288	-
Interest and other fiscal charges	2,401,523	1,937,153	1,937,635	482
Total expenditures	8,180,811	7,716,441	7,716,923	482
Deficiency of revenues under expenditures	(8,147,511)	(7,700,322)	(7,700,804)	(482)
Other financing sources:				
Transfers in	8,147,511	7,700,322	7,700,804	482
Total other financing sources	8,147,511	7,700,322	7,700,804	482
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, 2023**

	County Capital Improvements Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
Revenues:				
Revenues from the use of money and property	\$ 8,306	\$ 10,296	\$ 10,296	\$ -
Miscellaneous	30,000	2,914	40,486	37,572
Recovered costs	963,186	946,186	1,033,590	87,404
Intergovernmental revenues:				
Commonwealth	4,138,929	914,605	327,366	(587,239)
Federal	1,800,000	-	76,885	76,885
Total revenues	6,940,421	1,874,001	1,488,623	(385,378)
Expenditures:				
Capital projects	11,319,700	20,219,179	4,734,862	(15,484,317)
Debt service:				
Principal - subscriptions	-	-	59,150	59,150
Total expenditures	11,319,700	20,219,179	4,794,012	(15,425,167)
Deficiency of revenues under expenditures	(4,379,279)	(18,345,178)	(3,305,389)	15,039,789
Other financing sources (uses):				
Issuance of subscription liabilities	-	-	975,495	975,495
Proceeds from sale of land	-	900,000	900,000	-
Transfers in	4,810,198	18,123,270	18,604,657	481,387
Transfers out	(1,506,155)	(723,188)	(721,871)	1,317
Total other financing sources, net	3,304,043	18,300,082	19,758,281	1,458,199
Net change in fund balance	(1,075,236)	(45,096)	16,452,892	16,497,988
Fund balances (deficit), beginning	-	-	55,768,439	55,768,439
Fund balances (deficit), ending	\$ (1,075,236)	\$ (45,096)	\$ 72,221,331	\$ 72,266,427

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES – BUDGET AND ACTUAL –
SCHOOL CAPITAL IMPROVEMENTS FUND
Year Ended June 30, 2023**

	School Capital Improvements Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
Revenues:				
Revenues from the use of money and property	\$ 75,109	\$ 352,709	\$ 609,087	\$ 256,378
Intergovernmental revenues:				
Augusta County School Board	-	819,121	124,064	(695,057)
Commonwealth	-	3,328,529	3,328,529	-
Federal	2,000,000	-	841,629	841,629
Miscellaneous	58,544	575,166	634,402	59,236
Total revenues	2,133,653	5,075,525	5,537,711	462,186
Expenditures:				
Current:				
Capital projects	27,930,759	33,732,158	33,390,710	(341,448)
Debt service:				
Principal retirement	-	-	415,297	415,297
Interest and other fiscal charges	-	251,809	177,960	(73,849)
Total expenditures	27,930,759	33,983,967	33,983,967	-
Deficiency of revenues under expenditures	(25,797,106)	(28,908,442)	(28,446,256)	462,186
Other financing sources (uses):				
Issuance of private placement note	-	-	161,850	161,850
Issuance of bond	40,590,000	66,183,927	66,231,380	47,453
Transfers in	1,080,000	1,080,000	1,080,000	-
Transfers out	-	(2,913,595)	(2,913,595)	-
Total other financing sources, net	41,670,000	64,350,332	64,559,635	209,303
Net change in fund balance	15,872,894	35,441,890	36,113,379	671,489
Fund balances (deficit), beginning	(366,529)	18,762,717	(1,094,598)	(19,857,315)
Fund balances, ending	\$ 15,506,365	\$ 54,204,607	\$ 35,018,781	\$ (19,185,826)

Fiduciary Funds

**COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2023**

	Custodial Funds		
	Special Welfare	Shenandoah Valley Animal Services Center	Total
ASSETS			
Cash and cash equivalents	\$ 125,489	\$ 570,648	\$ 696,137
Accounts receivable	-	45,179	45,179
Total assets	125,489	615,827	741,316
LIABILITIES			
Accounts payable	-	24,421	24,421
Total liabilities	-	24,421	24,421
NET POSITION			
Restricted for:			
Other	-	591,406	591,406
Individuals	125,489	-	125,489
Total net position	\$ 125,489	\$ 591,406	\$ 716,895

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
Year Ended June 30, 2023**

	Custodial Funds		
	Special Welfare	Shenandoah Valley Animal Services Center	Total
ADDITIONS			
Benefits collected on behalf of others			
	\$ 331,994	\$ 932,025	\$ 1,264,019
Total additions	331,994	932,025	1,264,019
DEDUCTIONS			
Payments to participants or beneficiaries			
	337,966	837,981	1,175,947
Total deductions	337,966	837,981	1,175,947
Net change in fiduciary net position	(5,972)	94,044	88,072
Total net position, beginning	131,461	497,362	628,823
Total net position, ending	\$ 125,489	\$ 591,406	\$ 716,895

Capital Assets Used in the Operation of Governmental Funds

**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
COMPARATIVE SCHEDULES BY SOURCE
June 30, 2023, 2022 and 2021**

	2023	2022*	2021
Governmental capital assets:			
Intangible right-to-use lease assets	\$ 5,625,746	\$ 5,322,086	\$ 5,308,818
Intangible right-to-use subscription assets	1,490,130	381,427	-
Land	5,359,876	5,449,063	5,449,063
Buildings	77,745,756	82,557,094	87,618,328
Machinery and equipment	29,830,271	28,612,160	27,422,168
Land improvements	7,293,177	7,282,402	7,282,401
Construction in progress	3,117,133	1,539,723	1,372,085
Total governmental capital assets	\$ 130,462,089	\$ 131,143,955	\$ 134,452,863
Investments in governmental capital assets by source:			
General fund	\$ 130,462,089	\$ 130,484,597	\$ 133,895,399
Special revenue funds	-	659,358	557,464
Total governmental capital assets by source	\$ 130,462,089	\$ 131,143,955	\$ 134,452,863

*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
SCHEDULE BY FUNCTION AND ACTIVITY
June 30, 2023**

	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	\$ -	\$ -	\$3,832,776	\$6,158,705	\$27,421,192	\$3,694,335	\$3,117,133	\$ 44,224,141
County administrator	11,002	146,448	-	-	-	90,995	-	248,445
Human Resources	1,511	253,265	-	-	-	22,852	-	277,628
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	2,637	279,745	-	-	-	33,740	-	316,122
Management information systems	33	134,417	-	45,000	-	1,700,985	-	1,880,435
Board of elections	3,445	-	-	-	-	362,095	-	365,540
Total general government administration	25,287	833,916	3,832,776	6,203,705	27,421,192	6,216,028	3,117,133	47,650,037
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	112,374	12,763	-	-	-	117,395	-	242,532
Total judicial administration	155,623	128,934	-	-	-	292,677	-	577,234
Public safety:								
Sheriff	25,600	-	-	-	19,756	4,966,924	-	5,012,280
Emergency operations	4,665,357	-	-	-	-	4,767,284	-	9,432,641
Fire department	16,783	1,178	62,000	129,479	371,617	9,935,298	-	10,516,355
Emergency services	-	18,448	-	-	-	52,774	-	71,222
Juvenile detention and probation	13,876	-	-	-	5,913	44,635	-	64,424
Building inspections	-	-	-	-	-	111,038	-	111,038
Animal control	-	-	-	-	-	101,130	-	101,130
Drug enforcement	-	-	-	-	-	20,602	-	20,602
Total public safety	4,721,616	19,626	62,000	129,479	397,286	19,999,685	-	25,329,692
Public works:								
Sanitation and waste removal	49,134	-	-	-	60,446	332,167	-	441,747
Maintenance of buildings and grounds	8,241	253,265	-	203,371	422,951	1,189,826	-	2,077,654
Total public works	57,375	253,265	-	203,371	483,397	1,521,993	-	2,519,401
Education:								
Schools	-	-	-	-	49,162,503	-	-	49,162,503
Total education	-	-	-	-	49,162,503	-	-	49,162,503
Health and welfare:								
Social services	51,656	-	-	-	-	659,358	-	711,014
Total health and welfare	51,656	-	-	-	-	659,358	-	711,014
Parks, recreation, and cultural:								
Parks and recreation	5,370	-	1,465,100	745,847	281,378	474,824	-	2,972,519
Library	593,390	-	-	10,775	-	372,141	-	976,306
Total parks, recreation, and cultural	598,760	-	1,465,100	756,622	281,378	846,965	-	3,948,825
Community development:								
Community development	15,429	253,265	-	-	-	244,535	-	513,229
Economic development	-	1,124	-	-	-	49,030	-	50,154
Total community development	15,429	254,389	-	-	-	293,565	-	563,383
Total governmental capital assets	\$ 5,625,746	\$ 1,490,130	\$ 5,359,876	\$ 7,293,177	\$ 77,745,756	\$ 29,830,271	\$ 3,117,133	\$ 130,462,089

**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY
Year Ended June 30, 2023**

	Balance July 1, 2022	Additions	Deductions	Transfers	Balance June 30, 2023
General governmental administration:					
Board of supervisors	\$ 47,764,033	\$ 3,411,104	\$ 1,628,910	\$ (5,322,086)	\$ 44,224,141
County administrator	134,763	157,803	44,121	-	248,445
Human Resources	22,852	253,265	-	1,511	277,628
County Attorney	5,440	1,456	-	-	6,896
Commissioner of revenue	313,746	-	-	3,225	316,971
Treasurer	11,881	-	-	1,978	13,859
Central accounting	33,740	279,745	-	2,637	316,122
Management information systems	1,862,725	17,876	166	-	1,880,435
Board of elections	362,095	-	-	3,445	365,540
Total general government administration	50,511,275	4,121,249	1,673,197	(5,309,290)	47,650,037
Judicial administration:					
Circuit Court	-	8,126	-	-	8,126
Clerk of Circuit Court	272,200	27,464	-	-	299,664
General District Court	19,252	6,596	-	1,064	26,912
Commonwealth's Attorney	130,158	-	-	112,374	242,532
Total judicial administration	421,610	42,186	-	113,438	577,234
Public safety:					
Sheriff	4,265,022	935,442	213,796	25,612	5,012,280
Emergency operations	4,730,379	236,655	-	4,465,607	9,432,641
Fire department	10,158,196	196,942	-	161,217	10,516,355
Emergency services	307,364	-	138,425	(97,717)	71,222
Juvenile detention and probation	50,548	-	-	13,876	64,424
Building inspections	111,038	-	-	-	111,038
Animal control	101,130	-	-	-	101,130
Drug enforcement	20,602	-	-	-	20,602
Total public safety	19,744,279	1,369,039	352,221	4,568,595	25,329,692
Public works:					
Sanitation and waste removal	356,955	54,716	-	30,076	441,747
Maintenance of buildings and grounds	1,573,306	496,107	-	8,241	2,077,654
Total public works	1,930,261	550,823	-	38,317	2,519,401
Education:					
Schools	54,339,115	-	5,176,612	-	49,162,503
Total education	54,339,115	-	5,176,612	-	49,162,503
Health and welfare:					
Social services	606,743	77,813	-	26,458	711,014
Total health and welfare	606,743	77,813	-	26,458	711,014
Parks, recreation, and cultural:					
Parks and recreation	2,967,148	-	-	5,371	2,972,519
Library	372,142	62,482	-	541,682	976,306
Total parks, recreation, and cultural	3,339,290	62,482	-	547,053	3,948,825
Community development:					
Community development	202,352	295,448	-	15,429	513,229
Economic development	49,030	1,124	-	-	50,154
Total community development	251,382	296,572	-	15,429	563,383
Total governmental capital assets	\$ 131,143,955	\$ 6,520,164	\$ 7,202,030	\$ -	\$ 130,462,089

Discretely Presented Component Unit – School Board

**COMBINING BALANCE SHEET
DISCRETELY PRESENTED COMPONENT UNIT – SCHOOL BOARD
June 30, 2023**

	School Operating Fund	School Cafeteria Fund	Total Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 694	\$ 3,327,010	\$ 1,016,756	\$ 4,344,460
Cash in custody of others	10,000	-	-	10,000
Receivables (net of allowance for uncollectibles):				
Accounts receivable	125,115	4,368	15,516	144,999
Due from primary government	3,205,033	-	-	3,205,033
Due from other governmental units	3,467,199	10,183	384,710	3,862,092
Total assets	\$ 6,808,041	\$ 3,341,561	\$ 1,416,982	\$ 11,566,584
LIABILITIES				
Reconciled overdraft	\$ -	\$ -	\$ 261,482	\$ 261,482
Accounts payable	3,373,633	113,211	106,364	3,593,208
Accrued liabilities	3,412,830	103,281	127,185	3,643,296
Due to primary government	-	-	734,499	734,499
Unearned revenue	21,578	40,958	-	62,536
Total liabilities	6,808,041	257,450	1,229,530	8,295,021
FUND BALANCES				
Assigned	-	3,084,111	-	3,084,111
Restricted for:				
JW Riley Endowment Fund	-	-	80,862	80,862
Matthews Private Purpose Trust	-	-	106,590	106,590
Total fund balances	-	3,084,111	187,452	3,271,563
Total liabilities and fund balances	\$ 6,808,041	\$ 3,341,561	\$ 1,416,982	\$ 11,566,584
Total fund balances				\$ 3,271,563
Amounts reported for governmental activities in the Statement of Net Position are different because:				
Capital assets of \$245,349,892 net of accumulated depreciation and amortization of \$126,005,543, used in governmental activities are not financial resources and, therefore, are not reported in the funds.				119,344,349
Net pension asset				354
Net OPEB asset				2,831
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.				
Lease liabilities			\$ (515,732)	
Subscription liabilities			(134,305)	
Interest payable			(414)	
Compensated absences			(2,809,209)	
Net pension liability			(65,331,300)	
Other postemployment benefits			(23,619,553)	
				(92,410,513)
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			17,478,735	
Other postemployment benefits			4,788,091	
				22,266,826
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			(15,526,593)	
Other postemployment benefits			(9,788,208)	
				(25,314,801)
Long-term due from other government - pension plan & other postemployment benefits				958,426
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.				7,260,742
Net position of governmental activities				\$ 35,379,777

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
DISCRETELY PRESENTED COMPONENT UNIT – SCHOOL BOARD
Year Ended June 30, 2023**

	School Operating Fund	School Cafeteria Fund	Total Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
Revenue from the use of money and property	\$ 12,100	\$ 142,726	\$ 5,990	\$ 160,816
Charges for services	1,760,420	1,216,564	1,199,912	4,176,896
Miscellaneous	366,043	-	91,326	457,369
Private donations	-	-	3,329	3,329
Intergovernmental revenues:				
Local government	47,425,842	-	(157,881)	47,267,961
Commonwealth	74,500,145	181,941	808,196	75,490,282
Federal	8,325,011	4,833,397	3,636,324	16,794,732
Total revenues	132,389,561	6,374,628	5,587,196	144,351,385
Expenditures:				
Current:				
Education	132,186,976	7,314,696	5,574,290	145,075,962
Debt service:				
Principal - subscription liabilities	71,444	-	-	71,444
Principal - lease liabilities	329,056	-	8,177	337,233
Interest - lease liabilities	4,875	-	29	4,904
Total debt service	405,375	-	8,206	413,581
Total expenditures	132,592,351	7,314,696	5,582,496	145,489,543
Excess (deficiency) of revenues over (under) expenditures	(202,790)	(940,068)	4,700	(1,138,158)
Other financing sources:				
Issuance of subscription liabilities	53,005	-	-	53,005
Issuance of lease liabilities	149,785	-	-	149,785
Total other financing sources, net	202,790	-	-	202,790
Net change in fund balances	-	(940,068)	4,700	(935,368)
Fund balances, beginning	-	4,024,179	182,752	4,206,931
Fund balances, ending	\$ -	\$ 3,084,111	\$ 187,452	\$ 3,271,563
Net change in fund balances				\$ (935,368)
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			\$ 35,597,404	
Less depreciation and amortization expense			(8,136,997)	
Excess of depreciation and amortization over capital outlays				27,460,407
The net effect of various miscellaneous transactions involving capital assets (i.e.) sales, trade-ins and donations) is to increase net position.				5,016,728
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.				
OPEB non-employer contributions from the Commonwealth				176,217
Long-term due from other government - other postemployment benefits			82,800	
Long-term due from other government - pension plan			76,107	
				158,907
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			(149,785)	
Subscription liabilities			(53,005)	
Principal repayments:				
Lease liabilities			337,233	
Subscription liabilities			71,444	
				205,887
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			(414)	
Compensated absences			(379,159)	
Changes in OPEB liabilities and related deferred outflows and inflows of resources			922,825	
Changes in pension liabilities and related deferred outflows and inflows of resources			11,850,990	
				12,394,242
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			10,339,234	
Total expenses			(9,816,603)	
				522,631
Change in net position of governmental activities				\$ 44,999,651

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
DISCRETELY PRESENTED COMPONENT UNIT – SCHOOL BOARD
Year Ended June 30, 2023**

	School Operating Fund				School Cafeteria Fund			
	Budgeted Amounts		Actual	Variance with Final Budget Over (Under)	Budgeted Amounts		Actual	Variance with Final Budget Over (Under)
	Original	Final			Original	Final		
Revenues:								
Revenue from the use of money and property	\$ 10,000	\$ 10,000	\$ 12,100	\$ 2,100	\$ 6,000	\$ 115,000	\$ 142,726	\$ 27,726
Charges for services	1,742,080	1,674,777	1,760,420	85,643	1,160,300	930,200	1,216,564	286,364
Miscellaneous	222,846	295,711	366,043	70,332	-	-	-	-
Intergovernmental revenues:								
Local government	47,743,342	47,743,342	47,425,842	(317,500)	-	-	-	-
Commonwealth	74,235,864	76,293,298	74,500,145	(1,793,153)	130,955	100,000	181,941	81,941
Federal	6,250,806	8,860,515	8,325,011	(535,504)	3,200,000	3,628,588	4,833,397	1,204,809
Total revenues	130,204,938	134,877,643	132,389,561	(2,488,082)	4,497,255	4,773,788	6,374,628	1,600,840
Expenditures:								
Current:								
Education	130,204,938	134,877,643	132,186,976	(2,690,667)	6,700,858	7,289,815	7,314,696	24,881
Debt service:								
Principal - lease liabilities	-	-	329,056	329,056	-	-	-	-
Principal - subscription liabilities	-	-	71,444	71,444	-	-	-	-
Interest - lease liabilities	-	-	4,875	4,875	-	-	-	-
Total debt service	-	-	405,375	405,375	-	-	-	-
Total expenditures	130,204,938	134,877,643	132,592,351	(2,285,292)	6,700,858	7,289,815	7,314,696	24,881
Deficiency of revenues over under expenditures	-	-	(202,790)	(202,790)	(2,203,603)	(2,516,027)	(940,068)	1,575,959
Other financing sources:								
Issuance of subscription liabilities	-	-	53,005	53,005	-	-	-	-
Issuance of lease liabilities	-	-	149,785	149,785	-	-	-	-
Total other financing sources, net	-	-	202,790	202,790	-	-	-	-
Net change in fund balances	-	-	-	53,005	(2,203,603)	(2,516,027)	(940,068)	1,575,959
Fund balances (deficit), beginning	-	4,022,458	-	(4,022,458)	(1,197,491)	201,783	4,024,179	3,822,396
Fund balances (deficit), ending	\$ -	\$ 4,022,458	\$ -	\$ (3,969,453)	\$ (3,401,094)	\$ (2,314,244)	\$ 3,084,111	\$ 5,398,355

Nonmajor Special Revenue Funds

**COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS –
DISCRETELY PRESENTED COMPONENT UNIT – SCHOOL BOARD
June 30, 2023**

	Head Start Fund	Governor's School Fund	School Endowments Fund	Total
ASSETS				
Cash and cash equivalents	\$ -	\$ 829,304	\$ 187,452	\$ 1,016,756
Accounts receivable	15,516	-	-	15,516
Due from other governmental units	384,710	-	-	384,710
Total assets	\$ 400,226	\$ 829,304	\$ 187,452	\$ 1,416,982
LIABILITIES				
Reconciled overdraft	\$ 261,482	\$ -	\$ -	\$ 261,482
Accounts payable	65,669	40,695	-	106,364
Accrued liabilities	67,422	59,763	-	127,185
Due to primary government	5,653	728,846	-	734,499
Total liabilities	400,226	829,304	-	1,229,530
FUND BALANCES				
Restricted for:				
JW Riley Endowment Fund	-	-	80,862	80,862
Matthews Private Purpose Trust	-	-	106,590	106,590
Total fund balances	-	-	187,452	187,452
Total liabilities and fund balances	\$ 400,226	\$ 829,304	\$ 187,452	\$ 1,416,982

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS –
DISCRETELY PRESENTED COMPONENT UNIT – SCHOOL BOARD
Year Ended June 30, 2023**

	Head Start Fund	Governor's School Fund	School Endowments Fund	Total
Revenues:				
Revenue from the use of money and property	\$ 2,619	\$ -	\$ 3,371	\$ 5,990
Charges for services	-	1,199,912	-	1,199,912
Private donations	-	-	3,329	3,329
Miscellaneous	77,649	13,677	-	91,326
Intergovernmental revenues:				
Local	(510)	(157,371)	-	(157,881)
Commonwealth	-	808,196	-	808,196
Federal	3,619,100	17,224	-	3,636,324
Total revenues	3,698,858	1,881,638	6,700	5,587,196
Expenditures:				
Current:				
Education	3,694,238	1,878,052	2,000	5,574,290
Debt service				-
Principal - lease liabilities	4,595	3,582	-	8,177
Interest - lease liabilities	25	4	-	29
Total expenditures	3,698,858	1,881,638	2,000	5,582,496
Excess of revenues over expenditures	-	-	4,700	4,700
Net change in fund balances	-	-	4,700	4,700
Fund balance, beginning	-	-	182,752	182,752
Fund balance, ending	\$ -	\$ -	\$ 187,452	\$ 187,452

**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, 2023**

	Head Start Fund				Governor's School Fund			
	Budgeted Amounts		Actual	Variance with Final Budget Over (Under)	Budgeted Amounts		Actual	Variance with Final Budget Over (Under)
	Original	Final			Original	Final		
Revenues:								
Revenue from the use of money and property	\$ -	\$ 2,619	\$ 2,619	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	1,266,883	1,246,445	1,199,912	(46,533)
Miscellaneous	60,000	60,000	77,649	17,649	2,800	13,676	13,677	1
Intergovernmental revenues:								
Local	-	-	(510)	(510)	-	-	(157,371)	(157,371)
Commonwealth	-	-	-	-	711,486	808,195	808,196	1
Federal	3,708,156	3,698,277	3,619,100	(79,177)	-	17,224	17,224	-
Total revenues	3,768,156	3,760,896	3,698,858	(62,038)	1,981,169	2,085,540	1,881,638	(203,902)
Expenditures:								
Current:								
Education	3,768,156	3,760,077	3,694,238	(65,839)	1,981,169	2,085,035	1,878,052	(206,983)
Debt service:								
Principal - lease liabilities	-	-	4,595	4,595	-	-	3,582	3,582
Interest - lease liabilities	-	-	25	25	-	-	4	4
Total debt service	-	-	4,620	4,620	-	-	3,586	3,586
Total expenditures	3,768,156	3,760,077	3,698,858	(61,219)	1,981,169	2,085,035	1,881,638	(203,397)
Excess of revenues over expenditures	-	819	-	(819)	-	505	-	(505)
Net change in fund balances	-	819	-	(819)	-	505	-	(505)
Fund balance (deficit), beginning	(8,160)	(8,160)	-	8,160	-	(20,000)	-	20,000
Fund balance (deficit), ending	\$ (8,160)	\$ (7,341)	\$ -	\$ 7,341	\$ -	\$ (19,495)	\$ -	\$ 19,495

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, 2023, 2022 and 2021**

	June 30,		
	<u>2023</u>	<u>2022*</u>	<u>2021</u>
Governmental funds capital assets:			
Intangible right-to-use lease assets	\$ 1,113,787	\$ 1,031,670	\$ 1,031,670
Intangible right-to-use subscription assets	213,798	152,733	-
Land	1,551,430	1,551,430	1,551,430
Buildings	175,022,576	169,592,667	164,325,385
Machinery and equipment	34,004,136	29,449,241	27,503,914
Construction in progress	33,444,165	3,015,537	904,073
	<u>\$ 245,349,892</u>	<u>\$ 204,793,278</u>	<u>\$ 195,316,472</u>
Investments in governmental funds capital assets by source:			
Special revenue funds	<u>\$ 245,349,892</u>	<u>\$ 204,793,278</u>	<u>\$ 195,316,472</u>
	<u>\$ 245,349,892</u>	<u>\$ 204,793,278</u>	<u>\$ 195,316,472</u>

*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, 2023**

	Intangible Right-to-Use Lease Assets	Intangible Right-to-Use Subscription Assets	Land	Building	Machinery and Equipment	Construction in Progress	Total
Education:							
Schools	\$ 1,113,787	\$ 213,798	\$ 1,551,430	\$175,022,576	\$ 34,004,136	\$ 33,444,165	\$245,349,892
Total governmental funds capital assets	\$ 1,113,787	\$ 213,798	\$ 1,551,430	\$175,022,576	\$ 34,004,136	\$ 33,444,165	\$245,349,892

**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, 2023**

	Governmental Funds Capital Assets July 1, 2022	Additions	Deductions	Governmental Funds Capital Assets June 30, 2023
Education:				
Schools	\$204,793,278	\$ 40,624,282	\$ (67,668)	\$245,349,892
Total governmental funds capital assets	\$204,793,278	\$ 40,624,282	\$ (67,668)	\$245,349,892

SUPPORTING SCHEDULES

**SCHEDULE OF REVENUES – BUDGET AND ACTUAL
GOVERNMENTAL FUNDS
Year Ended June 30, 2023**

Entity, Fund, Major and Minor Revenue Source	Budgeted Amounts		Actual Amounts	Vairance with Final Budget Over (Under)
	Original	Final		
Primary Government:				
General Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 47,651,700	\$ 49,050,550	\$ 49,454,091	\$ 403,541
Real and personal public service corporation property taxes	2,839,802	2,469,862	2,469,858	(4)
Personal property taxes	19,192,121	20,948,000	21,048,364	100,364
Mobile home tax	216,970	223,572	221,929	(1,643)
Machinery and tools taxes	4,586,600	4,611,000	4,528,754	(82,246)
Penalties	474,000	509,000	724,446	215,446
Interest	467,000	600,000	847,739	247,739
Total general property taxes	75,428,193	78,411,984	79,295,181	883,197
Other local taxes:				
Local sales and use taxes	7,912,000	9,000,000	9,896,423	896,423
Consumers' utility taxes	1,804,000	1,804,000	1,857,916	53,916
Business license tax	4,040,000	4,595,332	5,499,363	904,031
Utility license tax	276,000	276,000	275,022	(978)
Bank stock taxes	345,800	340,000	261,521	(78,479)
Taxes on recordation and wills	942,750	1,188,000	1,035,537	(152,463)
Hotel and motel room taxes	863,000	1,400,000	1,472,462	72,462
Restaurant food tax	3,776,724	4,176,724	4,543,182	366,458
Cigarette tax	267,930	350,000	371,566	21,566
Interest on local tax	81,600	62,000	84,902	22,902
Total other local taxes	20,309,804	23,192,056	25,297,894	2,105,838
Permits, privilege fees and regulatory licenses:				
Animal licenses	48,100	32,000	28,516	(3,484)
Land use application fees	34,500	38,000	29,227	(8,773)
Transfer fees	2,100	2,100	2,136	36
Cellular tower fees	10,000	10,000	4,100	(5,900)
Permits and other licenses	539,300	843,400	799,430	(43,970)
Total permits, privilege fees and regulatory licenses	634,000	925,500	863,409	(62,091)
Fines and forfeitures:				
Court fines and forfeitures	275,150	250,150	274,625	24,475
Dog violation fines	16,000	15,000	11,009	(3,991)
Total fines and forfeitures	291,150	265,150	285,634	20,484
Revenue from use of money and property:				
Revenue from use of money	361,656	2,614,984	3,648,844	1,033,860
Revenue from use of property	384,684	398,130	324,730	(73,400)
Total revenue from use of money and property	746,340	3,013,114	3,973,574	960,460

**SCHEDULE OF REVENUES – BUDGET AND ACTUAL
GOVERNMENTAL FUNDS
Year Ended June 30, 2023**

Entity, Fund, Major and Minor Revenue Source	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
Primary Government:				
General Fund:				
Revenue from local sources:				
Charges for services:				
Charges for law enforcement and traffic control	\$ 31,359	\$ 30,859	\$ 50,880	\$ 20,021
Charges for courthouse maintenance	60,400	52,000	58,051	6,051
Treasurer's collection fees	90,500	92,600	121,230	28,630
Concealed weapons permits	42,800	42,800	50,398	7,598
Courthouse fees	165,000	173,000	215,424	42,424
Charges for Commonwealth's Attorney	8,200	8,200	10,187	1,987
Miscellaneous jail and inmate fees	28,400	30,000	33,982	3,982
Charges for sanitation and waste removal	1,847,200	1,881,000	2,109,442	228,442
Charges for parks and recreation	396,000	470,300	617,144	146,844
Charges for day care	83,500	-	-	-
Charges for library	600	1,100	1,752	652
EMS transport services	1,822,000	1,967,000	2,255,688	288,688
Total charges for services	4,575,959	4,748,859	5,524,178	775,319
Miscellaneous revenue:				
Miscellaneous	5,000	5,000	1,742	(3,258)
Opioid settlement funds	-	214,310	-	(214,310)
Repayment of loans from fire companies	85,636	105,636	139,339	33,703
Seized funds	800	22,000	22,301	301
Contributions	402,400	832,450	830,019	(2,431)
Total miscellaneous revenue	493,836	1,179,396	993,401	(185,995)
Recovered costs:				
Fiscal agent fees - MRRJA	50,000	42,744	42,744	-
Other	102,300	75,392	83,945	8,553
Juvenile and domestic relations court costs	7,600	8,429	8,429	-
Total recovered costs	159,900	126,565	135,118	8,553
Total revenue from local sources	102,639,182	111,862,624	116,368,389	4,505,765
Intergovernmental Revenues:				
Revenue from the Commonwealth:				
Non-categorical aid:				
Motor vehicle carriers' tax	76,581	58,025	61,386	3,361
Mobile home titling tax	132,440	211,000	258,563	47,563
Communications sales and use tax	1,792,300	1,740,190	1,734,431	(5,759)
Timber sales	1,800	468	-	(468)
Motor vehicle rental tax	80,816	110,000	101,844	(8,156)
Personal property tax relief funds	4,296,000	4,296,000	4,295,993	(7)
Moped sales tax	42,440	30,000	35,979	5,979
Peer to peer vehicle sharing	837	1,515	1,201	(314)
Total non-categorical aid	6,423,214	6,447,198	6,489,397	42,199

**SCHEDULE OF REVENUES – BUDGET AND ACTUAL
GOVERNMENTAL FUNDS
Year Ended June 30, 2023**

Entity, Fund, Major and Minor Revenue Source	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
Primary Government:				
General Fund:				
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	\$ 779,807	\$ 816,414	\$ 829,390	\$ 12,976
Sheriff	3,338,346	3,244,016	3,375,772	131,756
Commissioner of revenue	244,262	252,975	263,330	10,355
Treasurer	184,915	187,955	191,291	3,336
Registrar/electoral board	74,152	101,691	93,030	(8,661)
Clerk of the circuit court	544,895	574,122	602,079	27,957
Total shared expenses	5,166,377	5,177,173	5,354,892	177,719
Other categorical aid:				
Department of behavioral health-transfer detention order	-	28,000	30,458	2,458
Litter control grant	18,000	20,550	20,550	-
Library grant	184,258	210,227	210,433	206
Grant for restoration of records	48,682	48,682	48,682	-
Forest sustainability fund	-	24,164	-	(24,164)
Victim-witness grant	33,208	33,208	32,932	(276)
Performing arts grant	4,500	4,500	4,500	-
Firemans' insurance fund	279,186	307,267	307,267	-
Technology trust fund	40,000	40,000	49,496	9,496
Seized funds	10,000	30,000	60,330	30,330
E-911 wireless funding	250,000	273,483	276,276	2,793
Spay and neuter funds	2,000	2,000	2,568	568
SRO salary grant	-	90,000	96,700	6,700
Total other categorical aid	869,834	1,112,081	1,140,192	28,111
Total categorical aid	6,036,211	6,289,254	6,495,084	205,830
Total revenue from the Commonwealth	12,459,425	12,736,452	12,984,481	248,029
Revenue from the federal government:				
Non-categorical aid:				
Payments in lieu of taxes	577,915	577,915	598,406	20,491
Total non-categorical aid	577,915	577,915	598,406	20,491

**SCHEDULE OF REVENUES – BUDGET AND ACTUAL
GOVERNMENTAL FUNDS
Year Ended June 30, 2023**

Entity, Fund, Major and Minor Revenue Source	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
Primary Government:				
General Fund:				
Intergovernmental:				
Revenue from the federal government:				
Categorical aid:				
DMV ground transportation safety grant	\$ 42,300	\$ 37,000	\$ 26,468	\$ (10,532)
Domestic violence grant	31,020	31,020	45,364	14,344
Sane grant	15,243	15,243	14,475	(768)
DEQ royalty grant	-	-	-	-
Justice assistance grant	-	15,958	5,569	(10,389)
Bulletproof vest partnership grant	8,012	8,012	8,012	-
Homeland security grant	-	-	-	-
Victim-witness grant	77,485	77,485	76,840	(645)
Emergency management performance grant	-	14,882	15,537	655
COVID-19 economic relief	-	7,702,825	6,411,242	(1,291,583)
Tech rescue	2,000	-	-	-
ACSO CESF Covid grant CFDA 16.034	-	629	629	-
Opioid & substance abuse grant	193,154	118,000	122,141	4,141
Total categorical aid	369,214	8,021,054	6,726,277	(1,294,777)
Total revenue from the federal government	947,129	8,598,969	7,324,683	(1,274,286)
Total intergovernmental revenues	13,406,554	21,335,421	20,309,164	(1,026,257)
Total General Fund	\$ 116,045,736	\$ 133,198,045	\$ 136,677,553	\$ 3,479,508
Special Revenue Fund:				
Virginia Public Assistance Fund:				
Revenue from local sources:				
Charges for services:				
Public assistance and welfare administration	\$ 214,188	\$ 214,188	\$ 195,727	\$ (18,461)
Total charges for services	214,188	214,188	195,727	(18,461)
Recovered costs:				
City of Staunton, Virginia	632,097	632,097	632,097	-
City of Waynesboro, Virginia	590,786	590,786	590,786	-
Total recovered costs	1,222,883	1,222,883	1,222,883	-
Total revenue from local sources	1,437,071	1,437,071	1,418,610	(18,461)
Intergovernmental revenues:				
Revenue from the Commonwealth:				
Categorical aid:				
Public assistance and welfare administration	3,812,084	3,812,084	3,739,109	(72,975)
Children's Services Act program	3,540,000	3,751,135	3,535,671	(215,464)
Total categorical aid	7,352,084	7,563,219	7,274,780	(288,439)
Total revenue from the Commonwealth	7,352,084	7,563,219	7,274,780	(288,439)

**SCHEDULE OF REVENUES – BUDGET AND ACTUAL
GOVERNMENTAL FUNDS
Year Ended June 30, 2023**

Entity, Fund, Major and Minor Revenue Source	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
Primary Government:				
Special Revenue Fund:				
Virginia Public Assistance Fund:				
Intergovernmental revenues:				
Revenue from the federal government:				
Categorical aid:				
Public assistance and welfare administration	\$ 7,664,573	\$ 7,664,573	\$ 7,003,960	\$ (660,613)
Children's Services Act program	-	-	217,639	217,639
Total categorical aid	7,664,573	7,664,573	7,221,599	(442,974)
Total revenue from the federal government	7,664,573	7,664,573	7,221,599	(442,974)
Total intergovernmental revenues	15,016,657	15,227,792	14,496,379	(731,413)
Total Virginia Public Assistance Fund	\$ 16,453,728	\$ 16,664,863	\$ 15,914,989	\$ (749,874)
Debt Service Fund:				
County Debt Service Fund:				
Revenue from local sources:				
Charges for services:				
Other charges for services	\$ 33,300	\$ 16,119	\$ 16,119	\$ -
Total charges for services	33,300	16,119	16,119	-
Total revenue from local sources	33,300	16,119	16,119	-
Total County Debt Service Fund	\$ 33,300	\$ 16,119	\$ 16,119	\$ -
Capital Projects Funds:				
County Capital Improvement Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ 3,306	\$ 3,306	\$ 3,306	\$ -
Revenue from the use of property	5,000	6,990	6,990	-
Total revenue from use of money and property	8,306	10,296	10,296	-
Miscellaneous revenue:				
Other miscellaneous	30,000	2,914	40,486	37,572
Total miscellaneous revenue	30,000	2,914	40,486	37,572
Recovered costs:				
Other recovered costs	963,186	946,186	1,033,590	87,404
Total recovered costs	963,186	946,186	1,033,590	87,404
Total revenue from local sources	1,001,492	959,396	1,084,372	124,976

**SCHEDULE OF REVENUES – BUDGET AND ACTUAL
GOVERNMENTAL FUNDS
Year Ended June 30, 2023**

Entity, Fund, Major and Minor Revenue Source	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
Primary Government:				
Capital Improvement Funds:				
Intergovernmental revenues:				
Revenue from the Commonwealth:				
Categorical aid:				
Hazardous Material Grant	\$ 10,000	\$ 10,000	\$ 10,000	\$ -
Reimbursement Department of Transportation Dept of Housing and Community Development (Broadband)	-	149,287	-	(149,287)
PSAP E911 wireless grant	490,620	707,318	315,331	(391,987)
DEQ stormwater local assistance fund grant	660,664	-	-	-
DuPont settlement grant	2,177,645	-	-	-
	800,000	48,000	2,035	(45,965)
Total categorical aid	4,138,929	914,605	327,366	(587,239)
Total revenue from the Commonwealth	4,138,929	914,605	327,366	(587,239)
Revenue from the federal government:				
Categorical aid:				
Transportation enhancement	1,800,000	-	45,285	45,285
DuPont settlement grant	-	-	31,600	31,600
Total categorical aid	1,800,000	-	76,885	76,885
Total revenue from the federal government	1,800,000	-	76,885	76,885
Total intergovernmental revenues	5,938,929	914,605	404,251	(510,354)
Total County Capital Improvements Fund	\$ 6,940,421	\$ 1,874,001	\$ 1,488,623	\$ (385,378)
School Capital Improvements Fund:				
Intergovernmental revenues:				
Revenue from Augusta County School Board				
	\$ -	\$ 819,121	\$ 124,064	\$ (695,057)
Total local governments	-	819,121	124,064	(695,057)
Revenue from the Commonwealth:				
Categorical aid:				
School construction grant	-	3,328,529	3,328,529	-
Total revenue from the Commonwealth	-	3,328,529	3,328,529	-
Revenue from the federal government:				
Categorical aid:				
ARPA	2,000,000	-	841,629	841,629
Total revenue from the federal government	2,000,000	-	841,629	841,629
Total categorical aid	2,000,000	3,328,529	4,170,158	841,629
Total intergovernmental revenues	2,000,000	4,147,650	4,294,222	146,572
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	58,000	335,600	591,963	256,363
Revenue from the use of property	17,109	17,109	17,124	15
Total revenue from use of money and property	75,109	352,709	609,087	256,378
Miscellaneous revenue:				
Other miscellaneous	58,544	575,166	634,402	59,236
Total miscellaneous revenue	58,544	575,166	634,402	59,236
Total revenue from local sources	133,653	927,875	1,243,489	315,614
Total School Capital Improvements Fund	\$ 2,133,653	\$ 5,075,525	\$ 5,537,711	\$ 462,186
Total Primary Government	\$ 141,606,838	\$ 156,828,553	\$ 159,634,995	\$ 2,806,442

**SCHEDULE OF REVENUES – BUDGET AND ACTUAL
GOVERNMENTAL FUNDS
Year Ended June 30, 2023**

Entity, Fund, Major and Minor Revenue Source	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
Discretely Presented Component Unit - School Board:				
School Operating Fund:				
Revenue from local sources:				
Revenue from the use of money and property:				
Revenue from the use of property	\$ 10,000	\$ 10,000	\$ 12,100	\$ 2,100
Total revenue from the use of money and property	10,000	10,000	12,100	2,100
Charges for services:				
Charges for education	565,580	516,446	538,877	22,431
Tuition and payments from other divisions	1,176,500	1,158,331	1,221,543	63,212
Total charges for services	1,742,080	1,674,777	1,760,420	85,643
Miscellaneous revenue:				
Other miscellaneous	222,846	295,711	366,043	70,332
Total miscellaneous revenue	222,846	295,711	366,043	70,332
Total revenue from local sources	1,974,926	1,980,488	2,138,563	158,075
Revenues from local governments:				
Contribution from County of Augusta, Virginia	47,743,342	47,743,342	47,425,842	(317,500)
Total revenues from local governments	47,743,342	47,743,342	47,425,842	(317,500)
Revenue from the Commonwealth:				
Categorical aid:				
Share of state sales tax	15,285,893	15,723,341	14,830,266	(893,075)
Basic school aid	31,979,707	32,385,880	31,983,931	(401,949)
Regular foster children	104,023	470,820	445,758	(25,062)
Adult secondary education	100,653	100,653	101,782	1,129
Gifted and talented	333,147	336,681	337,136	455
Remedial education	874,510	1,017,357	1,018,552	1,195
Special education	2,742,511	2,771,607	2,775,355	3,748
Textbook payment	787,535	795,890	796,966	1,076
Standards of learning-project graduation	10,663	10,663	10,663	-
Vocational standards of quality payments	1,326,638	1,436,907	1,438,850	1,943
Vocational adult education	16,465	16,405	16,405	-
Social security instructional	1,873,950	1,917,880	1,920,473	2,593
Retirement instructional	4,366,601	4,467,037	4,473,078	6,041
Group life insurance instructional	130,879	138,280	138,467	187
Compensation supplement	2,082,883	1,995,253	1,986,986	(8,267)
Early reading intervention	763,586	415,652	415,652	-
Supplemental lottery	2,393,030	2,441,284	2,432,145	(9,139)
Homebound education	14,566	17,571	17,571	-
Regional tuition program	1,257,018	1,544,146	1,233,430	(310,716)
Vocational education - equipment	43,989	43,989	26,348	(17,641)
Vocational occupational preparedness	212,419	212,419	221,424	9,005
Mentor teacher program	7,415	2,792	3,956	1,164
Special education - foster children	49,940	86,298	102,055	15,757
At risk payments	2,335,362	1,785,086	1,787,447	2,361
Primary class size	1,194,608	1,262,742	1,262,742	-
Technology	518,000	518,000	518,000	-
Standards of learning algebra readiness	109,125	111,393	111,393	-
At risk four-year olds	1,128,284	1,305,885	-	(1,305,885)
English as a second language	262,486	242,514	242,514	-
Early reading specialist	-	-	48,325	48,325
Other state funds	1,929,978	2,718,873	3,802,475	1,083,602
Total categorical aid	74,235,864	76,293,298	74,500,145	(1,793,153)
Total revenue from the Commonwealth	74,235,864	76,293,298	74,500,145	(1,793,153)

**SCHEDULE OF REVENUES – BUDGET AND ACTUAL
GOVERNMENTAL FUNDS
Year Ended June 30, 2023**

Entity, Fund, Major and Minor Revenue Source	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
Discretely Presented Component Unit - School Board:				
School Operating Fund:				
Intergovernmental revenues:				
Revenue from the federal government:				
Categorical aid:				
Federal land use	\$ 118,542	\$ 152,000	\$ 142,060	\$ (9,940)
Title I	1,335,000	1,345,000	1,375,245	30,245
Title VI-B, special education flow-through	2,425,000	2,319,600	2,331,386	11,786
Vocational education	136,885	164,767	168,178	3,411
Title VI-B, special education pre-school	65,900	69,132	66,945	(2,187)
Title IV Part A	67,600	76,450	71,126	(5,324)
Title III Part A	19,152	23,050	20,741	(2,309)
Title II Part A	246,000	287,694	280,894	(6,800)
School-based health workforce	-	76,523	76,523	-
ITCV grant	60,124	74,462	74,462	-
CARES act	-	73,121	50,793	(22,328)
ARPA	1,776,603	4,198,716	3,666,658	(532,058)
Total categorical aid	6,250,806	8,860,515	8,325,011	(535,504)
Total revenue from the federal government	6,250,806	8,860,515	8,325,011	(535,504)
Total intergovernmental revenues	128,230,012	132,897,155	130,250,998	(2,646,157)
Total School Operating Fund	\$ 130,204,938	\$ 134,877,643	\$ 132,389,561	\$ (2,488,082)
School Cafeteria Fund:				
Revenue from local sources:				
Revenue from the use of money and property:				
Revenue from the use of money	\$ 6,000	\$ 115,000	\$ 142,726	\$ 27,726
Total revenue from use of money and property	6,000	115,000	142,726	27,726
Charges for services:				
Cafeteria sales	1,160,300	930,200	1,216,564	286,364
Total charges for services	1,160,300	930,200	1,216,564	286,364
Total revenue from local sources	1,166,300	1,045,200	1,359,290	314,090
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
School food program grant	130,955	100,000	181,941	81,941
Total categorical aid	130,955	100,000	181,941	81,941
Total revenue from the Commonwealth	130,955	100,000	181,941	81,941
Revenue from the federal government:				
Categorical aid:				
School food program grant	3,200,000	3,628,588	4,326,167	697,579
USDA donated food	-	-	507,230	507,230
Total categorical aid	3,200,000	3,628,588	4,833,397	1,204,809
Total revenue from the federal government	3,200,000	3,628,588	4,833,397	1,204,809
Total intergovernmental revenues	3,330,955	3,728,588	5,015,338	1,286,750
Total School Cafeteria Fund	\$ 4,497,255	\$ 4,773,788	\$ 6,374,628	\$ 1,600,840

**SCHEDULE OF REVENUES – BUDGET AND ACTUAL
GOVERNMENTAL FUNDS
Year Ended June 30, 2023**

Entity, Fund, Major and Minor Revenue Source	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over Over (Under)
	Original	Final		
Discretely Presented Component Unit - School Board:				
Head Start Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of property	\$ -	\$ 2,619	\$ 2,619	\$ -
Total revenue from use of money and property	-	2,619	2,619	-
Miscellaneous revenue:				
Other miscellaneous	60,000	60,000	77,649	17,649
Total miscellaneous revenue	60,000	60,000	77,649	17,649
Total revenue from local sources	60,000	62,619	80,268	17,649
Intergovernmental revenue:				
Revenue to local governments:				
Contributions to County of Augusta, Virginia	-	-	(510)	(510)
Total revenue to local governments	-	-	(510)	(510)
Revenue from the federal government:				
Categorical aid:				
Head start grant	3,708,156	3,698,277	3,619,100	(79,177)
Total categorical aid	3,708,156	3,698,277	3,619,100	(79,177)
Total revenue from the federal government	3,708,156	3,698,277	3,619,100	(79,177)
Total intergovernmental revenues	3,708,156	3,698,277	3,618,590	(79,687)
Total Head Start Fund	\$ 3,768,156	\$ 3,760,896	\$ 3,698,858	\$ (62,038)
Governor's School Fund:				
Revenue from local sources:				
Charges for services:				
Tuition	\$ 1,266,883	\$ 1,246,445	\$ 1,199,912	\$ (46,533)
Total charges for services	1,266,883	1,246,445	1,199,912	(46,533)
Intergovernmental revenue:				
Revenue from local governments:				
Contributions from County of Augusta, Virginia	-	-	(157,371)	(157,371)
Total revenue from local governments	-	-	(157,371)	(157,371)
Miscellaneous revenue:				
Other miscellaneous	2,800	13,676	13,677	1
Total miscellaneous revenue	2,800	13,676	13,677	1
Total revenue from local sources	1,269,683	1,260,121	1,056,218	(46,532)
Intergovernmental revenues:				
Revenue from the Commonwealth:				
Governor's school grant	685,486	782,195	782,196	1
Technology funds	26,000	26,000	26,000	-
Total revenue from the Commonwealth	711,486	808,195	808,196	1
Revenue from the federal government:				
Categorical aid:				
ARPA	-	17,224	17,224	-
Total revenue from the federal government	-	17,224	17,224	-
Total categorical aid	711,486	825,419	825,420	1
Total intergovernmental revenues	711,486	825,419	825,420	1
Total Governor's School Fund	\$ 1,981,169	\$ 2,085,540	\$ 1,881,638	\$ (46,531)

**SCHEDULE OF REVENUES – BUDGET AND ACTUAL
GOVERNMENTAL FUNDS
Year Ended June 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
Discretely Presented Component Unit - School Board (Continued):				
School Endowments:				
Revenue from local sources:				
Scholarship	\$ -	\$ -	\$ 3,329	\$ 3,329
Use of money and property	-	-	3,371	3,371
Total revenue from local sources	-	-	6,700	6,700
Total Endowment Fund	\$ -	\$ -	\$ 6,700	\$ 6,700
Total Discretely Presented Component Unit- School Board	\$ 140,451,518	\$ 145,497,867	\$ 144,351,385	\$ (989,111)

**SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL
GOVERNMENTAL FUNDS
Year Ended June 30, 2023**

Entity, Fund, Function, Activity and Elements	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
Primary Government:				
General Fund:				
General government administration:				
Legislative:				
Board of Supervisors	\$ 162,667	\$ 175,910	\$ 163,764	\$ (12,146)
Total legislative	162,667	175,910	163,764	(12,146)
General and financial administration:				
County administrator	1,072,913	4,309,349	2,788,634	(1,520,715)
Human resources	323,102	338,030	327,917	(10,113)
Legal services	507,498	457,082	423,480	(33,602)
Commissioner of revenue	1,163,779	1,179,616	1,187,353	7,737
Reassessment	535,185	996,835	561,650	(435,185)
Treasurer	652,436	652,064	632,429	(19,635)
Finance	427,415	443,342	447,393	4,051
Information technology	1,085,354	1,163,678	865,238	(298,440)
Other general and financial administration	1,215,119	1,117,094	1,114,514	(2,580)
Total general and financial administration	6,982,801	10,657,090	8,348,608	(2,308,482)
Board of elections:				
Electoral board and officials	450,663	510,827	421,407	(89,420)
Total board of elections	450,663	510,827	421,407	(89,420)
Total general government administration	7,596,131	11,343,827	8,933,779	(2,410,048)
Judicial administration:				
Courts:				
Circuit court	192,965	204,265	212,584	8,319
General district court	13,241	21,697	25,066	3,369
Special magistrates	4,457	4,461	2,658	(1,803)
Clerk of the circuit court	1,181,482	1,188,155	1,269,144	80,989
Total courts	1,392,145	1,418,578	1,509,452	90,874
Commonwealth's attorney:				
Commonwealth's attorney	1,815,996	1,706,913	1,728,770	21,857
Total commonwealth's attorney	1,815,996	1,706,913	1,728,770	21,857
Total judicial administration	3,208,141	3,125,491	3,238,222	112,731

**SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL
GOVERNMENTAL FUNDS
Year Ended June 30, 2023**

Entity, Fund, Function, Activity and Elements	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
Primary Government:				
General Fund:				
Public safety:				
Law enforcement and traffic control:				
Sheriff	\$ 9,520,819	\$ 9,700,276	\$ 9,996,686	\$ 296,410
Emergency operations center	2,277,330	2,456,261	2,280,518	(175,743)
Total law enforcement and traffic control	11,798,149	12,156,537	12,277,204	120,667
Fire and rescue services:				
Fire department	10,801,957	11,151,934	10,739,635	(412,299)
Volunteer emergency operations	1,952,919	1,952,919	1,904,166	(48,753)
Fire training center	623,159	643,969	563,845	(80,124)
Fire revolving fund disbursements	605,000	1,105,000	1,037,753	(67,247)
Emergency management	99,492	105,977	103,230	(2,747)
EMS transport service	743,624	839,102	763,121	(75,981)
Total fire and rescue services	14,826,151	15,798,901	15,111,750	(687,151)
Correction and detention:				
Probation and detention	2,891,318	5,450,946	5,438,664	(12,282)
Total correction and detention	2,891,318	5,450,946	5,438,664	(12,282)
Inspections:				
Building	449,106	450,887	438,900	(11,987)
Total inspections	449,106	450,887	438,900	(11,987)
Other protection:				
Animal control	567,816	800,559	718,660	(81,899)
Drug enforcement funds	48,000	69,092	56,843	(12,249)
Total other protection	615,816	869,651	775,503	(94,148)
Total public safety	30,580,540	34,726,922	34,042,021	(684,901)
Public works:				
Maintenance of highways, streets, bridges and sidewalks:				
Highways, streets, bridges and sidewalks	20,000	20,000	20,501	501
Streetlights	121,000	121,000	129,514	8,514
Total maintenance of highways, streets, bridges and sidewalks	141,000	141,000	150,015	9,015
Sanitation and waste removal:				
Refuse collection and disposal	2,388,530	2,450,423	2,519,307	68,884
Recycling program	158,600	172,900	167,532	(5,368)
Total sanitation and waste removal	2,547,130	2,623,323	2,686,839	63,516
Maintenance of general buildings and grounds:				
General properties	2,245,021	2,298,753	2,212,683	(86,070)
Total maintenance of general buildings and grounds	2,245,021	2,298,753	2,212,683	(86,070)
Total public works	4,933,151	5,063,076	5,049,537	(13,539)

**SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL
GOVERNMENTAL FUNDS
Year Ended June 30, 2023**

Entity, Fund, Function, Activity and Elements	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
Primary Government:				
General Fund:				
Health and welfare:				
Health:				
Supplement to local health department	\$ 628,127	\$ 628,127	\$ 628,127	\$ -
Total health	628,127	628,127	628,127	-
Mental health and mental retardation:				
Community services board	215,000	215,000	215,000	-
Total mental health and mental retardation	215,000	215,000	215,000	-
Welfare:				
Valley Education Alliance	1,000	1,000	1,000	-
Valley Program for the Aging	31,250	31,250	31,250	-
BRITE Transit Services	43,510	43,510	43,510	-
Community Centers	8,750	8,750	8,750	-
Verona Food Pantry	39,540	39,540	39,540	-
Lions Sight and Hearing/Oak Grove Theatre	3,425	3,425	3,424	(1)
Inter-regional public transit	1,109	11,094	11,094	-
CAPSAW	63,125	63,125	63,125	-
Craigsville personal property	40,386	46,859	46,859	-
Miscellaneous	17,789	17,789	17,789	-
Tax relief for the elderly	363,115	363,115	333,115	(30,000)
Total welfare	612,999	629,457	599,456	(30,001)
Total health and welfare	1,456,126	1,472,584	1,442,583	(30,001)
Education:				
Other instructional costs:				
Contributions to Blue Ridge Community College	5,000	5,000	5,000	-
Contribution to County School Board	47,743,342	47,743,342	47,267,961	(475,381)
Total education	47,748,342	47,748,342	47,272,961	(475,381)
Parks, recreation and cultural:				
Parks and recreation:				
Supervision of parks and recreation	930,685	908,870	866,761	(42,109)
Total parks and recreation	930,685	908,870	866,761	(42,109)
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	1,678,937	1,765,655	1,761,135	(4,520)
Total library	1,678,937	1,765,655	1,761,135	(4,520)
Total parks, recreation and cultural	2,619,122	2,684,025	2,637,396	(46,629)

**SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL
GOVERNMENTAL FUNDS
Year Ended June 30, 2023**

Entity, Fund, Function, Activity and Elements	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
Primary Government:				
General Fund:				
Community development:				
Planning and community development:				
Community development	\$ 1,241,098	\$ 1,143,618	\$ 1,097,626	\$ (45,992)
Tourism development	208,787	588,907	582,170	(6,737)
Economic development	339,704	339,013	322,770	(16,243)
Contribution to Economic Development Authority	402,400	832,450	830,019	(2,431)
Total planning and community development	2,191,989	2,903,988	2,832,585	(71,403)
Environmental management:				
Contribution to soil and water district	99,517	99,517	103,815	4,298
Total environmental management	99,517	99,517	103,815	4,298
Cooperative extension program:				
Extension office	147,954	147,954	149,644	1,690
Total cooperative extension program	147,954	147,954	149,644	1,690
Total community development	2,439,460	3,151,459	3,086,044	(65,415)
Nondepartmental:				
Shenandoah Valley Regional Airport	134,080	134,080	134,080	-
Contingencies	7,654,800	3,415,000	4,228,072	813,072
School Safety Equipment	-	869,349	405,890	(463,459)
Total nondepartmental	7,788,880	4,418,429	4,768,042	349,613
Debt service:				
Principal - subscription liabilities	-	-	207,385	207,385
Principal - lease liabilities	-	-	236,732	236,732
Interest - lease liabilities	-	-	97,176	97,176
Total debt service	-	-	541,293	541,293
Total General Fund	\$ 108,369,893	\$ 113,734,155	\$ 111,011,878	\$ (2,722,277)
Special Revenue Fund:				
Virginia Public Assistance Fund:				
Health and welfare:				
Welfare and social services:				
Welfare administration	\$ 11,517,060	\$ 11,517,060	\$ 10,257,463	\$ (1,259,597)
Public assistance	2,902,705	2,902,705	2,964,563	61,858
Children's services	5,500,000	5,875,955	5,880,848	4,893
Total welfare and social services	19,919,765	20,295,720	19,102,874	(1,192,846)
Total health and welfare	19,919,765	20,295,720	19,102,874	(1,192,846)
Debt service:				
Principal - lease liabilities	-	-	12,691	12,691
Interest - lease liabilities	-	-	393	393
Total debt service	-	-	13,084	13,084
Total Virginia Public Assistance Fund	\$ 19,919,765	\$ 20,295,720	\$ 19,115,958	\$ (1,179,762)
Debt Service Fund:				
County Debt Service:				
Debt Service:				
Principal retirement	\$ 602,677	\$ 602,677	\$ 602,677	\$ -
Interest and other fiscal charges	130,269	130,269	130,269	-
Total County Debt Service	732,946	732,946	732,946	-

**SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL
GOVERNMENTAL FUNDS
Year Ended June 30, 2023**

Entity, Fund, Function, Activity and Elements	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
Primary Government:				
Debt Service Fund:				
School Debt Service:				
Debt Service:				
Principal retirement	\$ 5,176,611	\$ 5,176,611	\$ 5,176,611	\$ -
Interest and other fiscal charges	2,271,254	1,806,884	1,807,366	482
Total School Debt Service	7,447,865	6,983,495	6,983,977	482
Total Debt Service Fund	\$ 8,180,811	\$ 7,716,441	\$ 7,716,923	\$ 482
Capital Projects Funds:				
County Capital Improvements Fund:				
Capital projects expenditures:				
County Schools	\$ -	\$ 4,544,094	\$ -	\$ (4,544,094)
Landfill	400,000	400,000	382,568	(17,432)
Road construction	1,800,000	149,287	19,823	(129,464)
Programs	4,586,583	2,536,938	(39,453)	(2,576,391)
Equipment replacement	2,364,726	6,555,828	1,491,403	(5,064,425)
Building renovations and construction	859,465	3,607,408	2,354,568	(1,252,840)
Economic development	753,926	1,870,624	(641,293)	(2,511,917)
Subscriptions	-	-	975,495	975,495
Community contributions	555,000	555,000	191,751	(363,249)
Total capital projects expenditures	11,319,700	20,219,179	4,734,862	(15,484,317)
Debt service:				
Principal - subscription liabilities	-	-	59,150	59,150
Total debt service	-	-	59,150	59,150
Total County Capital Improvements Fund	\$ 11,319,700	\$ 20,219,179	\$ 4,794,012	\$ (15,425,167)
School Capital Improvements Fund:				
Capital projects expenditures:				
Transportation	\$ 1,080,000	\$ 1,626,073	\$ 1,626,073	\$ -
Equipment/technology	434,763	475,226	175,050	(300,176)
Other School projects	-	764,428	764,428	-
Building renovations	26,415,996	30,866,431	30,825,159	(41,272)
Total capital projects expenditures	27,930,759	33,732,158	33,390,710	(341,448)
Debt Service:				
Principal retirement	-	-	415,297	415,297
Interest and other fiscal charges	-	251,809	177,960	(73,849)
	-	251,809	593,257	341,448
Total School Capital Improvements Fund	\$ 27,930,759	\$ 33,983,967	\$ 33,983,967	\$ -
Total Primary Government	\$ 175,720,928	\$ 195,949,462	\$ 176,622,738	\$ (19,326,724)

**SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL
GOVERNMENTAL FUNDS
Year Ended June 30, 2023**

Entity, Fund, Function, Activity and Elements	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
Discretely Presented Component Unit - School Board:				
School Operating Fund:				
Education:				
Administration of schools:				
School board	\$ 253,136	\$ 256,841	\$ 261,026	\$ 4,185
Executive administration services	788,163	932,776	899,528	(33,248)
Personnel	768,138	763,601	738,936	(24,665)
Fiscal services	889,828	924,256	927,030	2,774
Data processing services	470,030	568,738	565,462	(3,276)
Total administration of schools	3,169,295	3,446,212	3,391,982	(54,230)
Instruction costs:				
Elementary and secondary schools	82,516,408	84,064,496	82,948,449	(1,116,047)
Guidance services	3,570,994	3,571,695	3,554,330	(17,365)
Social worker services	857,311	1,243,463	1,181,174	(62,289)
Other instructional costs	4,142,584	4,502,968	4,539,255	36,287
Media services	2,086,619	2,037,880	2,021,451	(16,429)
Technology services	4,576,504	4,600,983	3,942,024	(658,959)
Office of the principal	7,868,899	7,995,367	7,627,459	(367,908)
Total instruction costs	105,619,319	108,016,852	105,814,142	(2,202,710)
Operating costs:				
Attendance and health services	2,090,185	2,207,974	2,207,297	(677)
Pupil transportation	7,986,146	8,511,535	8,528,105	16,570
Operation and maintenance of school plant	11,295,293	11,875,949	12,121,386	245,437
School food services	44,700	-	-	-
Contribution to the primary government	-	819,121	124,064	(695,057)
Total operating costs	21,416,324	23,414,579	22,980,852	(433,727)
Total education	130,204,938	134,877,643	132,186,976	(2,690,667)
Debt service:				
Principal - lease liabilities	-	-	329,056	329,056
Principal - subscription liabilities	-	-	71,444	71,444
Interest - lease liabilities	-	-	4,875	4,875
Total debt service	-	-	405,375	405,375
Total School Operating Fund	\$ 130,204,938	\$ 134,877,643	\$ 132,592,351	\$ (2,285,292)
Cafeteria Fund:				
Education:				
School food services:				
Administration of school food program	\$ 6,700,858	\$ 7,289,815	\$ 7,314,696	\$ 24,881
Total school food services	6,700,858	7,289,815	7,314,696	24,881
Total education	6,700,858	7,289,815	7,314,696	24,881
Total Cafeteria Fund	\$ 6,700,858	\$ 7,289,815	\$ 7,314,696	\$ 24,881

**SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL
GOVERNMENTAL FUNDS
Year Ended June 30, 2023**

Entity, Fund, Function, Activity and Elements	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
Discretely Presented Component Unit - School Board:				
Head Start Fund:				
Education:				
Instruction	\$ 3,120,704	\$ 3,016,834	\$ 2,961,215	\$ (55,619)
Administration, attendance and health	518,429	598,948	546,071	(52,877)
Transportation services	90,098	101,169	102,479	1,310
Operations and maintenance services	38,925	43,126	84,473	41,347
Total education	3,768,156	3,760,077	3,694,238	(65,839)
Debt service:				
Principal - lease liabilities	-	-	4,595	4,595
Interest - lease liabilities	-	-	25	25
Total debt service	-	-	4,620	4,620
Total Head Start Fund	\$ 3,768,156	\$ 3,760,077	\$ 3,698,858	\$ (61,219)
Governor's School Fund:				
Education:				
Instruction	\$ 1,838,482	\$ 1,855,853	\$ 1,802,543	\$ (53,310)
Administration, attendance and health	31,482	31,982	29,582	(2,400)
Operations and maintenance services	111,205	197,200	45,927	(151,273)
Total education	1,981,169	2,085,035	1,878,052	(206,983)
Debt service:				
Principal - lease liabilities	-	-	3,582	3,582
Interest - lease liabilities	-	-	4	4
Total debt service	-	-	3,586	3,586
Total Governor's School Fund	\$ 1,981,169	\$ 2,085,035	\$ 1,881,638	\$ (203,397)
School Endowments:				
Education:				
Scholarship	\$ -	\$ -	\$ 2,000	\$ 2,000
Total education	-	-	2,000	2,000
Total Endowment Fund	\$ -	\$ -	\$ 2,000	\$ 2,000
Total Discretely Presented Component Unit - School Board	\$ 142,655,121	\$ 148,012,570	\$ 145,489,543	\$ (2,523,027)

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.

Contents	Tables
Financial Trends These tables contain trend information to help the reader understand how the County’s financial performance and well-being have changed over time.	1 – 6
Revenue Capacity These tables contain information to help the reader assess the factors affecting the County’s ability to generate its property and sales taxes.	7 – 10
Debt Capacity These tables present information to help the reader assess the affordability of the County’s current levels of outstanding debt and the County’s ability to issue debt in the future	11 – 12
Demographic and Economic Information These tables offer demographic and economic indicators to help the reader understand the environment within which the County’s financial activities take place and to help make comparisons over time and with other governments	13 – 14
Operating Information These tables contain information about the County’s operations and resources to help the reader understand how the County’s financial information relate to the services the County provides and the activities it performs.	15 – 17

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

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

	Fiscal Year June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Primary Government										
Governmental activities:										
Net investment in capital assets	\$ 14,785,963	\$ 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)
Restricted	4,534,029	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
Unrestricted	41,015,719	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
Total primary government, governmental activities net position	\$ 60,335,711	\$ 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
Component Unit ⁽¹⁾										
Component unit - school board:										
Net investment in capital assets	\$ 73,843,782	\$ 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
Restricted	-	-	-	-	-	-	-	-	-	3,185
Unrestricted (deficit)	(3,294,961)	(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)
Total component unit net position	\$ 70,548,821	\$ (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
Total Reporting Entity										
Net investment in capital assets	\$ 88,629,745	\$ 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
Restricted	4,534,029	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
Unrestricted	37,720,758	(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
Total reporting entity net position	\$ 130,884,532	\$ 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

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.

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

	Fiscal Year June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Primary Government										
Expenses:										
Governmental activities:										
General government	\$ 5,826,866	\$ 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
Judicial administration	1,772,021	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
Public safety	19,778,068	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
Public works	11,849,900	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
Health and welfare	14,576,794	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
Education	36,151,010	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
Parks, recreation and cultural	2,613,593	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
Community development	2,703,540	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
Interest on long-term debt	2,314,911	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
Total primary government expenses	97,586,703	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
Program revenues:										
Governmental activities:										
Charges for services:										
General government	621,178	854,701	647,440	740,688	738,561	696,917	730,655	735,644	90,905	151,882
Judicial administration	218,470	222,118	207,767	232,593	267,257	281,445	210,170	237,672	273,339	317,644
Public safety	1,497,982	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
Public works	1,092,513	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
Health and welfare	153,074	142,772	181,556	158,177	190,817	1,342,228	1,712,553	1,783,934	1,533,206	1,418,610
Parks, recreation and cultural	752,909	772,613	843,530	824,567	817,258	996,007	488,413	223,121	421,246	618,896
Operating grants and contributions	17,285,378	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
Capital grants and contributions	7,429,523	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
Total primary government program revenues	29,051,027	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
Total primary government net expenses⁽¹⁾	(68,535,676)	(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)
General revenues and other changes in net assets/position:										
Governmental activities:										
Taxes:										
Property taxes	51,900,224	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
Local sales and use taxes	4,803,575	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
Consumer utility taxes	1,724,037	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
Business licenses taxes	3,488,169	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
Restaurant food taxes	2,081,118	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
Other local taxes	1,853,526	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
Unrestricted grants and contributions	7,578,602	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
Unrestricted revenues from use of money and property	537,628	567,927	634,230	592,384	795,317	1,510,344	1,272,079	685,333	327,657	4,592,957
Gain on disposal of capital assets	-	-	-	285,000	-	-	-	-	-	-
Miscellaneous	818,655	270,000	320,825	456,414	563,523	470,448	1,576,340	4,357,975	921,236	2,692,353
Total primary government general revenues and other changes in net position	74,785,534	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
Change in net position:										
Total primary government	\$ 6,249,858	\$ (654,689)	\$ (4,040)	\$ (26,220,279)	\$ 38,410,326	\$ 8,212,547	\$ 445,503	\$ 14,931,877	\$ 9,841,041	\$ (11,615,296)

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

	Fiscal Year June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Component Unit ⁽²⁾										
Expenses:										
School Board	\$ 110,663,364	\$ 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
Total component unit expenses	110,663,364	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
Program revenues:										
Charges for services	3,272,742	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
Operating grants and contributions	60,559,006	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
Capital grants and contributions	-	449,479	46,509	-	-	-	-	-	-	-
Total component unit program revenues	63,831,748	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
Total component unit net expense⁽¹⁾	(46,831,616)	(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)
General revenues and other changes in net assets/position:										
Unrestricted grants and contributions	40,795,739	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
Unrestricted revenues from use of money and property	35,294	34,841	54,183	55,715	143,819	116,756	105,152	11,608	22,829	160,816
Miscellaneous	607,376	999,891	565,464	1,069,136	1,391,745	310,603	245,706	391,957	930,402	460,697
Total component unit general revenues and other changes in net position	41,438,409	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
Change in net position:										
Total component unit	\$ (5,393,207)	\$ 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
Total Reporting Entity Change in Net Position	\$ 856,651	\$ 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

Notes:

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

GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE

Last Ten Fiscal Years

(accrual basis of accounting)

Fiscal Year	Property Tax	Local Sales and Use Tax	Consumers' Utility Tax	Business License Tax	Restaurant Food Tax	Other Local Taxes	Total
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
2014	51,900,224	4,803,575	1,724,037	3,488,169	2,081,118	1,853,526	65,850,649

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

	Fiscal Year June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Nonspendable	\$ 41,721	\$ 154,477	\$ 106,493	\$ 93,961	\$ 1,203,806	\$ 1,209,984	\$ 1,203,343	\$ 727,134	\$ 132,077	\$ 385,363
Restricted	2,006,339	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
Committed	691,504	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
Assigned	206,303	221,784	234,072	253,977	257,332	317,243	387,367	454,735	477,388	518,470
Unassigned	11,986,399	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
Total general fund	14,932,266	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
All Other Governmental Funds										
Restricted	2,244,271	455,329	19,457,305	5,489,993	868,135	194,307	302,595	-	-	35,018,781
Committed	3,304,648	1,148,900	2,645,897	-	-	-	-	-	-	-
Assigned	24,831,423	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
Unassigned	-	(318,771)	(757,966)	(397,747)	-	-	-	-	(1,094,598)	-
Total all other governmental funds	30,380,342	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
Total fund balances	\$ 45,312,608	\$ 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

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

	Fiscal Year June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
General property taxes	\$ 51,399,020	\$ 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
Other local taxes	13,976,359	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
Permits, privilege fees and regulatory licenses	524,896	764,794	568,023	645,578	637,374	608,943	602,235	643,011	982,968	863,409
Fines and forfeitures	208,086	206,125	149,052	214,784	311,426	347,877	272,161	253,102	213,290	285,634
Revenue from use of money and property	549,465	594,562	677,776	719,415	843,096	1,510,344	1,272,079	685,333	334,269	4,592,957
Charges for services	3,603,144	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
Miscellaneous	756,329	432,789	813,309	1,624,932	616,839	470,448	1,576,340	4,357,975	922,091	1,668,289
Recovered costs	1,489,783	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
Intergovernmental:										
Commonwealth	23,726,548	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
Federal	8,035,610	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
Local	-	-	-	-	-	-	-	2,582,459	-	124,064
Total revenues	104,269,240	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
Expenditures										
General government administration	4,342,595	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
Judicial administration	1,762,176	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
Public safety	18,043,770	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
Public works	3,356,040	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
Health and welfare	15,703,648	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
Education	36,443,632	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
Parks, recreation and cultural	2,585,384	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
Community development	1,446,741	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
Nondepartmental	137,489	144,535	169,899	209,231	143,194	213,767	240,340	2,679,548	279,582	4,768,042
Capital projects	14,236,573	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
Debt service:										
Principal	5,874,929	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
Interest and other fiscal charges	2,671,273	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
Total expenditures	106,604,250	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
Excess (deficiency) of revenues over (under) expenditures	(2,335,010)	(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)
Other Financing Sources (Uses)										
Sale of land	-	-	-	285,000	-	-	-	-	-	900,000
Transfers in	16,621,651	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
Transfers out	(16,621,651)	(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)
Proceeds from issuance of lease liabilities	-	-	-	-	-	-	1,830,396	750,874	13,268	356,324
Proceeds from issuance of subscription liabilities	-	-	-	-	-	-	-	-	-	1,071,100
Proceeds from issuance of private placement notes	-	-	-	-	-	-	-	-	-	161,850
Bonds issued	691,882	2,185,655	27,622,785	14,285,000	-	-	-	-	-	66,231,380
Premium on bonds issued	-	-	2,381,661	1,247,289	-	-	-	-	-	-
Total other financing sources, net	691,882	2,185,655	30,004,446	15,817,289	-	-	1,830,396	750,874	13,268	68,720,654
Net change in fund balances	\$ (1,643,128)	\$ (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
Debt Service as a Percentage of Noncapital Expenditures	8.24%	7.68%	6.99%	5.60%	8.10%	8.06%	7.38%	6.77%	6.65%	5.25%

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
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
2014	51,399,030	4,803,575	1,724,037	3,488,169	2,081,118	1,853,526	65,349,455

**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⁾
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%
2014	6,720,763,659	630,856,230	174,573,180	302,295,345	7,828,488,414	0.70	7,955,780,909	98.40%

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 Fiscal Years

Calendar Year	Property Tax Rates						Total Direct Rate
	Real Estate	Personal Property ⁽²⁾		Mobile Homes	Machinery and Tools		
		Vehicle	Other				
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	
2014	0.56	2.50	1.90	0.56	1.90	0.70	

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

Taxpayer	Business Type	Fiscal Year 2023			Fiscal Year 2014		
		2023 Assessed Valuation	Rank	% of Total Assessed Valuation	2014 Assessed Valuation	Rank	% of Total Assessed Valuation
Virginia Power	Public Utility	\$ 305,607,694	1	3.22%	\$ 173,739,410	1	2.22%
Hershey Foods Corporation	Food Manufacturer	172,201,470	2	1.82%	103,219,310	2	1.32%
McKee Baking Company	Food Manufacturer	73,656,590	3	0.78%	71,959,380	3	0.92%
Target Corporation	Distribution Center	56,083,860	4	0.59%	43,322,570	5	0.55%
Shenandoah Valley Electric	Public Utility	48,592,290	5	0.51%	54,038,180	4	0.69%
Charlottesville Industrial LLC	Fullfillment Warehouse	47,673,800	6	0.50%	-	N/A	0.00%
Shamrock Foods Company	Food Manufacturer	37,307,860	7	0.39%	-	N/A	0.00%
Hollister, Inc.	Medical Supplies Mfg.	30,269,749	8	0.32%	23,217,101	8	0.30%
Nibco, Inc.	Copper Pipe Fittings	28,830,018	9	0.30%	18,133,490	9	0.23%
Daikin (formerly McQuay International)	Industrial Air Cond. Equip.	27,682,400	10	0.29%	26,373,000	7	0.34%
MeadWestvaco	Paper Mfg. Warehouse	-	N/A	-	26,485,300	6	0.34%
Verizon/Bell Atlantic	Flexible Packaging	-	N/A	-	15,219,660	10	0.19%
		<u>\$ 827,905,731</u>		<u>8.72%</u>	<u>\$ 555,707,401</u>		<u>7.10%</u>

Source: Commissioner of Revenue

**PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Calendar Years**

Calendar Year	Total Tax Levy for the Calendar Year	Collected within the Calendar Year of the Levy ⁽¹⁾		Collections in Subsequent Calendar Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2023 ⁽²⁾	\$ 49,050,123	\$ 24,517,595	49.98%	\$ -	\$ 24,517,595	49.98%
2022	75,667,655	73,086,537	96.59%	- ⁽³⁾	73,086,537	96.59%
2021	70,121,901	67,550,254	96.33%	1,004,685	47,898,631	68.31%
2020	67,192,028	64,684,273	96.27%	1,429,037	64,684,273	96.27%
2019	64,933,964	63,630,951	97.99%	1,885,445	64,933,964	100.00%
2018	60,756,580	59,184,706	97.41%	1,783,499	60,719,567	99.94%
2017	56,348,173	54,566,805	96.84%	1,703,216	56,152,629	99.65%
2016	55,511,225	53,258,040	95.94%	1,586,308	54,750,380	98.63%
2015	54,957,577	52,062,743	94.73%	1,624,450	53,604,801	97.54%
2014	50,824,584	49,510,805	97.42%	1,396,532	50,824,584	100.00%

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**

Fiscal Years	Governmental Activities					Total Primary Government	Percentage of Personal Income ⁽¹⁾	Per Capita ⁽¹⁾
	General Obligation	Other	Private Placement	Leases	Subscriptions			
	Bonds	Bonds	Notes					
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
2014	56,548,128	6,890,001	-	-	-	63,438,129	2.25%	859

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⁾
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
2014	56,548,128	0.72%	766

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
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%
2014	73,862	38,255	51.79%	50-54	10,325	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 Ago

Employer	Fiscal Year 2023			Fiscal Year 2014		
	Employees	Rank	% of Total County Employment	Employees	Rank	% of Total County Employment
Augusta County School Board	1000+	1	4.03%	1000+	1	3.91%
Augusta Medical Center	1000+	2	4.03%	1000+	2	3.91%
Hershey Chocolate of Virginia	1000+	3	4.03%	500-999	3	1.96%
Target Corp.	1000+	4	4.03%	500-999	5	1.96%
McKee Foods Corporation	1000+	5	4.03%	500-999	4	1.96%
AAF McQuay, Inc.	500-999	6	2.02%	250-499	6	0.98%
Hollister, Inc.	500-999	7	2.02%	250-499	7	0.98%
County of Augusta	500-999	8	2.02%	250-499	9	0.98%
NIBCO of Virginia	250-499	9	1.01%	-	-	-
University Instructors Inc	250-499	10	1.01%	-	-	-
J.B. Hunt Transport	-	-	-	250-499	10	0.98%
Blue Ridge Community College	-	-	-	250-499	8	0.98%
Totals, average	11,250		28.23%	7,125		18.57%
Total County employment	37,214			38,361		

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

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

Function	Fiscal Year June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General government	46	47	50	50	50	50	53	53	55	55
Judicial administration	23	23	26	27	27	27	30	31	33	33
Public safety:										
Sheriffs department	76	80	76	78	80	85	88	89	94	108
Emergency communication center	18	18	18	18	18	18	18	21	22	22
Fire & rescue	80	86	105	105	105	105	106	109	125	125
Building inspections	6	6	6	6	6	6	6	6	6	6
Animal control	3	3	3	3	3	3	3	3	3	3
Public works										
Facilities management:	17	19	27	31	31	35	35	35	35	35
Health and welfare:										
Department of social services	123	132	134	144	145	145	153	156	163	168
Culture and recreation:										
Parks and recreation	10	11	10	10	10	6	6	7	7	7
Library	15	15	16	16	16	16	16	16	16	17
Community development	10	10	11	11	11	11	11	12	12	12
Economic development	2	2	2	2	2	2	2	2	2	2
Totals	429	452	484	501	504	509	527	540	573	593

Source: Human Resources

**OPERATING INDICATORS BY FUNCTION
Last Ten Fiscal Years**

Function	Fiscal Year June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Public Safety										
Sheriffs Department:										
Number of police personnel and officers	76	80	73	80	80	88	88	89	94	106
Physical arrests	1,865	1,876	1,907	2,383	2,469	2,328	2,549	2,676	2,559	2,713
Traffic violations	3,928	3,444	2,419	5,045	5,695	5,273	5,631	5,778	4,313	4,761
Parking violations	28	9	6	6	-	4	5	-	-	-
Fire and rescue:										
Number of calls answered	17,949	17,645	17,866	18,338	18,811	20,055	15,845	20,031	17,232	18,464
Number of volunteers ⁽¹⁾	964	921	858	813	785	607	605	650	632	596
Number of paid fire personnel and officers	81	86	86	105	105	105	106	109	125	126
Building inspections:										
Permits issued	801	812	826	907	779	825	794	840	N/A	N/A
Animal control:										
Number of calls answered	2,940	2,961	2,781	2,510	2,737	2,854	2,589	2,854	N/A	N/A
Public Works										
Facilities Management										
Trucks/vehicles ⁽³⁾	7	7	7	7	15	15	16	16	16	16
Health and Welfare										
Department of Social Services:										
Caseload	12,050	11,555	11,420	11,514	11,708	12,299	13,809	15,601	17,167	18,852
Culture and Recreation										
Parks and recreation:										
After-school program participants ⁽⁴⁾	289	284	285	279	272	226	159	-	-	-
Community Development										
Planning:										
Zoning permits issued	471	509	521	517	475	492	459	480	N/A	N/A
Component Unit - School Board										
Education:										
Instruction	1,088	1,079	1,071	1,079	1,056	1,064	1,077	1,115	1,113	1,138
Other	478	476	485	513	502	511	510	483	515	547
Total	1,566	1,555	1,555	1,592	1,558	1,575	1,587	1,598	1,628	1,685
Average daily membership	10,325	10,162	10,106	9,968	9,939	9,925	9,896	9,750	9,498	9,695
Local expenditures per pupil ⁽²⁾	4,357.37	4,459.09	4,530	4,640	5,090	5,113	5,109	5,599	5,380	5,599

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,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
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	75	74	75	81	81	87	93	93	121
Other vehicles	14	13	15	10	19	19	21	21	21	30
Fire and rescue:										
Number of fire & rescue stations	17	17	17	17	17	17	17	17	17	17
Number of apparatus	169	169	170	176	179	179	190	181	172 ⁽³⁾	169 ⁽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
Mobile Command Units	1	1	1	1	1	1	1	1	1	1
Public Works										
General maintenance:										
Trucks/vehicles ⁽²⁾	7	7	7	7	15	15	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	28	29	28	29	29	30	30	30	30
Culture and Recreation										
Parks and recreation:										
Community centers	6	6	6	6	6	6	6	6	6	6
Vehicles	15	14	12	12	12	7	6	6	6	6
Parks	5	5	5	5	5	5	5	5	5	5
Parks acreage	210	210	210	210	210	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	11
Middle	4	4	4	4	4	4	4	4	4	4
High	5	5	5	5	5	5	5	5	5	5

Source: Individual County departments

Notes:

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

COMPLIANCE SECTION



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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); and the *Specifications for Audits of Counties, Cities and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Augusta, Virginia (County), as of and for the year ended June 30, 2023 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 13, 2023.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County'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*.

Purpose of this Report

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

P. B. Mares, CPA

Harrisonburg, Virginia
December 13, 2023



**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, 2023. 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, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (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 13, 2023

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2023

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	\$ -	\$ 507,229
Department of Education:				
Child Nutrition Cluster:				
School Breakfast Program	10.553	Not Provided	-	1,397,360
National School Lunch Program	10.555	Not Provided	-	2,925,672
Total Child Nutrition Cluster				<u>4,830,261</u>
Pandemic EBT Administrative Costs	10.649	Not Provided	-	<u>3,135</u>
Forest Service Schools and Roads Cluster:				
Schools and Roads - Grants to States	10.665	Not Provided	-	142,060
Total Forest Service Schools and Roads Cluster				<u>142,060</u>
Department of Social Services:				
SNAP Cluster:				
State Administration Matching Grants for the Supplemental Nutrition Assistance Program	10.561	Not Provided	-	1,968,238
Total SNAP Cluster				<u>1,968,238</u>
Total Department of Agriculture - pass-through payments				<u>6,943,694</u>
Total Department of Agriculture				<u>6,943,694</u>
Department of the Interior:				
Direct payments:				
Bureau of Land Management:				
Payments in Lieu of Taxes	15.226	N/A	-	598,406
Total Department of the Interior - direct payments				<u>598,406</u>
Department of Justice:				
Direct payments:				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA-22_GG-02818-JAGX	-	5,569
Bulletproof Vest Partnership Program	16.607	2020 and 2021 Regular Fund	-	8,012
Comprehensive Opioid, Stimulant, and other Substances Use Program	16.838	N/A	-	122,141
Total Department of Justice - direct payments				<u>135,722</u>
Department of Justice:				
Pass-Through Payments:				
Department of Criminal Justice Services:				
COVID-19 Coronavirus Emergency Supplemental Funding Program	16.034	202-VD-BX-0141	-	629
Crime Victim Assistance (VW)	16.575	23-O1138VW19	-	76,840
Violence Against Women Formula Grants (DV)	16.588	22-X3161VA21	-	14,344
Violence Against Women Formula Grants (DV)	16.588	23-Y3161VA21	-	31,020
Violence Against Women Formula Grants (SANE)	16.588	22-R4704VA21	-	8,844
Violence Against Women Formula Grants (SANE)	16.588	23-S4704VA21	-	5,631
Total Department of Justice - pass-through payments				<u>137,308</u>
Total Department of Justice				<u>273,030</u>
Department of Transportation:				
Pass-Through Payments:				
Department of Motor Vehicles:				
Alcohol Open Container Requirements	20.607	Not Provided	-	26,468
Department of Transportation:				
Highway Planning and Construction	20.205	Not Provided	-	45,285
Total Department of Transportation				<u>71,753</u>

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2023

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	\$ -	\$ 6,332,964
COVID-19 Virginia Tourism-American Recovery Funds	21.027	Not Provided	-	78,279
APRA CSLFRF Ventilation Improvement Projects	21.027	APE45277	-	841,629
ARPA Industrial Revitalization Fund Planning Grant	21.027	23-IRFPG-16	-	31,600
ARPA Pandemic Bonus	21.027	179001-APE60054	-	1,016,442
ARPA Pandemic Bonus	21.027	179001-APE60054	-	17,224
Total Department of the Treasury pass-through payments				8,318,138
Department of Education:				
Pass-Through Payments:				
Department of Education:				
Title I: Grants to Local Educational Agencies	84.010	Not Provided	-	1,375,245
Special Education Cluster:				
Special Education - Grants to States	84.027	9001-APE43071	-	2,331,386
COVID-19 Special Education - Grants to States	84.027X	179001-APE40287	-	325,681
Special Education - Preschool Grants	84.173	179001-APE62521	-	66,945
COVID-19 Special Education - Preschool Grants	84.173X	Not Provided	-	1,534
Total Special Education Cluster				2,725,546
Career and Technology Education: Basic Grants to States	84.048	179001-APE60031	-	168,178
Special Education - Grants for Infants and Families	84.181	Not Provided	-	74,462
English Language Acquisition State Grants	84.365	Not Provided	-	20,741
Supporting Effective Instruction State Grants	84.367	Not Provided	-	280,894
Student Support and Academic Enrichment Program	84.424	179001-APE60281	-	71,126
Education Stabilization Fund:				
COVID-19 Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425D	Not Provided	-	50,793
COVID-19 Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425D	179001-APE40285	-	10,216
COVID-19 American Rescue Plan -Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	Not Provided	-	1,704,314
COVID-19 American Rescue Plan -Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	Not Provided	-	592,344
COVID-19 American Rescue Plan -Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	179001-APE50195	-	11,527
COVID-19 Homeless II Children/Youth	84.425W	Not Provided	-	4,649
Total Education Stabilization Fund				2,373,843
Total Department of Education pass-through payments				7,090,035
Department of Health and Human Services:				
Direct Payments:				
Head Start Cluster:				
Head Start	93.600	N/A	-	3,619,100
Head Start Cluster Total				3,619,100
Total Dept. Health & Human Services - direct payments				3,619,100
Pass-Through Payments:				
Department of Social Services:				
Guardianship Assistance	93.090	Not Provided	-	441
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	Not Provided	-	76,523
Title IV-E Prevention Program	93.472	Not Provided	-	24,242
MaryLee Allen Promoting Safe and Stable Families	93.556	Not Provided	-	53,819
Temporary Assistance for Needy Families	93.558	Not Provided	-	924,216
Refugee and Entrant Assistance - State Administered Programs	93.566	Not Provided	-	22,390
Low Income Home Energy Assistance	93.568	Not Provided	-	192,468
Child Care and Development Cluster:				
Child Care and Development Block Grant	93.575	Not Provided	-	(500)
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	Not Provided	-	212,959
Child Care and Development Cluster Total				212,459

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2023**

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	\$ -	\$ 821
Adoption and Legal Guardianship Incentive Payments	93.603	Not Provided	-	4,988
Stephanie Tubbs Jones Child Welfare Services Program	93.645	Not Provided	-	1,717
Foster Care - Title IV-E	93.658	Not Provided	-	802,342
Adoption Assistance	93.659	Not Provided	-	888,625
Social Services Block Grant	93.667	Not Provided	-	986,818
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	Not Provided	-	29,916
Elder Abuse Prevention Interventions Program	93.747	Not Provided	-	39,038
Children's Health Insurance Program	93.767	Not Provided	-	10,665
Medicaid Cluster:				
Medical Assistance Program	93.778	Not Provided	-	1,058,349
Medicaid Cluster Total				<u>1,058,349</u>
Total Dept. Health & Human Services - pass-through payments				<u>5,329,837</u>
Total Department Health and Human Services				<u>8,948,937</u>
U.S. Department of Homeland Security:				
Pass-Through Payments:				
Department of Emergency Management:				
Emergency Management Performance Grant	97.042	EMP-2022-EP-00006	-	<u>15,537</u>
Total Department of Homeland Security - pass-through payments				<u>15,537</u>
Total Expenditures of Federal Awards				<u>\$ 32,259,530</u>

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS Year Ended June 30, 2023

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, 2023. 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.

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 FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2023**

Section I. SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? Yes √ No
 Significant deficiency(ies) identified? Yes √ None Reported

Noncompliance material to financial statements noted? Yes √ No

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified? Yes √ No
 Significant deficiency(ies) identified? Yes √ None Reported

Type of auditor’s report issued on compliance for major federal programs: Unmodified

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

Identification of major federal programs:

Federal Assistance Listing Number	Name of Federal Program or Cluster
93.667	Social Services Block Grant
Coronavirus State and Local Fiscal Recovery Funds:	
21.027	COVID-19 ARPA Relief Funds
21.027	COVID-19 Industrial Revitalization Fund Planning Grant
21.027	COVID-19 ARPA Pandemic Bonus
21.027	COVID-19 Virginia Tourism – American Recovery Funds
21.027	COVID-19 ARPA CSLFRF Ventilation Improvement Projects
Education Stabilization Fund:	
84.425D	COVID-19 Elementary and Secondary School Emergency Relief (ESSER) Fund
84.425U	COVID-19 American Rescue Plan – Elementary and Secondary School Emergency Relief (ARP ESSER)
84.425W	COVID-19 Homeless II Children/Youth

COUNTY OF AUGUSTA, VIRGINIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
Year Ended June 30, 2023

Section I. SUMMARY OF AUDITOR'S RESULTS (Continued)

Federal Awards (Continued)

Dollar threshold used to distinguish between type A and type B programs \$967,786

Auditee qualified as low-risk auditee? Yes No

Section II. FINANCIAL STATEMENT FINDINGS

No matters were reported.

Section III. FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

No matters were reported.

COUNTY OF AUGUSTA, VIRGINIA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended June 30, 2023

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.