COUNTY OF MADISON, VIRGINIA

FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2024

COUNTY OF MADISON, VIRGINIA

Financial Report
Year Ended June 30, 2024

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COUNTY OF MADISON, VIRGINIA

DIRECTORY OF PRINCIPAL OFFICIALS
FISCAL YEAR ENDED JUNE 30, 2024

BOARD OF SUPERVISORS

R. Clay Jackson, Chair
Carlton Yowell, Vice-Chair

Jud Buchanan | Dustin Dawson | Jim Jewett

DEPARTMENT OF SOCIAL SERVICES BOARD

Scott A. Bennett, Chair
Karen Coppage, Vice-Chair

Kerri Banks | Sarah Owens | Jud Buchanan

MADISON COUNTY SCHOOL BOARD

Nita Collier, Chair
Christopher Wingate, Vice-Chair

Gregory Martz | Sue Wood | Charles Sheads

OTHER OFFICIALS

David B. Franzén	Judge of the Circuit Court
Leeta D. Louk	Clerk of the Circuit Court
Theresa Carter	Judge of the General District Court
Ronald Morris	Judge of the Juvenile & Domestic Relations Court
Clarissa Berry	Commonwealth's Attorney
Brian Daniel	Commissioner of the Revenue
Stephanie Murray	Treasurer
Erik Weaver	Sheriff
Anna R. Graham	Superintendent of Schools
Elizabeth Patterson	Clerk of the School Board
Valerie Ward	Director of Social Services
Jonathon Weakley	County Administrator

ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

CPAs | CONSULTANTS

Independent Auditors' Report

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

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 28, 2025, on our consideration of County of Madison, Virginia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of County of Madison, Virginia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County of Madison, Virginia's internal control over financial reporting and compliance.

Robinson, Farmer, Cox Associates

Charlottesville, Virginia
February 28, 2025

As management of the County of Madison, Virginia we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2024.

Financial Highlights

Government-wide Financial Statements

Total net position for Madison County's governmental activities was $37.989 million as of June 30, 2024, which represents an increase of $2.706 million from the previous fiscal year. This increase was due to an excess of revenues over expenses for fiscal year 2024. The excess revenues were attributable largely to the following: increased interest income, increased local sales tax, increased restaurant food tax, increased real estate and personal property tax revenues, and additional state & federal grant funds.

Unrestricted cash and cash equivalents were $28.913 million as of June 30, 2024, which represents an increase of $711 thousand from the previous fiscal year.

As of June 30, 2024, the County had $1.202 million in unspent bond proceeds on hand in connection with the June 2020 financing which is subject to reporting requirements for the current year.

Fund Financial Statements

For the fiscal year ended June 30, 2024, the governmental funds had a combined fund balance of $27.717 million, which reflects an increase of $1.776 million from the balance at the end of the previous fiscal year.

The increase in governmental fund balance as of June 30, 2024, is due to revenues exceeding expenditures during the year as outlined above.

The County's General Fund was $2.430 million favorable to the final amended budget for fiscal year 2024. This favorable variance is due to expenditures and transfers out being less than the amended budget by $2.659 million. The primary expenditure savings were $606.895 thousand less in Health and Welfare and $1.067 million less in School Operating Fund expenses.

Overview of the Financial Statements

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

Government-wide Financial Statements

The *government-wide financial statements* (Exhibits 1 and 2) are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

The *statement of net position* (Exhibit 1) presents information on all of the County's assets, deferred outflow of resources, liabilities, and deferred inflows of resources, with the difference between the four reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating. Other non-financial factors will also need to be considered to determine the overall financial position of the County.

Overview of the Financial Statements: (Continued)

Government-wide Financial Statements: (Continued)

The *statement of activities* (Exhibit 2) presents how the government's net position changed during the recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses in this statement are reported for some items that will result in cash flows in future periods (e.g., uncollected taxes and earned but unused vacation leave.)

The statement of activities is focused on the gross and net cost of various government functions that are supported by general tax and other revenue. This statement presents expenses before revenues, emphasizing that in governments, revenues are generated for the express purpose of providing services.

In the government-wide financial statements, the County's activities are divided into two categories:

Governmental activities: The functions of the County are reported here, and include general government; judicial administration; public safety; public works; health and welfare; education; parks, recreation, and cultural; and community development. These activities are financed primarily by property taxes, other local taxes, and Federal and State grants.

Component units: The County has three component units: the Madison County School Board and the Madison County Parks and Recreation Authority, and the Madison County Industrial Development Authority. Only the Madison County School Board has been included in this analysis, due to the material nature of its relationship to the County as a whole. Although legally separate, the discretely presented component units are important because the County is financially accountable for them. A primary government is accountable for an organization if the primary government can impose its will on the organization or the organization is capable of imposing specific financial burdens on the primary government. The County approves debt issuances to finance School Board assets and provides significant funds for its operations. Additional information on the component units can be found in Note 1 of the Notes to Financial Statements section of this report.

Fund Financial Statements

These statements focus on individual parts of the County's government, reporting the County's operations in more detail than the government-wide statements. Funds are used to ensure compliance with finance-related legal requirements and keep track of specific sources of revenue and expenditures for particular purposes. The County has two kinds of funds: governmental funds and fiduciary funds.

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

Fund balances are the differences between assets and liabilities in governmental funds.

- Nonspendable fund balance includes amounts that are not in spendable form, or amounts that are required to be maintained intact.

- Restricted fund balance includes amounts that can be spent only for the specific purposes stipulated by external providers, such as grantors or bondholders, as well as amounts that restricted through enabling legislation.

Overview of the Financial Statements: (Continued)

- Committed fund balance includes amounts that can be used only for the specific purposes that are determined by a formal action of the government's highest level of decision-making authority.

- Assigned fund balance applies to amounts that are intended for specific purposes as expressed by the governing body or authorized official and applies to remaining resources in any governmental funds other than the general fund.

- Unassigned fund balance includes all amounts not contained in other classifications for the general fund, and deficit fund balances in any other governmental funds.

At the end of fiscal year 2024, the County's total governmental funds reported an ending fund balance of $27.717 million.

As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures and to compare total fund balance to the sum of total fund expenditures and transfers to capital projects funds. Unassigned fund balance represents 43.80% of total general fund expenditures, while total general fund balance represents 83.38% of that same amount.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the County's near-term financing decisions. A reconciliation between the two methods is provided after the governmental fund balance sheet on Exhibit 3 and after the governmental fund statement of revenues, expenditures, and changes in fund balances on Exhibit 5.

The County maintains two individual governmental funds: the General Fund and the Capital Projects Fund. Both funds are considered to be major funds. Data for each fund is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances.

The County adopts an annual appropriated budget for its governmental funds. A budgetary comparison statement has been provided for the General Fund (Exhibit 8) and for the Capital Projects Fund (Exhibit 27) to demonstrate compliance with this budget.

Fiduciary funds are used to account for assets held by the County in a trustee capacity (Trust Fund) or a custodian for individuals, private organizations, other governmental units, or other funds (Custodial Fund). The County maintains one fiduciary fund, the Special Welfare Fund, which is a Custodial Fund. The Fund is accounted for in a separate statement of Fiduciary Net Position (Exhibit 6) and a separate statement of Changes in Fiduciary Net Position (Exhibit 7). The County excludes these activities from the County's government-wide financial statements because the County cannot use these assets to finance its operations.

Notes to the Financial Statements

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

Other Information

In addition to the basic financial statement and accompanying notes, this report also presents certain required supplemental information for budgetary comparison schedules and presentation of combining financial statements for the discretely presented component units School Board. The School Board does not issue separate financial statements.

In addition, required supplementary information is included regarding the County's progress in funding its obligation to provide pension benefits to its employees.

Government-wide Financial Analysis

Statement of Net Position

The following table reflects condensed information on the County's Net Position as of June 30, 2024 and 2023.

Summary of Net Position
($ in thousands)

	Primary Government		Component Units	
	Governmental Activities		School Board	
	2024	2023	2024	2023
Current assets and other assets	$ 39,710	$ 38,111	$ 4,307	$ 4,735
Capital assets (net)	33,006	33,085	9,508	9,381
Total Assets	$ 72,716	$ 71,196	$ 13,815	$ 14,116
Total Deferred Outflows	$ 1,142	$ 1,474	$ 4,385	$ 3,722
Long term liabilities	$ 22,662	$ 23,480	$ 15,970	$ 15,200
Other liabilities	4,834	5,078	2,126	1,534
Total Liabilities	$ 27,496	$ 28,558	$ 18,096	$ 16,734
Total Deferred Inflows of Resources	$ 8,372	$ 8,829	$ 2,220	$ 3,573
Net Position:				
Net investment in capital assets	$ 11,940	$ 12,652	$ 9,366	$ 9,171
Restricted	1,527	1,032	1,212	2,200
Unrestricted	24,522	21,599	(12,694)	(13,838)
Total Net Position	$ 37,989	$ 35,283	$ (2,116)	$ (2,467)

Total net position for Madison County's governmental activities as of June 30, 2024 was $37.989 million, which represents an increase of $2.706 million from the previous fiscal year.

Total net position for the Madison County School Board was $(2.116) million as of June 30, 2024; this amount represents an increase of $351 thousand from the previous fiscal year.

The increases in net position for Madison County's governmental activities and School Board reflect the amounts by which revenues exceeded expenses in fiscal year 2024 for each reporting unit.

Government-wide Financial Analysis: (Continued)

Statement of Activities

The following table presents summary information for the Change in Net Position for the years ended June 30, 2024 and 2023.

Summary of Changes in Net Position
($ in thousands)

	Primary Government		Component Units	
	Governmental Activities		School Board	
	2024	2023	2024	2023
REVENUES				
Program Revenues:				
Charges for services	$ 1,323	$ 1,232	$ 126	$ 230
Operating grants & contributions	6,172	5,148	15,412	17,554
Capital grants & contributions	-	400	-	-
General revenues:				
General property taxes	19,892	19,785	-	-
Other local taxes	4,332	4,205	-	-
Use of money & property	993	879	3	-
Miscellaneous	569	399	972	802
Grants & contributions not restricted to specific programs	1,539	1,564	-	-
Contribution from County	-	-	9,501	10,241
Total revenues	$ 34,820	$ 33,612	$ 26,014	$ 28,827
EXPENSES				
General government	2,611	2,646	-	-
Judicial administration	1,384	1,452	-	-
Public safety	9,433	8,605	-	-
Public works	1,482	1,331	-	-
Health and welfare	5,099	4,417	-	-
Education	10,007	10,546	25,673	25,950
Parks & Rec	586	569	-	-
Community Development	1,016	664	-	-
Interest on long-term debt	628	654	-	-
Total expenses	$ 32,246	$ 30,884	$ 25,673	$ 25,950
Change in net position	$ 2,574	$ 2,728	$ 341	$ 2,877
Net position - beginning, as restated	35,283	30,448	(2,467)	(7,835)
Net position - ending	$ 37,857	$ 33,176	$ (2,126)	$ (4,958)

The change in net position for Madison County's governmental activities for fiscal year 2024 was $2.574 million. This reflects a decrease of $154 thousand from the previous fiscal year.

The change in net position for Madison County's School Board for fiscal year 2024 was $341 thousand. This reflects a decrease of $2.536 million from the previous fiscal year.

Government-wide Financial Analysis: (Continued)

The increase in fiscal year 2024 revenues for governmental activities was primarily due to the following: $1.024 million increase in operating grants & contributions, $170 thousand increase in miscellaneous revenues, $114 thousand increase in use of money & property, $107 thousand increase in general property taxes, and $127 thousand increase in other local taxes between fiscal year 2024 and fiscal year 2023.

The increase in fiscal year 2024 expenses for governmental activities was primarily due to the following: $828 thousand increase in public, $151 thousand increase in public works, $682 thousand increase in health and welfare, and a $352 thousand increase in community development expenses between fiscal year 2024 and fiscal year 2023.

The decrease in fiscal year 2024 revenues for Madison County School Board was primarily due to a $2.142 million decrease in operating grants & contributions between fiscal year 2024 and fiscal year 2023.

Financial Analysis of the County's General Fund

For the fiscal year ended June 30, 2024, the governmental funds had a combined fund balance of $27.717 million, which reflects an increase of $1.776 million from the balance at the end of the previous fiscal year.

The County's unassigned fund balance in the general fund was $14.560 million at the end of fiscal year 2024, an increase of $979 thousand compared to the prior fiscal year.

The County's restricted fund balance in the general fund was $1.318 million at the end of fiscal year 2024, a decrease of $1.445 million compared to the prior fiscal year. This decrease was attributable to the spending down of bond proceeds that were received in prior fiscal years.

Total revenues in governmental funds for fiscal year 2024 were $34.453 million, reflecting an increase of $621 thousand from the previous fiscal year. This was due to the following: $82 thousand increase in all tax revenues, $690 thousand increase in intergovernmental revenues, and a $151 thousand decrease in other revenues.

Total governmental fund expenditures including capital projects in fiscal year 2024 was $33.551 million, reflecting an increase of $1.233 million from the previous fiscal year.

General Fund Budgetary Highlights

The following table presents budgeted and actual revenues and expenditures for the General Fund for fiscal year 2024:

General Fund
Summary Budgetary Information
Year Ended June 30, 2024
($ in thousands)

	Original Budget	Amended Budget	Actual
Revenues			
Taxes	$ 23,034,200	$ 23,034,200	$ 24,262,978
Intergovernmental	9,967,579	10,340,804	7,401,567
Other	1,282,109	1,307,108	2,788,505
Total	34,283,888	34,682,112	34,453,050
Expenditures and transfers	35,489,564	35,901,536	33,242,298
Change in fund balance	$ (1,205,676)	$ (1,219,424)	$ 1,210,752
Fund balances at beginning of year	$ 1,205,676	$ 1,222,166	$ 26,506,173
Fund balances at end of year	$ -	$ 2,742	$ 27,716,925

General Fund Budgetary Highlights: (Continued)

The County's General Fund was $2.430 million favorable to the final amended budget for fiscal year 2024. This favorable variance is due to the following: expenditures (including transfers out) were less than the amended budget by $2.659 million.

Capital Asset and Debt Administration

Capital Assets

The following table reflects condensed information on the County's capital assets as of June 30, 2024 and 2023.

Capital Asset Summary Information
($ in thousands)

	Primary Government Governmental Activities		Component Units School Board	
	2024	2023	2024	2023
Land	$ 1,462	$ 1,462	$ 110	$ 110
Construction in progress	5,427	4,371	295	33
Buildings/Lease land and improvements	20,411	19,937	35,219	35,219
Equipment & Subscription assets	7,744	7,205	9,358	8,441
Jointly owned assets	13,275	14,061	(13,275)	(14,061)
Accumulated depreciation	(15,314)	(13,951)	(22,198)	(20,361)
	$ 33,005	$ 33,085	$ 9,509	$ 9,381

Total capital assets for governmental activities decreased by $80 thousand in fiscal year 2024 from the previous fiscal year. This overall decrease was comprised of a $1.363 million increase in accumulated depreciation expense, $786 thousand decrease in jointly owned assets, $539 thousand increase in equipment and subscription assets, $474 thousand increase in buildings and improvements, and a $1.056 million increase in construction in progress.

Previously in fiscal year 2023, the County had $4.371 million in construction in progress which consisted of the Public Safety Radio System, Broadband Project, and the ERP System Upgrade. As of fiscal year 2024, these projects remain in progress and the following projects have been added: EMS Station renovation and Hoover Ridge project.

Long-term debt

The following table reflects condensed information on the County's outstanding loans and bonded indebtedness as of June 30, 2024 and 2023.

Summary of Outstanding Debt
($ in thousands)

	Primary Government Governmental Activities	
	2024	2023
Public Facility Lease Revenue Bond, Series 2020A	$ 15,201	$ 15,681
Public Facility Lease Revenue Refunding Bond, Series 2020B	1,166	1,281
Public Facility Lease Revenue Refunding Bond, Series 2020C	4,886	5,367
State literary fund loan	-	-
	$ 21,253	$ 22,329

Capital Asset and Debt Administration: (Continued)

In June 2020, the Industrial Development Authority of Madison County, Virginia, issued $26.641 million in three bonds for the benefit of the County.

The Public Facilities Lease Revenue Bond, Series 2020, was issued in the amount of $16.6 million in order to provide financing for major capital projects undertaken by the County, including the Madison Primary School Renovation, the Public Safety Radio System, and the Administration Building renovation. The interest rate on the bond is 3% per annum, and the bond will mature in Feburary, 2041.

The Public Facilities Lease Revenue Refunding Bond, Series 2020B was issued in the amount $1.625 million in order to refund the County's Public Improvement Refunding Bond, Series 2017, and to pay for the costs of issuuance of the 2020B Bond. The Series 2020B Bond matures in February 2033 and accrues interest at a rate of 2.37% per annum.

The Public Facilities Lease Revenue Refunding Bond Series 2020C was issued in the amount fo $6.416 million in order to refund the County's Public Facility Lease Revenue Bond, Series 2013, and to pay for the costs of issuance of the 2020C Bond. The Series 2020C Bond matures in February 2033 and accrues interest at a rate of 2.39% per annum.

Please see Note 8 to the Financial Statements for more information on the County's long-term obligations.

Requests for Information

This financial report is designed to provide a general overview of the County of Madison, Virginia's finances for all those with an interest in the County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Jennifer Warren, Finance Director of Madison County, PO Box 705, Madison, Virginia, 22727.

- Basic Financial Statements -

Government-wide Financial Statements

Statement of Net Position
At June 30, 2024

	Primary Government	Component Unit	Component Unit
	Governmental Activities	School Board	Madison County Parks and Recreation Authority
ASSETS			
Current Assets:			
Cash and cash equivalents	$ 28,913,260	$ 2,345,107	$ 318,145
Receivables (net of allowance for uncollectibles):			
Property taxes	7,680,805	-	-
Accounts receivable	643,321	4,540	-
Inventory	-	18,284	-
Prepaid expenses	167,800	64,533	4,561
Due from other governments	1,010,452	984,325	-
Due from Component Unit	133,209	-	-
Total Current Assets	$ 38,548,847	$ 3,416,789	$ 322,706
Noncurrent Assets:			
Net pension asset	$ 1,144,682	$ 890,463	$ -
Net OPEB asset	$ 16,092	$ -	$ -
Capital assets:			
Land and construction in progress	$ 6,889,289	$ 404,544	$ 30,898
Buildings and equipment, net of depreciation	25,436,310	8,964,734	279,625
Lease buildings and land improvements, net of amortization	590,346	-	-
Lease equipment, net of amortization	49,114	138,442	-
Subscription assets, net of amortization	40,621	-	-
Total Capital Assets	$ 33,005,680	$ 9,507,720	$ 310,523
Total Noncurrent Assets	$ 34,166,454	$ 10,398,183	$ 310,523
Total Assets	$ 72,715,301	$ 13,814,972	$ 633,229
DEFERRED OUTFLOWS OF RESOURCES			
Pension deferrals	$ 872,061	$ 3,820,123	$ -
OPEB deferrals	270,220	570,786	-
Total Deferred Outflows of Resources	$ 1,142,281	$ 4,390,909	$ -
Total Assets and Deferred Outflows of Resources	$ 73,857,582	$ 18,205,881	$ 633,229
LIABILITIES			
Current Liabilities:			
Accounts payable	$ 778,459	$ 296,549	$ -
Amounts held for others	247,743	-	-
Unearned grant revenue	2,228,880	374,138	-
Accrued liabilities	-	1,206,997	6,542
Due to Primary Government	-	133,209	-
Accrued interest payable	252,158	-	-
Current portion of long-term obligations	1,328,451	115,163	4,875
Total Current Liabilities	$ 4,835,691	$ 2,126,056	$ 11,417
Noncurrent Liabilities:			
Noncurrent portion of long-term obligations	22,659,869	15,969,788	14,625
Total Liabilities	$ 27,495,560	$ 18,095,844	$ 26,042
DEFERRED INFLOWS OF RESOURCES			
Deferred revenues - taxes	$ 6,888,353	$ -	$ -
OPEB deferrals	285,030	600,955	-
Pension deferrals	1,198,770	1,625,548	-
Total deferred inflows of resources	$ 8,372,153	$ 2,226,503	$ -
NET POSITION			
Net investment in capital assets	$ 11,940,884	$ 9,366,393	$ 291,023
Restricted	1,527,166	1,211,567	-
Unrestricted	24,521,819	(12,694,426)	316,164
Total Net Position	$ 37,989,869	$ (2,116,466)	$ 607,187
Total Liabilities, Deferred Inflows of Resources and Net Position	$ 73,857,582	$ 18,205,881	$ 633,229

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

Statement of Activities
Year Ended June 30, 2024

		Program Revenues			Net (Expense) Revenue and Changes in Net Position — Primary Government	Component Unit	
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	School Board	Madison County Parks and Recreation Authority
PRIMARY GOVERNMENT:							
Governmental activities:							
General government administration	$ 2,610,550	$ -	$ 383,243	$ -	$ (2,227,307)	$ -	$ -
Judicial administration	1,383,592	234,691	531,972	-	(616,929)	-	-
Public safety	9,432,914	821,219	1,514,551	-	(7,097,144)	-	-
Public works	1,481,513	267,508	12,513	-	(1,201,492)	-	-
Health and welfare	5,098,921	-	3,416,201	-	(1,682,720)	-	-
Education	10,006,889	-	-	-	(10,006,889)	-	-
Parks, recreation, and cultural	586,335	-	-	-	(586,335)	-	-
Community development	1,015,795	-	313,148	-	(702,647)	-	-
Interest on long-term debt	627,508	-	-	-	(627,508)	-	-
Total governmental activities	$ 32,244,017	$ 1,323,418	$ 6,171,628	$ -	$ (24,748,971)	$ -	$ -
COMPONENT UNITS:							
School Board	$ 25,673,190	$ 126,996	$ 15,411,674	$ -	$ -	$ (10,134,520)	$ -
Madison County Parks and Recreation Authority	714,238	306,256	-	-	-	-	(407,982)
Total component units	$ 26,387,428	$ 433,252	$ 15,411,674	$ -	$ -	$ (10,134,520)	$ (407,982)
General revenues:							
General property taxes					$ 19,892,255	$ -	$ -
Local sales and use tax					1,725,109	-	-
Consumers' utility taxes					377,133	-	-
Motor vehicle licenses					467,901	-	-
Restaurant food taxes					757,118	-	-
Other local taxes					1,004,310	-	-
Unrestricted revenues from use of money and property					993,291	2,548	-
Miscellaneous					568,673	969,841	158,078
Grants and contributions not restricted to specific programs					1,538,637	-	-
Contribution from County					-	9,500,770	361,818
Total general revenues					$ 27,324,427	$ 10,473,159	$ 519,896
Change in net position					$ 2,575,456	$ 338,639	$ 111,914
Net position - beginning					35,414,413	(2,455,105)	495,273
Net position - ending					$ 37,989,869	$ (2,116,466)	$ 607,187

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

- Basic Financial Statements -

Fund Financial Statements

Balance Sheet - Governmental Funds
At June 30, 2024

ASSETS		General Fund		Capital Improvement Fund		Total
Cash and cash equivalents	$	26,944,997	$	1,968,263	$	28,913,260
Receivables (Net of allowance for uncollectibles):						
Taxes, including penalties		7,680,805		-		7,680,805
Accounts receivable		643,321		-		643,321
Due from component unit		133,209		-		133,209
Due from other governmental units		1,010,452		-		1,010,452
Prepaid expenditures		167,800		-		167,800
Total assets	$	36,580,584	$	1,968,263	$	38,548,847
LIABILITIES						
Accounts payable	$	606,522	$	171,937	$	778,459
Amounts held for others		247,743		-		247,743
Unearned grant revenue		-		2,228,880		2,228,880
Total liabilities	$	854,265	$	2,400,817	$	3,255,082
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - taxes	$	7,758,635	$	-	$	7,758,635
Unavailable revenue - opioid settlement		250,759		-		250,759
Total deferred inflows of resources	$	8,009,394	$	-	$	8,009,394
FUND BALANCES						
Nonspendable	$	167,800	$	-	$	167,800
Restricted		1,317,903		-		1,317,903
Assigned		11,670,879		-		11,670,879
Unassigned		14,560,343		(432,554)		14,127,789
Total fund balances	$	27,716,925	$	(432,554)	$	27,284,371
Total liabilities, deferred inflows of resources and fund balances	$	36,580,584	$	1,968,263		

Detailed explanation of adjustments from fund statements to government-wide statement of net position:

When capital assets (land, buildings, equipment) that are to be used in governmental activities are purchased or constructed, the costs of those assets are reported as expenditures in governmental funds. However, the statement of net position includes those capital assets among the assets of the County as a whole.		33,005,680
Interest on long-term obligations is not accrued in governmental funds, but rather is recognized as an expenditure when due.		(252,158)
Because the focus of governmental funds is on short-term financing, some assets will not be available to pay for current-period expenditures. Those assets (for example, receivables) are offset by unavailable revenues in the governmental funds and thus are not included in the fund balance.		
Unavailable revenue - property taxes		870,282
Unavailable revenue - opioid settlement		250,759
Deferred inflows related to measurement of net pension liability		(1,198,770)
Deferred inflows related to measurement of net OPEB liability		(285,030)
Net pension asset		1,144,682
Net OPEB asset		16,092
Pesnion and OPEB contributions subsequent to the measurement date and other deferred outflows will be a reduction to the net pension and OPEB liabilities in the next fiscal year and, therefore, are not reported in the funds.		
Deferred outflows related to pensions		872,061
Deferred outflows related to OPEB		270,220
Long-term liabilities applicable to the County's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities--both current and long-term--are reported in the statement of net position.		(23,988,320)
Net position of general government activities	$	37,989,869

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

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

	General	Capital Improvement	Total
Revenues:			
General property taxes	$ 19,931,407	$ -	$ 19,931,407
Other local taxes	4,331,571	-	4,331,571
Permits, privilege fees and regulatory licenses	314,315	-	314,315
Fines and forfeitures	153,865	-	153,865
Revenue from use of money and property	993,291	-	993,291
Charges for services	855,238	-	855,238
Miscellaneous	471,796	-	471,796
Intergovernmental:			
Commonwealth	5,457,848	-	5,457,848
Federal	1,943,719	308,698	2,252,417
Total revenues	$ 34,453,050	$ 308,698	$ 34,761,748
Expenditures:			
Current:			
General government administration	$ 2,456,196	$ -	$ 2,456,196
Judicial administration	1,164,962	-	1,164,962
Public safety	9,011,743	-	9,011,743
Public works	1,377,735	-	1,377,735
Health and welfare	5,202,909	-	5,202,909
Education	9,086,374	-	9,086,374
Parks, recreation, and cultural	516,916	-	516,916
Community development	724,172	-	724,172
Nondepartmental	2,987	-	2,987
Capital projects	-	2,264,367	2,264,367
Debt service:			
Principal retirement	1,105,176	-	1,105,176
Interest and other fiscal charges	637,459	-	637,459
Total expenditures	$ 31,286,629	$ 2,264,367	$ 33,550,996
Excess (deficiency) of revenues over (under) expenditures	$ 3,166,421	$ (1,955,669)	$ 1,210,752
Other Financing Sources (uses):			
Transfers in	$ -	$ 1,955,669	$ 1,955,669
Transfers (out)	(1,955,669)	-	(1,955,669)
Total other financing sources (uses)	$ (1,955,669)	$ 1,955,669	$ -
Net change in fund balances	$ 1,210,752	$ -	$ 1,210,752
Fund balances at beginning of year	26,506,173	(432,554)	26,073,619
Fund balances at end of year	$ 27,716,925	$ (432,554)	$ 27,284,371

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

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

			Primary Government Governmental Funds
Amounts reported for governmental activities in the statement of activities are different because:			
Net change in fund balances - total governmental funds			$ 1,210,752
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation/amortization in the current period. The following details support this adjustment:			
Capital outlay	$	2,322,864	
Depreciation/amortization expense		(1,921,016)	401,848
The net effect of various transactions involving capital assets (i.e. sales, trade-ins, and donations) is to decrease net position.			(62,331)
Transfer of joint tenancy assets from Primary Government to the Component Unit			(418,395)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. Details of this item consist of unavailable taxes.			
Unavailable revenue - property taxes	$	(39,152)	
Unavailable revenue - opioid settlement		96,877	
Increase (decrease) in deferred inflows related to the measurement of the net OPEB liability		17,193	
Increase (decrease) in deferred inflows related to the measurement of the net pension liability		467,762	542,680
The issuance of long-term obligations (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term obligations consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. A summary of items supporting this adjustment is as follows:			
Issuance of long-term debt	$	(459,625)	
Principal retired on lease revenue bonds		480,000	
Principal retired on refunding bonds		596,000	
Principal retired on lease liabilities		81,965	
Principal retired on subscription liabilities		64,959	
Principal retired on notes payable		29,176	792,475
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds. The following is a summary of items supporting this adjustment:			
Change in compensated absences	$	(19,976)	
Change in net OPEB liability/asset		(10,907)	
Change in landfill closure liability		31,819	
Change in net pension asset		429,545	
Change in deferred outflows related to pensions		(278,154)	
Change in deferred outflows related to OPEB		(53,851)	
Change in accrued interest payable		9,951	108,427
Change in net position of governmental activities			$ 2,575,456

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

Statement of Fiduciary Net Position --
Fiduciary Fund
At June 30, 2024

		Custodial Fund
		Special Welfare Fund
ASSETS		
Cash and cash equivalents	$	38,262
Total assets	$	38,262
NET POSITION		
Restricted:		
Social services clients	$	38,262
Total net position	$	38,262

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

Statement of Changes in Fiduciary Net Position - Fiduciary Fund
Year Ended June 30, 2024

		Custodial Fund
		Special Welfare Fund
Additions:		
Interest income	$	4
Private contributions		36,625
Total additions	$	36,629
Deductions:		
Recipient payments	$	33,652
Total deductions	$	33,652
Change in fiduciary net position	$	2,977
Net position - beginning of year		35,285
Net position - end of year	$	38,262

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

Note 1 - Summary of Significant Accounting Policies:

The County of Madison, Virginia was formed in 1792 and is governed by an elected five member Board of Supervisors. The Board of Supervisors is responsible for appointing the County Administrator. The County provides a full range of services for its citizens. These services include police and volunteer fire protection, sanitation services, recreational activities, cultural events, education, and social services.

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

Government-wide and Fund Financial Statements:

Government-wide Financial Statements:

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

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

Statement of Net Position:

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

Statement of Activities:

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

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

Statement of Activities: (Continued)

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

Fund Financial Statements:

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

Budgetary Comparison Schedules:

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

A. Financial Reporting Entity

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

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

B. Individual Component Unit Disclosures

Blended Component Units: The County has no blended component units to be included for the fiscal year ended June 30, 2024.

Discretely Presented Component Unit: The School Board operates the County Public School System. Members are currently elected by popular vote. The School Board is fiscally dependent on the County. The County has the ability to approve its budget and any amendments. The primary funding is from the General Fund of the County. The School Fund does not issue a separate financial report. The financial statements of the School Board are presented as a discrete presentation in the County financial statements for the fiscal year ended June 30, 2024.

Discretely Presented Component Unit: The Madison County Parks and Recreation Authority was formed in 1982, by action of the Board of Supervisors. The Authority is a seven member board. Each member is appointed by the Board of Supervisors. The Madison County Parks and Recreation Authority is included in the financial statements of the County due to the nature of its contractual relationship with the County. The Authority provides services which benefit the County. The Authority does not issue separate financial statements and is included as a discrete presentation in the County's financial statements.

The Madison County School Board has the following funds:

Governmental Funds:

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

School Cafeteria Fund - This fund accounts for and reports the operations of the School Board's food service program. Financing is provided primarily by food and beverage sales, and state and federal grants. The School Cafeteria Fund is considered a major fund for financial reporting purposes.

School Capital Fund - This fund accounts for and reports the school capital projects. The school capital fund is considered a major fund for financial reporting purposes.

School Textbook Fund - This fund accounts for and reports the school textbook funds.

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

Fiduciary Fund

Scholarship Private Purpose Trust fund - This fund accounts for and reports scholarships for education.

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

C. Other Related Organizations

Excluded from the County's Financial Statements:

Rappahannock-Rapidan Community Services Board, Central Virginia Regional Jail, Rappahannock Juvenile Detention Center, and the Rapidan Service Authority: The County, in conjunction with other localities, has created the Rappahannock-Rapidan Community Services Board, Central Virginia Regional Jail, Rappahannock Juvenile Detention Center, and the Rapidan Service Authority. The governing bodies of these organizations are appointed by the respective governing bodies of the participating jurisdictions.

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

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

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. Revenues are recognized 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. All other revenue items are considered to be measurable and available only when cash is received by the government. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

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

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

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

1. Governmental Funds:

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

   a. General Fund

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

   b. Capital Improvement Fund

      The Capital Improvement Fund accounts for and reports all financial resources used for the acquisition or construction of major capital facilities.

2. Fiduciary Funds (Trust and Custodial Funds):

   Fiduciary Funds (Trust and Custodial Funds) account for assets held by the County in a trustee capacity or as an agent or custodian for individuals, private organizations, other governmental units, or other funds. These funds include Custodial Funds. These funds utilize the accrual basis of accounting described in the Governmental Fund Presentation. Fiduciary funds are not included in the government-wide financial statements. The County's only Custodial Fund is the Special Welfare Fund.

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

E. Budgets and Budgetary Accounting

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

1. The County Administrator submits to the Board of Supervisors a proposed budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them.

2. Public hearings are conducted to obtain citizen comments.

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

4. The Appropriations Resolution places legal restrictions on expenditures at the department level or category level. The appropriation for each department or category can be revised only by the Board of Supervisors. The School Board is authorized to transfer budgeted amounts within the school system's categories.

5. Formal budgetary integration is employed as a management control device during the year and budgets are legally adopted for the General Fund, Capital Improvement Fund, School Operating Fund and School Cafeteria Fund of the School Board.

6. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

7. Appropriations lapse on June 30, for all County units.

8. All budgetary data presented in the accompanying financial statements is the original to the current comparison of the final budget and actual results.

F. Cash and Cash Equivalents

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

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

G. Investments

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

H. 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 “due to/from other funds” (i.e., the current portion of interfund loans). All other outstanding balances between funds are reported as “advances to/from other funds” (i.e. the noncurrent portion of interfund loans).

All trade and property tax receivables are shown net of an allowance for uncollectibles. The County calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance amounted to approximately $241,054 at June 30, 2024 and is comprised solely of 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 and collectible on June 5th and December 5th. Personal property taxes are payable and collectible on December 5th. The County bills and collects its own property taxes.

I. Capital Assets

Capital assets, which include property, plant, equipment, lease and subscription assets, are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by the County as land, buildings, road registered vehicles, and equipment with an initial individual cost of more than $5,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed (except for intangible right-to-use lease and subscription assets, the measurement of which is discussed in more detail below). Donated capital assets are recorded at acquisition value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. There are no business-type activities reported for County of Madison, Virginia.

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

I. Capital Assets: (Continued)

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

Assets	Years
Buildings	40
Building improvements	20 to 40
Lease buildings	2
Lease equipment	2 to 5
Lease land improvements	13
Subscription assets	5
Vehicles	3 to 5
Office and computer equipment	5
Buses	12

J. Compensated Absences

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported as an expense in the Statement of Activities and a long-term obligation in the Statement of Net Position. No liability is recorded for nonvesting accumulating rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulating sick leave benefits that it is estimated will be taken as "terminal leave" prior to retirement. The Department of Social Services and the Component Unit School Board pay a portion of unused sick leave upon separation. The County does not have sick leave.

K. 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. 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 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.

L. Use of Estimates

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

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

M. Fund Balances

Financial Policies

The Board of Supervisors meets on a monthly basis to manage and review cash financial activities and to ensure compliance with established policies. It is the County's policy to fund current expenditures with current revenues and the County's mission is to strive to maintain a diversified and stable revenue stream to protect the government from fluctuations in any single revenue source and provide stability to ongoing services. The County's unassigned General Fund balance will be maintained to provide the County with sufficient working capital and a margin of safety to address local and regional emergencies without borrowing.

The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

Nonspendable fund balance – Includes amounts that cannot be spent because they are either not in spendable form, or, for legal or contractual reasons, must be kept intact. This classification includes inventories, prepaid amounts, assets held for sale, and long-term receivables.

Restricted fund balance – Constraints placed on the use of these resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors or other governments; or are imposed by law (through constitutional provisions or enabling legislation).

Committed fund balance – Amounts that can only be used for specific purposes because of a formal action (resolution or ordinance) by the government's highest level of decision-making authority. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Assigned fund balance – Amounts that are constrained by the County's intent to be used for specific purposes, but that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the governing body, another body (such as a Finance Committee), or by an official to whom that authority has been given. With the exception of the General Fund, this is the residual fund balance classification for all governmental funds with positive balances.

Unassigned fund balance – This is the residual classification of the General Fund. Only the General Fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification, as the result of overspending for specific purposes for which amounts had been restricted, committed or assigned.

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

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

M. Fund Balances (Continued)

Financial Policies (Continued)

The Board of Supervisors is authorized to assign amounts for specific purposes. The Board of Supervisors is also authorized to commit amounts for specific purposes. The following is detail of County's and School Board's Fund Balances:

Category	General Fund	Capital Projects Fund	Component Unit School Board
Nonspendable:			
Prepaid expenditures	$ 167,800	$ -	$ 64,533
Inventory	-	-	18,284
Total Nonspendable	$ 167,800	$ -	$ 82,817
Restricted:			
Asset Forfeitures	$ 28,681	$ -	$ -
Unspent bond proceeds	1,202,270	-	-
Toppings Funds	20,540	-	-
Animal donations	50,080	-	-
Opioid settlement	16,332	-	-
School Construction	-	-	249,236
School Activities - Restricted Cash	-	-	18,866
School Textbook Funds	-	-	53,002
Total Restricted	$ 1,317,903	$ -	$ 321,104
Committed:			
Capital Projects	$ -	$ -	$ -
School Activities	-	-	257,446
Cafeteria	-	-	809,062
Total Committed	$ -	$ -	$ 1,066,508
Assigned:			
Tourism	$ 378,614	$ -	$ -
Capital Projects	5,513,055	-	-
Debt Stabilization Reserve	1,338,984	-	-
Budget Stabilization Reserve	1,338,984	-	-
Joint Services Stabilization Reserve	325,694		
Opening Balance Appropriation	2,655,801	-	-
County Reassessment	100,000	-	-
Sheriff	19,747	-	-
Total Assigned	$ 11,670,879	$ -	$ -
Unassigned	$ 14,560,343	$ (432,554)	$ (64,533)
Total Fund Balance	$ 27,716,925	$ (432,554)	$ 1,405,896

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

N. Net Position

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

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

- Restricted net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either by external parties or by law through constitutional provision or enabling legislation.

- Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

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

O. Deferred Outflows/Inflows of Resources

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

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

O. Deferred Outflows/Inflows of Resources: (Continued)

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

P. Pensions

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

Q. Other Postemployment Benefits (OPEB)

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

R. Leases and Subscription-Based IT Arrangements

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

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

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

Lessee

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

Subscriptions

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

Key Estimates and Judgments

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

- The County uses the interest rate stated in lease or subscription contracts. When the interest rate is not provided or the implicit rate cannot be readily determined, the County uses its estimated incremental borrowing rate as the discount rate for leases and subscriptions.

- The lease and subscription terms include the noncancellable period of the lease or subscription and certain periods covered by options to extend to reflect how long the lease or subscription is expected to be in effect, with terms and conditions varying by the type of underlying asset.

- Fixed and certain variable payments as well as lease or subscription incentives and certain other payments are included in the measurement of the lease liability (lessee) or subscription liability.

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

Note 2 - Deposits and Investments:

Deposits

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

Investments

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

Credit Risk of Debt Securities

The County does not have a policy related to credit risk of debt securities.

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

County's Rated Debt Investments' Values

Rated Debt Investments	Fair Quality Ratings AAAm	Fair Quality Ratings AA+
U.S. Government Securities	$ -	$ 59,765
SNAP	2,002,717	-
VACo/VML VIP Stable NAV Liquidity Pool	1,001,937	-
Local Government Investment Pool	12,845,961	-
Total	$ 15,850,615	$ 59,765

External Investment Pools

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

Note 2 - Deposits and Investments: (Continued)

Interest Rate Risk

The County does not have a policy related to interest rate risk.

Investment Maturities (in years)			
Investment Type	Fair Value	Less than 1 year	Greater than 10 years
U.S. Government Securities	$ 59,765	$ -	$ 59,765
SNAP	2,002,717	2,002,717	-
VACo/VML VIP Stable NAV Liquidity Pool	1,001,937	1,001,937	
Local Government Investment Pool	12,845,961	12,845,961	-
Total	$ 15,910,380	$ 15,850,615	$ 59,765

Note 3 - Due From Other Governmental Units:

	Primary Government	Component Unit School Board
Commonwealth of Virginia:		
Local sales tax	$ 296,957	$ -
Public assistance and welfare administration	81,587	-
State sales tax	-	453,098
Comprehensive services	221,669	-
Communications tax	59,573	-
Shared expenses	136,080	-
Department of Justice	61,451	-
Other state funds	4,683	-
Federal Government:		
School funds	-	212,384
School food	-	318,843
Public assistance and welfare administration	111,117	-
ARPA	19,741	-
Justice Assistance Grant	17,594	-
Totals	$ 1,010,452	$ 984,325

Note 4 – Capital Assets:

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

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024
Primary Government:				
Capital assets not being depreciated:				
Land	$ 1,462,028	$ -	$ -	$ 1,462,028
Construction in progress	4,371,516	1,576,909	521,164	5,427,261
Total capital assets not being depreciated	$ 5,833,544	$ 1,576,909	$ 521,164	$ 6,889,289
Capital assets being depreciated/amortized:				
Buildings and improvements	$ 19,346,635	$ 174,195	$ -	$ 19,520,830
Lease land	-	343,853	-	343,853
Lease land improvements	332,883	-	-	332,883
Lease buildings	69,940	-	69,940	-
Equipment (including vehicles)	6,966,018	712,630	44,739	7,633,909
Lease equipment	186,879	38,487	12,230	213,136
Subscription assets	238,639	-	128,380	110,259
Jointly owned assets	14,060,670	-	785,215	13,275,455
Total capital assets being depreciated/amortized	$ 41,201,664	$ 1,269,165	$ 1,040,504	$ 41,430,325
Less accumulated depreciation/amortization:				
Buildings and improvements	$ (8,372,563)	$ (441,505)	$ -	$ (8,814,068)
Lease land	-	(7,550)	-	(7,550)
Lease land improvements	(52,560)	(26,280)	-	(78,840)
Lease buildings	(69,940)	-	(69,940)	-
Equipment (including vehicles)	(4,563,014)	(822,407)	(42,107)	(5,343,314)
Lease equipment	(118,823)	(58,015)	(12,816)	(164,022)
Subscription assets	(72,578)	(63,139)	(66,079)	(69,638)
Jointly owned assets	(701,202)	(502,120)	(366,820)	(836,502)
Total accumulated depreciation/amortization	$ (13,950,680)	$ (1,921,016)	$ (557,762)	$ (15,313,934)
Net capital assets being depreciated/amortized	$ 27,250,984	$ (651,851)	$ 482,742	$ 26,116,391
Net capital assets	$ 33,084,528	$ 925,058	$ 1,003,906	$ 33,005,680

Note 4 – Capital Assets: (Continued)

The following is a summary of capital assets for the fiscal year ended June 30, 2024 (Continued):

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024
Component Unit - School Board:				
Capital assets not being depreciated:				
Land	$ 109,803	$ -	$ -	$ 109,803
Construction in progress	33,064	610,007	348,330	294,741
Total capital assets not being depreciated	$ 142,867	$ 610,007	$ 348,330	$ 404,544
Capital assets being depreciated/amortized:				
Buildings and improvements	$ 35,218,929	$ -	$ -	$ 35,218,929
Equipment (including vehicles)	8,094,419	916,892	-	9,011,311
Lease equipment	346,783	-	-	346,783
Jointly owned assets	(14,060,670)	-	(785,215)	(13,275,455)
Total capital assets being depreciated/amortized	$ 29,599,461	$ 916,892	$ (785,215)	$ 31,301,568
Less accumulated depreciation/amortization:				
Buildings and improvements	$ (15,195,128)	$ (1,257,702)	$ -	$ (16,452,830)
Jointly owned assets	701,202	502,120	366,820	836,502
Equipment (including vehicles)	(5,728,286)	(645,437)	-	(6,373,723)
Lease equipment	(138,894)	(69,447)	-	(208,341)
Total accumulated depreciation/amortization	$ (20,361,106)	$ (1,470,466)	$ 366,820	$ (22,198,392)
Net capital assets being depreciated/amortized	$ 9,238,355	$ (553,574)	$ (418,395)	$ 9,103,176
Net capital assets	$ 9,381,222	$ 56,433	$ (70,065)	$ 9,507,720

Note 4 – Capital Assets: (Continued)

The following is a summary of capital assets for the fiscal year ended June 30, 2024 (Continued):

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024
Component Unit - Parks and Recreation Authority:				
Capital assets not being depreciated:				
Construction in progress	$ 30,898	$ -	$ -	$ 30,898
Total capital assets not being depreciated	$ 30,898	$ -	$ -	$ 30,898
Capital assets being depreciated:				
Buildings and improvements	$ 312,337	$ -	$ -	$ 312,337
Equipment	170,104	3,050	-	173,154
Total capital assets being depreciated	$ 482,441	$ 3,050	$ -	$ 485,491
Less accumulated depreciation:				
Buildings and improvements	$ (65,989)	$ (17,252)	$ -	$ (83,241)
Equipment	(107,738)	(14,887)	-	(122,625)
Total accumulated depreciation	$ (173,727)	$ (32,139)	$ -	$ (205,866)
Net capital assets being depreciated	$ 308,714	$ (29,089)	$ -	$ 279,625
Net capital assets	$ 339,612	$ (29,089)	$ -	$ 310,523

Depreciation expense was charged to functions/programs of the primary government and Component Unit School Board as follows:

Primary Government:	
Governmental activities:	
General government administration	$ 227,198
Judicial administration	287,528
Public safety	711,395
Public works	96,138
Health and welfare	19,668
Education	502,120
Parks, recreation and cultural	75,164
Community development	1,805
Total	$ 1,921,016
Component Unit School Board	$ 1,972,586
Depreciation/Amortization Expense	$ 1,972,586
Joint tenancy transfer of accumulated depreciation	(502,120)
Total additions to accumulated depreciation /amortization, previous page	$ 1,470,466
Component Unit Parks and Recreation Authority	$ 32,139

Note 5 – Compensated Absences:

The County has accrued the liability arising from compensated absences.

County employees earn vacation and sick leave at various rates. No benefits or pay is received for unused sick leave upon termination. The County and School Board had outstanding accrued vacation pay as follows:

Primary Government	$ 517,696
Component Unit School Board	$ 497,819

Note 6 – Due From/To Primary Government/Component Units:

Fund	Due from	Due to
General	$ 133,209	$ -
School Board	-	133,209
Total	$ 133,209	$ 133,209

Fund	Transfers In	Transfers Out
General	$ -	$ 1,955,669
Capital Improvement	1,955,669	-
Total	$ 1,955,669	$ 1,955,669

Note 7 – Pension Plan:

Plan Description

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

Note 7 – Pension Plan: (Continued)

Benefit Structures

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

a. Employees with a measurement date before July 1, 2010, vested as of January 1, 2013, and have not taken a refund, are covered under Plan 1, a defined benefit plan. Non-hazardous duty employees are eligible for an unreduced retirement benefit beginning at age 65 with at least 5 years of service credit or age 50 with at least 30 years of service credit. Non-hazardous duty employees may retire with a reduced benefit as early as age 55 with at least 5 years of service credit or age 50 with at least 10 years of service credit. Hazardous duty employees (law enforcement officers, firefighters, and sheriffs) are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit or age 50 with at least 25 years of service credit. Hazardous duty employees may retire with a reduced benefit as early as age 50 with at least 5 years of service credit.

b. Employees with a membership date from July 1, 2010 to December 31, 2013, that have not taken a refund or employees with a membership date prior to July 1, 2010 and not vested before January 1, 2013, are covered under Plan 2, a defined benefit plan. Non-hazardous duty employees are eligible for an unreduced benefit beginning at their normal social security retirement age with at least 5 years of service credit or when the sum of their age plus service credit equals 90. Non-hazardous duty employees may retire with a reduced benefit as early as age 60 with at least 5 years of service credit. Hazardous duty employees are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit or age 50 with at least 25 years of service credit. Hazardous duty employees may retire with a reduced benefit as early as age 50 with at least 5 years of service credit.

c. Non-hazardous duty employees with a measurement date on or after January 1, 2014 are covered by the Hybrid Plan combining the features of a defined benefit plan and a defined contribution plan. Plan 1 and Plan 2 members also had the option of opting into this plan during the election window held January 1 – April 30, 2014 with an effective date of July 1, 2014. Employees covered by this plan are eligible for an unreduced benefit beginning at their normal social security retirement age with at least 5 years of service credit, or when the sum of their age plus service credit equals 90. Employees may retire with a reduced benefit as early as age 60 with at least 5 years of service credit. For the defined contribution component, members are eligible to receive distributions upon leaving employment, subject to restrictions.

Average Final Compensation and Service Retirement Multiplier

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

Note 7 – Pension Plan: (Continued)

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

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

Employees Covered by Benefit Terms

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

	Primary Government	Component Unit School Board Nonprofessional
Inactive members or their beneficiaries currently receiving benefits	71	43
Inactive members:		
Vested inactive members	26	16
Non-vested inactive members	42	20
Inactive members active elsewhere in VRS	58	12
Total inactive members	126	48
Active members	119	43
Total covered employees	316	134

Contributions

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

The County's contractually required contribution rate for the year ended June 30, 2024 was 11.31% 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 $736,838 and $693,929 for the years ended June 30, 2024 and June 30, 2023, respectively.

Note 7 – Pension Plan: (Continued)

Contributions: (Continued)

The Component Unit School Board's contractually required contribution rate for nonprofessional employees for the year ended June 30, 2024 was 0.00% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Component Unit School Board's nonprofessional employees were $0 and $0 for the years ended June 30, 2024 and June 30, 2023, respectively.

Net Pension Liability/Asset

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

Actuarial Assumptions – General Employees

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

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

Mortality rates:

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

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

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

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

Note 7 – Pension Plan (Continued)

Actuarial Assumptions – General Employees : (Continued)

Mortality rates: (Continued)

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

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

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

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

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

Actuarial Assumptions – Public Safety Employees with Hazardous Duty Benefits

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

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

Note 7 – Pension Plan (Continued)

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

Mortality rates:

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

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

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

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

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

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

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

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

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

Note 7 – Pension Plan: (Continued)

Long-Term Expected Rate of Return

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

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

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

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

Discount Rate

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

Note 7 – Pension Plan: (Continued)

Discount Rate: (Continued)

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. Through the fiscal year ended June 30, 2023, the rate contributed by the school division for the VRS Teacher Retirement Plan was subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 112% of the actuarially determined contribution rate. From July 1, 2023 on, participating employers and school divisions are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability (Asset)

	Primary Government Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at June 30, 2022	$ 22,188,588	$ 22,903,725	$ (715,137)
Changes for the year:			
Service cost	$ 887,362	$ -	$ 887,362
Interest	1,519,139	-	1,519,139
Differences between expected and actual experience	(367,067)	-	(367,067)
Contributions - employer	-	693,917	(693,917)
Contributions - employee	-	306,519	(306,519)
Net investment income	-	1,482,533	(1,482,533)
Benefit payments, including refunds of employee contributions	(1,140,378)	(1,140,378)	-
Administrative expenses	-	(14,590)	14,590
Other changes	-	600	(600)
Net changes	$ 899,056	$ 1,328,601	$ (429,545)
Balances at June 30, 2023	$ 23,087,644	$ 24,232,326	$ (1,144,682)

Note 7 – Pension Plan: (Continued)

Changes in Net Pension Liability (Asset) (Continued)

	Component School Board (nonprofessional)		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at June 30, 2022	$ 3,976,328	$ 5,012,800	$ (1,036,472)
Changes for the year:			
Service cost	$ 84,909	$ -	$ 84,909
Interest	267,065	-	267,065
Changes of assumptions	-	-	-
Differences between expected and actual experience	157,987	-	157,987
Contributions - employer	-	-	-
Contributions - employee	-	47,631	(47,631)
Net investment income	-	319,451	(319,451)
Benefit payments, including refunds of employee contributions	(209,448)	(209,448)	-
Administrative expenses	-	(3,251)	3,251
Other changes	-	121	(121)
Net changes	$ 300,513	$ 154,504	$ 146,009
Balances at June 30, 2023	$ 4,276,841	$ 5,167,304	$ (890,463)

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

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

	Rate		
	(5.75%)	(6.75%)	(7.75%)
County			
Net Pension Liability (Asset)	$ 2,092,684	$ (1,144,682)	$ (3,842,025)
Component Unit School Board (nonprofessional)			
Net Pension Liability (Asset)	$ (367,258)	$ (890,463)	$ (1,309,829)

Note 7 – Pension Plan: (Continued)

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

For the year ended June 30, 2024, the County and Component Unit School Board (nonprofessional) recognized pension expense of $117,673 and ($26,527), respectively. At June 30, 2024, the County and Component Unit School Board (nonprofessional) reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Primary Government		Component Unit School Board (nonprofessional)	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 856,213	$ 85,516	$ 6,166
Change in assumptions	135,223	-	-	-
Net difference between projected and actual earnings on pension plan investments	-	342,557	-	82,714
Employer contributions subsequent to the measurement date	736,838	-	-	-
Total	$ 872,061	$ 1,198,770	$ 85,516	$ 88,880

$736,838 and $0 reported as deferred outflows of resources related to pensions resulting from the County's and Component Unit School Board's (nonprofessional) contributions, respectively, subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Year ended June 30	Primary Government	Component Unit School Board (nonprofessional)
2025	$ (636,431)	$ 7,759
2026	(716,330)	(85,934)
2027	277,561	72,141
2028	11,653	2,670

Pension Plan Data

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

Note 7 – Pension Plan: (Continued)

Component Unit School Board (professional)

Plan Description

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

Contributions

The contribution requirement for active employees is governed by §51.1-145 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement. Each school division's contractually required employer contribution rate for the year ended June 30, 2024 was 16.62% of covered employee compensation. This was the General Assembly approved rate, which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the School Board were $1,846,603 and $1,862,061 for the years ended June 30, 2024 and June 30, 2023, respectively.

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

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

At June 30, 2024, the school division reported a liability of $11,922,459 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2023 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation performed as of June 30, 2022, and rolled forward to the measurement date of June 30, 2023. The school division's proportion of the Net Pension Liability was based on the school division's actuarially determined employer contributions to the pension plan for the year ended June 30, 2023, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2023, the school division's proportion was 0.11796% as compared to 0.11591% at June 30, 2022.

For the year ended June 30, 2024, the school division recognized pension expense of $1,025,693. Since there was a change in proportionate share between measurement dates, a portion of the pension expense was related to deferred amounts from changes in proportion and from differences between employer contributions and the proportionate share of employer contributions. Beginning with the June 30, 2022 measurement date, the difference between expected and actual contributions is included with the pension expense calculation.

Note 7 – Pension Plan: (Continued)

Component Unit School Board (professional)

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,024,149	$ 465,265
Change in assumptions	540,487	-
Net difference between projected and actual earnings on pension plan investments	-	775,200
Changes in proportion and differences between employer contributions and proportionate share of contributions	323,368	296,203
Employer contributions subsequent to the measurement date	1,846,603	-
Total	$ 3,734,607	$ 1,536,668

$1,846,603 reported as deferred outflows of resources related to pensions resulting from the school division's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Year ended June 30	
2025	$ (321,090)
2026	(649,421)
2027	1,055,367
2028	266,480

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

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

Note 7 – Pension Plan: (Continued)

Component Unit School Board (professional)

Mortality rates:

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

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

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

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

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

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

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

Note 7 – Pension Plan: (Continued)

Component Unit School Board (professional): (Continued)

Net Pension Liability

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

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

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

Long-Term Expected Rate of Return

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

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

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

	Rate		
	(5.75%)	(6.75%)	(7.75%)
School division's proportionate share of the VRS Teacher Employee Retirement Plan Net Pension Retirement Plan Liability (Asset)	$ 21,134,267	$ 11,922,459	$ 4,349,595

Note 7 – Pension Plan: (Continued)

Pension Plan Fiduciary Net Position

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

Aggregate Pension Information

VRS Pension Plans:

	Deferred Outflows	Deferred Inflows	Net Pension Liability (Asset)	Pension Expense
Primary Government	$ 872,061	$ 1,198,770	$ (1,144,682)	$ 117,673
Totals	$ 872,061	$ 1,198,770	$ (1,144,682)	$ 117,673

Component Unit School Board

	Deferred Outflows	Deferred Inflows	Net Pension Liability (Asset)	Pension Expense
School Board Nonprofessional	$ 85,516	$ 88,880	$ (890,463)	$ (26,527)
School Board Professional	3,734,607	1,536,668	11,922,459	1,025,693
Totals	$ 3,820,123	$ 1,625,548	$ 11,031,996	$ 999,166

Note 8 – Long-Term Obligations:

Primary Government–Long-term Obligations:

Changes in Long-Term Obligations:

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

	Balance at July 1, 2023	Issuances/ Increases	Retirements/ Decreases	Balance at June 30, 2024	Amounts Due Within One Year
Governmental Activities:					
Direct Borrowings and Direct Placements:					
Public Facility Lease Revenue Bond	$ 15,681,000	$ -	$ 480,000	$ 15,201,000	$ 493,000
Public Facility Lease Revenue Refunding Bonds	6,648,000	-	596,000	6,052,000	611,000
Landfill closure liability	237,448	2,453	34,272	205,629	34,272
Notes payable	192,406	77,285	29,176	240,515	27,786
Lease liabilities	368,587	382,340	81,965	668,962	43,795
Subscription liabilities	169,518	-	64,929	104,589	66,828
Net OPEB liabilities:					
Net Health Insurance OPEB liability	$ 663,872	$ 68,951	$ 70,702	$ 662,121	$ -
Net Group Life Insurance OPEB liability	333,776	157,156	155,124	335,808	-
Total net OPEB liability	$ 997,648	$ 226,107	$ 225,826	$ 997,929	$ -
Compensated absences	497,720	69,748	49,772	517,696	51,770
Total governmental activities	$ 24,792,327	$ 757,933	$ 1,561,940	$ 23,988,320	$ 1,328,451

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

	Direct Borrowings and Direct Placements									
Year Ending June 30,	Public Facility Lease Revenue Bond Principal	Public Facility Lease Revenue Bond Interest	Public Facility Lease Revenue Refunding Bond Principal	Public Facility Lease Revenue Refunding Bond Interest	Notes Payable Principal	Notes Payable Interest	Lease Liabilities Principal	Lease Liabilities Interest	Subscription Liabilities Principal	Subscription Liabilities Interest
2025	$ 493,000	$ 456,030	$ 611,000	$ 144,409	$ 27,786	$ 9,788	$ 43,795	$ 23,169	$ 66,828	$ 3,060
2026	507,000	441,240	626,000	129,831	28,867	8,707	39,063	21,939	32,818	1,106
2027	523,000	426,030	640,000	114,893	29,991	7,583	38,798	20,667	4,943	146
2028	538,000	410,340	655,000	99,622	31,161	6,413	41,449	19,323	-	-
2029	553,000	394,200	671,000	83,993	15,917	5,196	42,489	17,885	-	-
2030-2034	3,665,000	1,712,640	2,849,000	171,946	91,251	14,317	211,175	67,192	-	-
2035-2039	6,327,000	948,540	-	-	15,542	292	66,589	42,227	-	-
2040-2044	2,595,000	117,330	-	-	-	-	86,688	27,679	-	-
2044-2049	-	-	-	-	-	-	98,916	8,976	-	-
Total	$ 15,201,000	$ 4,906,350	$ 6,052,000	$ 744,694	$ 240,515	$ 52,296	$ 668,962	$ 249,057	$ 104,589	$ 4,312

Note 8 – Long-Term Obligations: (Continued)

Details of Long-Term Obligations:

		Amount Outstanding		Amounts Due Within One Year
Public Facility Lease Revenue Bond:				
$16,600,000 Public Facilities Lease Revenue Bond, Series 2020A issued June 24, 2020 due in varying installments through February 2041. Interest is payable annually at 3.00%.	$	15,201,000	$	493,000
Public Facility Lease Revenue Refunding Bonds:				
$1,625,000 Public Facilities Lease Revenue Refunding Bond, Series 2020B issued June 24, 2020 due in varying installments through February 2033. Interest is payable annually at 2.37%.	$	1,166,000	$	118,000
$6,416,000 Public Facilities Lease Revenue Refunding Bond, Series 2020C issued June 24, 2020 due in varying installments through February 2033. Interest is payable annually at 2.39%.		4,886,000		493,000
Total Public Facility Lease Revenue Refunding Bonds	$	6,052,000	$	611,000
Notes Payable:				
$230,000 note payable issued March 24, 2020, due in monthly installments of principal and interest of $1,759 through March 2035. Interest is payable at 4.50%. A building was acquired through the financing.	$	179,690	$	13,300
$77,285 note payable issued August 1, 2023 due in annual installments of principal and interest of $16,460 through July 2027. Interest is payable at 3.246%. Medical equipment was purchased through the financing.		60,825		14,486
Total Notes Payable	$	240,515	$	27,786
Lease Liabilities:				
Lease for a cell phone tower issued on November 2, 2020, due in $2,200 monthly payments through 2034. The monthly payments will increase 3.50% annually starting March 1, 2022. Discount rate at 3.445%.	$	280,830	$	20,251
Land lease issued on November 2023, due in $1,600 monthly payments starting December 13, 2023 through December 31, 2048. Discount rate at3.8220%.		339,356		6,454
Various leases for equipment, payble in monthly payments ranging from $115 to $3,965 through May 2026. The discount rates range from 0.751% to 1.335%.		48,776		17,090
Total Lease Liabilities	$	668,962	$	43,795
Subscription Liabilities:				
Various IT subscriptions payable monthly through 2027 in various installments at discount rates ranging from 2.884% to 2.907%.	$	104,589	$	66,828
Landfill closure liability	$	205,629	$	34,272
Net OPEB liabilities	$	997,929	$	-
Compensated absences	$	517,696	$	51,770
Total long-term obligations	$	23,988,320	$	1,328,451

Note 8 – Long-Term Obligations: (Continued)

Discretely Presented Component Unit–School Board Obligations:

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

	Balance at July 1, 2023	Issuances/ Increases	Retirements/ Decreases	Balance at June 30, 2024	Amounts Due Within One Year
Compensated absences	$ 449,711	$ 93,079	$ 44,971	$ 497,819	$ 44,971
Lease liabilities	210,588	-	69,261	141,327	70,192
Net pension liability	11,035,326	5,704,110	4,816,977	11,922,459	-
Net OPEB liabilities:					
Net Health Insurance OPEB liability	$ 1,420,951	$ 125,216	$ 160,608	$ 1,385,559	$ -
Net Group Life Insurance OPEB liability	645,878	283,216	279,906	649,188	-
Net Health Insurance Credit OPEB liability	1,551,671	332,377	395,449	1,488,599	-
Total net OPEB liability	$ 3,618,500	$ 740,809	$ 835,963	$ 3,523,346	$ -
Total Component Unit	$ 15,314,125	$ 6,537,998	$ 5,767,172	$ 16,084,951	$ 115,163

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

Year Ending June 30,	Lease Liabilities Principal	Lease Liabilities Interest
2025	$ 70,192	$ 1,461
2026	71,135	517
Total	$ 141,327	$ 1,978

Note 8 – Long-Term Obligations: (Continued)

Discretely Presented Component Unit–School Board Obligations: (Continued)

	Amount Outstanding	Amounts Due Within One Year
Lease Liabilities:		
Five-year lease for office equipment, due in $673 quarterly payments through April 29, 2026. Discount rate at 1.335%.	$ 5,305	$ 2,635
Five-year lease for equipment, due in $5,747 monthly payments, through June 9, 2026. Discount rate at 1.335%.	136,022	67,557
Total Lease Liabilities	$ 141,327	$ 70,192
Compensated absences	$ 497,819	$ 44,971
Net pension liability	$ 11,922,459	$ -
Net OPEB obligation liabilities	$ 3,523,346	$ -
Total long-term obligations	$ 16,084,951	$ 115,163

Discretely Presented Component Unit–Parks and Recreation Authority:

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

	Balance at July 1, 2023	Issuances/ Increases	Retirements/ Decreases	Balance at June 30, 2024	Amounts Due Within One Year
Note Payable	$ 24,375	$ -	$ 4,875	$ 19,500	$ 4,875

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

Year Ending June 30,	Note Payable Principal	Note Payable Interest
2025	$ 4,875	$ -
2026	4,875	-
2027	4,875	-
2028	4,875	-
Total	$ 19,500	$ -

Note 8 – Long-Term Obligations: (Continued)

Discretely Presented Component Unit–Parks and Recreation Authority: (Continued)

		Amount Outstanding		Amounts Due Within One Year
Note payable:				
Note payable for equipment, due in $4,875 annual payments through September 20, 2027. Interest rate at 0.00%.	$	19,500	$	4,875

Note 9 – Deferred/Unavailable/Unearned Revenue:

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

		Government-wide Statements		Balance Sheet
		Governmental Activities		Governmental Funds
Primary Government:				
Deferred/Unavailable property tax revenue:				
Deferred/Unavailable revenue representing uncollected property tax billings for which asset recognition criteria has not been met. The uncollected tax billings are not available for the funding of current expenditures.	$	-	$	870,282
2nd half assessments due after June 30th		6,570,612		6,570,612
Prepaid property tax revenues representing collections received for property taxes that are applicable to the subsequent budget year.		317,741		317,741
Total deferred/unavailable property tax revenue:	$	6,888,353	$	7,758,635
Unavailable opioid settlement revenue:	$	-	$	250,759
Total governmental activities	$	6,888,353	$	8,009,394

Note 10 - Contingent Liabilities:

Federal programs in which the County and its component units participate were audited in accordance with the provisions of Uniform Guidance. Pursuant to the provisions of this circular, all major programs and certain other programs were tested for compliance with applicable grant requirements. While no matters of noncompliance were disclosed by audit, the federal government may subject grant programs to additional compliance tests which may result in disallowed expenditures. In the opinion of management, any future disallowances of current grant program expenditures, if any, would be immaterial.

Note 11 - Surety Bonds:

		Amount
Virginia Department of Risk Management - Surety		
Stephanie Murray, Treasurer	$	400,000
Leeta D. Louk, Clerk of the Circuit Court		25,000
Brian Daniel, Commissioner of the Revenue		3,000
Erik Weaver, Sheriff		30,000
Above constitutional officers’ employees - blanket bond		50,000
Madison County Department of Social Services employee blanket bond		100,000
Virginia Association of Counties Group Self Insurance Risk Pool		
Madison County School Board Public Officials Liability		1,000,000
Madison County Public Officials Liability		250,000
Madison County Crime Coverage		250,000

Note 12 - Risk Management:

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

The County is insured by the Virginia Association of Counties (VACO) for all risks of losses. Settled claims from these risks have not exceeded commercial coverage in any of the past three fiscal years. Worker’s Compensation is also carried through VACO.

Note 13 - Landfill Closure and Postclosure Care Cost:

State and federal laws and regulations require the County to place a final cover on its landfill site when it stops accepting waste, which occurred in fiscal year 2005, and to perform certain maintenance and monitoring functions at the site for thirty years after closure. The $205,629 reported as landfill closure and postclosure care liability at June 30, 2024, represents the cumulative amount reported based on the use of 100 percent of the estimated capacity of the landfill. These amounts are based on what it would cost to perform all postclosure care in 2024. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. The County intends to fund these costs from any funds accumulated for this purpose in the General Fund.

Note 13 - Landfill Closure and Postclosure Care Cost: (Continued)

The County has demonstrated financial assurance requirements for closure and postclosure care and corrective action costs through the submission of a Local Government Financial Test to the Virginia Department of Environmental Quality in accordance with Section 9VAC20-70 of the Virginia Administrative Code.

The County plans to meet all federal laws, regulations and tests of financial assurance related to the financing of closure and postclosure care when they become effective.

Note 14 - Health Insurance – Pay-as-you-Go (OPEB Plan):

County:

Plan Description

The County post-retirement health care plan is a single employer defined benefit healthcare plan that offers insurance benefits for employees who are eligible for retirement benefits. All full-time employees who have at least 10 years of service with Madison County, and is eligible for immediate retirement benefits under VRS, or have at least 10 years of service with Madison County and is eligible for immediate disability retirement benefits under VRS. Once the participant is Medicare eligible they are no longer eligible to remain in the plan. The County's post-retirement health care Plan does not issue a separate, audited GAAP basis report.

Benefits Provided

Postemployment benefits are provided to eligible retirees include health insurance. The benefits that are provided for active employees are the same for eligible retirees, spouses and dependents of eligible retirees. For participating retirees, the retirees pay 100% of the published rates for individual and dependent coverage until age 65. Surviving spouses are not allowed access to the plan.

Plan Membership

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

Total active employees with coverage	122
Total retirees with coverage	1
Total	123

Contributions

The board does not pre-fund benefits; therefore, no assets are accumulated in a trust fund. The current funding policy is to pay benefits directly from general assets on a pay-as-you-go basis. The funding requirements are established and may be amended by the County Board.

Total OPEB Liability

The County's total OPEB liability was measured as of June 30, 2024. The total OPEB liability was determined by an actuarial valuation as of July 1, 2023.

Note 14 - Health Insurance – Pay-as-you-Go (OPEB Plan): (Continued)

County: (Continued)

Actuarial Assumptions

The total OPEB liability in the July 1, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary Increases	Ranging from 3.50% to 5.35% depending on years of service per year for general salary inflations
Discount Rate	3.93%

Mortality rates for Active employees and healthy retirees were based on a RP-2014 Total Dataset Mortality Table fully generational using scale BB while mortality rates for disabled retirees were based on a RP-2014 Disabled Mortality Table fully generational using scale BB.

The date of the most recent actuarial experience study for which significant assumptions were based is July 1, 2023.

Discount Rate

The final equivalent single discount rate used for this year's valuation is 3.93% as of the end of the fiscal year with the expectation that the County will continue contributing the Actuarially Determined Contribution and paying the pay-go cost.

Changes in Total OPEB Liability

		Primary Government Total OPEB Liability
Balances at June 30, 2023	$	663,872
Changes for the year:		
Service cost		43,387
Interest		25,564
Economic/demographic gains or losses		(16,934)
Changes in assumptions		(39,905)
Benefit payments		(13,863)
Net changes		(1,751)
Balances at June 30, 2024	$	662,121

Note 14 - Health Insurance – Pay-as-you-Go (OPEB Plan): (Continued)

County: (Continued)

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

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

	Rate	
1% Decrease (2.93%)	Current Discount Rate (3.93%)	1% Increase (4.93%)
$ 743,188	$ 662,121	$ 591,022

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

The following presents the total OPEB liability of the County calculated using healthcare cost trend rates that are one percentage point lower (6.30% decreasing to 2.90% after 2072) or one percentage point higher (8.30% decreasing to 4.90% after 2072) than the current healthcare cost trend rates:

	Rates	
1% Decrease (6.30% decreasing to 2.90% after 2072)	Healthcare Cost Trend (7.30% decreasing to 3.90% after 2072)	1% Increase (8.30% decreasing to 4.90% after 2072)
$ 571,797	$ 662,121	$ 769,485

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

For the year ended June 30, 2024, the County recognized OPEB expense in the amount of $78,020. At June 30, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resouces	Deferred Inflows of Resources
Differences between expected and actual experience	$ 75,029	$ 113,960
Changes in assumptions	66,510	107,694
Total	$ 141,539	$ 221,654

Note 14 - Health Insurance – Pay-as-you-Go (OPEB Plan): (Continued)

County: (Continued)

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

Year Ended June 30		
2025	$	8,992
2026		8,241
2027		(23,176)
2028		(44,118)
2029		(26,501)
Thereafter		(3,553)

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

School Board:

Plan Description

The School Board Retiree Service Program is a single employer defined benefit healthcare plan that offers health insurance for retirees. Employees who receive an unreduced retirement benefit from VRS, has at least seven consecutive years of service immediately preceding retirement, is a full time, salaried employee of the school division at the time of applying for the program, and is not eligible for disability retirement benefits under VRS are eligible for the program. The School Board Extended Service Program does not issue a separate GAAP basis report.

Benefits Provided

Postemployment benefits are provided to eligible retirees include Health insurance. The benefits that are provided for active employees are the same for eligible retirees, spouses and dependents of eligible retirees. The School Board Extended Service Program is a single employer defined benefit healthcare plan that offers health insurance for retirees. For participating retirees the School Board pays an amount per month towards the monthly premium and the retiree contributes remaining funds towards the monthly premium. Coverage ceases after seven years and there is no benefit provided after age 65. Surviving spouses are not allowed access to the plan.

Plan Membership

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

Total active employees with coverage	249
Total retirees with coverage	2
Total retirees without coverage	-
Total	251

Note 14 - Health Insurance – Pay-as-you-Go (OPEB Plan): (Continued)

School Board: (Continued)

Contributions

The board does not pre-fund benefits; therefore, no assets are accumulated in a trust fund. The current funding policy is to pay benefits directly from general assets on a pay-as-you-go basis. The funding requirements are established and may be amended by the School Board.

Total OPEB Liability

The School Board's total OPEB liability was measured as of June 30, 2024. The total OPEB liability was determined by an actuarial valuation as of July 1, 2023.

Actuarial Assumptions

The total OPEB liability in the July 1, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary Increases	Ranging from 3.50% to 5.95% depending on years of service per year for general salary inflations
Discount Rate	3.93%

Mortality rates for Active employees and healthy retirees were based on a RP-2014 Total Dataset Mortality Table fully generational using scale BB while mortality rates for disabled retirees were based on a RP-2014 Disabled Mortality Table fully generational using scale BB.

The date of the most recent actuarial experience study for which significant assumptions were based is July 1, 2023.

Discount Rate

The final equivalent single discount rate used for this year's valuation is 3.93% as of the end of the fiscal year with the expectation that the School Board will continue contributing the Actuarially Determined Contribution and paying the pay-go cost.

Note 14 - Health Insurance – Pay-as-you-Go (OPEB Plan): (Continued)

School Board: (Continued)

Changes in Total OPEB Liability

	School Board Total OPEB Liability
Balances at June 30, 2023	$ 1,420,951
Changes for the year:	
Service cost	71,227
Interest	53,989
Economic/demographic gains or losses	(64,513)
Changes in assumptions	(69,762)
Benefit payments	(26,333)
Net changes	(35,392)
Balances at June 30, 2024	$ 1,385,559

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

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

	Rate	
1% Decrease (2.93%)	Current Discount Rate (3.93%)	1% Increase (4.93%)
$ 1,497,071	$ 1,385,559	$ 1,280,422

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

The following presents the total OPEB liability of the School Board was calculated using healthcare cost trend rates that are one percentage point lower (6.30% decreasing to 2.90% after 2072) or one percentage point higher (8.30% decreasing to 4.90% after 2072) than the current healthcare cost trend rates:

	Rates	
1% Decrease (6.30% decreasing to 2.90% after 2072)	Healthcare Cost Trend (7.30% decreasing to 3.90% after 2072)	1% Increase (8.30% decreasing to 4.90% after 2072)
$ 1,226,637	$ 1,385,559	$ 1,570,047

Note 14 - Health Insurance – Pay-as-you-Go (OPEB Plan): (Continued)

School Board: (Continued)

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

For the year ended June 30, 2024, the School Board recognized OPEB expense in the amount of $100,177. At June 30, 2024, the School Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resouces	Deferred Inflows of Resources
Differences between expected and actual experience	$ 65,096	$ 146,169
Changes in assumptions	118,476	176,026
Total	$ 183,572	$ 322,195

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

Year Ended June 30	
2025	$ (25,039)
2026	(25,641)
2027	(26,554)
2028	(23,564)
2029	(22,026)
Thereafter	(15,799)

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

Note 15 – Health Insurance Credit (HIC) Plan (OPEB Plan):

Plan Description

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

Note 15 – Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Plan Description: (Continued)

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

Eligible Employees

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

Benefit Amounts

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

HIC Plan Notes

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

Employees Covered by Benefit Terms

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

	Primary Government	Component Unit School Board Nonprofessional
Inactive members or their beneficiaries currently receiving benefits	23	10
Inactive members:		
Vested inactive members	1	1
Inactive members active elsewhere in VRS	24	14
Total inactive members	48	25
Active members	54	41
Total covered employees	102	66

Note 15 – Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Contributions

The contribution requirements for active employees is governed by §51.1-1402(E) of the Code of Virginia, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. The County's contractually required employer contribution rate for the year ended June 30, 2024 was 0.10% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the County to the HIC Plan were $3,032 and $2,805 for the years ended June 30, 2024 and June 30, 2023, respectively. The School Board's contractually required employer contribution rate for the year ended June 30, 2023 was 1.20% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the School Board to the HIC Plan were $13,253 and $12,656 for the years ended June 30, 2024 and June 30, 2023, respectively.

Net HIC OPEB Liability

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

Actuarial Assumptions

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

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

Note 15 – Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Actuarial Assumptions: (Continued)

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

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

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

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

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

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

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

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

Note 15 – Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Actuarial Assumptions: (Continued)

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

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

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

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

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

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

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

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

Note 15 – Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Long-Term Expected Rate of Return

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

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

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

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

Discount Rate

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

Note 15 – Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Changes in Net HIC OPEB Liability (Asset)

	Increase (Decrease)		
	Total HIC OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net HIC OPEB Liability (Asset) (a) - (b)
Primary Government			
Balances at June 30, 2022	$ 60,421	$ 87,139	$ (26,718)
Changes for the year:			
Service cost	$ 2,254	$ -	$ 2,254
Interest	4,066	-	4,066
Differences between expected and actual experience	12,218	-	12,218
Assumption changes	-	-	-
Contributions - employer	-	2,805	(2,805)
Net investment income	-	4,965	(4,965)
Benefit payments	(4,887)	(4,887)	-
Administrative expenses	-	(114)	114
Other changes	-	256	(256)
Net changes	$ 13,651	$ 3,025	$ 10,626
Balances at June 30, 2023	$ 74,072	$ 90,164	$ (16,092)
Component School Board (nonprofessional)			
Balances at June 30, 2022	$ 120,266	$ 13,617	$ 106,649
Changes for the year:			
Service cost	$ 1,068	$ -	$ 1,068
Interest	8,034	-	8,034
Differences between expected and actual experience	(34,064)	-	(34,064)
Assumption changes		-	-
Contributions - employer		12,656	(12,656)
Net investment income		1,216	(1,216)
Benefit payments	(4,620)	(4,620)	-
Administrative expenses		(35)	35
Other changes		1	(1)
Net changes	$ (29,582)	$ 9,218	$ (38,800)
Balances at June 30, 2023	$ 90,684	$ 22,835	$ 67,849

Note 15 – Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

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

The follow presents the County's HIC Plan net HIC OPEB liability (asset) using the discount rate of 6.75%, as well as what the County's net HIC 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:

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
County's			
Net HIC OPEB Liability (Asset)	$ (7,714)	$ (16,092)	$ (23,100)
Component Unit School Board (nonprofessional)			
Net HIC OPEB Liability (Asset)	$ 78,099	$ 67,849	$ 59,208

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

For the year ended June 30, 2024, the County and School Board recognized HIC Plan OPEB expense of $1,718 and $624, respectively. At June 30, 2024, the County and School Board reported deferred outflows of resources and deferred inflows of resources related to the County's HIC Plan from the following sources:

	Primary Government		Component Unit School Board (nonprofessional)	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 22,053	$ 9,662	$ 169	$ 25,548
Net difference between projected and actual earnings on HIC OPEB plan investments	-	622	130	-
Change in assumptions	806	6,053	2,917	-
Employer contributions subsequent to the measurement date	3,032	-	13,253	-
Total	$ 25,891	$ 16,337	$ 16,469	$ 25,548

Note 15 – Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

HIC Plan OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to HIC Plan OPEB: (Continued)

$3,032 and $13,253 reported as deferred outflows of resources related to the HIC OPEB resulting from the County and School Board's contributions subsequent to the measurement date will be recognized as a reduction of the Net HIC OPEB Liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIC OPEB will be recognized in the HIC OPEB expense in future reporting periods as follows:

Year Ended June 30	Primary Government	Component Unit School Board (nonprofessional)
2025	$ 1,296	$ (7,323)
2026	905	(7,327)
2027	4,510	(7,675)
2028	2,718	(7)
2029	(1,895)	-
Thereafter	(1,012)	-

HIC Plan Data

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

Note 16 – Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan):

Plan Description

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

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

Note 16 – Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Eligible Employees

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

Benefit Amounts

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

HIC Plan Notes

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

Contributions

The contribution requirements for active employees is governed by §51.1-1401(E) of the Code of Virginia, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Each school division's contractually required employer contribution rate for the year ended June 30, 2024 was 1.21% of covered employee compensation for employees in the VRS Teacher Employee HIC Plan. This rate was the final approved General Assembly rate, which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the school division to the VRS Teacher Employee HIC Plan were $141,314 and $141,502 for the years ended June 30, 2024 and June 30, 2023, respectively.

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

Note 16 – Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

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

At June 30, 2024, the school division reported a liability of $1,420,750 for its proportionate share of the VRS Teacher Employee HIC Net OPEB Liability. The Net VRS Teacher Employee HIC OPEB Liability was measured as of June 30, 2023 and the total VRS Teacher Employee HIC OPEB liability used to calculate the Net VRS Teacher Employee HIC OPEB Liability was determined by an actuarial valuation performed as of June 30, 2022 and rolled forward to the measurement date of June 30, 2023. The school division's proportion of the Net VRS Teacher Employee HIC OPEB Liability was based on the school division's actuarially determined employer contributions to the VRS Teacher Employee HIC OPEB plan for the year ended June 30, 2023, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2023, the school division's proportion of the VRS Teacher Employee HIC Plan was 0.1173% as compared to 0.1157% at June 30, 2022.

For the year ended June 30, 2024, the school division recognized VRS Teacher Employee HIC Plan OPEB expense of $96,685. Since there was a change in proportionate share between measurement dates, a portion of the VRS Teacher Employee HIC Plan Net OPEB expense was related to deferred amounts from changes in proportionate share and differences between actual and expected contributions.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 62,534
Net difference between projected and actual earnings on Teacher HIC OPEB plan investments	713	-
Change in assumptions	33,073	1,432
Changes in proportionate share and differences between actual and expected contributions	34,658	71,053
Employer contributions subsequent to the measurement date	141,314	-
Total	$ 209,758	$ 135,019

Note 16 – Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

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

$141,314 reported as deferred outflows of resources related to the Teacher Employee HIC OPEB resulting from the school division's contributions subsequent to the measurement date will be recognized as a reduction of the Net Teacher Employee HIC OPEB Liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Teacher Employee HIC OPEB will be recognized in the Teacher Employee HIC OPEB expense in future reporting periods as follows:

Year Ended June 30,		
2025	$	(21,211)
2026		(22,538)
2027		(13,028)
2028		(8,238)
2029		(1,735)
Thereafter		175

Actuarial Assumptions

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

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

Note 16 – Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Actuarial Assumptions: (Continued)

Mortality Rates – Teachers

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

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

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

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

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

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

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

Note 16 – Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Net Teacher Employee HIC OPEB Liability

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

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

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

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Note 16 – Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Long-Term Expected Rate of Return

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

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

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

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

Note 16 – Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Discount Rate

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

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

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

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
School division's proportionate share of the VRS Teacher Employee HIC OPEB Plan Net HIC OPEB Liability	$ 1,607,027	$ 1,420,750	$ 1,262,897

Teacher Employee HIC OPEB Fiduciary Net Position

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

Note 17 – Group Life Insurance (GLI) Plan (OPEB Plan):

Plan Description

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

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

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

Eligible Employees

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

Benefit Amounts

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

Note 17 – Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Contributions

The contribution requirements for the GLI Plan are governed by §51.1-506 and §51.1-508 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the GLI Plan was 1.34% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.80% (1.34% x 60%) and the employer component was 0.54% (1.34% x 40%). Employers may elect to pay all or part of the employee contribution; however, the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2024 was 0.54% of covered employee compensation. This rate was the final approved General Assembly rate, which 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 Plan from the entity were $37,821 and $35,620 for the years ended June 30, 2024 and June 30, 2023, respectively, for the County; $ 5,964 and $5,695 for the years ended June 30, 2024 and June 30, 2023, respectively, for the School Board (nonprofessional); and $63,066 and $63,150 for the years ended June 30, 2024 and June 30, 2023, respectively, for the School Board (professional).

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

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

At June 30, 2024, the entity reported a liability of $335,808, $53,729, and $595,459 for the County, School Board Nonprofessional, and School Board Professional, respectively, for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2023 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation performed as of June 30, 2022, and rolled forward to the measurement date of June 30, 2023. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the GLI Plan for the year ended June 30, 2023 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2023, the participating employer's proportion was 0.02800%, 0.00448%, and 0.04965% as compared to 0.02772%, 0.00407%, and 0.04957% at June 30, 2022 for the County, School Board Nonprofessional, and School Board Professional, respectively.

For the year ended June 30, 2024, the participating employer recognized GLI OPEB expense of $23,585, $3,019, and $16,692 for the County, School Board Nonprofessional, and School Board Professional, respectively. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

Note 17 – Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Primary Government		
Differences between expected and actual experience	$ 33,539	$ 10,193
Net difference between projected and actual earnings on GLI OPEB plan investments	-	13,495
Change in assumptions	7,178	23,266
Changes in proportionate share	24,252	85
Employer contributions subsequent to the measurement date	37,821	-
Total Primary Government	$ 102,790	$ 47,039
Component Unit School Board (nonprofessional)		
Differences between expected and actual experience	$ 5,366	$ 1,631
Net difference between projected and actual earnings on GLI OPEB plan investments	-	2,159
Change in assumptions	1,148	3,723
Changes in proportionate share	5,695	2,376
Employer contributions subsequent to the measurement date	5,964	-
Total Component Unit School Board (nonprofessional)	$ 18,173	$ 9,889
Component Unit School Board (professional)		
Differences between expected and actual experience	$ 59,472	$ 18,075
Net difference between projected and actual earnings on GLI OPEB plan investments	-	23,929
Change in assumptions	12,728	41,256
Changes in proportionate share	7,548	25,044
Employer contributions subsequent to the measurement date	63,066	-
Total Component Unit School Board (professional)	$ 142,814	$ 108,304

Note 17 – Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

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

$37,821, $5,964 and $63,066 for the County, School Board Nonprofessional, and School Board Professional, respectively, reported as deferred outflows of resources related to the GLI OPEB resulting from the employer's contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OEPB will be recognized in the GLI OPEB expense in future reporting periods as follows:

Year Ended June 30	Primary Government	Component Unit School Board (nonprofessional)	Component Unit School Board (professional)
2025	$ 6,773	$ (129)	$ (14,904)
2026	(6,541)	(1,892)	(31,526)
2027	11,361	1,694	8,747
2028	2,438	1,267	3,079
2029	3,899	1,380	6,048
Thereafter	-	-	-

Actuarial Assumptions

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

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

Mortality Rates – Teachers

Pre-Retirement:

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

Note 17 – Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Actuarial Assumptions: (Continued)

Mortality Rates – Teachers

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

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

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

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

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

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

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

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

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

Note 17 – Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Actuarial Assumptions: (Continued)

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

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

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

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

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

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

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

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

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

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

Note 17 – Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Actuarial Assumptions: (Continued)

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

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

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

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

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

NET GLI OPEB Liability

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

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

Note 17 – Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

NET GLI OPEB Liability: (Continued)

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

Long-Term Expected Rate of Return

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

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

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

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

Note 17 – Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Discount Rate

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

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

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

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
County's proportionate share of the Group Life Insurance Program Net OPEB Liability	$ 497,772	$ 335,808	$ 204,859
School Board (nonprofessional's) proportionate share of the Group Life Insurance Program Net OPEB Liability	$ 79,644	$ 53,729	$ 32,777
School Board (professional's) proportionate share of the Group Life Insurance Program Net OPEB Liability	$ 882,656	$ 595,459	$ 363,258

GLI Plan Fiduciary Net Position

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

Note 18 - Aggregate OPEB Information:

VRS OPEB Plans

	Deferred Outflows	Deferred Inflows	Net OPEB Liability (Asset)	OPEB Expense
Primary Government				
Group Life Insurance Program (Note 17):				
County	$ 102,790	$ 47,039	$ 335,808	$ 25,385
County Health Insurance Credit Plan (Note 15)	25,891	16,337	(16,092)	1,718
County Stand-Alone Plan (Note 14)	141,539	221,654	662,121	78,020
Totals	$ 270,220	$ 285,030	$ 981,837	$ 105,123
Component Unit School Board				
Group Life Insurance Plan (Note 17):				
School Board Nonprofessional	$ 18,173	$ 9,889	$ 53,729	$ 3,019
School Board Professional	142,814	108,304	595,459	16,692
School Board Health Insurance Credit Plan (Note 15)	16,469	25,548	67,849	624
Teacher Health Insurance Credit Plan (Note 15)	209,758	135,019	1,420,750	96,685
School Stand-Alone Plan (Note 14)	183,572	322,195	1,385,559	100,177
Totals	$ 570,786	$ 600,955	$ 3,523,346	$ 217,197

Note 19 - Litigation:

At June 30, 2024, there were no matters of litigation involving the County or its component units that would have an adverse material effect on the financial position of the reporting entity.

Note 20 – Fair Value Measurements:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The County maximizes the use of observable inputs and minimizes the use of unobservable inputs. Observable inputs are inputs that market participants would use in pricing the asset or liability based on market data obtained from independent sources. Unobservable inputs reflect assumptions that market participants would use in pricing the asset or liability based on the best information available in the circumstances. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels as follows:

- Level 1. Quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at a measurement date

- Level 2. Directly or indirectly observable inputs for the asset or liability other than quoted prices

- Level 3. Unobservable inputs that are supported by little or no market activity for the asset or Liability

Note 20 – Fair Value Measurements: (Continued)

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

The County has the following recurring fair value measurements as of June 30, 2024:

			Fair Value Measurements Using					
Investment		**6/30/2024**		**Quoted Prices in Active Markets or Identical Assets (Level 1)**		**Significant Other Observable Inputs (Level 2)**		**Significant Unobservable Inputs (Level 3)**
U.S. Government Securities	$	59,765	$	59,765	$	-	$	-
	$	59,765	$	59,765	$	-	$	-

Note 21 – Upcoming Pronouncements:

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

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

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

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

Note 22 – COVID-19 Funding:

ARPA Funding

On March 11, 2023, the American Rescue Plan (ARPA) Act of 2023 was passed by the federal government. A primary component of the ARPA was the establishment of the Coronavirus State and Local Fiscal Recovery Fund (CSLFRF). Local governments were to receive funds in two tranches, with 50% provided beginning in May 2021 and the balance delivered approximately 12 months later.

As a condition of receiving CSLFRF funds, any funds unobligated by December 31, 2024, and unexpended by December 31, 2026, will be returned to the federal government. Unspent funds in the amount of $2,228,880 from both allocations are reported as unearned revenue as of June 30.

- Required Supplementary Information -

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

	Original Budget	Budget As Amended	Actual	Variance With Amended Budget Positive (Negative)
Revenues:				
General property taxes	$ 19,415,000	$ 19,415,000	$ 19,931,407	$ 516,407
Other local taxes	3,619,200	3,619,200	4,331,571	712,371
Permits, privilege fees and regulatory licenses	237,375	237,375	314,315	76,940
Fines and forfeitures	110,500	110,500	153,865	43,365
Revenue from use of money and property	179,300	179,300	993,291	813,991
Charges for services	676,094	699,368	855,238	155,870
Miscellaneous	78,840	80,565	471,796	391,231
Intergovernmental:				
Commonwealth	5,150,586	5,342,811	5,457,848	115,037
Federal	4,816,993	4,997,993	1,943,719	(3,054,274)
Total revenues	$ 34,283,888	$ 34,682,112	$ 34,453,050	$ (229,062)
Expenditures:				
Current:				
General government administration	$ 2,429,915	$ 2,547,274	$ 2,456,196	$ 91,078
Judicial administration	1,234,863	1,246,946	1,164,962	81,984
Public safety	8,717,834	9,147,944	9,011,743	136,201
Public works	1,447,712	1,409,378	1,377,735	31,643
Health and welfare	5,745,579	5,809,804	5,202,909	606,895
Education	10,496,455	10,640,647	9,086,374	1,554,273
Parks, recreation, and cultural	524,918	524,918	516,916	8,002
Community development	722,175	781,701	724,172	57,529
Nondepartmental	488,527	54,338	2,987	51,351
Debt service:				
Principal retirement	1,097,113	1,097,113	1,105,176	(8,063)
Interest and other fiscal charges	614,751	614,751	637,459	(22,708)
Total expenditures	$ 33,519,842	$ 33,874,814	$ 31,286,629	$ 2,588,185
Excess (deficiency) of revenues over (under) expenditures	$ 764,046	$ 807,298	$ 3,166,421	$ 2,359,123
Other Financing Sources (uses):				
Transfers (out)	$ (1,969,722)	$ (2,026,722)	$ (1,955,669)	$ 71,053
Total other financing sources (uses)	$ (1,969,722)	$ (2,026,722)	$ (1,955,669)	$ 71,053
Net change in fund balances	$ (1,205,676)	$ (1,219,424)	$ 1,210,752	$ 2,430,176
Fund balances at beginning of year	1,205,676	1,222,166	26,506,173	25,284,007
Fund balances at end of year	$ -	$ 2,742	$ 27,716,925	$ 27,714,183

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

	2014	2015	2016	2017	2018
Total pension liability					
Service cost	$ 541,330	$ 541,394	$ 516,914	$ 561,082	$ 570,023
Interest	977,153	1,037,311	1,078,393	1,111,394	1,174,284
Differences between expected and actual experience	-	(156,191)	(282,251)	140,511	(508,725)
Changes in assumptions	-	-	-	(44,022)	-
Benefit payments, including refunds of employee contributions	(578,303)	(739,879)	(931,371)	(751,849)	(989,214)
Net change in total pension liability	$ 940,180	$ 682,635	$ 381,685	$ 1,017,116	$ 246,368
Total pension liability - beginning	14,248,481	15,188,661	15,871,296	16,252,981	17,270,097
Total pension liability - ending (a)	$ 15,188,661	$ 15,871,296	$ 16,252,981	$ 17,270,097	$ 17,516,465
Plan fiduciary net position					
Contributions - employer	$ 506,793	$ 471,484	$ 489,952	$ 390,309	$ 394,766
Contributions - employee	198,721	201,091	208,419	219,531	222,548
Net investment income	1,957,999	663,732	261,173	1,825,862	1,217,607
Benefit payments, including refunds of employee contributions	(578,303)	(739,879)	(931,371)	(751,849)	(989,214)
Administrative expense	(10,342)	(9,028)	(9,269)	(10,482)	(10,613)
Other	103	(137)	(110)	(1,626)	(1,085)
Net change in plan fiduciary net position	$ 2,074,971	$ 587,263	$ 18,794	$ 1,671,745	$ 834,009
Plan fiduciary net position - beginning	12,290,513	14,365,484	14,952,747	14,971,541	16,643,286
Plan fiduciary net position - ending (b)	$ 14,365,484	$ 14,952,747	$ 14,971,541	$ 16,643,286	$ 17,477,295
County's net pension liability (asset) - ending (a) - (b)	$ 823,177	$ 918,549	$ 1,281,440	$ 626,811	$ 39,170
Plan fiduciary net position as a percentage of the total pension liability	94.58%	94.21%	92.12%	96.37%	1
Covered payroll	$ 3,980,282	$ 4,048,172	$ 4,233,595	$ 4,466,281	$ 4,584,440
County's net pension liability (asset) as a percentage of covered payroll	20.68%	22.69%	30.27%	14.03%	0.85%

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

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios
Primary Government
For the Measurement Dates of June 30, 2014 through June 30, 2022

	2019	2020	2021	2022	2023
Total pension liability					
Service cost	$ 606,878	$ 677,748	$ 719,477	$ 821,988	$ 887,362
Interest	1,189,868	1,251,916	1,355,401	1,519,169	1,519,139
Differences between expected and actual experience	182,252	592,229	(175,389)	(1,321,968)	(367,067)
Changes in assumptions	564,680	-	731,791	-	-
Benefit payments, including refunds of employee contributions	(1,036,713)	(953,051)	(1,024,525)	(1,029,628)	(1,140,378)
Net change in total pension liability	$ 1,506,965	$ 1,568,842	$ 1,606,755	$ (10,439)	$ 899,056
Total pension liability - beginning	17,516,465	19,023,430	20,592,272	22,199,027	22,188,588
Total pension liability - ending (a)	$ 19,023,430	$ 20,592,272	$ 22,199,027	$ 22,188,588	$ 23,087,644
Plan fiduciary net position					
Contributions - employer	$ 407,989	$ 427,549	$ 561,114	$ 598,233	$ 693,917
Contributions - employee	239,126	251,406	265,127	282,290	306,519
Net investment income	1,157,589	347,959	5,011,306	(29,206)	1,482,533
Benefit payments, including refunds of employee contributions	(1,036,713)	(953,051)	(1,024,525)	(1,029,628)	(1,140,378)
Administrative expense	(11,514)	(11,849)	(12,328)	(14,316)	(14,590)
Other	(728)	(412)	474	538	600
Net change in plan fiduciary net position	$ 755,749	$ 61,602	$ 4,801,168	$ (192,089)	$ 1,328,601
Plan fiduciary net position - beginning	17,477,295	18,233,044	18,294,646	23,095,814	22,903,725
Plan fiduciary net position - ending (b)	$ 18,233,044	$ 18,294,646	$ 23,095,814	$ 22,903,725	$ 24,232,326
County's net pension liability (asset) - ending (a) - (b)	$ 790,386	$ 2,297,626	$ (896,787)	$ (715,137)	$ (1,144,682)
Plan fiduciary net position as a percentage of the total pension liability	95.85%	88.84%	104.04%	103.22%	104.96%
Covered payroll	$ 4,940,970	$ 5,244,199	$ 5,573,211	$ 5,954,892	$ 6,531,655
County's net pension liability (asset) as a percentage of covered payroll	16.00%	43.81%	-16.09%	-12.01%	-17.53%

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

	2014	2015	2016	2017	2018
Total pension liability					
Service cost	$ 76,301	$ 74,089	$ 66,822	$ 68,751	$ 63,158
Interest	218,017	226,502	227,787	220,674	221,119
Differences between expected and actual experience	-	(103,073)	(210,778)	(61,562)	8,879
Changes in assumptions	-	-	-	(21,588)	-
Benefit payments, including refunds of employee contributions	(141,719)	(204,473)	(153,861)	(217,007)	(182,847)
Net change in total pension liability	$ 152,599	$ (6,955)	$ (70,030)	$ (10,732)	$ 110,309
Total pension liability - beginning	3,185,382	3,337,981	3,331,026	3,260,996	3,250,264
Total pension liability - ending (a)	$ 3,337,981	$ 3,331,026	$ 3,260,996	$ 3,250,264	$ 3,360,573
Plan fiduciary net position					
Contributions - employer	$ 41,634	$ 33,962	$ 34,045	$ 1,243	$ 1,208
Contributions - employee	38,268	35,046	35,144	37,596	39,120
Net investment income	515,077	167,887	64,136	444,970	293,037
Benefit payments, including refunds of employee contributions	(141,719)	(204,473)	(153,861)	(217,007)	(182,847)
Administrative expense	(2,804)	(2,399)	(2,362)	(2,689)	(2,597)
Other	27	(38)	(27)	(391)	(258)
Net change in plan fiduciary net position	$ 450,483	$ 29,985	$ (22,925)	$ 263,722	$ 147,663
Plan fiduciary net position - beginning	3,282,575	3,733,058	3,763,043	3,740,118	4,003,840
Plan fiduciary net position - ending (b)	$ 3,733,058	$ 3,763,043	$ 3,740,118	$ 4,003,840	$ 4,151,503
School Division's net pension liability (asset) - ending (a) - (b)	$ (395,077)	$ (432,017)	$ (479,122)	$ (753,576)	$ (790,930)
Plan fiduciary net position as a percentage of the total pension liability	111.84%	112.97%	114.69%	123.19%	123.54%
Covered payroll	$ 765,340	$ 707,545	$ 731,331	$ 763,392	$ 841,045
School Division's net pension liability (asset) as a percentage of covered payroll	-51.62%	-61.06%	-65.51%	-98.71%	-94.04%

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

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

	2019	2020	2021	2022	2023
Total pension liability					
Service cost	$ 70,774	$ 72,976	$ 71,699	$ 70,855	$ 84,909
Interest	228,352	232,552	243,627	261,360	267,065
Differences between expected and actual experience	(19,974)	49,027	(51,672)	(59,788)	157,987
Changes in assumptions	94,551	-	123,659	-	-
Benefit payments, including refunds of employee contributions	(196,793)	(184,535)	(196,439)	(194,476)	(209,448)
Net change in total pension liability	$ 176,910	$ 170,020	$ 190,874	$ 77,951	$ 300,513
Total pension liability - beginning	3,360,573	3,537,483	3,707,503	3,898,377	3,976,328
Total pension liability - ending (a)	$ 3,537,483	$ 3,707,503	$ 3,898,377	$ 3,976,328	$ 4,276,841
Plan fiduciary net position					
Contributions - employer	$ 3,454	$ 3,252	$ -	$ 2	$ -
Contributions - employee	38,555	38,491	37,796	40,429	47,631
Net investment income	272,231	80,870	1,133,738	(3,462)	319,451
Benefit payments, including refunds of employee contributions	(196,793)	(184,535)	(196,439)	(194,476)	(209,448)
Administrative expense	(2,800)	(2,825)	(2,899)	(3,251)	(3,251)
Other	(170)	(95)	106	118	121
Net change in plan fiduciary net position	$ 114,477	$ (64,842)	$ 972,302	$ (160,640)	$ 154,504
Plan fiduciary net position - beginning	4,151,503	4,265,980	4,201,138	5,173,440	5,012,800
Plan fiduciary net position - ending (b)	$ 4,265,980	$ 4,201,138	$ 5,173,440	$ 5,012,800	$ 5,167,304
School Division's net pension liability (asset) - ending (a) - (b)	$ (728,497)	$ (493,635)	$ (1,275,063)	$ (1,036,472)	$ (890,463)
Plan fiduciary net position as a percentage of the total pension liability	120.59%	113.31%	132.71%	126.07%	120.82%
Covered payroll	$ 831,157	$ 837,116	$ 817,250	$ 884,559	$ 1,054,629
School Division's net pension liability (asset) as a percentage of covered payroll	-87.65%	-58.97%	-156.02%	-117.17%	-84.43%

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

	2014	2015	2016	2017	2018
Employer's Proportion of the Net Pension Liability (Asset)	0.13142%	0.12919%	0.12492%	0.12619%	0.12517%
Employer's Proportionate Share of the Net Pension Liability (Asset)	$ 15,882,000	$ 16,260,000	$ 17,507,000	$ 15,518,000	$ 14,720,000
Employer's Covered Payroll	9,603,425	9,660,903	9,359,189	10,295,095	10,210,771
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	165.38%	168.31%	187.06%	150.73%	144.16%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.88%	70.68%	68.28%	72.92%	74.81%

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

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

	2019	2020	2021	2022	2023
Employer's Proportion of the Net Pension Liability (Asset)	0.12028%	0.11584%	0.11377%	0.11591%	0.11796%
Employer's Proportionate Share of the Net Pension Liability (Asset)	$ 15,829,532	$ 16,857,762	$ 8,832,076	$ 11,035,326	$ 11,678,876
Employer's Covered Payroll	10,176,839	10,214,762	10,088,200	10,782,790	11,694,412
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	155.54%	165.03%	87.55%	102.34%	99.87%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	73.51%	71.47%	85.46%	82.61%	82.45%

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

Date	Contractually Required Contribution (1)*	Contributions in Relation to Contractually Required Contribution (2)*	Contribution Deficiency (Excess) (3)	Employer's Covered Employee Payroll (4)	Contributions as a % of Covered Employee Payroll (5)
Primary Government					
2024	$ 736,838	$ 736,838	$ -	$ 6,986,470	10.55%
2023	693,929	693,929	-	6,531,655	10.62%
2022	598,232	598,232	-	5,954,892	10.05%
2021	561,113	561,113	-	5,573,211	10.07%
2020	429,701	429,701	-	5,244,199	8.19%
2019	407,487	407,487	-	4,940,970	8.25%
2018	394,774	394,774	-	4,584,440	8.61%
2017	393,926	393,926	-	4,466,281	8.82%
2016	493,214	493,214	-	4,233,595	11.65%
2015	471,612	471,612	-	4,048,172	11.65%
Component Unit School Board (nonprofessional)					
2024	$ -	$ -	$ -	$ 1,104,441	0.00%
2023	-	-	-	1,054,629	0.00%
2022	-	-	-	884,559	0.00%
2021	46	46	-	817,250	0.01%
2020	199	199	-	837,116	0.02%
2019	1,333	1,333	-	831,157	0.16%
2018	1,201	1,201	-	841,045	0.14%
2017	4,002	4,002	-	763,392	0.52%
2016	35,470	35,470	-	731,331	4.85%
2015	34,316	34,316	-	707,545	4.85%
Component Unit School Board (professional)					
2024	$ 1,846,603	$ 1,846,603	$ -	$ 11,678,876	15.81%
2023	1,862,061	1,862,061	-	11,694,412	15.92%
2022	1,721,935	1,721,935	-	10,782,790	15.97%
2021	1,609,602	1,609,602	-	10,088,200	15.96%
2020	1,539,369	1,539,369	-	10,214,762	15.07%
2019	1,541,453	1,541,453	-	10,176,839	15.15%
2018	1,590,403	1,590,403	-	10,210,771	15.58%
2017	1,509,261	1,509,261	-	10,295,095	14.66%
2016	1,315,902	1,315,902	-	9,359,189	14.06%
2015	1,400,831	1,400,831	-	9,660,903	14.50%

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

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

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

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

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

All Others (Non 10 Largest) – Hazardous Duty:

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

Component Unit School Board - Professional Employees

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

Schedule of Changes in Total OPEB Liability and Related Ratios
Primary Government
For the Measurement Dates of June 30, 2018 through June 30, 2024

	2018	2019	2020	2021	2022	2023	2024
Total OPEB liability							
Service cost	$ 18,953	$ 18,578	$ 28,207	$ 40,138	$ 40,682	$ 30,811	$ 43,387
Interest	15,356	16,760	16,541	19,391	19,629	22,648	25,564
Economic/demographic gains or losses	-	-	-	-	-	-	(16,934)
Changes in assumptions	(13,048)	17,115	150,855	4,546	(120,900)	19,708	(39,905)
Differences between expected and actual experience	-	-	231,344	-	(166,119)	-	-
Benefit payments	(18,464)	(15,016)	(30,191)	(37,902)	(28,669)	(36,226)	(13,863)
Net change in total OPEB liability	$ 2,797	$ 37,437	$ 396,756	$ 26,173	$ (255,377)	$ 36,941	$ (1,751)
Total OPEB liability - beginning	419,145	421,942	459,379	856,135	882,308	626,931	663,872
Total OPEB liability - ending	$ 421,942	$ 459,379	$ 856,135	$ 882,308	$ 626,931	$ 663,872	$ 662,121
Covered employee payroll	$ 4,288,858	$ 4,288,858	$ 5,220,405	$ 5,220,405	$ 4,977,693	$ 4,977,693	$ 6,913,732
County's total OPEB liability (asset) as a percentage of covered employee payroll	9.84%	10.71%	16.40%	16.90%	12.59%	13.34%	9.58%

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

Schedule of Changes in Total OPEB Liability and Related Ratios
Component Unit School Board
For the Measurement Dates of June 30, 2018 through June 30, 2024

	2018	2019	2020	2021	2022	2023	2024
Total OPEB liability							
Service cost	$ 57,167	$ 56,266	$ 56,693	$ 76,387	$ 83,662	$ 65,699	$ 71,227
Interest	39,196	43,605	43,237	28,603	29,722	47,774	53,989
Changes in assumptions	(26,737)	35,146	188,216	4,870	(179,844)	47,935	(69,762)
Economic/demographic gains or losses	-	-	(229,238)	-	104,951	-	(64,513)
Benefit payments	(34,934)	(38,827)	(14,635)	(24,779)	(46,040)	(48,164)	(26,333)
Net change in total OPEB liability	$ 34,692	$ 96,190	$ 44,273	$ 85,081	$ (7,549)	$ 113,244	$ (35,392)
Total OPEB liability - beginning	1,055,020	1,089,712	1,185,902	1,230,175	1,315,256	1,307,707	1,420,951
Total OPEB liability - ending	$ 1,089,712	$ 1,185,902	$ 1,230,175	$ 1,315,256	$ 1,307,707	$ 1,420,951	$ 1,385,559
Covered employee payroll	$ 9,729,827	$ 9,729,827	$ 9,522,007	$ 9,522,007	$ 10,082,562	$ 10,082,562	$ 12,067,059
School Board's total OPEB liability (asset) as a percentage of covered employee payroll	11.20%	12.19%	12.92%	13.81%	12.97%	14.09%	11.48%

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

Notes to Required Supplementary Information - County and Component Unit School Board OPEB
Year Ended June 30, 2024

Valuation Date: 7/1/2023
Measurement Date: 6/30/2024

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

Methods and assumptions used to determine OPEB liability:

Actuarial Cost Method	Entry age normal level % of salary
Discount Rate	3.93%
Inflation	2.50%
Healthcare Trend Rate	The healthcare trend rate assumption starts at 7.30% in 2024 and gradually declines to 3.90% by the year 2072
Salary Increase Rates	The salary increase rate starts at 5.35% salary increase for 1 year of service and gradually declines to 3.50% salary increase for 20 or more years of service
Retirement Age	The average age of retirement is 64
Mortality Rates	The mortality rates for active and healthy retirees was calculated using the RP-2014 Total Dataset Mortality Table fully generational using scale BB. The mortality rates for disabled retirees and calculated using the RP-2014 Disabled Mortality Table fully generational using scale BB.

Schedule of Changes in the County's Net OPEB Liability (Asset) and Related Ratios
Health Insurance Credit (HIC) Plan
Primary Government
For the Measurement Dates of June 30, 2017 through June 30, 2023

	2017	2018	2019	2020	2021	2022	2023
Total HIC OPEB Liability							
Service cost	$ 2,985	$ 3,059	$ 3,438	$ 3,021	$ 3,147	$ 3,597	$ 2,254
Interest	3,183	3,350	2,686	3,090	4,511	5,021	4,066
Differences between expected and actual experience	-	(13,071)	3,974	20,211	1,513	(8,089)	12,218
Changes in assumptions	(2,242)	-	1,353	-	435	(7,895)	-
Benefit payments	(234)	(2,817)	(2,846)	(5,238)	(5,296)	(6,005)	(4,887)
Net change in total HIC OPEB liability	$ 3,692	$ (9,479)	$ 8,605	$ 21,084	$ 4,310	$ (13,371)	$ 13,651
Total HIC OPEB Liability - beginning	45,580	49,272	39,793	48,398	69,482	73,792	60,421
Total HIC OPEB Liability - ending (a)	$ 49,272	$ 39,793	$ 48,398	$ 69,482	$ 73,792	$ 60,421	$ 74,072
Plan fiduciary net position							
Contributions - employer	$ 1,632	$ 1,683	$ 1,645	$ 1,747	$ 3,082	$ 3,306	$ 2,805
Net investment income	6,718	4,655	4,385	1,417	17,982	162	4,965
Benefit payments	(234)	(2,817)	(2,846)	(5,238)	(5,296)	(6,005)	(4,887)
Administrative expense	(111)	(109)	(95)	(132)	(208)	(151)	(114)
Other	335	(335)	(5)	(1)	-	4,783	256
Net change in plan fiduciary net position	$ 8,340	$ 3,077	$ 3,084	$ (2,207)	$ 15,560	$ 2,095	$ 3,025
Plan fiduciary net position - beginning	57,190	65,530	68,607	71,691	69,484	85,044	87,139
Plan fiduciary net position - ending (b)	$ 65,530	$ 68,607	$ 71,691	$ 69,484	$ 85,044	$ 87,139	$ 90,164
County's net HIC OPEB liability (asset) - ending (a) - (b)	$ (16,258)	$ (28,814)	$ (23,293)	$ (2)	$ (11,252)	$ (26,718)	$ (16,092)
Plan fiduciary net position as a percentage of the total HIC OPEB liability	133.00%	172.41%	148.13%	100.00%	115.25%	144.22%	121.72%
Covered payroll	$ 1,812,803	$ 1,870,043	$ 2,056,575	$ 2,182,925	$ 2,369,969	$ 2,543,671	$ 2,805,480
County's net HIC OPEB liability as a percentage of covered payroll	-0.90%	-1.54%	-1.13%	0.00%	-0.47%	-1.05%	-0.57%

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

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

	2020	2021	2022	2023
Total HIC OPEB Liability				
Service cost	$ -	$ 1,363	$ 2,396	$ 1,068
Interest	-	6,770	7,514	8,034
Changes of benefit terms	100,300	-	-	-
Differences between expected and actual experience	-	2	281	(34,064)
Changes in assumptions	-	2,536	3,189	-
Benefit payments	-	-	(4,085)	(4,620)
Net change in total HIC OPEB liability	$ 100,300	$ 10,671	$ 9,295	$ (29,582)
Total HIC OPEB Liability - beginning	-	100,300	110,971	120,266
Total HIC OPEB Liability - ending (a)	$ 100,300	$ 110,971	$ 120,266	$ 90,684
Plan fiduciary net position				
Contributions - employer	$ -	$ 8,009	$ 8,669	$ 12,656
Net investment income	-	1,176	(88)	1,216
Benefit payments	-	-	(4,085)	(4,620)
Administrative expense	-	(36)	(28)	(35)
Other	-	-	-	1
Net change in plan fiduciary net position	$ -	$ 9,149	$ 4,468	$ 9,218
Plan fiduciary net position - beginning	-	-	9,149	13,617
Plan fiduciary net position - ending (b)	$ -	$ 9,149	$ 13,617	$ 22,835
School Division's net HIC OPEB liability (asset) - ending (a) - (b)	$ 100,300	$ 101,822	$ 106,649	$ 67,849
Plan fiduciary net position as a percentage of the total HIC OPEB liability	0.00%	8.24%	11.32%	25.18%
Covered payroll	$ 837,116	$ 817,250	$ 884,559	$ 1,054,629
School Division's net HIC OPEB liability as a percentage of covered payroll	11.98%	12.46%	12.06%	6.43%

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

Schedule of Employer Contributions
Health Insurance Credit (HIC) Plan
Primary Government and Component Unit School Board (nonprofessional)
Years Ended June 30, 2015 through June 30, 2024

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
Primary Government					
2024	$ 3,032	$ 3,032	$ -	$ 3,031,708	0.10%
2023	2,805	2,805	-	2,805,480	0.10%
2022	3,307	3,307	-	2,543,671	0.13%
2021	3,081	3,081	-	2,369,969	0.13%
2020	1,746	1,746	-	2,182,925	0.08%
2019	1,645	1,645	-	2,056,575	0.08%
2018	1,683	1,683	-	1,870,043	0.09%
2017	1,632	1,632	-	1,812,803	0.09%
2016	2,052	2,052	-	1,710,367	0.12%
2015	1,942	1,942	-	1,618,587	0.12%
Component Unit School Board (nonprofessional)					
2024	$ 13,253	$ 13,253	$ -	$ 1,104,441	1.20%
2023	12,656	12,656	-	1,054,629	1.20%
2022	8,669	8,669	-	884,559	0.98%
2021	8,009	8,009	-	817,250	0.98%

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

Notes to Required Supplementary Information
Health Insurance Credit (HIC) Plan
Primary Government and Component Unit School Board (nonprofessional)
Year Ended June 30, 2024

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

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

Non-Largest Ten Locality Employers - General Employees

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

Non-Largest Ten Locality Employers - Hazardous Duty Employees

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

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

Date (1)	Employer's Proportion of the Net HIC OPEB Liability (Asset) (2)	Employer's Proportionate Share of the Net HIC OPEB Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net HIC OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total HIC OPEB Liability (6)
2023	0.1173%	$ 1,420,750	$ 11,694,412	12.15%	17.90%
2022	0.1157%	1,445,022	10,782,790	13.40%	15.08%
2021	0.1141%	1,464,167	10,088,200	14.51%	13.15%
2020	0.1165%	1,520,023	10,214,762	14.88%	9.95%
2019	0.1213%	1,588,328	10,176,839	15.61%	8.97%
2018	0.1264%	1,604,000	10,218,425	15.70%	8.08%
2017	0.1272%	1,614,000	10,038,856	16.08%	7.04%

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

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

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
2024	$ 141,314	$ 141,314	$ -	$ 11,678,876	1.21%
2023	141,502	141,502	-	11,694,412	1.21%
2022	130,472	130,472	-	10,782,790	1.21%
2021	122,067	122,067	-	10,088,200	1.21%
2020	122,577	122,577	-	10,214,762	1.20%
2019	122,122	122,122	-	10,176,839	1.20%
2018	125,687	125,687	-	10,218,425	1.23%
2017	111,431	111,431	-	10,038,856	1.11%
2016	100,960	100,960	-	9,524,521	1.06%
2015	101,806	101,806	-	9,604,352	1.06%

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

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

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

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

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

Date (1)	Employer's Proportion of the Net GLI OPEB Liability (Asset) (2)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total GLI OPEB Liability (6)
Primary Government					
2023	0.02800%	$ 335,808	$ 6,596,231	5.09%	69.30%
2022	0.02772%	333,776	6,030,040	5.54%	67.21%
2021	0.02720%	317,148	5,624,685	5.64%	67.45%
2020	0.02570%	428,891	5,289,525	8.11%	52.64%
2019	0.02538%	413,001	4,974,756	8.30%	52.00%
2018	0.02430%	369,000	4,621,166	7.98%	51.22%
2017	0.02441%	367,000	4,502,245	8.15%	48.86%
Component Unit School Board (nonprofessional)					
2023	0.00448%	$ 53,729	$ 1,054,629	5.09%	69.30%
2022	0.00407%	49,007	884,559	5.54%	67.21%
2021	0.00400%	46,105	817,250	5.64%	67.45%
2020	0.00407%	67,921	837,116	8.11%	52.64%
2019	0.00425%	69,159	834,058	8.29%	52.00%
2018	0.00442%	68,000	841,045	8.09%	51.22%
2017	0.00413%	63,000	762,592	8.26%	48.86%
Component Unit School Board (professional)					
2023	0.04965%	$ 595,459	$ 11,694,412	5.09%	69.30%
2022	0.04957%	596,871	10,782,790	5.54%	67.21%
2021	0.04890%	568,863	10,088,200	5.64%	67.45%
2020	0.04963%	828,244	10,214,762	8.11%	52.64%
2019	0.05191%	844,714	10,176,839	8.30%	52.00%
2018	0.05374%	816,000	10,218,425	7.99%	51.22%
2017	0.05445%	819,000	10,042,981	8.15%	48.86%

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

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

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
Primary Government					
2024	$ 37,821	$ 37,821	$ -	$ 7,003,884	0.54%
2023	35,620	35,620	-	6,596,231	0.54%
2022	32,562	32,562	-	6,030,040	0.54%
2021	30,373	30,373	-	5,624,685	0.54%
2020	27,506	27,506	-	5,289,525	0.52%
2019	25,869	25,869	-	4,974,756	0.52%
2018	24,030	24,030	-	4,621,166	0.52%
2017	23,412	23,412	-	4,502,245	0.52%
2016	20,338	20,338	-	4,237,107	0.48%
2015	19,517	19,517	-	4,066,077	0.48%
Component Unit School Board (nonprofessional)					
2024	$ 5,964	$ 5,964	$ -	$ 1,104,441	0.54%
2023	5,695	5,695	-	1,054,629	0.54%
2022	4,777	4,777	-	884,559	0.54%
2021	4,413	4,413	-	817,250	0.54%
2020	4,353	4,353	-	837,116	0.52%
2019	4,337	4,337	-	834,058	0.52%
2018	4,373	4,373	-	841,045	0.52%
2017	3,965	3,965	-	762,592	0.52%
2016	3,510	3,510	-	731,331	0.48%
2015	3,475	3,475	-	724,051	0.48%
Component Unit School Board (professional)					
2024	$ 63,066	$ 63,066	$ -	$ 11,678,876	0.54%
2023	63,150	63,150	-	11,694,412	0.54%
2022	58,227	58,227	-	10,782,790	0.54%
2021	54,476	54,476	-	10,088,200	0.54%
2020	53,117	53,117	-	10,214,762	0.52%
2019	52,920	52,920	-	10,176,839	0.52%
2018	53,136	53,136	-	10,218,425	0.52%
2017	52,224	52,224	-	10,042,981	0.52%
2016	45,745	45,745	-	9,530,192	0.48%
2015	46,101	46,101	-	9,604,352	0.48%

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

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

Teachers

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

Non-Largest Ten Locality Employers - General Employees

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

Non-Largest Ten Locality Employers - Hazardous Duty Employees

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

- Other Supplementary Information -

Combining and Individual Fund Statements and Schedules

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

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Intergovernmental:				-
Federal	$ -	$ -	$ 308,698	$ 308,698
Total revenues	$ -	$ -	$ 308,698	$ 308,698
EXPENDITURES				
Capital projects	$ 6,791,374	$ 8,253,963	$ 2,264,367	$ 5,989,596
Total expenditures	$ 6,791,374	$ 8,253,963	$ 2,264,367	$ 5,989,596
Excess (deficiency) of revenues over (under) expenditures	$ (6,791,374)	$ (8,253,963)	$ (1,955,669)	$ 6,298,294
OTHER FINANCING SOURCES (USES)				
Transfers in	$ 4,608,775	$ 2,030,122	$ 1,955,669	$ (74,453)
Total other financing sources (uses)	$ 4,608,775	$ 2,030,122	$ 1,955,669	$ (74,453)
Net change in fund balances	$ (2,182,599)	$ (6,223,841)	$ -	$ 6,223,841
Fund balances at beginning of year	4,352,548	6,223,841	(432,554)	(6,656,395)
Fund balances at end of year	$ 2,169,949	$ -	$ (432,554)	$ (432,554)

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

	School Operating Fund	School Cafeteria Fund	School Capital Fund	Nonmajor Funds	School Activities Fund	Total
ASSETS						
Cash and cash equivalents	$ 1,407,113	$ 608,680	$ -	$ 53,002	$ 276,312	$ 2,345,107
Accounts receivable	2,015	2,525	-	-	-	4,540
Due from other governmental units	665,482	318,843	-	-	-	984,325
Due from Primary Government	-	-	-	-	-	-
Prepaid expenditures	64,533	-	-	-	-	64,533
Inventory	-	18,284	-	-	-	18,284
Total assets	$ 2,139,143	$ 948,332	$ -	$ 53,002	$ 276,312	$ 3,416,789
LIABILITIES						
Accounts payable	$ 200,648	$ 95,901	$ -	$ -	$ -	$ 296,549
Accrued liabilities	1,181,912	25,085	-	-	-	1,206,997
Unearned grant revenue	374,138	-	-	-	-	374,138
Due to Primary Government	133,209	-	-	-		133,209
Total liabilities	$ 1,889,907	$ 120,986	$ -	$ -	$ -	$ 2,010,893
FUND BALANCES						
Nonspendable	$ 64,533	$ 18,284	$ -	$ -	$ -	$ 82,817
Restricted	249,236	-	-	53,002	18,866	321,104
Committed	-	809,062	-	-	257,446	1,066,508
Unassigned	(64,533)	-	-	-	-	(64,533)
Total fund balances	$ 249,236	$ 827,346	$ -	$ 53,002	$ 276,312	$ 1,405,896
Total liabilities and fund balances	$ 2,139,143	$ 948,332	$ -	$ 53,002	$ 276,312	

Detailed explanation of adjustments from fund statements to government-wide statement of net position:	
When capital assets (land, buildings, equipment) that are to be used in governmental activities are purchased or constructed, the costs of those assets are reported as expenditures in governmental funds. However, the statement of net position includes those capital assets among the assets of the School Board as a whole.	9,507,720
The net pension asset is not an available resource and, therefore, is not reported in the funds.	890,463
Deferred inflows related to measurement of net pension and OPEB liability/asset not available to pay for current-period expenditures	
Deferred inflows related to pensions	(1,625,548)
Deferred inflows related to OPEB	(600,955)
Pesnion and OPEB contributions subsequent to the measurement date and other deferred outflows will be a reduction to the net pension and OPEB liabilities in the next fiscal year and, therefore, are not reported in the funds.	
Deferred outflows related to pensions	3,820,123
Deferred outflows related to OPEB	570,786
Long-term liabilities applicable to the School Board's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities--both current and long-term--are reported in the statement of net position.	(16,084,951)
Net position of General Government Activities	$ (2,116,466)

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

	School Operating Fund	School Cafeteria Fund	School Capital Fund	Nonmajor Funds	School Activities Fund	Total
Revenues:						
Revenue from use of money and property	$ 2,543	$ -	$ -	$ 5	$ -	$ 2,548
Charges for services	8,600	118,396	-	-	-	126,996
Miscellaneous	432,005	-	-	-	537,836	969,841
Intergovernmental:						
County contribution to School Board	9,082,375	-	-	-	-	9,082,375
Commonwealth	12,363,640	27,574	-	-	-	12,391,214
Federal	1,520,975	1,325,545	-	-	-	2,846,520
Total revenues	$ 23,410,138	$ 1,471,515	$ -	$ 5	$ 537,836	$ 25,419,494
Expenditures:						
Current:						
Education	$ 24,256,183	$ 1,500,865	$ -	$ -	$ 536,756	$ 26,293,804
Total expenditures	$ 24,256,183	$ 1,500,865	$ -	$ -	$ 536,756	$ 26,293,804
Excess (deficiency) of revenues over (under) expenditures	$ (846,045)	$ (29,350)	$ -	$ 5	$ 1,080	$ (874,310)
Changes in fund balances	$ (846,045)	$ (29,350)	$ -	$ 5	$ 1,080	$ (874,310)
Fund balances at beginning of year	1,095,281	856,696	-	52,997	275,232	2,280,206
Fund balances at end of year	$ 249,236	$ 827,346	$ -	$ 53,002	$ 276,312	$ 1,405,896

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
to the Statement of Activities - Discretely Presented Component Unit - School Board
Year Ended June 30, 2024

			Component Unit School Board
Amounts reported for governmental activities in the statement of activities are different because:			
Net change in fund balances - total governmental funds		$	(874,310)
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/amortization expense. This is the amount by which the depreciation/amortization exceeded capital outlays in the current period computed as follows:			
Capital additions	$ 1,178,569		
Depreciation/amortization expense	(1,470,466)		(291,897)
Change in deferred inflows related to the measurement of the net pension liability/asset			1,356,424
Change in deferred inflows related to the measurement of the net OPEB liability/asset			(10,137)
The issuance of long-term obligations (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term obligations consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. A summary of items supporting this adjustment is as follows:			
Principal retired on lease liabilities		$	69,261
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds. The following is a summary of items supporting this adjustment:			
Change in compensated absences	(48,108)		
Change in net pension liability/asset	(1,032,142)		
Change in deferred outflows related to pensions	698,094		
Change in deferred outflows related to OPEB	(42,095)		
Change in net OPEB liability	95,154		(329,097)
Transfer of joint tenancy assets from Primary Government to the Component Unit			418,395
Change in net position of governmental activities		$	338,639

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

	School Operating Fund			
	Original Budget	Budget As Amended	Actual	Variance From Amended Budget Positive (Negative)
Revenues:				
Revenue from use of money and property	$ 1,500	$ 1,500	$ 2,543	$ 1,043
Charges for services	-	-	8,600	8,600
Miscellaneous	261,071	445,405	432,005	(13,400)
Intergovernmental:				
County contribution to School Board	9,776,883	10,636,647	9,082,375	(1,554,272)
Commonwealth	12,044,000	12,088,202	12,363,640	275,438
Federal	2,112,606	2,151,437	1,520,975	(630,462)
Total revenues	$ 24,196,060	$ 25,323,191	$ 23,410,138	$ (1,913,053)
Expenditures:				
Current:				
Education	$ 24,196,060	$ 25,323,191	$ 24,256,183	$ 1,067,008
Capital projects	-	-	-	-
Total expenditures	$ 24,196,060	$ 25,323,191	$ 24,256,183	$ 1,067,008
Excess (deficiency) of revenues over (under) expenditures	$ -	$ -	$ (846,045)	$ (846,045)
Changes in fund balances	$ -	$ -	$ (846,045)	$ (846,045)
Fund balances at beginning of year	-	-	1,095,281	1,095,281
Fund balances at end of year	$ -	$ -	$ 249,236	$ 249,236

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

	School Cafeteria Fund				School Capital Fund			
	Original Budget	Budget As Amended	Actual	Variance From Amended Budget Positive (Negative)	Original Budget	Budget As Amended	Actual	Variance From Amended Budget Positive (Negative)
Revenues:								
Revenue from use of money and property	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Charges for services	100,000	100,000	118,396	18,396	-	-	-	-
Miscellaneous	60,000	60,000	-	(60,000)	-	-	-	-
Intergovernmental:								
County contribution to School Board	-	-	-	-	887,000	-	-	-
Commonwealth	30,000	330,000	27,574	(302,426)	-	-	-	-
Federal	1,121,500	1,121,500	1,325,545	204,045	-	-	-	-
Total revenues	$ 1,311,500	$ 1,611,500	$ 1,471,515	$ (139,985)	$ 887,000	$ -	$ -	$ -
Expenditures:								
Current:								
Education	$ 1,311,500	$ 1,611,500	$ 1,500,865	$ 110,635	$ -	$ -	$ -	$ -
Capital projects	-	-	-	-	872,750	-	-	-
Total expenditures	$ 1,311,500	$ 1,611,500	$ 1,500,865	$ 110,635	$ 872,750	$ -	$ -	$ -
Excess (deficiency) of revenues over (under) expenditures	$ -	$ -	$ (29,350)	$ (29,350)	$ 14,250	$ -	$ -	$ -
Changes in fund balances	$ -	$ -	$ (29,350)	$ (29,350)	$ 14,250	$ -	$ -	$ -
Fund balances at beginning of year	-	-	856,696	856,696	399,642	-	-	-
Fund balances at end of year	$ -	$ -	$ 827,346	$ 827,346	$ 413,892	$ -	$ -	$ -

Combining Balance Sheet
Nonmajor Special Revenue Funds - Discretely Presented Component Unit - School Board
As of June 30, 2024

	School Textbook Fund	Total
ASSETS		
Cash and cash equivalents	$ 53,002	$ 53,002
Total assets	$ 53,002	$ 53,002
FUND BALANCES		
Restricted	$ 53,002	$ 53,002
Total fund balances	$ 53,002	$ 53,002
Total liabilities and fund balances	$ 53,002	$ 53,002

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

	School Textbook Fund	Total
REVENUES		
Revenue from the use of money and property	$ 5	$ 5
Total revenues	$ 5	$ 5
Excess (deficiency) of revenues over (under) expenditures	$ 5	$ 5
Net change in fund balances	$ 5	$ 5
Fund balances - beginning	52,997	52,997
Fund balances - ending	$ 53,002	$ 53,002

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

	School Textbook Fund			
	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Revenue from the use of money and property	$ -	$ -	$ 5	$ 5
Total revenues	$ -	$ -	$ 5	$ 5
Excess (deficiency) of revenues over (under) expenditures	$ -	$ -	$ 5	$ 5
Net change in fund balances	$ -	$ -	$ 5	$ 5
Fund balances - beginning	-	-	52,997	52,997
Fund balances - ending	$ -	$ -	$ 53,002	$ 53,002

Statement of Fiduciary Net Position - Fiduciary Fund
Discretely Presented Component Unit - School Board
At June 30, 2024

	Scholarship Private-Purpose Trust Fund
ASSETS	
Cash and cash equivalents	$ 75,665
Total assets	$ 75,665
NET POSITION	
Held in trust for scholarships	$ 75,665
Total net position	$ 75,665
Total liabilities and net position	$ 75,665

Statement of Changes in Fiduciary Net Position - Fiduciary Fund
Discretely Presented Component Unit - School Board
Year Ended June 30, 2024

		Scholarship Private-Purpose Trust Fund
Additions:		
Interest income	$	3,286
Total additions	$	3,286
Deductions:		
Scholarships awarded	$	4,087
Total deductions	$	4,087
Change in net position	$	(801)
Net position - beginning of year		76,466
Net position - end of year	$	75,665

Discretely Presented Component Unit - Madison County Parks and Recreation Authority
Statement of Net Position
At June 30, 2024

Assets		
Current assets:		
Cash and cash equivalents	$	318,145
Prepaid expense		4,561
Total current assets	$	322,706
Noncurrent assets:		
Capital assets (net of depreciation):		
Construction in progress	$	30,898
Building improvements		229,096
Equipment		50,529
Total capital assets	$	310,523
Total assets	$	633,229
Liabilities		
Current liabilities:		
Accrued expenses	$	6,542
Note payable - current portion		4,875
Total current liabilities	$	11,417
Noncurrent liabilities:		
Note payable - net of current portion	$	14,625
Total liabilities	$	26,042
Net Position		
Net investment in capital assets	$	291,023
Unrestricted		316,164
Total net position	$	607,187

Discretely Presented Component Unit - Madison County Parks and Recreation Authority
Statement of Revenues, Expenses, and Changes in Net Position
Year Ended June 30, 2024

Operating revenues		
Charges for services	$	306,256
Miscellaneous		158,078
Total operating revenues	$	464,334
Operating Expenses		
Personal services	$	43,962
Fringe benefits		47,272
Contractual services		223,035
Other charges		367,830
Depreciation		32,139
Total operating expenses	$	714,238
Operating income (loss)	$	(249,904)
Nonoperating revenues		
Contribution from Madison County and Madison County School Board	$	361,818
Total nonoperating revenues	$	361,818
Change in net position	$	111,914
Net position, beginning of year		495,273
Net position, end of year	$	607,187

Discretely Presented Component Unit - Madison County Parks and Recreation Authority
Statement of Cash Flows
Year Ended June 30, 2024

Cash flows from operating activities		
Receipts from customers	$	464,334
Payments to employees		(88,211)
Payments to suppliers		(590,897)
Net cash provided by (used for) operating activities	$	(214,774)
Cash flows from capital and related financing activities		
Purchases of capital assets	$	(3,050)
Payment of note payable		(4,875)
Net cash provided by (used for) capital and related financing activities	$	(7,925)
Cash flows from noncapital financing activities		
Contribution from Madison County and Madison County School Board	$	361,818
Net cash provided by (used for) financing activities	$	361,818
Net increase (decrease) in cash and cash equivalents	$	139,119
Cash and cash equivalents, beginning of year		179,026
Cash and cash equivalents, end of year	$	318,145
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income (loss)	$	(249,904)
Depreciation		32,139
Change in assets and liabilities:		
Prepaid expenses		(32)
Accrued expenses		3,023
Net cash provided by (used for) operating activities	$	(214,774)

- Other Supplementary Information -

Supporting Schedules

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

Fund, Major and Minor Revenue Source	Original Budget	Budget As Amended	Actual	Variance From Amended Budget Positive (Negative)
Primary Government:				
General Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	$ 13,300,000	$ 13,300,000	$ 13,764,458	$ 464,458
Real and personal public service corporation property taxes	350,000	350,000	300,956	(49,044)
Personal property taxes	5,150,000	5,150,000	5,123,106	(26,894)
Mobile home taxes	-	-	171	171
Machinery and tools taxes	125,000	125,000	130,024	5,024
Merchants capital taxes	225,000	225,000	247,978	22,978
Penalties	140,000	140,000	193,460	53,460
Interest	82,000	82,000	100,155	18,155
Tax collection fee	43,000	43,000	71,099	28,099
Total general property taxes	$ 19,415,000	$ 19,415,000	$ 19,931,407	$ 516,407
Other local taxes:				
Local sales and use taxes	$ 1,400,000	$ 1,400,000	$ 1,725,109	$ 325,109
Cigarette tax	192,000	192,000	174,134	(17,866)
Consumers' utility taxes	365,000	365,000	377,133	12,133
Local consumption tax	42,000	42,000	42,966	966
Restaurant food taxes	600,000	600,000	757,118	157,118
Transient occupancy taxes	230,200	230,200	420,736	190,536
Gross receipts taxes	11,000	11,000	9,676	(1,324)
Bank stock taxes	134,000	134,000	157,550	23,550
Motor vehicle licenses	465,000	465,000	467,901	2,901
Taxes on recordation and wills	180,000	180,000	199,248	19,248
Total other local taxes	$ 3,619,200	$ 3,619,200	$ 4,331,571	$ 712,371
Permits, privilege fees and regulatory licenses:				
Animal licenses	$ 4,000	$ 4,000	$ 7,288	$ 3,288
Building and related permits	207,875	207,875	276,975	69,100
Land transfer fees	500	500	502	2
Land use application fees	25,000	25,000	29,550	4,550
Total permits, privilege fees and regulatory licenses	$ 237,375	$ 237,375	$ 314,315	$ 76,940
Fines and Forfeitures:				
Court fines and forfeitures	$ 110,500	$ 110,500	$ 153,865	$ 43,365
Total fines and forfeitures	$ 110,500	$ 110,500	$ 153,865	$ 43,365
Revenue from use of money and property:				
Revenue from use of money	$ 175,000	$ 175,000	$ 902,705	$ 727,705
Revenue from use of property	4,300	4,300	90,586	86,286
Total revenue from use of money and property	$ 179,300	$ 179,300	$ 993,291	$ 813,991

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

Fund, Major and Minor Revenue Source	Original Budget	Budget As Amended	Actual	Variance From Amended Budget Positive (Negative)
Primary Government: (Continued)				
General Fund: (Continued)				
Revenue from local sources: (continued)				
Charges for services:				
Sheriff's fees	$ 344	$ 344	$ 344	$ -
Commonwealth attorney fees	1,000	1,000	993	(7)
Courthouse maintenance fees	5,000	5,000	7,229	2,229
Courtroom security fees	30,000	30,000	72,260	42,260
Other charges for services	14,750	14,750	16,153	1,403
Ambulance transportation fees	350,000	373,274	490,751	117,477
Waste collection and disposal charges	275,000	275,000	267,508	(7,492)
Total charges for services	$ 676,094	$ 699,368	$ 855,238	$ 155,870
Miscellaneous:				
Expenditure refunds	$ 50,000	$ 50,000	$ 335,886	$ 285,886
CSA	-	-	25,428	25,428
Opioid settlement funds	20,000	20,000	68,080	48,080
Miscellaneous	8,840	10,565	42,402	31,837
Total miscellaneous	$ 78,840	$ 80,565	$ 471,796	$ 391,231
Total revenue from local sources	$ 24,316,309	$ 24,341,308	$ 27,051,483	$ 2,710,175
Revenue from the Commonwealth:				
Noncategorical aid:				
Motor vehicle carrier's tax	$ 250	$ 250	$ -	$ (250)
Rental tax - DMV	-	-	85	85
Peer-to-peer vehicle sharing tax	-	-	370	370
Moped ATV sales tax	500	500	153	(347)
Mobile home titling taxes	10,000	10,000	19,331	9,331
PPTRA	1,029,053	1,029,053	1,029,053	-
Communication taxes	405,000	405,000	378,729	(26,271)
Total noncategorical aid	$ 1,444,803	$ 1,444,803	$ 1,427,721	$ (17,082)
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	$ 204,135	$ 204,135	$ 206,111	$ 1,976
Sheriff	927,946	927,946	948,357	20,411
Commissioner of the Revenue	128,231	128,231	129,061	830
Treasurer	109,587	109,587	121,762	12,175
Registrar/electoral board	42,493	42,493	82,420	39,927
Clerk of the Circuit Court	262,999	262,999	267,299	4,300
Total shared expenses	$ 1,675,391	$ 1,675,391	$ 1,755,010	$ 79,619

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

Fund, Major and Minor Revenue Source	Original Budget	Budget As Amended	Actual	Variance From Amended Budget Positive (Negative)
Primary Government: (Continued)				
General Fund: (Continued)				
Intergovernmental: (continued)				
Revenue from the Commonwealth: (continued)				
Other categorical aid:				
Fire programs	$ 54,693	$ 54,693	$ 61,377	$ 6,684
Litter Control	9,570	9,570	12,513	2,943
Four for life	16,007	16,007	32,398	16,391
Domestic Violence	-	-	45,000	45,000
Victim witness	19,000	19,000	18,862	(138)
Department of Juvenile Justice	8,000	8,000	-	(8,000)
E-911	48,000	48,000	57,983	9,983
PSAP State 911 grant	10,000	45,000	31,000	(14,000)
Comprehensive Services Act	1,111,000	1,111,000	881,967	(229,033)
Sheriff - asset forfeiture	-	-	11,034	11,034
Public assistance and welfare	752,022	816,247	980,711	164,464
Other state grants	2,100	95,100	142,272	47,172
Total other categorical aid	$ 2,030,392	$ 2,222,617	$ 2,275,117	$ 52,500
Total categorical aid	$ 3,705,783	$ 3,898,008	$ 4,030,127	$ 132,119
Total revenue from the Commonwealth	$ 5,150,586	$ 5,342,811	$ 5,457,848	$ 115,037
Revenue from the Federal Government:				
Payments in lieu of taxes	$ 95,000	$ 95,000	$ 110,916	$ 15,916
Categorical aid:				
Public assistance and welfare	$ 1,991,797	$ 1,991,797	$ 1,553,523	$ (438,274)
Victim Witness	45,000	45,000	39,700	(5,300)
FEMA	7,500	7,500	7,500	-
LOLE Grant Program	-	-	2,876	2,876
Fiscal Agent Grant	20,000	20,000	-	(20,000)
LATCF funds	100,000	100,000	50,000	(50,000)
ARPA funds	2,537,577	2,537,577	-	(2,537,577)
ARPA funds - sheriff	-	181,000	174,754	(6,246)
ARPA funds - tourism grant	20,119	20,119	4,450	(15,669)
Total categorical aid	$ 4,721,993	$ 4,902,993	$ 1,832,803	$ (3,070,190)
Total revenue from the Federal Government	$ 4,816,993	$ 4,997,993	$ 1,943,719	$ (3,054,274)
Total General Fund	$ 34,283,888	$ 34,682,112	$ 34,453,050	$ (229,062)
Capital Improvement Fund:				
Intergovernmental:				
Revenue from Federal Government				
ARPA	$ -	$ -	$ 308,698	$ 308,698
Total Capital Improvement Fund	$ -	$ -	$ 308,698	$ 308,698

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

Fund, Major and Minor Revenue Source	Original Budget	Budget As Amended	Actual	Variance From Amended Budget Positive (Negative)
Discretely Presented Component Unit - School Board:				
School Operating Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from use of property	$ 1,500	$ 1,500	$ 2,543	$ 1,043
Charges for services:				
Charges for education	$ -	$ -	$ 8,600	$ 8,600
Total charges for services	$ -	$ -	$ 8,600	$ 8,600
Miscellaneous:				
Rebates and refunds	$ 206,071	$ 206,071	$ 186,507	$ (19,564)
Miscellaneous	55,000	239,334	245,498	6,164
Total miscellaneous	$ 261,071	$ 445,405	$ 432,005	$ (13,400)
Total revenue from local sources	$ 262,571	$ 446,905	$ 443,148	$ (3,757)
Intergovernmental:				
County contribution to School Board	$ 9,776,883	$ 10,636,647	$ 9,082,375	$ (1,554,272)
Total County contribution	$ 9,776,883	$ 10,636,647	$ 9,082,375	$ (1,554,272)
Revenue from the Commonwealth:				
Categorical aid:				
Share of state sales tax	$ 3,244,378	$ 3,244,378	$ 3,118,807	$ (125,571)
Basic school aid	4,604,885	4,604,885	4,682,649	77,764
Compensation supplement	572,313	572,313	731,875	159,562
Special ed SOQ	360,558	360,558	357,760	(2,798)
Vocational SOQ	162,861	162,861	161,597	(1,264)
At risk funds	318,659	318,659	303,370	(15,289)
Remedial education	155,893	155,893	154,684	(1,209)
Technology	154,000	154,000	190,507	36,507
Early reading intervention	50,223	50,223	54,240	4,017
Textbook payments	115,291	115,291	114,397	(894)
Primary class size	125,206	125,206	125,455	249
Fringe benefits	949,294	949,294	938,472	(10,822)
Lottery	354,544	354,544	349,913	(4,631)
Other state funds	875,895	920,097	1,079,914	159,817
Total categorical aid	$ 12,044,000	$ 12,088,202	$ 12,363,640	$ 275,438
Total revenue from the Commonwealth	$ 12,044,000	$ 12,088,202	$ 12,363,640	$ 275,438
Revenue from the federal government:				
Categorical aid:				
Title I	$ 341,511	$ 341,511	$ 422,835	$ 81,324
Title III	986	986	4,171	3,185
Title VI - B Special Education	460,577	460,577	503,270	42,693
Emergency connectivity grant	-	-	104,466	104,466
Vocational education	27,493	27,493	37,525	10,032
Preschool	-	-	12,801	12,801
ESSER	1,190,110	1,190,110	376,079	(814,031)
Other funds	26,000	64,831	2,014	(62,817)
Title II	65,929	65,929	57,814	(8,115)
Total categorical aid	$ 2,112,606	$ 2,151,437	$ 1,520,975	$ (630,462)
Total revenue from the federal government	$ 2,112,606	$ 2,151,437	$ 1,520,975	$ (630,462)
Total School Operating Fund	$ 24,196,060	$ 25,323,191	$ 23,410,138	$ (1,913,053)

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

Fund, Major and Minor Revenue Source	Original Budget	Budget As Amended	Actual	Variance From Amended Budget Positive (Negative)
Discretely Presented Component Unit -- School Board: (Continued)				
Special Revenue Funds:				
School Cafeteria Fund:				
Revenue from local sources:				
Charges for services:				
Cafeteria sales	$ 100,000	$ 100,000	$ 118,396	$ 18,396
Total charges for services	$ 100,000	$ 100,000	$ 118,396	$ 18,396
Miscellaneous:				
Miscellaneous	$ 60,000	$ 60,000	$ -	$ (60,000)
Total revenue from local sources	$ 160,000	$ 160,000	$ 118,396	$ (41,604)
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
School food grant	$ 30,000	$ 330,000	$ 27,574	$ (302,426)
Revenue from the federal government:				
Categorical aid:				
School food grant	$ 1,121,500	$ 1,121,500	$ 1,325,545	$ 204,045
Total School Cafeteria Fund	$ 1,311,500	$ 1,611,500	$ 1,471,515	$ (139,985)
School Capital Fund:				
Revenue from local sources:				
Intergovernmental:				
County contribution to School Board	$ 887,000	$ -	$ -	$ -
Total School Capital Fund	$ 887,000	$ -	$ -	$ -
School Textbook Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from use of money	$ -	$ -	$ 5	$ 5
Total revenue from use of money and property	$ -	$ -	$ 5	$ 5
Total revenue from local sources	$ -	$ -	$ 5	$ 5
Total School Textbook Fund	$ -	$ -	$ 5	$ 5

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

Fund, Function, Activities and Elements	Original Budget	Budget As Amended	Actual	Variance From Amended Budget Favorable (Unfavor.)
Primary Government:				
General Fund:				
General government administration:				
Legislative:				
Board of supervisors	$ 65,019	$ 65,019	$ 60,833	$ 4,186
General and financial administration:				
County administrator	$ 300,130	$ 370,930	$ 368,744	$ 2,186
Legal services	126,420	152,005	153,862	(1,857)
Independent auditor	73,000	73,000	80,037	(7,037)
Commissioner of the revenue	322,129	332,965	319,643	13,322
Personal property	5,550	5,550	11,168	(5,618)
Information technology	528,912	559,750	511,947	47,803
Land use	1,900	1,900	502	1,398
Assessor	17,250	17,250	18,350	(1,100)
Finance department	406,735	386,035	370,527	15,508
Treasurer	339,665	339,665	331,459	8,206
Total general and financial administration	$ 2,121,691	$ 2,239,050	$ 2,166,239	$ 72,811
Board of Elections:				
Electoral board and officials	$ 77,110	$ 77,110	$ 71,909	$ 5,201
Registrar	166,095	166,095	157,215	8,880
Total board of elections	$ 243,205	$ 243,205	$ 229,124	$ 14,081
Total general government administration	$ 2,429,915	$ 2,547,274	$ 2,456,196	$ 91,078
Judicial administration:				
Courts:				
Circuit court	$ 49,631	$ 49,631	$ 48,711	$ 920
Combined court	10,550	10,550	7,532	3,018
Clerk of the circuit court	470,456	470,456	442,605	27,851
Sheriff - court security	185,955	185,955	147,950	38,005
Magistrates	500	500	105	395
Victim witness program	70,245	70,245	62,024	8,221
Commissioner of accounts	900	900	720	180
Total courts	$ 788,237	$ 788,237	$ 709,647	$ 78,590
Commonwealth's attorney:				
Commonwealth's attorney	$ 446,626	$ 458,709	$ 455,315	$ 3,394
Total judicial administration	$ 1,234,863	$ 1,246,946	$ 1,164,962	$ 81,984

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

Fund, Function, Activities and Elements	Original Budget	Budget As Amended	Actual	Variance From Amended Budget Favorable (Unfavor.)
Primary Government: (Continued)				
General Fund: (Continued)				
Public safety:				
Law enforcement and traffic control:				
Sheriff	$ 2,784,357	$ 2,973,438	$ 2,939,027	$ 34,411
Public safety	44,633	64,803	57,523	7,280
E-911 system	1,242,739	1,277,739	1,213,312	64,427
Total law enforcement and traffic control	$ 4,071,729	$ 4,315,980	$ 4,209,862	$ 106,118
Fire and rescue services:				
Volunteer fire department	$ 149,693	$ 149,693	$ 156,377	$ (6,684)
Emergency medical services	2,728,532	2,934,652	2,905,893	28,759
Total fire and rescue services	$ 2,878,225	$ 3,084,345	$ 3,062,270	$ 22,075
Correction and detention:				
Confinement of prisoners	$ 400	$ 400	$ 47	$ 353
Regional jail	699,894	629,894	624,224	5,670
Jefferson area community corrections	32,565	12,565	12,565	-
Juvenile detention	233,010	253,010	253,010	-
Probation office	21,939	21,939	13,469	8,470
Total correction and detention	$ 987,808	$ 917,808	$ 903,315	$ 14,493
Inspections:				
Building	$ 365,132	$ 383,529	$ 379,346	$ 4,183
Total inspections	$ 365,132	$ 383,529	$ 379,346	$ 4,183
Other protection:				
Animal control and shelter facility	$ 366,140	$ 397,482	$ 407,082	$ (9,600)
Line of Duty Act	45,000	45,000	46,708	(1,708)
Services to abused families	1,000	1,000	1,000	-
Foothills Child Advocacy Center	2,000	2,000	2,000	-
Medical examiner (coroner)	800	800	160	640
Total other protection	$ 414,940	$ 446,282	$ 456,950	$ (10,668)
Total public safety	$ 8,717,834	$ 9,147,944	$ 9,011,743	$ 136,201
Public works:				
Sanitation and waste removal:				
County landfill	$ 772,280	$ 722,280	$ 702,781	$ 19,499
Total sanitation and waste removal	$ 772,280	$ 722,280	$ 702,781	$ 19,499
Maintenance of general buildings and grounds:				
General properties	$ 675,432	$ 687,098	$ 674,954	$ 12,144
Total maintenance of general buildings and grounds	$ 675,432	$ 687,098	$ 674,954	$ 12,144
Total public works	$ 1,447,712	$ 1,409,378	$ 1,377,735	$ 31,643

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

Fund, Function, Activities and Elements	Original Budget	Budget As Amended	Actual	Variance From Amended Budget Favorable (Unfavor.)
Primary Government: (Continued)				
General Fund: (Continued)				
Health and welfare:				
Health:				
Supplement of local health department	$ 226,636	$ 226,636	$ 225,000	$ 1,636
Total health	$ 226,636	$ 226,636	$ 225,000	$ 1,636
Mental health and mental retardation:				
Chapter X board	$ 212,705	$ 212,705	$ 212,705	$ -
Total mental health and mental retardation	$ 212,705	$ 212,705	$ 212,705	$ -
Welfare:				
Administration	$ 3,356,238	$ 3,420,463	$ 3,311,687	$ 108,776
Tax relief for the elderly	-	-	128,672	(128,672)
CSA - at risk youth	1,950,000	1,950,000	1,324,845	625,155
Total welfare	$ 5,306,238	$ 5,370,463	$ 4,765,204	$ 605,259
Total health and welfare	$ 5,745,579	$ 5,809,804	$ 5,202,909	$ 606,895
Education:				
Contributions to community colleges	$ 4,000	$ 4,000	$ 4,000	$ -
Contributions to component unit school board	10,492,455	10,636,647	9,082,374	1,554,273
Total education	$ 10,496,455	$ 10,640,647	$ 9,086,374	$ 1,554,273
Parks, recreation and cultural:				
Parks and recreation:				
Parks and recreation	$ 222,279	$ 222,279	$ 214,277	$ 8,002
Recreation authority	131,539	131,539	131,539	-
Total parks and recreation	$ 353,818	$ 353,818	$ 345,816	$ 8,002
Cultural enrichment:				
Madison county fair	$ 500	$ 500	$ 500	$ -
Total cultural enrichment	$ 500	$ 500	$ 500	$ -
Library:				
County library	$ 170,600	$ 170,600	$ 170,600	$ -
Total parks, recreation and cultural	$ 524,918	$ 524,918	$ 516,916	$ 8,002

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

Fund, Function, Activities and Elements	Original Budget	Budget As Amended	Actual	Variance From Amended Budget Favorable (Unfavor.)
Primary Government: (Continued)				
General Fund: (Continued)				
Community development:				
Planning and community development:				
Planning commission	$ 11,750	$ 11,750	$ 8,392	$ 3,358
Zoning and planning	204,751	199,277	196,639	2,638
Economic development	153,560	218,560	213,624	4,936
Foothills housing	7,000	7,000	7,000	-
Aging together	2,000	2,000	2,000	-
Board of zoning appeals	4,238	4,238	1,471	2,767
Board of building code appeals	420	420	-	420
Tourism	70,119	70,119	56,626	13,493
Planning district commission	16,864	16,864	16,863	1
Virginia regional transit	7,000	7,000	7,000	-
Geographic information system	14,000	14,000	11,283	2,717
Piedmont workforce network	500	500	500	-
Central Virginia Economic development	10,000	10,000	10,000	-
Skyline CAP	49,612	49,612	49,612	-
Total planning and community development	$ 551,814	$ 611,340	$ 581,010	$ 30,330
Environmental management:				
Soil and water conservation district	$ 27,418	$ 27,418	$ 27,418	$ -
Forestry service	5,942	5,942	5,942	-
Water quality management	1,000	1,000	1,000	-
Total environmental management	$ 34,360	$ 34,360	$ 34,360	$ -
Cooperative extension program:				
VPI extension	$ 136,001	$ 136,001	$ 108,802	$ 27,199
Total cooperative extension program	$ 136,001	$ 136,001	$ 108,802	$ 27,199
Total community development	$ 722,175	$ 781,701	$ 724,172	$ 57,529
Nondepartmental:				
Miscellaneous	$ 6,500	$ 6,500	$ 2,987	$ 3,513
Contingency	482,027	47,838	-	47,838
Total nondepartmental	$ 488,527	$ 54,338	$ 2,987	$ 51,351
Debt service:				
Principal retirement	$ 1,097,113	$ 1,097,113	$ 1,105,176	$ (8,063)
Interest and fiscal charges	614,751	614,751	637,459	(22,708)
Total debt service	$ 1,711,864	$ 1,711,864	$ 1,742,635	$ (30,771)
Total General Fund	$ 33,519,842	$ 33,874,814	$ 31,286,629	$ 2,588,185

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

Fund, Function, Activities and Elements	Original Budget	Budget As Amended	Actual	Variance From Amended Budget Favorable (Unfavor.)
Primary Government: (Continued)				
Capital Improvement Fund:				
Capital Projects:				
EMS station	$ 621,900	$ 771,000	$ 114,940	$ 656,060
Facilities & Maintenance	186,997	312,335	152,972	159,363
Parks & Recreations	17,500	212,000	151,750	60,250
Public safety radio system	3,158,726	3,158,726	1,042,028	2,116,698
ERP system upgrades	67,870	107,364	109,445	(2,081)
IT network upgrades	(212,394)	177,437	141,216	36,221
Motor vehicles	(669)	239,526	237,201	2,325
Miscellaneous	5,275	298,911	6,117	292,794
ARPA - Broadband	2,942,769	2,973,264	308,698	2,664,566
School capital projects - debt funded	3,400	3,400	-	3,400
Total capital projects	$ 6,791,374	$ 8,253,963	$ 2,264,367	$ 5,989,596
Total Capital Improvement Fund	$ 6,791,374	$ 8,253,963	$ 2,264,367	$ 5,989,596
Total Expenditures--Primary Government	$ 40,311,216	$ 42,128,777	$ 33,550,996	$ 8,577,781
Discretely Presented Component Unit -- School Board:				
School Operating Fund:				
Education:				
Instruction	$ 17,189,672	$ 17,333,864	$ 16,970,907	$ 362,957
Administration, attendance and health	1,415,565	1,415,565	1,376,768	38,797
Pupil transportation services	1,742,291	1,767,454	1,628,983	138,471
Operation and maintenance services	2,946,986	3,030,019	2,564,529	465,490
School food	55,555	55,555	299,512	(243,957)
Facilities	-	874,743	846,043	28,700
Technology	845,991	845,991	569,441	276,550
Total education	$ 24,196,060	$ 25,323,191	$ 24,256,183	$ 1,067,008
Total School Operating Fund	$ 24,196,060	$ 25,323,191	$ 24,256,183	$ 1,067,008
Special Revenue Funds:				
School Cafeteria Fund:				
Education:				
School food program	$ 1,311,500	$ 1,611,500	$ 1,500,865	$ 110,635
School Capital Fund:				
Capital Projects:				
School projects	$ 872,750	$ -	$ -	$ -
Total capital projects	$ 872,750	$ -	$ -	$ -
Total School Capital Fund	$ 872,750	$ -	$ -	$ -

- Statistical Information -

COUNTY OF MADISON, VIRGINIA **Table 1**

Government-Wide Expenses by Function
Last Ten Fiscal Years

Fiscal Year	General Government Adminis-tration	Judicial Adminis-tration	Public Safety	Public Works	Health and Welfare	Education	Parks Recreation and Cultural	Community Development	Interest on Debt	Total
2014-15	$ 1,385,253	$ 1,133,013	$ 5,199,293	$ 948,947	$ 4,932,052	$ 9,350,811	$ 450,261	$ 588,519	$ 292,905	$ 24,281,054
2015-16	1,361,313	1,153,156	5,300,042	956,205	5,537,755	10,374,212	477,023	524,074	282,647	25,966,427
2016-17	1,266,735	1,257,440	5,551,564	925,800	5,865,685	9,248,253	571,513	541,843	268,648	25,497,481
2017-18	1,380,936	1,249,955	5,857,718	936,466	4,684,211	10,024,701	434,972	633,599	275,811	25,478,369
2018-19	1,556,893	1,193,398	6,474,917	1,108,676	4,838,295	10,078,642	527,645	550,440	229,642	26,558,548
2019-20	1,647,235	1,292,747	7,131,266	1,113,930	5,051,572	9,555,127	600,917	572,111	459,142	27,424,047
2020-21	1,999,663	1,418,930	8,241,198	1,149,357	4,794,982	9,976,023	745,580	773,315	704,675	29,803,723
2021-22	2,228,404	1,367,865	8,452,990	1,238,100	4,163,500	10,249,899	500,030	653,808	682,318	29,536,914
2022-23	2,645,659	1,451,671	8,604,997	1,331,217	4,417,398	10,413,303	568,670	664,450	654,156	30,751,521
2023-24	2,610,550	1,383,592	9,432,914	1,481,513	5,098,921	10,006,889	586,335	1,015,795	627,508	32,244,017

COUNTY OF MADISON, VIRGINIA **Table 2**

Government-Wide Revenues
Last Ten Fiscal Years

	Program Revenues			General Revenues									
Fiscal Year	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	General Property Taxes	Local Sales and Use Tax	Consumers' Utility Tax	Motor Vehicle Licenses	Restaurant Food Taxes	Other Local Taxes	Grants and Contributions Not Restricted to Specific Programs	Revenues from the Use of Money & Property	Miscella-neous	Total
2014-15	$ 1,015,066	$ 5,016,167	$ -	$ 14,880,317	$ 965,923	$ 334,364	$ 436,137	$ 380,853	$ 421,898	$ 1,727,109	$ 106,236	$ 290,340	$ 25,574,410
2015-16	1,030,798	5,301,202	-	14,881,805	982,248	334,021	447,600	401,303	432,878	1,736,350	115,497	386,279	26,049,981
2016-17	883,213	5,510,808	-	15,244,661	1,021,382	339,369	446,360	445,670	472,885	1,716,160	131,991	308,067	26,520,566
2017-18	908,233	4,843,204	-	15,727,481	1,040,502	345,329	456,558	463,480	448,124	1,709,968	163,658	350,384	26,456,921
2018-19	988,321	4,995,475	-	16,437,813	1,074,001	354,993	468,604	502,163	508,854	1,667,646	239,955	724,702	27,962,527
2019-20	929,018	5,311,740	254,935	17,245,381	1,223,259	356,731	472,768	479,074	453,308	1,646,300	176,786	271,285	28,820,585
2020-21	866,797	7,210,089	200,689	18,026,546	1,486,571	361,341	465,000	558,670	742,448	1,594,100	70,109	261,175	31,843,535
2021-22	1,162,678	4,735,878	-	19,133,165	1,562,757	365,160	433,793	671,726	871,852	1,567,927	42,005	1,095,995	31,642,936
2022-23	1,231,870	5,147,563	399,642	19,785,300	1,711,465	372,270	484,730	653,495	983,518	1,563,715	878,979	399,114	33,611,661
2023-24	1,323,418	6,171,628	-	19,892,255	1,725,109	377,133	467,901	757,118	########	1,538,637	993,291	568,673	34,819,473

COUNTY OF MADISON, VIRGINIA **Table 3**

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

Fiscal Year	General Property Taxes	Other Local Taxes	Permits, Privilege Fees & Regulatory Licenses	Fines & Forfeitures	Revenues from the Use of Money & Property	Charges for Services	Miscel-laneous	Inter-governmental (2)	Total
2014-15	$ 14,916,195	$ 2,539,175	$ 176,783	$ 218,303	$ 128,613	$ 919,345	$ 697,966	$ 17,107,278	$ 36,703,658
2015-16	14,939,437	2,598,050	212,473	170,894	123,980	968,408	1,063,394	17,568,139	37,644,775
2016-17	15,282,378	2,725,666	222,790	170,298	132,017	827,494	1,106,690	18,154,186	38,621,519
2017-18	15,552,344	2,753,993	188,292	182,666	165,346	1,552,193	407,068	17,888,757	38,690,659
2018-19	16,816,639	2,908,615	262,981	159,000	241,999	828,719	1,646,439	17,755,080	40,619,472
2019-20	17,137,442	2,985,140	214,208	135,608	178,819	840,731	999,950	18,758,379	41,250,277
2020-21	18,284,154	3,614,030	242,448	49,818	70,114	614,713	655,547	21,573,132	45,103,956
2021-22	18,523,987	3,905,288	274,127	181,714	42,010	792,324	1,514,611	21,241,802	46,475,863
2022-23	19,975,618	4,205,478	305,842	124,873	879,337	1,032,182	1,229,245	24,327,564	52,080,139
2023-24	19,931,407	4,331,571	314,315	153,865	995,839	982,234	1,441,637	22,947,999	51,098,867

(1) Includes General and Capital Improvement Funds of the primary government and its discretely presented component unit school board.

(2) The General Fund contributions to the Component Unit School Board and vice versa are not included.

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

Fiscal Year	General Admini-stration	Judicial Admini-stration	Public Safety	Public Works	Health and Welfare	Education(2)	Recreation and Cultural	Community Develop-ment	Non-departmental	Capital Projects	Debt Service	Total
2014-15	$ 1,298,574	$ 819,898	$ 5,465,454	$ 1,025,561	$ 4,950,311	$ 19,626,160	$ 420,701	$ 595,144	$ 5,584	$ 6,539,841	$ 1,428,288	$ 42,175,516
2015-16	1,328,466	848,738	5,506,166	950,854	5,582,522	19,804,268	476,491	535,745	1,116	400,226	1,447,093	36,881,685
2016-17	1,352,710	918,656	5,609,963	946,045	5,900,655	20,194,751	356,465	544,945	64,096	38,000	1,453,435	37,379,721
2017-18	1,489,090	918,471	6,167,216	921,347	4,692,827	21,052,695	361,640	631,453	702	180,048	3,517,411	39,932,900
2018-19	1,574,914	899,824	6,443,324	1,132,134	4,881,655	20,821,906	454,131	569,985	5,911	416,203	1,488,661	38,688,648
2019-20	1,694,717	944,204	7,321,576	1,168,473	5,001,895	21,379,062	521,812	826,062	4,795	2,673,011	9,571,001	51,106,608
2020-21	1,777,515	1,039,955	8,706,521	1,143,992	4,738,790	21,666,022	661,889	759,866	5,002	10,642,501	1,073,942	52,215,995
2021-22	2,062,552	1,127,067	8,154,915	1,234,989	4,188,927	25,062,494	428,605	662,267	925	1,130,382	1,727,498	45,780,621
2022-23	2,285,361	1,212,787	8,186,958	1,322,559	4,454,652	27,271,715	495,974	674,878	8,123	2,549,827	1,726,953	50,189,787
2023-24	2,456,196	1,164,962	9,011,743	1,377,735	5,202,909	26,297,803	516,916	724,172	2,987	2,264,367	1,742,635	50,762,425

(1) Includes General and Capital Improvement Funds of the primary government and its discretely presented component unit.

(2) The General Fund contributions to the Component Unit School Board are not included.

COUNTY OF MADISON, VIRGINIA **Table 5**

Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Total (1) Tax Levy	Current Tax (1) (3) Collections	Percent of Levy Collected	Delinquent (1) Tax (2) Collections	Total Tax Collections	Percent of Total Tax Collections to Tax Levy	Outstanding (1) Delinquent Taxes	Percent of Delinquent Taxes to Tax Levy
2014-15	$ 14,599,617	$ 13,851,493	$ 94.88%	$ 702,747	$ 14,554,240	99.69%	$ 1,457,348	9.98%
2015-16	14,705,489	13,404,674	91.15%	1,175,209	14,579,883	99.15%	1,457,348	9.91%
2016-17	14,974,584	13,894,171	92.79%	1,013,226	14,907,397	99.55%	1,454,428	9.71%
2017-18	15,436,200	14,218,972	92.11%	962,988	15,181,960	98.35%	1,455,940	9.43%
2018-19	16,035,565	15,090,736	94.11%	1,260,211	16,350,947	101.97%	1,295,330	8.08%
2019-20	16,916,735	15,555,982	91.96%	1,274,956	16,830,938	99.49%	1,282,875	7.58%
2020-21	17,510,314	16,700,999	95.38%	1,241,098	17,942,097	102.47%	1,143,439	6.53%
2021-22	18,945,636	17,307,710	91.35%	2,258,983	19,566,693	103.28%	1,528,705	8.07%
2022-23	19,515,072	18,971,416	97.21%	595,277	19,566,693	100.26%	1,386,025	7.10%
2023-24	19,220,128	18,989,973	98.80%	576,720	19,566,693	101.80%	1,351,248	7.03%

(1) Exclusive of penalties and interest.

(2) Does not include land redemptions.

(3) Includes Commonwealth of Virginia Personal Property Tax Relief Act funds.

COUNTY OF MADISON, VIRGINIA **Table 6**

Assessed Value of Taxable Property (1)
Last Ten Fiscal Years

Fiscal Year	Real Estate	Personal Property	Mobile Homes	Machinery and Tools	Merchants' Capital	Public Service	Total
2014-15	$ 1,605,038,450	$ 118,207,845	$ 1,142,200	$ 4,144,481	$ 24,428,195	$ 48,828,075	$ 1,801,789,246
2015-16	1,620,377,400	114,334,699	1,160,600	4,071,363	24,036,071	47,366,304	1,811,346,437
2016-17	1,635,149,750	118,763,510	1,192,500	4,469,521	26,384,953	45,692,315	1,831,652,549
2017-18	1,677,006,075	125,966,256	1,224,400	4,997,202	28,532,503	47,090,233	1,884,816,669
2018-19	1,703,493,550	131,516,620	1,287,500	4,738,091	25,940,260	47,201,812	1,914,177,833
2019-20	1,759,341,250	138,003,080	1,077,500	7,984,750	27,559,017	50,521,011	1,984,486,608
2020-21	1,775,753,150	142,521,415	1,001,000	8,153,340	27,539,360	52,655,352	2,007,623,617
2021-22	1,796,013,900	160,914,954	1,114,300	8,756,231	21,002,128	49,868,588	2,037,670,101
2022-23	1,821,805,500	198,881,670	1,442,330	8,191,014	33,712,618	46,294,427	2,110,327,559
2023-24	1,847,601,000	185,962,607	1,531,730	7,313,619	28,641,827	40,669,741	2,111,720,524

(1) 100% fair market value.

COUNTY OF MADISON, VIRGINIA **Table 7**

Property Tax Rates (1)
Last Ten Fiscal Years

Fiscal Years	Real Estate	Personal Property (2)	Mobile Homes	Machinery and Tools (2)	Merchants' Capital (2)
2014-15	$ 0.68	$ 3.45/3.60	$ 0.68	$ 1.67	$ 0.86
2015-16	0.68	3.60	0.68	1.67	0.86
2016-17	0.68	3.60	0.68	1.67	0.86
2017-18	0.68	3.60	0.68	1.67	0.86
2018-19	0.70/0.68	3.60	0.70/0.68	1.67	0.86
2019-20	0.70/0.71	3.60	0.70/0.71	1.67	0.86
2020-21	0.71/0.74	3.60	0.71/0.74	1.67	0.86
2021-22	0.74	3.60/3.00	0.74	1.67	0.86
2022-23	0.74	3.00	0.74	1.67	0.86
2023-24	0.74	3.00/3.40	0.74	1.67	0.86

(1) Per $100 of assessed value.

(2) Levied at 100% of fair market value

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

Fiscal Year	Population (1)	Assessed Value (2)	Gross Bonded Debt (3)	Net Bonded Debt	Ratio of Net General Obligation Debt to Assessed Value	Net Bonded Debt per Capita
2014-15	13,200	1,801,789,246	12,939,000	12,939,000	0.0072	980
2015-16	13,200	1,811,346,437	12,483,000	12,483,000	0.0069	946
2016-17	13,200	1,831,652,549	11,513,000	11,513,000	0.0063	872
2017-18	13,200	1,884,816,669	10,466,510	10,466,510	0.0056	793
2018-19	13,295	1,914,177,833	9,282,490	9,282,490	0.0048	698
2019-20	13,295	1,984,486,608	24,951,000	24,951,000	0.0126	1,877
2020-21	13,837	2,007,623,617	24,347,000	24,347,000	0.0121	1,760
2021-22	13,837	2,037,670,101	23,351,000	23,351,000	0.0115	1,688
2022-23	13,837	2,110,327,559	22,329,000	22,329,000	0.0106	1,614
2023-24	13,837	2,111,720,524	21,253,000	21,253,000	0.0101	1,536

(1) Bureau of the Census.

(2) From Table 6.

(3) Includes all long-term general obligation bonded debt and Literary Fund Loans.
Excludes compensated absences, landfill closure liability, lease liabilities and subscription liabilities.

Ratio of Annual Debt Service Expenditures for General Bonded
Debt to Total General Governmental Expenditures
Last Ten Years

Fiscal Year	Principal	Interest	Total Debt Service	Total General Governmental Expenditures (1)	Ratio of Debt Service to General Governmental Expenditures
2014-15	$ 1,119,911	$ 308,377	$ 1,428,288	$ 42,175,516	3.39%
2015-16	1,147,420	299,673	1,447,093	36,881,685	3.92%
2016-17	1,165,198	288,237	1,453,435	37,379,721	3.89%
2017-18	3,245,829	271,582	3,517,411	39,932,900	8.81%
2018-19	1,241,178	247,483	1,488,661	38,688,648	3.85%
2019-20	8,996,962 (2)	428,425 (2)	9,425,387	51,106,608	18.44%
2020-21	640,316	433,626	1,073,942	52,215,995	2.06%
2021-22	1,033,580	693,918	1,727,498	45,780,621	3.77%
2022-23	1,060,890	666,063	1,726,953	50,189,787	3.44%
2023-24	1,105,176	637,459	1,742,635	50,762,425	3.43%

(1) Includes primary government and discretely presented component unit school board.
(2) Includes debt that was refunded in FY 20.

- Compliance -

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities, and Towns,* issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of County of Madison, Virginia, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the County of Madison, Virginia's basic financial statements, and have issued our report thereon dated February 28, 2025.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Robinson, Farmer, Cox Associates

Charlottesville, Virginia
February 28, 2025

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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Report on Internal Control over Compliance: (Continued)

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

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

Robinson, Farmer, Cox Associates

Charlottesville, Virginia
February 28, 2025

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

Federal Grantor/Pass - Through Grantor/Program or Cluster Title	Federal Assistance Listing	Pass-through Entity Identifying Number	Passed through to Subrecipients	Federal Expenditures
Primary Government:				
Department of Justice				
Pass Through Payments:				
Virginia Department of Criminal Justice Services:				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	Not Available	$ -	$ 2,876
Crime Victim Assistance	16.575	CJS5601701	-	39,700
Total Department of Justice			$ -	$ 42,576
Department of Health and Human Services:				
Pass Through Payments:				
Virginia Department of Social Services:				
Guardianship Assistance	93.090	1110121/1110122	$ -	$ 232
Title IV-E Prevention Program	93.472	1140122	-	3,279
MaryLee Allen Promoting Safe and Stable Families Program	93.556	0950109/0950110	-	14,212
Temporary Assistance for Needy Families	93.558	0400109/0400110	-	110,834
Refugee and Entrant Assistance - State/Replacement Designee Administered Programs	93.566	0500109/0500110	-	511
Low-Income Home Energy Assistance	93.568	0600409/0600410	-	26,003
Child Care Mandatory and Matching Funds of the Child Care and Development Fund(CCDF Cluster)	93.596	0760109/0760110	-	26,050
Chafee Education and Training Vouchers Program	93.599	9160110	-	13,341
Adoption and Legal Guardianship Incentive Payments	93.603	1130116/1130117	-	1,926
Stephanie Tubbs Jones Child Welfare Services Program	93.645	0900109/0900110	-	119
Foster Care - Title IV-E	93.658	1100109/1100110	-	141,858
Adoption Assistance	93.659	1120109/1120110	-	472,681
Social Services Block Grant	93.667	1000109/1000110	-	148,339
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	915120/9150121	-	16,472
COVID-19 - Elder Abuse Prevention Interventions Program	93.747	8000221/8000321	-	566
Children's Health Insurance Program	93.767	0540109/0540110	-	2,809
Medical Assistance Program (Medicaid Cluster)	93.778	1200109/1200110	-	248,454
Total Department of Health and Human Services			$ -	$ 1,227,686
Department of Homeland Security:				
Pass Through Payments:				
Virginia Department of Emergency Management:				
Emergency Management Performance Grants	97.042	Not available	$ -	$ 7,500
Total Department of Homeland Security			$ -	$ 7,500
Department of Agriculture:				
Pass Through Payments:				
Virginia Department of Social Services:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP Cluster)	10.561	0010111/0010112/0040111/0040112	$ -	$ 319,120
Total Department of Agriculture			$ -	$ 319,120

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024 (continued)

Federal Grantor/Pass - Through Grantor/Program or Cluster Title	Federal Assistance Listing	Pass-through Entity Identifying Number	Passed through to Subrecipients	Federal Expenditures
Primary Government: (continued)				
Department of Treasury:				
Direct Payments:				
COVID-19-Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	$ -	$ 363,148
Pass Through Payments:				
Virginia Department of Social Services:				
COVID-19-Coronavirus State and Local Fiscal Recovery Funds	21.027	Not available	-	6,717
Virginia Department of Criminal Justice Services:				
COVID-19-Coronavirus State and Local Fiscal Recovery Funds	21.027	Not available	-	174,754
Total 21.027			$ -	$ 544,619
Total Expenditures of Federal Awards-Primary Government			$ -	$ 2,141,501
Component Unit School Board:				
Department of Agriculture:				
Pass Through Payments:				
Virginia Department of Agriculture:				
Food Distribution (Child Nutrition Cluster)	10.555	2013IN109941/2014IN109941	$ -	$ 62,850
Virginia Department of Education:				
National School Lunch Program (Child Nutrition Cluster)	10.555	2013IN109941/2014IN109941	-	683,001
Total 10.555			$ -	$ 745,851
School Breakfast Program (Child Nutrition Cluster)	10.553	2013IN109941/2014IN109941	-	233,664
Virginia Department of Agriculture:				
Food Distribution (Child Nutrition Cluster)	10.559	2013IN109941/2014IN109941	-	1,308
Summer Food Service Program for Children (Child Nutrition Cluster)	10.559	2013IN109941/2014IN109941	-	238,711
Total 10.559			$ -	$ 240,019
Total Child Nutrition Cluster			$ -	$ 1,219,534
Child and Adult Care Food Program	10.558	202222N11994	-	102,055
Team Nutrition Grants	10.574	202222N350330	-	700
Virginia Department of Education:				
COVID-19-Pandemic EBT Administrative Costs	10.649	202121S900941	-	3,256
Total Department of Agriculture			$ -	$ 1,325,545
Department of Education:				
Pass Through Payments:				
Virginia Department of Education:				
Title I Grants to Local Educational Agencies	84.010	S010A120046/S010130046	$ -	$ 392,416
Supporting Effective Instruction State Grants	84.367	S367A120044/S367A13044	-	57,814
English Language Acquisition State Grants	84.365	Not Available	-	4,171
Special Education - Grants to States (Special Education Cluster)	84.027	H027A120107/H027A130107	-	503,270
Special Education - Preschool Grants (Special Education Cluster)	84.173	H173A120112/H173A130112	-	12,801
Total Special Education Cluster			$ -	$ 516,071
Student Support and Academic Enrichment Program	84.424	S424A170048	-	31,155
COVID-19 Education Stabilization Fund:				
American Rescue Plan-Elementary and Secondary School Emergency Relief	84.425U	S425U210008		377,357
Total COVID-19 Education Stabilization Fund			$ -	$ 377,357
Career and Technical Education - Basic Grants to States	84.048	V048A120046/V048A130046	-	37,525
Total Department of Education			$ -	$ 1,416,509
Federal Communications Commission:				
Pass Through Payments:				
Virginia Department of Education:				
COVID-19 Emergency Connectivity Fund Program	32.009	Not available	$ -	$ 104,466
Total Expenditures of Federal Awards-Component Unit School Board			$ -	$ 2,846,520
Total Expenditures of Federal Awards-Reporting Entity			$ -	$ 4,988,021

See accompanying notes to the schedule of expenditures of federal awards.

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

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the County of Madison, Virginia under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of the Uniform Guidance. Because the Schedule presents only a selected portion of the operations of the County of Madison, Virginia, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County of Madison, Virginia.

Note 2 - Summary of Significant Accounting Policies

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

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

Note 3 - Food Donation

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

Note 4 - De Minimis Cost Rate

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

Note 5 - Loan Balances

The County has no loans or loan guarantees which are subject to reporting requirements for the current year.

Note 6 - Relationship to Financial Statements

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

Intergovernmental federal revenues per the basic financial statements:		
Primary government:		
General Fund	$	1,943,719
Capital Projects Fund		308,698
Total primary government	$	2,252,417
Component Unit School Board:		
School Operating Fund	$	1,520,975
School Cafeteria Fund		1,325,545
Total component unit school board	$	2,846,520
Total federal expenditures per basic financial statements	$	5,098,937
Payments in lieu of taxes	$	(110,916)
Total federal expenditures per the Schedule of Expenditures of Federal Awards	$	4,988,021

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

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Type of auditors' report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)?	No

Identification of major programs:

Assistance Listing #	Name of Federal Program or Cluster
21.027	COVID-19-Coronavirus State and Local Fiscal Recovery Funds
84.425	COVID-19 Education Stabilization Fund
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program

Dollar threshold used to distinguish between Type A and Type B programs	$750,000
Auditee qualified as low-risk auditee?	Yes

Section II - Financial Statement Findings

There are no financial statement findings to report.

Section III - Federal Award Findings and Questioned Costs

There are no federal award findings and questioned costs to report.

Section IV - Prior Year Findings and Questioned Costs

There are no prior year findings and questioned costs to report.