

COUNTY OF CLARKE, VIRGINIA



FINANCIAL REPORT YEAR ENDED JUNE 30, 2023

COUNTY OF CLARKE, VIRGINIA

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2023

COUNTY OF CLARKE, VIRGINIA

Board of Supervisors

David Weiss, Chairman
Terri T. Catlett, Vice Chairman

Matthew Bass

Beverly B. McKay

Doug Lawrence

County School Board

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

Charles "Chip" Schutte

Casey Kennedy

Jonathan Turkel

Board of Social Services

Gerald Dodson, Chairman
Robert York, Vice-Chairman

Barbara Byrd
Laura Dabinett

James Smith

Margaret Legard
Doug Lawrence

Other Officials

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

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Independent Auditors' Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Clarke, Virginia, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component units, each major fund, and the remaining fund information of the County of Clarke, Virginia, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Change in Accounting Principle

As described in Note 1 to the financial statements, in 2023, the County adopted new accounting guidance, GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Require Supplementary Information

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

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 7, 2023 on our consideration of the County of Clarke, Virginia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of County of Clarke, Virginia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County of Clarke, Virginia's internal control over financial reporting and compliance.

Robinson, Farmer, Cox Associates

Charlottesville, Virginia

December 7, 2023

County of Clarke, Virginia Management's Discussion and Analysis

As management of the County of Clarke (the "County"), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2023.

Financial Highlights

- The assets and deferred outflows of resources of the County (excluding component units) exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$39.48 million (*net position*). Of this amount, \$19.21 million (*unrestricted net position*) may be used to meet the County's ongoing obligations to citizens and creditors.
- The County's total net position increased by \$3.12 million, of which the governmental activities accounted for 100% of the increase.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$27,290. The Fiscal Policy of Clarke County requires that certain financial designations of General Fund balance be maintained. These financial designations are reported as assigned fund balance of \$18,917,971 and are comprised of the numerous designations. Liquidity and stabilization funds comprise \$5,829,457. Saving for pay-as-you-go capital expenditures comprises \$1,375,076. \$350,000 is assigned for compensated absences. A total of \$11,363,438 is assigned for other requests.
- The County's total long-term obligations decreased by \$439,713 (1.94%) during the current fiscal year. This decrease was primarily due to planned debt service payments.

Overview of the Financial Statements

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

Government-wide financial statements

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

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

Overview of the Financial Statements (Continued)

Government-wide financial statements: (Continued)

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

The government-wide financial statements include not only the County itself (known as the *primary government*), but also a legally separate school board, a legally separate industrial development authority and a legally separate sanitary authority for which the County is financially accountable. Financial information for these *component units* is reported separately from the financial information presented for the primary government itself. The government-wide financial statements can be found on pages 11 through 13 of this report.

Fund financial statements

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

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

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

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

Overview of the Financial Statements (Continued)

Fund financial statements: (Continued)

The County adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget. The basic governmental fund financial statements can be found on pages 14 through 17 of this report.

Fiduciary funds are used to account for resources held for the benefit of parties outside the County. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund statement can be found on page 18 of this report.

Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 19 through 81 of this report.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning budgetary comparisons for the general fund and VPA special revenue fund. Required supplementary information can be found on pages 82 through 99 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found starting on page 100 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$39.48 million at the close of the most recent fiscal year. A large portion of the County's net position (\$20.09 million, 50.90% of total) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities (i.e., the County's investment in capital assets are of a permanent nature as assets acquired are generally not sold or otherwise disposed of during their useful life).

Government-Wide Financial Analysis (Continued)

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

County of Clarke, Virginia		
Summary of Net Position		
As of June 30, 2023 and 2022		
	Governmental Activities	
	2023	2022
Current and other assets	\$ 39,218,688	\$ 40,081,278
Capital assets	39,636,897	39,765,988
Total assets	\$ 78,855,585	\$ 79,847,266
Deferred outflows of resources	\$ 1,235,103	\$ 1,696,788
Long-term liabilities outstanding	\$ 22,219,204	\$ 22,658,917
Other liabilities	3,474,305	5,015,746
Total liabilities	\$ 25,693,509	\$ 27,674,663
Deferred inflows of resources	\$ 14,921,029	\$ 17,512,820
Net position:		
Net investment in capital assets	\$ 20,094,511	\$ 18,563,409
Restricted	171,250	402,702
Unrestricted	19,210,389	17,390,460
Total net position	\$ 39,476,150	\$ 36,356,571

An additional portion of the County’s net position (\$171,250) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$19.21 million) may be used to meet the County’s ongoing obligations to citizens and creditors.

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

As noted previously, the County’s net position increased by \$3.12 million during the current fiscal year. This is largely attributable to an increase in property and other local tax revenue.

Government-Wide Financial Analysis (Continued)

Governmental activities increased the County’s net position by \$3.12 million. The following table summarizes the County’s Statement of Activities:

**County of Clarke, Virginia
Changes in Net Position
Years Ended June 30, 2023 and 2022**

	Governmental Activities	
	2023	2022
Revenues:		
Program revenues:		
Charges for services	\$ 1,710,560	\$ 1,765,276
Operating grants and contributions	3,380,692	3,448,473
Capital grants and contributions	2,997,607	791,587
General revenues:		
Property taxes	24,479,464	23,351,800
Other taxes	3,283,617	3,204,659
Unrestricted revenues from the use of money and property	308,463	132,748
Miscellaneous	314,893	383,597
Grants and contributions not restricted to specific programs	2,895,621	2,922,861
Total revenues	<u>\$ 39,370,917</u>	<u>\$ 36,001,001</u>
Expenses:		
General governmental administration	\$ 5,566,495	\$ 2,762,829
Judicial administration	900,550	810,794
Public safety	7,556,150	6,418,045
Public works	1,518,011	1,524,424
Health and welfare	2,666,097	2,473,655
Parks, recreation, and cultural	1,484,725	1,314,480
Community development	1,047,245	1,602,219
Interest on long-term debt	889,176	962,475
Education	14,622,889	14,047,398
Total expenses	<u>\$ 36,251,338</u>	<u>\$ 31,916,319</u>
Increase (decrease) in net position	\$ 3,119,579	\$ 4,084,682
Net position - beginning of year	36,356,571	32,271,889
Net position - end of year	<u>\$ 39,476,150</u>	<u>\$ 36,356,571</u>

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

- Increase in property and other local tax revenue.
- Overall stabilization in operating expenses.

Financial Analysis of the County's Funds

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

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

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$19.92 million, an increase of \$1.51 million in comparison with the prior year. Of this total amount, \$19.09 million or 95.83% constitutes *assigned and unassigned fund balance*, which is available for spending at the County's discretion. The remainder of fund balance is *nonspendable, restricted, or committed* to indicate that it is not available for new spending because it has already been committed to a specific purpose.

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, assigned and unassigned fund balance of the General Fund was \$18.95 million. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Assigned and unassigned fund balance represents 65.76% of total General Fund expenditures. This is a common measure for the strength of the County's equity and an overall indicator of a healthy financial condition.

Restricted fund balance of \$6,510 for the swim team and pool in the Parks Construction Fund is included in other governmental funds.

General Fund Budgetary Highlights

There was an increase of \$1.43 million between the original budget and the final amended budgeted expenditures. The majority of this increase was related to education expenditures.

Capital Asset and Debt Administration

Capital assets: The County's investment in capital assets for its governmental activities as of June 30, 2023 amounts to \$39.64 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment and construction in progress. Major capital asset events during the current fiscal year included the following:

- Westwood Tower Site Development
- Circuit Court Chiller
- Jack Enders Blvs Improvements
- Tennis Court Resurfacing
- HVAC Replacements
- Sheriff Vehicles

Capital Asset and Debt Administration (Continued)

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

	Governmental Activities	
	2023	2022
Land	\$ 857,713	\$ 857,713
Buildings	34,304,823	35,436,202
Improvements	1,366,467	1,297,285
Machinery & Equipment	1,469,624	1,597,081
Construction in progress	1,638,270	577,707
Total	\$ 39,636,897	\$ 39,765,988

Additional information on the County’s capital assets can be found in note 6 on pages 33 through 34 of this report.

Long-term debt: At the end of the current fiscal year, the County had total outstanding debt of \$22.22 million and details are summarized in the following table:

	Governmental Activities	
	2023	2022
Bonds payable:		
General obligation bonds	\$ 15,940,000	\$ 17,450,000
Premiums and discounts	81,438	99,044
Lease revenue bond	3,520,948	3,625,070
Net OPEB liabilities	953,337	846,273
Capital financing activities	-	28,465
Net pension liability	1,091,751	-
Compensated absences	631,730	610,065
Total	\$ 22,219,204	\$ 22,658,917

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

Economic Factors and Next Year’s Budgets and Rates

Economic forecasts at the national and state level remain uncertain at this time. State revenues continue to exceed forecasts and the State cash surplus is growing. County revenues are strong and continue to outperform budgetary estimates. The large influx of federal COVID dollars have largely been received by the County and set aside for one-time expenditures. County revenues continue to outpace expenses and the overall financial outlook is strong.

Requests for Information

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

BASIC FINANCIAL STATEMENTS

Government-wide Financial Statements

Statement of Net Position
June 30, 2023

	Primary Government Governmental Activities	Component Units		
		School Board	Clarke County Sanitary Authority	Industrial Development Authority
ASSETS				
Cash and cash equivalents	\$ 21,281,586	\$ 1,565,293	\$ 1,125,559	\$ 33,060
Receivables (net of allowance for uncollectibles):				
Taxes receivable	15,261,837	-	-	-
Accounts receivable	434,617	48,179	170,791	-
Notes receivable	-	-	-	-
Lease receivable	-	39,087	-	-
Due from primary government	-	2,071,374	-	-
Due from other governmental units	2,191,481	1,315,885	-	-
Inventories	5,712	-	-	-
Prepaid items	43,455	17,571	4	-
Investments	-	-	-	123,513
Net pension asset	-	384,789	-	-
Capital assets (net of accumulated depreciation):				
Land	857,713	3,054,699	13,200	-
Buildings	34,304,823	13,397,486	-	-
Improvements other than buildings	1,366,467	904,640	-	-
Equipment	1,469,624	2,968,374	-	-
Lease equipment	-	59,421	-	-
Subscription asset	-	89,598	-	-
Utility plant in service	-	-	7,784,611	-
Construction in progress	1,638,270	313,854	-	-
Total assets	\$ 78,855,585	\$ 26,230,250	\$ 9,094,165	\$ 156,573
DEFERRED OUTFLOW OF RESOURCES				
Pension related items	\$ 1,046,373	\$ 4,050,275	\$ -	\$ -
OPEB related items	188,730	659,343	-	-
Total deferred outflows of resources	\$ 1,235,103	\$ 4,709,618	\$ -	\$ -
LIABILITIES				
Accounts payable	\$ 913,807	\$ 525,664	\$ 74,932	\$ -
Accrued liabilities	2,202	2,339,907	-	-
Customers' deposits	-	-	8,150	-
Accrued interest payable	347,216	-	3,408	-
Due to component unit	2,071,374	-	-	-
Unearned revenue	139,706	12,962	-	-
Long-term liabilities:				
Due within one year	1,757,776	139,046	364,019	-
Due in more than one year	20,461,428	18,450,386	1,886,619	-
Total liabilities	\$ 25,693,509	\$ 21,467,965	\$ 2,337,128	\$ -
DEFERRED INFLOWS OF RESOURCES				
Deferred property tax revenue	\$ 13,626,960	\$ -	\$ -	\$ -
Lease related	-	39,087	-	-
Pension related items	1,175,517	3,832,307	-	-
OPEB related items	119,221	692,872	-	-
Total deferred inflows of resources	\$ 14,921,698	\$ 4,564,266	\$ -	\$ -
NET POSITION				
Net investment in capital assets	\$ 20,094,511	\$ 20,638,596	\$ 5,547,173	\$ -
Restricted				
Swim team	4,851	-	-	-
Pool	1,659	-	-	-
Opioid settlement	164,740	-	-	-
Net pension asset	-	384,789	-	-
Unrestricted	19,209,720	(16,115,748)	1,209,864	156,573
Total net position	\$ 39,475,481	\$ 4,907,637	\$ 6,757,037	\$ 156,573

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

Statement of Activities
For the Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT:				
Governmental activities:				
General government administration	\$ 5,566,495	\$ 62,878	\$ 310,862	\$ -
Judicial administration	900,550	868	409,614	-
Public safety	7,556,150	878,480	1,230,580	61,561
Public works	1,518,011	362,243	-	-
Health and welfare	2,666,097	-	1,372,636	-
Education	14,622,889	-	-	82,417
Parks, recreation, and cultural	1,484,725	406,091	-	-
Community development	1,047,245	-	57,000	2,853,629
Interest on long-term debt	889,176	-	-	-
Total governmental activities	\$ 36,251,338	\$ 1,710,560	\$ 3,380,692	\$ 2,997,607
Total primary government	\$ 36,251,338	\$ 1,710,560	\$ 3,380,692	\$ 2,997,607
COMPONENT UNITS:				
School Board	\$ 28,022,367	\$ 642,412	\$ 15,782,664	\$ -
Clarke County Sanitary Authority	1,031,826	728,445	-	-
Clarke County Industrial Development Authority	11,674	6,880	-	-
Total component units	\$ 29,065,867	\$ 1,377,737	\$ 15,782,664	\$ -

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

Statement of Activities
For the Year Ended June 30, 2023

Functions/Programs	Net (Expense) Revenue and Changes in Net Position			
	Primary Government	Component Units		
	Governmental Activities	School Board	Clarke County Sanitary Authority	Industrial Development Authority
PRIMARY GOVERNMENT:				
Governmental activities:				
General government administration	\$ (5,192,755)	\$ -	\$ -	\$ -
Judicial administration	(490,068)	-	-	-
Public safety	(5,385,529)	-	-	-
Public works	(1,155,768)	-	-	-
Health and welfare	(1,293,461)	-	-	-
Education	(14,540,472)	-	-	-
Parks, recreation, and cultural	(1,078,634)	-	-	-
Community development	1,863,384	-	-	-
Interest on long-term debt	(889,176)	-	-	-
Total governmental activities	\$ (28,162,479)	\$ -	\$ -	\$ -
Total primary government	\$ (28,162,479)	\$ -	\$ -	\$ -
COMPONENT UNITS:				
School Board	\$ -	\$ (11,597,291)	\$ -	\$ -
Clarke County Sanitary Authority	-	-	(303,381)	-
Clarke County Industrial Development Authority	-	-	-	(4,794)
Total component units	\$ -	\$ (11,597,291)	\$ (303,381)	\$ (4,794)
General revenues:				
General property taxes	\$ 24,478,795	\$ -	\$ -	\$ -
Other local taxes:				
Local sales and use tax	1,595,514	-	-	-
Consumer utility tax	333,188	-	-	-
Taxes on recordation and wills	260,139	-	-	-
Motor vehicle licenses	364,850	-	-	-
Other local taxes	729,926	-	-	-
Unrestricted revenues from use of money and property	308,463	62,449	12,952	10,450
Miscellaneous	314,893	488,517	240,625	-
Grants and contributions not restricted to specific programs	2,895,621	-	-	-
Contribution from County of Clarke	-	14,609,051	207,000	-
Total general revenues	\$ 31,281,389	\$ 15,160,017	\$ 460,577	\$ 10,450
Change in net position	3,118,910	3,562,726	157,196	5,656
Net position - beginning	36,356,571	1,344,911	6,599,841	150,917
Net position - ending	\$ 39,475,481	\$ 4,907,637	\$ 6,757,037	\$ 156,573

Fund Financial Statements

Balance Sheet
Governmental Funds
June 30, 2023

	General	Virginia Public Assistance	School Debt Service	Other Govern- mental Funds	Total
ASSETS					
Cash and cash equivalents	\$ 20,311,166	\$ -	\$ -	\$ 587,572	\$ 20,898,738
Receivables (net of allowance for uncollectibles):					
Taxes receivable	15,261,837	-	-	-	15,261,837
Accounts receivable	426,139	-	-	8,478	434,617
Due from other funds	-	-	-	608,014	608,014
Due from other governmental units	1,832,506	98,066	-	260,909	2,191,481
Inventories	5,712	-	-	-	5,712
Prepaid items	38,233	2,522	-	2,700	43,455
Total assets	<u>\$ 37,875,593</u>	<u>\$ 100,588</u>	<u>\$ -</u>	<u>\$ 1,467,673</u>	<u>\$ 39,443,854</u>
LIABILITIES					
Accounts payable	\$ 280,799	\$ 30,221	\$ -	\$ 602,787	913,807
Accrued liabilities	709	1,493	-	-	2,202
Due to other funds	508,129	68,874	-	31,011	608,014
Due to component unit	2,071,374	-	-	-	2,071,374
Unearned revenue	103,064	-	-	36,642	139,706
Total liabilities	<u>\$ 2,964,075</u>	<u>\$ 100,588</u>	<u>\$ -</u>	<u>\$ 670,440</u>	<u>\$ 3,735,103</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	\$ 15,674,250	\$ -	\$ -	\$ -	\$ 15,674,250
Unavailable revenue - opioid settlement	117,517	-	-	-	117,517
Total deferred inflows of resources	<u>\$ 15,791,767</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,791,767</u>
FUND BALANCES:					
Nonspendable:					
Prepaid items	\$ 38,233	\$ 2,522	\$ -	\$ 2,700	\$ 43,455
Inventory	5,712	-	-	-	5,712
Restricted:					
Swim team	-	-	-	4,851	4,851
Pool	-	-	-	1,659	1,659
Opioid settlement	43,822	-	-	-	43,822
Committed:					
Community development	-	-	-	552,446	552,446
Public safety expenditures	-	-	-	91,105	91,105
Children's services	-	-	-	-	-
Assigned:					
Capital projects	-	-	-	144,472	144,472
Other (Note 15)	18,917,971	-	-	-	18,917,971
Unassigned	114,013	(2,522)	-	-	111,491
Total fund balances	<u>\$ 19,119,751</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 797,233</u>	<u>\$ 19,916,984</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 37,875,593</u>	<u>\$ 100,588</u>	<u>\$ -</u>	<u>\$ 1,467,673</u>	<u>\$ 39,443,854</u>

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

Reconciliation of the Balance Sheet of Governmental Funds
 To the Statement of Net Position
 June 30, 2023

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

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds	\$	19,916,984
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		39,636,897
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		
Unavailable revenue - property taxes	\$	2,047,290
Unavailable revenue - opioid settlement		<u>117,517</u>
		2,164,807
Interest on long-term debt is not accrued in governmental funds, but rather is recognized when paid.		(347,216)
Deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds.		
Pension related items	\$	1,046,373
OPEB related items		<u>188,730</u>
		1,235,103
An internal service fund is used by management to charge the costs of health insurance to individual funds. The assets and liabilities of the health insurance internal service fund are included in the governmental activities in the Statement of Net Position.		382,848
Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.		
Pension related items	\$	(1,175,517)
OPEB related items		<u>(119,221)</u>
		(1,294,738)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.		<u>(22,219,204)</u>
Net position of governmental activities	\$	<u><u>39,475,481</u></u>

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

Statement of Revenues, Expenditures, and Changes in Fund Balances
 Governmental Funds
 For the Year Ended June 30, 2023

	General	Virginia Public Assistance	School Debt Service	Total Nonmajor Governmental Funds	Total
REVENUES					
General property taxes	\$ 24,470,694	\$ -	\$ -	\$ 103,560	\$ 24,574,254
Other local taxes	3,283,617	-	-	-	3,283,617
Permits, privilege fees, and regulatory licenses	390,501	-	-	-	390,501
Fines and forfeitures	197,171	-	-	-	197,171
Revenue from the use of money and property	299,361	-	-	9,102	308,463
Charges for services	1,122,888	-	-	-	1,122,888
Miscellaneous	114,950	-	104,475	119,201	338,626
Recovered costs	40,086	1,918	-	-	42,004
Intergovernmental:					
Commonwealth	4,675,617	387,417	-	423,299	5,486,333
Federal	215,901	774,420	82,417	2,714,849	3,787,587
Total revenues	<u>\$ 34,810,786</u>	<u>\$ 1,163,755</u>	<u>\$ 186,892</u>	<u>\$ 3,370,011</u>	<u>\$ 39,531,444</u>
EXPENDITURES					
Current:					
General government administration	\$ 2,694,179	\$ -	\$ -	\$ -	\$ 2,694,179
Judicial administration	894,375	-	-	-	894,375
Public safety	7,151,210	-	-	46,330	7,197,540
Public works	1,420,793	-	-	-	1,420,793
Health and welfare	592,629	1,547,923	-	519,626	2,660,178
Education	13,794,476	-	-	-	13,794,476
Parks, recreation, and cultural	1,428,680	-	-	-	1,428,680
Community development	825,885	-	-	233,359	1,059,244
Nondepartmental	8,414	-	-	-	8,414
Capital projects	-	-	-	4,312,107	4,312,107
Debt service:					
Principal retirement	-	-	1,538,486	104,101	1,642,587
Interest and other fiscal charges	-	-	790,477	147,599	938,076
Total expenditures	<u>\$ 28,810,641</u>	<u>\$ 1,547,923</u>	<u>\$ 2,328,963</u>	<u>\$ 5,363,122</u>	<u>\$ 38,050,649</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 6,000,145</u>	<u>\$ (384,168)</u>	<u>\$ (2,142,071)</u>	<u>\$ (1,993,111)</u>	<u>\$ 1,480,795</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	\$ -	\$ 384,168	\$ 2,142,071	\$ 2,107,746	\$ 4,633,985
Transfers out	(4,633,985)	-	-	-	(4,633,985)
Insurance proceeds	8,415	-	-	17,917	26,332
Total other financing sources (uses)	<u>\$ (4,625,570)</u>	<u>\$ 384,168</u>	<u>\$ 2,142,071</u>	<u>\$ 2,125,663</u>	<u>\$ 26,332</u>
Net change in fund balances	\$ 1,374,575	\$ -	\$ -	\$ 132,552	\$ 1,507,127
Fund balances - beginning	17,745,176	-	-	664,681	18,409,857
Fund balances - ending	<u>\$ 19,119,751</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 797,233</u>	<u>\$ 19,916,984</u>

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

Reconciliation of Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
To the Statement of Activities
For the Year Ended June 30, 2023

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

Net change in fund balances - total governmental funds \$ 1,507,127

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

Capital outlay	\$	1,516,322	
Depreciation expense		(804,506)	
Joint tenancy asset transfer		(828,413)	(116,597)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

Property taxes	\$	(95,459)	
Future opioid settlement payments		(23,733)	(119,192)

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

Loss on disposal of assets			(12,494)
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Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. The net revenue (expense) of certain activities of internal service funds is reported with governmental activities.

397,266

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

Principal retired	\$	1,642,587	
Bond discount amortization		(1,689)	
Bond premium amortization		19,295	1,660,193

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

(Increase)/decrease in compensated absences	\$	(21,665)	
Pension expense		(191,559)	
OPEB expense		(15,463)	
(Increase)/decrease in accrued interest payable		31,294	(197,393)

Change in net position of governmental activities	\$		3,118,910
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The notes to the financial statements are an integral part of this statement.

Statement of Net Position
 Internal Service Fund
 June 30, 2023

	<u>Health Insurance Fund</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ <u>382,848</u>
Total current assets	<u>382,848</u>
Total assets	\$ <u><u>382,848</u></u>
NET POSITION	
Unrestricted	\$ <u>382,848</u>
Total net position	\$ <u><u>382,848</u></u>

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

Statement of Revenues, Expenses, and Changes in Net Position
 Internal Service Fund
 For the Year Ended June 30, 2023

	<u>Health Insurance Fund</u>
OPERATING REVENUES	
Charges for services:	
Insurance premiums	\$ 4,512,466
Total operating revenues	\$ <u>4,512,466</u>
OPERATING EXPENSES	
Insurance claims and expenses	\$ <u>4,115,200</u>
Total operating expenses	\$ <u>4,115,200</u>
Operating income (loss)	\$ <u>397,266</u>
Change in net position	\$ 397,266
Total net position - beginning	<u>(14,418)</u>
Total net position - ending	<u><u>\$ 382,848</u></u>

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

Statement of Cash Flows
 Internal Service Fund
 For the Year Ended June 30, 2023

	<u>Health Insurance Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts for insurance premiums	\$ 4,512,466
Payments for premiums	<u>(4,129,618)</u>
Net cash provided by (used for) operating activities	<u>\$ 382,848</u>
Net increase (decrease) in cash and cash equivalents	\$ 382,848
Cash and cash equivalents - beginning	<u>-</u>
Cash and cash equivalents - ending	<u><u>\$ 382,848</u></u>
Reconciliation of operating income (loss) to net cash provided by operating activities:	
Operating income (loss)	<u>\$ 397,266</u>
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:	
Increase (decrease) in accounts payable	<u>\$ (14,418)</u>
Total adjustments	<u>\$ (14,418)</u>
Net cash provided by (used for) operating activities	<u><u>\$ 382,848</u></u>

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

Statement of Fiduciary Net Position
 Fiduciary Funds
 June 30, 2023

	<u>Custodial Funds</u>
ASSETS	
Cash and cash equivalents	\$ 270,013
Total assets	<u>\$ 270,013</u>
LIABILITIES	
Accounts payable	\$ 2,766
Total liabilities	<u>\$ 2,766</u>
NET POSITION	
Restricted for:	
Special welfare	\$ 15,597
Town of Berryville	166,622
Employee benefits	85,028
Total net position	<u>\$ 267,247</u>
Total liabilities and net assets	<u>\$ 270,013</u>

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

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

	<u>Custodial Funds</u>
ADDITIONS	
Special welfare collections	\$ 1,100
Interest	2,193
Collection of shared costs	60,379
Employee deferrals	95,519
Total additions	<u>\$ 159,191</u>
DEDUCTIONS	
Welfare costs	\$ 3,768
Town share of maintenance costs	57,336
Flexible spending account benefits	92,971
Total deductions	<u>\$ 154,075</u>
Net increase (decrease) in fiduciary net position	<u>\$ 5,116</u>
Net position, beginning of year	<u>\$ 262,131</u>
Net position, end of year	<u><u>\$ 267,247</u></u>

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

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2023

Note 1—Summary of Significant Accounting Policies:

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

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

Government-wide and Fund Financial Statements

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

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

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

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

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

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

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

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

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

A. Financial Reporting Entity

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

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2023 (Continued)

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

B. Individual Component Unit Disclosures

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

Discretely Presented Component Units:

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

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

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

C. Other Related Organizations

Included in the County's Financial Report

None

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1. Governmental Funds

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

a. General Fund

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

b. Special Revenue Funds

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

c. Capital Projects Fund

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

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

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

1. Governmental Funds: (Continued)

d. Debt Service Funds

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

2. Fiduciary Funds (Trust and Custodial Funds)

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

3. Component Unit:

The Clarke County School Board has the following funds:

Governmental Funds:

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

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

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

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

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2023 (Continued)

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

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

3. Component Unit: (Continued)

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

E. Cash and Cash Equivalents

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

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

F. Investments

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

G. Receivables and Payables

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

All trade and property tax receivables are shown net of an allowance for uncollectibles. The County calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance amounted to approximately \$450,378 at June 30, 2023 and is comprised solely of property taxes.

Real and Personal Property Tax Data:

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

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

The County bills and collects its own property taxes.

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2023 (Continued)

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

H. Capital Assets

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

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

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

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

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

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

I. Compensated Absences

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

J. Use of Estimates

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

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

K. Net Position

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

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

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

L. Net Position Flow Assumption

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

M. Long-term Obligations

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

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

N. Prepaid Items

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

O. Fund Balance

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

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

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

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

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

P. Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the statement of financial position includes a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County multiple items that qualify for reporting in this category. Under a modified accrual basis of accounting, unavailable revenue representing property taxes receivable is reported in the governmental funds balance sheet. This amount is comprised of uncollected property taxes due prior to June 30, 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. For more detailed information on these items, reference the related notes.

Q. Leases and Subscription-Based IT Arrangements

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

Lessee

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

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

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

Lessor

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

Subscriptions

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

Key Estimates and Judgments

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

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

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

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2023 (Continued)

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

R. Pensions

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

S. Other Postemployment Benefits (OPEB)

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

T. Adoption of Accounting Principles

In 2023, the County implemented provisions of Governmental Accounting Standards Board Statement No. 96, Subscription-Based IT Arrangements (SBITAs) during the fiscal year ended June 30, 2023. Statement No. 96, SBITAs requires recognition of certain subscription assets and liabilities for certain contracts that convey 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. No restatement of beginning net position was required as a result of this implementation. Using the facts and circumstances that existed at the beginning of the year of implementation, the following balances were recognized as of July 1, 2022 related to the subscriptions:

	Discretely Presented Component Unit - School Board Government-wide
Subscription assets	\$ 41,156
Subscription liabilities	\$ 41,156

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2023 (Continued)

Note 2—Stewardship, Compliance, and Accounting:

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

1. Prior to March 15th, the County Administrator submits to the Board of Supervisors a proposed operating and capital budget for the fiscal year commencing the following July 1. The operating and capital budget include proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain citizen comments.
3. Prior to June 30, the budget is legally enacted through passage of an Appropriations Resolution.
4. The Appropriations Resolution places legal restrictions on expenditures at the department or category level. The appropriation for each department or category can be revised only by the Board of Supervisors. The County Administrator is authorized to transfer budgeted amounts within general government departments; however, the Component Unit School Board is authorized to transfer budgeted amounts within the school system's categories.
5. Formal budgetary integration is employed as a management control device during the year and budgets are legally adopted for the General Fund, Special Revenue Funds, Debt Service Funds, and Capital Projects Funds of the Primary Government and Component Unit - School Board.
6. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
7. Appropriations lapse on June 30, for all County units. Several Supplemental Appropriations were necessary during the fiscal year.

Note 3—Deposits and Investments:

Deposits

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

Investments

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

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2023 (Continued)

Note 3—Deposits and Investments: (Continued)

Investments: (Continued)

As of June 30, 2023, the County does not have a formal investment policy addressing the various types of risks related to investments.

Credit Risk of Debt Securities

The County's rated debt investments as of June 30, 2023 were rated by *Standard & Poor's* and the ratings are presented below using the *Standard and Poor's* rating scale.

County's Rated Debt Investments' Values	
Rated Debt Investments	Fair Quality Ratings
	AAAm
Local Government Investment Pool	\$ <u>123,536</u>
Total	\$ <u><u>123,536</u></u>

External Investment Pools

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

Interest Rate Risk

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

Investment Type	Investment Maturity (in years)	
	Fair Value	Less Than 1 Year
Local Government Investment Pool	\$ <u>123,536</u>	\$ <u>123,536</u>
Total	\$ <u><u>123,536</u></u>	\$ <u><u>123,536</u></u>

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2023 (Continued)

Note 4—Due from Other Governments:

At June 30, 2023 the County has receivables from other governments as follows:

	<u>Primary Government</u>	<u>Component Unit School Board</u>
Commonwealth of Virginia:		
Virginia Public Assistance funds	\$ 36,868	\$ -
Local sales tax	360,643	
State sales tax	-	459,605
Constitutional officer reimbursements	131,553	-
PPTRA	1,212,896	-
Children's Services Act	86,723	-
Other general grants	273,188	-
Other school grants	-	37,716
Federal Government:		
Virginia Public Assistance funds	61,198	-
Other general grants	28,412	-
School fund grants	-	818,564
Total due from other governments	<u>\$ 2,191,481</u>	<u>\$ 1,315,885</u>

Note 5—Interfund Obligations:

Details of the Primary Government's interfund receivables and payables as of June 30, 2023 are as follows:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Primary Government:		
General	\$ -	\$ 2,666,226
Children's Services Act	55,712	-
County Capital Projects Fund	608,014	-
Virginia Public Assistance	-	68,874
Total Primary Government	<u>\$ 663,726</u>	<u>\$ 2,735,100</u>
Component Unit - School Board:		
School Operating Fund	\$ 1,432,305	\$ -
School Capital Projects Fund	639,069	-
Total Component Unit	<u>\$ 2,071,374</u>	<u>\$ -</u>
Grand Total	<u>\$ 2,735,100</u>	<u>\$ 2,735,100</u>

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

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2023 (Continued)

Note 6—Capital Assets:

The following is a summary of changes in capital assets for the fiscal year ended June 30, 2023:

	Balance July 1, 2022	GASB 96 Adjustment	Additions	Deletions	Joint Tenancy Transfer (Net)	Balance June 30, 2023
<u>Primary Government:</u>						
Capital assets not being depreciated:						
Land	\$ 857,713	\$ -	\$ -	\$ -	\$ -	\$ 857,713
Construction in Progress	577,707	-	1,060,563	-	-	1,638,270
Total capital assets not being depreciated	\$ 1,435,420	\$ -	\$ 1,060,563	\$ -	\$ -	\$ 2,495,983
Capital assets being depreciated:						
Buildings	\$ 51,781,967	\$ -	\$ 32,713	\$ -	\$ -	\$ 51,814,680
Improvements other than buildings	2,757,948	-	148,796	-	-	2,906,744
Equipment	5,626,605	-	274,250	90,891	-	5,809,964
Total capital assets being depreciated	\$ 60,166,520	\$ -	\$ 455,759	\$ 90,891	\$ -	\$ 60,531,388
Accumulated depreciation:						
Buildings	\$ 16,345,765	\$ -	\$ 335,679	\$ -	\$ 828,413	\$ 17,509,857
Improvements other than buildings	1,460,663	-	79,614	-	-	1,540,277
Equipment	4,029,524	-	389,213	78,397	-	4,340,340
Total accumulated depreciation	\$ 21,835,952	\$ -	\$ 804,506	\$ 78,397	\$ 828,413	\$ 23,390,474
Total capital assets being depreciated, net	\$ 38,330,568	\$ -	\$ (348,747)	\$ 12,494	\$ (828,413)	\$ 37,140,914
Net capital assets governmental activities	\$ 39,765,988	\$ -	\$ 711,816	\$ 12,494	\$ (828,413)	\$ 39,636,897
<u>Component Unit—School Board:</u>						
Capital assets not being depreciated:						
Land	\$ 3,054,699	\$ -	\$ -	\$ -	\$ -	\$ 3,054,699
Construction in Progress	49,191	-	721,454	456,791	-	313,854
Total capital assets not being depreciated	\$ 3,103,890	\$ -	\$ 721,454	\$ 456,791	\$ -	\$ 3,368,553
Capital assets being depreciated:						
Buildings	\$ 28,802,899	\$ -	\$ 9,690	\$ -	\$ -	\$ 28,812,589
Improvements other than buildings	977,345	-	241,648	-	-	1,218,993
Equipment	6,543,674	-	1,370,119	-	-	7,913,793
Subscription assets	-	41,156	58,576	-	-	99,732
Lease equipment	119,181	-	-	20,479	-	98,702
Total capital assets being depreciated	\$ 36,443,099	\$ 41,156	\$ 1,680,033	\$ 20,479	\$ -	\$ 38,143,809
Accumulated depreciation:						
Buildings	\$ 14,610,692	\$ -	\$ 1,632,824	\$ -	\$ (828,413)	\$ 15,415,103
Improvements other than buildings	269,071	-	45,282	-	-	314,353
Equipment	4,519,908	-	425,511	-	-	4,945,419
Subscription assets	-	-	10,134	-	-	10,134
Lease equipment	32,756	-	27,004	20,479	-	39,281
Total accumulated depreciation	\$ 19,432,427	\$ -	\$ 2,140,755	\$ 20,479	\$ (828,413)	\$ 20,724,290
Total capital assets being depreciated, net	\$ 17,010,672	\$ 41,156	\$ (460,722)	\$ -	\$ 828,413	\$ 17,419,519
Net capital assets component unit school board	\$ 20,114,562	\$ 41,156	\$ 260,732	\$ 456,791	\$ 828,413	\$ 20,788,072

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2023 (Continued)

Note 6—Capital Assets: (Continued)

Depreciation expense was charged to functions/programs as follows:

Governmental activities:

General government administration	\$	252,678
Judicial administration		18,483
Public safety		337,369
Public works		100,620
Health and welfare		28,667
Parks, recreation and cultural		<u>66,689</u>
Total Governmental activities	\$	<u><u>804,506</u></u>
Component Unit School Board	\$	<u><u>2,140,755</u></u>

Legislation enacted during the year ended June 30, 2002, Section 15.2-1800.1 of the Code of Virginia, 1950, as amended, has changed the reporting of local school capital assets and related debt for financial statement purposes. Historically, debt incurred by local governments “on-behalf” of school boards was reported in the school board’s discrete column along with the related capital assets. Under the new law, local governments have a “tenancy in common” with the school board whenever the locality incurs any financial obligation for any school property which is payable over more than one fiscal year. For financial reporting purposes, the legislation permits the locality to report the portion of school property related to any outstanding financial obligation eliminating any potential deficit from capitalizing assets financed with debt. The effect on the County of Clarke, Virginia for the year ended June 30, 2023 is that school financed assets in the amount of \$35,542,393 are reported in the Primary Government for financial reporting purposes. Unspent bond proceeds reported as restricted cash and proceeds from the issuance of long-term debt are reported in the School Capital Projects Fund of the Component Unit School Board in the fund financial statements and are reported within the Primary Government in the government-wide financial statements.

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2023 (Continued)

Note 6—Capital Assets: (Continued)

Component Unit-Sanitary Authority:

A summary of the component unit Sanitary Authority property, plant, and equipment at June 30, 2023 follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land	\$ 13,200	\$ -	\$ -	\$ 13,200
Total capital assets not being depreciated	<u>\$ 13,200</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,200</u>
Capital Assets being depreciated:				
Utility plant and equipment	\$ 13,882,067	\$ 30,252	\$ -	\$ 13,912,319
Accumulated depreciation	<u>(5,763,603)</u>	<u>(364,105)</u>	<u>-</u>	<u>(6,127,708)</u>
Total capital assets being depreciated, net	<u>\$ 8,118,464</u>	<u>\$ (333,853)</u>	<u>\$ -</u>	<u>\$ 7,784,611</u>
Capital assets, net	<u><u>\$ 8,131,664</u></u>	<u><u>\$ (333,853)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 7,797,811</u></u>

Note 7—Interfund Transfers:

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

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Primary Government:		
General Fund	\$ -	\$ 4,633,985
School Debt Service	2,142,071	-
County Capital Improvements	1,502,826	-
Virginia Public Assistance	384,168	-
Children's Services Act	306,098	-
Conservation Easement Fund	47,122	-
General Debt Service	<u>251,700</u>	<u>-</u>
Total	<u><u>\$ 4,633,985</u></u>	<u><u>\$ 4,633,985</u></u>

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

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2023 (Continued)

Note 8—Long-Term Obligations:

Primary Government:

A summary of long-term obligations is as follows:

	<u>Balance July 1, 2022</u>	<u>Issuances/ Increases</u>	<u>Retirements/ Decreases</u>	<u>Balance June 30, 2023</u>	<u>Amounts Due Within One Year</u>
Governmental Activities Obligations:					
Incurred by County:					
Compensated absences	\$ 610,065	\$ 122,013	\$ 100,348	\$ 631,730	\$ 63,173
Net pension liability	-	2,918,495	1,826,744	1,091,751	-
Net OPEB liabilities	846,273	330,979	223,915	953,337	-
Direct borrowings and direct placements:					
Lease revenue bond	<u>3,625,070</u>	<u>-</u>	<u>104,122</u>	<u>3,520,948</u>	<u>108,500</u>
Total incurred by County	<u>\$ 5,081,408</u>	<u>\$ 3,371,487</u>	<u>\$ 2,255,129</u>	<u>\$ 6,197,766</u>	<u>\$ 171,673</u>
Incurred by School Board:					
Direct borrowings and direct placements:					
General obligation bonds	\$ 17,450,000	\$ -	\$ 1,510,000	\$ 15,940,000	\$ 1,570,000
Financed purchase	<u>28,465</u>	<u>-</u>	<u>28,465</u>	<u>-</u>	<u>-</u>
Total Incurred by School Board	<u>\$ 17,478,465</u>	<u>\$ -</u>	<u>\$ 1,538,465</u>	<u>\$ 15,940,000</u>	<u>\$ 1,570,000</u>
Premiums on bonds issued	\$ 107,621	\$ -	\$ 19,295	\$ 88,326	\$ 17,633
Discount on bonds issued	<u>(8,577)</u>	<u>-</u>	<u>(1,689)</u>	<u>(6,888)</u>	<u>(1,530)</u>
Total Governmental Activities Obligations	<u>\$ 22,658,917</u>	<u>\$ 3,371,487</u>	<u>\$ 3,811,200</u>	<u>\$ 22,219,204</u>	<u>\$ 1,757,776</u>

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

Year Ending June 30,	<u>County</u>		<u>School Board</u>	
	<u>RDA Lease Revenue Bond</u>		<u>Bonds and Literary Loans</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 108,500	\$ 143,200	\$ 1,570,000	\$ 717,518
2025	113,061	138,639	1,640,000	642,846
2026	117,814	133,886	1,685,000	564,269
2027	122,767	123,772	1,755,000	480,887
2028	127,928	123,772	1,830,000	394,456
2029-2033	724,973	533,527	7,460,000	669,069
2034-2038	890,721	367,779	-	-
2039-2043	1,094,363	164,137	-	-
2044	<u>220,821</u>	<u>4,449</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 3,520,948</u>	<u>1,733,161</u>	<u>\$ 15,940,000</u>	<u>\$ 3,469,045</u>

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2023 (Continued)

Note 8—Long-Term Obligations: (Continued)

Primary Government: (Continued)

Details of long-term indebtedness:

	<u>Amount Outstanding</u>
<u>Direct Borrowings and Direct Placements:</u>	
<u>Lease Revenue Bond:</u>	
\$4,822,000 lease revenue bond for capital projects issued May 16, 2007 due in monthly installments of \$20,975 commencing May 16, 2009 payable through May 16, 2044 including interest at 4.125%.	\$ <u>3,520,948</u>
<u>Virginia Public School Authority (VPSA) Bonds:</u>	
\$410,000 Series A issued November 10, 2004 due in annual principal installments of varying amounts through July 15, 2024, and interest payments between 4.6% and 5.6% due July 15 and January 15 of each year through July 15, 2024	\$ 40,000
\$29,200,000 plus a premium of \$635,208 Series 2006B issued November 9, 2006 due in annual principal installments varying from \$800,000 to \$1,565,000 through January 26, 2026; interest payable at rates between 4.225% to 5.1% due January 15 and July 15 each year through January 26, 2026	11,270,000
\$7,395,000 less a discount of \$35,137 Series 2010 B Build America Bonds issued under the American Recovery and Reinvestment Act of 2009 on May 13, 2010. Interest only payments due semi-annually through January 15, 2017; principal and interest payments due semi-annually beginning July 15, 2017 through July 15, 2030. Interest rate varies between 3.854% to 5.562% and is offset by a 35% federal interest subsidy received semi-annually.	\$ <u>4,630,000</u>
Total Virginia Public School Authority Bonds	\$ <u>15,940,000</u>
Compensated absences	\$ <u>631,730</u>
Net pension liability	\$ <u>1,091,751</u>
Net OPEB liabilities	\$ <u>953,337</u>
Premium on bonds issued	\$ <u>88,326</u>
Discount on bonds issued	\$ <u>(6,888)</u>
Total Primary Government	\$ <u><u>22,219,204</u></u>

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2023 (Continued)

Note 8—Long-Term Obligations: (Continued)

Component Unit—School Board:

The following is a summary of long-term debt transactions of the Component Unit—School Board for the year ended June 30, 2023:

	Balance July 1, 2022	GASB 96 Adjustment	Increases	Decreases	Balance June 30, 2023	Amounts Due Within One Year
Compensated absences	\$ 818,682	\$ -	\$ 163,736	\$ 10,739	\$ 971,679	\$ 97,168
Lease liabilities	86,384	-	-	26,725	59,659	22,556
Subscription liabilities	-	41,156	58,576	9,915	89,817	19,322
Net OPEB liabilities	3,709,699	-	1,197,108	1,040,609	3,866,198	-
Net pension liability	10,703,759	-	11,236,491	8,338,171	13,602,079	-
Total	\$ 15,318,524	\$ 41,156	\$ 12,655,911	\$ 9,426,159	\$ 18,589,432	\$ 139,046

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

Year Ending June 30,	School Board			
	Lease Liabilities		Subscription Liabilities	
	Principal	Interest	Principal	Interest
2024	\$ 22,556	\$ 346	\$ 19,322	\$ 1,030
2025	19,907	233	19,712	802
2026	11,436	120	20,110	570
2027	5,760	17	20,516	333
2028	-	-	10,157	93
Total	\$ 59,659	\$ 716	\$ 89,817	\$ 2,828

Lease liabilities outstanding as of June 30, 2023 are as follows:

Description	Fiscal Year Lease Ends	Discount Rate	Balance
Copier - DBB Lease #1657625	2025	1.00%	\$ 19,931
Copier - DBB Lease #129-1734726	2027	1.00%	39,728
Total			\$ 59,659

SBITA liabilities outstanding as of June 30, 2023 are as follows:

Description	Fiscal Year Lease Ends	Discount Rate	Balance
Malwarebytes	2027	2.00%	\$ 33,195
CDW - SonicWall	2028	2.00%	56,622
Total			\$ 89,817

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2023 (Continued)

Note 8—Long-Term Obligations: (Continued)

Component Unit—Sanitary Authority:

The following is a summary of long-term debt transactions of the Component Unit—Sanitary Authority for the year ended June 30, 2023:

Changes in Long-Term Obligations:

	<u>Balance</u> <u>July 1, 2022</u>	<u>Issuances/</u> <u>Increases</u>	<u>Retirements/</u> <u>Decreases</u>	<u>Balance</u> <u>June 30, 2023</u>	<u>Amounts</u> <u>Due</u> <u>Within</u> <u>One Year</u>
Direct borrowings and direct placements:					
General Obligation Bond	\$ 331,399	\$ -	\$ 33,139	\$ 298,260	\$ 33,140
Notes payable	<u>2,229,159</u>	<u>-</u>	<u>276,781</u>	<u>1,952,378</u>	<u>330,879</u>
Totals	<u>\$ 2,560,558</u>	<u>\$ -</u>	<u>\$ 309,920</u>	<u>\$ 2,250,638</u>	<u>\$ 364,019</u>

Details of long-term indebtedness:

	<u>Amount</u> <u>Outstanding</u>
Water Operating Fund:	
<u>Direct Borrowings and Direct Placements:</u>	
<u>General Obligation Bond:</u>	
\$997,000 water system revenue bonds issued August 21, 2001 due in semi-annual installments of \$16,570 beginning September 1, 2002 through August 1, 2031. No interest.	\$ 298,260
<u>Notes Payable:</u>	
Note payable to VRA for the grouting project. Due June 2032. \$940 payable semiannually. No interest.	17,861
Note payable to VRA for new Boyce to Millwood line. Due June 2032. \$3,125 payable semiannually. No interest.	64,685
\$600,000 note payable to Bank of Clarke County issued February 27, 2015, due in semiannual installments of \$27,647 - \$20,259 payable through February 27, 2030, including 2.57% interest	280,000
\$787,546 note payable to VRA issued September 2, 2005 due in semiannual installments of \$26,792 payable through July 1, 2026, including 3.00% interest	<u>176,780</u>
Total Water Fund	<u>\$ 837,586</u>

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2023 (Continued)

Note 8—Long-Term Obligations: (Continued)

Component Unit—Sanitary Authority: (Continued)

Details of long-term indebtedness: (Continued)

	<u>Amount Outstanding</u>
Boyce Wastewater Facility	
<u>Direct Borrowings and Direct Placements:</u>	
<u>Notes Payable:</u>	
Note payable to VRA for the Millwood Sewer project. Due June 2032. \$9,602 payable semiannually. No interest.	\$ 192,044
\$3,761,429 note payable to VRA issued October 1, 2008 due in semi-annual installments of \$93,924 payable through November 1, 2029. No interest.	<u>1,221,008</u>
Total Boyce Wastewater Facility	<u>\$ 1,413,052</u>
Total Clarke County Sanitary Authority	<u><u>\$ 2,250,638</u></u>

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

Year Ending June 30,	Direct Borrowings and Direct Placements			
	General Obligation Bond		Notes Payable	
	Principal	Interest	Principal	Interest
2024	\$ 33,140	\$ -	\$ 330,879	\$ 11,149
2025	33,140	-	306,047	8,629
2026	33,140	-	307,584	6,063
2027	33,140	-	255,182	3,853
2028	33,140	-	255,182	2,825
2029-2033	132,560	-	497,504	2,566
Total	<u>\$ 298,260</u>	<u>\$ -</u>	<u>\$ 1,952,378</u>	<u>\$ 35,085</u>

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2023 (Continued)

Note 9—Unearned/Deferred/Unavailable Revenue:

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

The following is a summary of unearned/deferred/unavailable revenue for the year ended June 30, 2023:

	Government- wide Statements	Balance Sheet
	Governmental Activities	Governmental Funds
Primary Government: General Fund:		
Deferred/unavailable property tax revenue:		
Deferred/unavailable property tax revenue representing uncollected property tax billings that are not available for the funding of current expenditures	\$ -	\$ 2,047,290
2nd half assessments due in December 2023	12,822,479	12,822,479
Prepaid property taxes due in December 2023, but paid in advance by the taxpayers	804,481	804,481
Total deferred/unavailable revenue	<u>\$ 13,626,960</u>	<u>\$ 15,674,250</u>

Note 10—Commitments and Contingencies:

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

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

Note 11—Pension Plan:

Plan Description

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

Benefit Structures

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

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

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2023 (Continued)

Note 11—Pension Plan: (Continued)

Average Final Compensation and Service Retirement Multiplier

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

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

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

Employees Covered by Benefit Terms

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

	<u>Primary Government</u>	<u>Component Unit School Board (Nonprofessional)</u>
Inactive members or their beneficiaries currently receiving benefits	88	43
Inactive members:		
Vested inactive members	18	13
Non-vested inactive members	35	16
Inactive members active elsewhere in VRS	43	8
Total inactive members	96	37
Active members	102	33
Total covered employees	286	113

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2023 (Continued)

Note 11—Pension Plan: (Continued)

Contributions:

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

The County's contractually required employer contribution rate for the year ended June 30, 2023 was 11.51% 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 \$678,906 and \$560,922 for the years ended June 30, 2023 and June 30, 2022, respectively.

The Component Unit School Board's contractually required employer contribution rate for nonprofessional employees for the year ended June 30, 2023 was 4.06% 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 \$18,986 and \$23,979 for the years ended June 30, 2023 and June 30, 2022, respectively.

Net Pension Liability

The net pension liability (NPL) is calculated separately for each employer and represents that particular employer's total pension liability determined in accordance with GASB Statement No. 68, less that employer's fiduciary net position. The County's and Component Unit School Board's (nonprofessional) net pension liabilities were measured as of June 30, 2022. The total pension liabilities used to calculate the net pension liabilities were determined by an actuarial valuation performed as of June 30, 2021 and rolled forward to the measurement date of June 30, 2022.

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2023 (Continued)

Note 11—Pension Plan: (Continued)

Actuarial Assumptions - General Employees

The total pension liability (asset) for General Employees in the County’s, Component Unit Clarke County Sanitary Authority’s, and Component Unit School Board’s (nonprofessional) Retirement Plan was based on an actuarial valuation as of June 30, 2021, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2022.

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

Mortality rates:

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement:

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

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2023 (Continued)

Note 11—Pension Plan: (Continued)

Actuarial Assumptions - General Employees: (Continued)

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

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

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

Mortality rates:

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

Pre-Retirement:

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

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2023 (Continued)

Note 11—Pension Plan: (Continued)

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

Mortality rates: (Continued)

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement:

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

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

All Others (Non 10 Largest) - Hazardous Duty:

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

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2023 (Continued)

Note 11—Pension Plan: (Continued)

Long-Term Expected Rate of Return

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

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

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

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

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2023 (Continued)

Note 11—Pension Plan: (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions; the County and Component Unit School Board (nonprofessional) was also provided with an opportunity to use an alternative employer contribution rate. For the year ended June 30, 2023, the alternate rate was the employer contribution rate used in FY 2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2021 actuarial valuations, whichever was greater. Through the fiscal year ended June 30, 2022, 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 100% of the actuarially determined contribution rate. From July 1, 2022 on, participating employers and school divisions are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Primary Government			
Balances at June 30, 2021	\$ 26,887,212	\$ 27,283,404	\$ (396,192)
Changes for the year:			
Service cost	\$ 586,359	\$ -	\$ 586,359
Interest	1,806,672	-	1,806,672
Benefit changes	482,165	-	482,165
Differences between expected and actual experience	(600,823)	-	(600,823)
Contributions - employer	-	559,026	(559,026)
Contributions - employee	-	270,077	(270,077)
Net investment income	-	(26,261)	26,261
Benefit payments, including refunds	(1,416,121)	(1,416,121)	-
Administrative expenses	-	(17,038)	17,038
Other changes	-	626	(626)
Net changes	\$ 858,252	\$ (629,691)	\$ 1,487,943
Balances at June 30, 2022	\$ 27,745,464	\$ 26,653,713	\$ 1,091,751

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2023 (Continued)

Note 11—Pension Plan: (Continued)

Changes in Net Pension Liability: (Continued)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Component School Board (Nonprofessional)			
Balances at June 30, 2021	\$ 3,842,335	\$ 4,474,525	\$ (632,190)
Changes for the year:			
Service cost	\$ 61,826	\$ -	\$ 61,826
Interest	254,878	-	254,878
Differences between expected and actual experience	(25,523)	-	(25,523)
Contributions - employer	-	23,980	(23,980)
Contributions - employee	-	23,853	(23,853)
Net investment income	-	(1,315)	1,315
Benefit payments, including refunds	(256,384)	(256,384)	-
Administrative expenses	-	(2,838)	2,838
Other changes	-	100	(100)
Net changes	\$ 34,797	\$ (212,604)	\$ 247,401
Balances at June 30, 2022	\$ 3,877,132	\$ 4,261,921	\$ (384,789)

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

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

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
County of Clarke - Primary Government			
Net Pension Liability (Asset)	\$ 4,486,643	\$ 1,091,751	\$ (1,709,541)
Component Unit School Board (Nonprofessional)			
Net Pension Liability (Asset)	12,445	(384,789)	(717,125)

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2023 (Continued)

Note 11—Pension Plan: (Continued)

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

For the year ended June 30, 2023, the County and Component Unit School Board (nonprofessional) recognized pension expense of \$868,569 and \$(9,949), respectively. At June 30, 2023, 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	\$ 101,680	\$ 388,518	\$ -	\$ 11,499
Change in assumptions	265,787	-	-	-
Net difference between projected and actual earnings on pension plan investments	-	786,999	-	134,705
Employer contributions subsequent to the measurement date	678,906	-	18,986	-
Total	\$ 1,046,373	\$ 1,175,517	\$ 18,986	\$ 146,204

\$678,906 and \$18,986 reported as deferred outflows of resources related to pensions resulting from the County's and Component Unit School Board's (nonprofessional) contributions, respectively, subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Year Ended June 30	Primary Government	Component Unit School Board (Nonprofessional)
2024	\$ (153,237)	\$ (62,783)
2025	(495,871)	(53,720)
2026	(528,447)	(88,943)
2027	369,505	59,242
2028	-	-
Thereafter	-	-

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2023 (Continued)

Note 11—Pension Plan: (Continued)

Pension Plan Data

Information about the VRS Political Subdivision Retirement Plan is also available in the separately issued VRS 2022 Annual Comprehensive Financial Report (Annual Report). A copy of the 2022 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2022-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

Component Unit School Board (professional)

Plan Description

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

Contributions

The contribution requirement for active employees is governed by §51.1-145 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement. Each school division's contractually required employer contribution rate for the year ended June 30, 2023 was 16.62% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the school division were \$2,265,908 and \$12,122,390 for the years ended June 30, 2023 and June 30, 2022, respectively.

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

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

At June 30, 2023, the school division reported a liability of \$13,602,079 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2022 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation performed as of June 30, 2021, and rolled forward to the measurement date of June 30, 2022. The school 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, 2022 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2022, the school division's proportion was .14287% as compared to .13788% at June 30, 2021.

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2023 (Continued)

Note 11—Pension Plan: (Continued)

Component Unit School Board (professional): (Continued)

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

For the year ended June 30, 2022, the school division recognized pension expense of \$452,623. Since there was a change in proportionate share between measurement dates, a portion of the pension expense was related to deferred amounts from changes in proportion and from differences between employer contributions and the proportionate share of employer contributions. Beginning with the June 30, 2022 measurement date, the difference between expected and actual contributions is included with the pension expense calculation.

At June 30, 2023, the school division reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 937,917
Change in assumptions	1,282,402	-
Net difference between projected and actual earnings on pension plan investments	-	1,773,426
Changes in proportion and differences between employer contributions and proportionate share of contributions	482,979	974,760
Employer contributions subsequent to the measurement date	<u>2,265,908</u>	<u>-</u>
Total	<u>\$ 4,031,289</u>	<u>\$ 3,686,103</u>

\$2,265,908 reported as deferred outflows of resources related to pensions resulting from the school division’s contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

<u>Year Ended June 30</u>	
2024	\$ (681,542)
2025	(817,902)
2026	(1,330,794)
2027	909,516
2028	-

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2023 (Continued)

Note 11—Pension Plan: (Continued)

Component Unit School Board (professional): (Continued)

Actuarial Assumptions

The total pension liability for the VRS Teacher Retirement Plan was based on an actuarial valuation as of June 30, 2021, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2022.

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

Mortality rates:

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

Mortality Improvement:

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

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2023 (Continued)

Note 11—Pension Plan: (Continued)

Component Unit School Board (professional): (Continued)

Actuarial Assumptions: (Continued)

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

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

Net Pension Liability

The net pension liability (NPL) is calculated separately for each system and represents that particular system’s total pension liability determined in accordance with GASB Statement No. 67, less that system’s fiduciary net position. As of June 30, 2022, NPL amounts for the VRS Teacher Employee Retirement Plan is as follows (amounts expressed in thousands):

		Teacher Employee Retirement Plan
		<hr/>
Total Pension Liability	\$	54,732,329
Plan Fiduciary Net Position		45,211,731
Employers' Net Pension Liability (Asset)	\$	<hr/> <hr/> 9,520,598
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		82.61%

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

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

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2023 (Continued)

Note 11—Pension Plan: (Continued)

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

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

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
School division's proportionate share of the VRS Teacher Employee Retirement Plan Net Pension Liability (Asset)	\$ 24,294,355	\$ 13,602,079	\$ 4,896,216

Pension Plan Fiduciary Net Position

Detailed information about the VRS Teacher Retirement Plan’s Fiduciary Net Position is available in the separately issued VRS 2022 Annual Comprehensive Financial Report (Annual Report). A copy of the 2022 VRS Annual Report may be downloaded from the VRS website at <https://www.varetire.org/Pdf/Publications/2022-annual-report.pdf>, or by writing to the System’s Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Primary Government and Component Unit School Board

Aggregate Pension Information

	Deferred Outflows	Deferred Inflows	Net Pension Liability (Asset)	Pension Expense
VRS Pension Plans:				
Primary Government	\$ 1,046,373	\$ 1,175,517	\$ 1,091,751	\$ 868,569
Component Unit School Board:				
School Board Nonprofessional	18,986	146,204	(384,789)	(9,949)
School Board Professional	4,031,289	3,686,103	13,602,079	452,623
Total Component Unit School Board	<u>\$ 4,050,275</u>	<u>\$ 3,832,307</u>	<u>\$ 13,217,290</u>	<u>\$ 442,674</u>

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2023 (Continued)

Note 12—Litigation:

At June 30, 2023, there were no matters of litigation involving the County or which would materially affect the County's financial position should any court decisions on pending matters not be favorable to the County.

Note 13—Risk Management:

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

Note 14—Debt Agreement with Town:

The County has issued economic development revenue bonds through the Clarke County Industrial Development Authority. All responsibility for the payment of this debt rests with the Borrower. The County and the Authority have no responsibility for the payment of this debt. Outstanding debt obligations under this arrangement are as follows at June 30, 2023:

<u>Description</u>	<u>Original Issue</u>	<u>Outstanding June 30, 2023</u>
R-1 Berryville Town bond	2,327,000	1,841,733
R-2 Clarke County bond	4,822,000	3,520,948
	\$ <u>7,149,000</u>	\$ <u>5,362,681</u>

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2023 (Continued)

Note 15—Assigned Fund Balances:

Fund balances have been assigned for the following purposes:

Liquidity Designation	\$	4,114,911
Stabilization Designation		1,714,546
Continuing Appropriations for Capital Projects		1,375,076
Conservation Easements from Government Savings		150,000
School Operating Savings		97,957
Children's Services Act Shortfall		500,000
Parks Master Plan Implementation		330,000
Fire & Rescue		300,000
Government Savings		330,000
Data and Communications Technology		250,000
Leave Liability		350,000
Community Facilities		3,500,000
Economic Development		150,000
County Courthouse Green Project		200,000
Human Services Space		1,650,000
School Construction		100,000
Real Estate Assessment Software		50,000
Self Funded Health Insurance Account		200,000
Broadband		1,080,000
Berryville Clarke County Joint Government Center - Reserved		127,205
Berryville Clarke County Joint Government Center - Unreserved		50,000
Government Capital Projects		2,298,276
Total	\$	<u>18,917,971</u>

Note 16—Surety Bonds:

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

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2023 (Continued)

Note 17—Postemployment Benefits Other Than Pensions:

Health Insurance (Single-employer Defined Benefit Plan)

Plan Description

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

Benefits Provided

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

Plan Membership

At June 30, 2023 (measurement date), the following employees were covered by the benefit terms:

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

Contributions

The County and School Board do not pre-fund benefits; therefore, no assets are accumulated in a trust fund. The current funding policy is to pay benefits directly from general assets on a pay-as-you-go basis. The funding requirements are established and may be amended by the County and School Board. The amount paid by the County and School Board for OPEB as the benefits came due during the year ended June 30, 2023 was \$45,774 and \$68,208.

Total OPEB Liability

The County and School Board's total OPEB liabilities were measured as of June 30, 2023. The total OPEB liabilities were determined by an actuarial valuation as of July 1, 2022.

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2023 (Continued)

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

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

Actuarial Assumptions

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

Actuarial Cost Method	Entry age normal, level % of pay
Discount Rate	3.65% as of June 30, 2023; 3.54% as of June 30, 2022
Inflation	2.50% per year as of June 30, 2021
Healthcare Trend Rate	5.10% to 4.00% over 52 years
Salary Increase Rates	County: Ranges of increases of 3.5% for 20+ years of service to 5.35% for 1-2 years of service; School Board: Ranges of increases of 3.5% for 20+ years of service to 5.95% for 1 year of service.
Retirement Age	Reduced: Age 50 and 10 years of service or Age 55 and 5 years of service; Unreduced: Age 65 and 5 years of service or Age 50 with 30 years of service
Mortality Rates	Pre-Retirement: RP-2014 Employee Mortality Tables projected to 2020 using Scale BB with Males set back 1 year and Females set back 1 year. Post-Retirement: RP-2014 Employee Mortality Tables projected to 2020 using Scale BB with Males set forward 1 year and Females set back 1 year.

Discount Rate

The discount rate represents the Municipal GO AA 20-year yield curve rate as of June 30, 2020. The final equivalent single discount rate used for this year’s valuation is 3.54% as of the end of the fiscal year with the expectation that the County and School Board will continue contributing the Actuarially Determined Contribution and paying the pay-go cost from the OPEB Trust.

Changes in Total OPEB Liability

	County	Component Unit- School Board
	<u>Total OPEB Liability</u>	<u>Total OPEB Liability</u>
Balances at June 30, 2022	\$ 538,091	\$ 1,144,788
Changes for the year:		
Service cost	48,567	81,228
Interest	19,964	42,203
Effect of economic/demographic gains or losses	(7,045)	(97,805)
Effect of assumptions	79,124	126,825
Benefit payments	(45,774)	(68,208)
Net changes	<u>94,836</u>	<u>84,243</u>
Balances at June 30, 2023	<u>\$ 632,927</u>	<u>\$ 1,229,031</u>

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2023 (Continued)

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

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

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

The following amounts present the total OPEB liability of the County and School Board, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.65%) or one percentage point higher (4.65%) than the current discount rate:

	Rate		
	1% Decrease (2.65%)	Current Discount Rate (3.65%)	1% Increase (4.65%)
County's Total OPEB Liability	\$ 669,831	\$ 632,927	\$ 598,642
School Board's Total OPEB Liability	\$ 1,303,340	\$ 1,229,031	\$ 1,157,149

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

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

	Rates		
	1% Decrease (4.10%)	Healthcare Cost Trend (5.10%)	1% Increase (6.10%)
County's Total OPEB Liability	\$ 579,573	\$ 632,927	\$ 694,459
School Board's Total OPEB Liability	\$ 1,101,243	\$ 1,229,031	\$ 1,377,507

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2023 (Continued)

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

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

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

For the year ended June 30, 2023, the County and School Board recognized OPEB expense in the amount of \$87,205 and \$105,129, respectively. At June 30, 2023, the County and School Board reported deferred outflows of resources and deferred inflows of resources related to the health insurance OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
County:		
Differences between expected and actual experience	\$ 36,118	\$ 5,716
Changes of assumptions	69,491	49,373
Total	<u>\$ 105,609</u>	<u>\$ 55,089</u>
School Board:		
Differences between expected and actual experience	\$ -	\$ 142,478
Changes of assumptions	158,336	130,282
Total	<u>\$ 158,336</u>	<u>\$ 272,760</u>

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

<u>Year Ended June 30</u>	<u>County</u>	<u>School Board</u>
2024	\$ 14,039	\$ (18,302)
2025	9,400	(18,302)
2026	9,402	(18,298)
2027	13,600	(32,739)
2028	4,079	(29,013)
Thereafter	-	2,230

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

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

Group Life Insurance:

Plan Description

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

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

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

Eligible Employees

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

Benefit Amounts

The GLI Plan is a defined benefit plan with several components. The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled. The accidental death benefit is double the natural death benefit. In addition to basic natural and accidental death benefits, the plan provides additional benefits provided under specific circumstances that include the following: accidental dismemberment benefit, seatbelt benefit, repatriation benefit, felonious assault benefit, and accelerated death benefit option. The benefit amounts are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value. For covered members with at least 30 years of service credit, the minimum benefit payable was set at \$8,000 by statute in 2015. This will be increased annually based on the VRS Plan 2 cost-of-living adjustment calculation. The minimum benefit adjusted for the COLA was \$8,984 as of June 30, 2023.

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2023 (Continued)

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

Group Life Insurance: (Continued)

Contributions

The contribution requirements for the GLI Plan are governed by §51.1-506 and §51.1-508 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the GLI Plan was 1.34% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.80% (1.34% x 60%) and the employer component was 0.54% (1.34% x 40%). Employers may elect to pay all or part of the employee contribution; however, the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2023 was 0.54% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the Group Life Insurance Plan from the entity were \$33,813 and \$31,252 from the County, \$2,840 and \$2,660 from School Board Nonprofessional, and \$77,918 and \$72,521 from School Board Professional for the years ended June 30, 2023 and June 30, 2022, respectively.

In June 2022, the Commonwealth made a special contribution of approximately \$30.4 million to the Group Life Insurance Plan. This special payment was authorized by a budget amendment included in Chapter 1 of the 2022 Appropriation Act, and is classified as a non-employer contribution.

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, 2023, the entity reported a liability of \$320,410 for the County, \$27,213 for School Board Nonprofessional, and \$743,409 School Board Professional for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2022 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation performed as of June 30, 2021, and rolled forward to the measurement date of June 30, 2022. The covered 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, 2022 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2022, the participating employer's proportion for the County, School Board Nonprofessional, and School Board Professional was .02660%, .00230%, and .06170% as compared to .02650%, .00300% and .05940% at June 30, 2021.

For the year ended June 30, 2023, the participating employer recognized GLI OPEB expense of \$15,945, (\$2,172), and \$16,096 for the County, School Board Nonprofessional, and School Board Professional, respectively. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2023 (Continued)

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

Group Life Insurance: (Continued)

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

At June 30, 2023, the employer reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the following sources:

<u>County</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 25,372	\$ 12,854
Net difference between projected and actual earnings on GLI OPEB plan investments	-	20,021
Change in assumptions	11,951	31,209
Changes in proportion	11,985	48
Employer contributions subsequent to the measurement date	33,813	-
Total	<u>\$ 83,121</u>	<u>\$ 64,132</u>
School Board Nonprofessional		
Differences between expected and actual experience	\$ 2,155	\$ 1,092
Net difference between projected and actual earnings on GLI OPEB plan investments	-	1,700
Change in assumptions	1,015	2,651
Changes in proportion	1	12,684
Employer contributions subsequent to the measurement date	2,840	-
Total	<u>\$ 6,011</u>	<u>\$ 18,127</u>
School Board Professional		
Differences between expected and actual experience	\$ 58,869	\$ 29,824
Net difference between projected and actual earnings on GLI OPEB plan investments	-	46,452
Change in assumptions	27,728	72,411
Changes in proportion	27,660	50,181
Employer contributions subsequent to the measurement date	77,918	-
Total	<u>\$ 192,175</u>	<u>\$ 198,868</u>

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2023 (Continued)

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

Group Life Insurance: (Continued)

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

\$33,813 for the County, \$2,840 for School Board Nonprofessional, and \$77,918 for School Board Professional reported as deferred outflows of resources related to the GLI OPEB resulting from the employer’s contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>	<u>County</u>	<u>School Board Nonprofessional</u>	<u>School Board Professional</u>
2024	\$ (893)	\$ (3,518)	\$ (20,675)
2025	(1,896)	(3,505)	(20,321)
2026	(13,914)	(3,947)	(44,364)
2027	3,949	(2,023)	858
2028	(2,070)	(1,963)	(109)

Actuarial Assumptions

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2021, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2022. The assumptions include several employer groups as noted below. Salary increases and mortality rates included herein are for relevant employer groups. Information for other groups can be referenced in the VRS Annual Report.

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

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2023 (Continued)

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

Group Life Insurance: (Continued)

Actuarial Assumptions: (Continued)

Mortality Rates - Teachers

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:

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

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

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

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2023 (Continued)

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

Group Life Insurance: (Continued)

Actuarial Assumptions: (Continued)

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:

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

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

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

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2023 (Continued)

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

Group Life Insurance: (Continued)

Actuarial Assumptions: (Continued)

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement Scale:

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

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to 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

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2023 (Continued)

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

Group Life Insurance: (Continued)

NET GLI OPEB Liability

The net OPEB liability (NOL) for the GLI Plan represents the plan’s total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of the measurement date of June 30, 2022, NOL amounts for the GLI Plan are as follows (amounts expressed in thousands):

		GLI OPEB Plan
Total GLI OPEB Liability	\$	3,672,085
Plan Fiduciary Net Position		<u>2,467,989</u>
GLI Net OPEB Liability (Asset)	\$	<u><u>1,204,096</u></u>
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability		67.21%

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

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COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2023 (Continued)

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

Group Life Insurance: (Continued)

Long-Term Expected Rate of Return

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

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

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

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

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2023 (Continued)

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

Group Life Insurance: (Continued)

Discount Rate

The discount rate used to measure the total GLI OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ended June 30, 2022 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 100% of the actuarially determined contribution rate. From July 1, 2022 on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the 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 GLI Plan Net OPEB Liability	\$ 466,234	\$ 320,410	\$ 202,564
School Board Nonprofessional's proportionate share of the GLI Plan Net OPEB Liability	\$ 39,597	\$ 27,213	\$ 17,204
School Board Professional's proportionate share of the GLI Plan Net OPEB Liability	\$ 1,081,747	\$ 743,409	\$ 469,986

GLI Plan Fiduciary Net Position

Detailed information about the GLI Plan’s Fiduciary Net Position is available in the separately issued VRS 2022 Annual Comprehensive Financial Report (Annual Report). A copy of the 2022 VRS Annual Report may be downloaded from the VRS website at <https://www.varetire.org/Pdf/Publications/2022-annual-report.pdf>, or by writing to the System’s Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

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

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

Plan Description

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

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

Eligible Employees

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

Benefit Amounts

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

HIC Plan Notes

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

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2023 (Continued)

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

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

HIC Plan Notes: (Continued)

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

	<u>Number</u>
Inactive members or their beneficiaries currently receiving benefits	<u>8</u>
Inactive members:	
Vested inactive members	1
Total inactive members	<u>1</u>
Active members	33
Total covered employees	<u><u>42</u></u>

Contributions

The contribution requirements for active employees is governed by §51.1-1402(E) of the Code of Virginia, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. The Component Unit School Board's (nonprofessional) contractually required employer contribution rate for the year ended June 30, 2023 was 1.02% 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 Component Unit School Board (nonprofessional) to the HIC Plan were \$5,364 and \$3,546 for the years ended June 30, 2023 and June 30, 2022.

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2023 (Continued)

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

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

Net HIC OPEB Liability

The Component Unit School Board (nonprofessional)'s net HIC OPEB liability was measured as of June 30, 2022. The total HIC OPEB liability was determined by an actuarial valuation performed as of June 30, 2021, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2022.

Actuarial Assumptions

The total HIC OPEB liability was based on an actuarial valuation as of June 30, 2021, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2022.

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

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2023 (Continued)

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

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

Actuarial Assumptions: (Continued)

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

Beneficiaries and Survivors:

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

Mortality Improvement Scale:

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

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

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

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2023 (Continued)

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

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

Long-Term Expected Rate of Return

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

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

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

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

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, 2022,

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2023 (Continued)

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

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

Discount Rate: (Continued)

the rate contributed by the entity for the HIC OPEB was 100% of the actuarially determined contribution rate. From July 1, 2022 on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the HIC OPEB’s fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total HIC OPEB liability.

Changes in Net HIC OPEB Liability

	Increase (Decrease)		
	Total HIC OPEB Liability	Plan Fiduciary Net Position	Net HIC OPEB Liability (Asset)
	(a)	(b)	(a) - (b)
Balances at June 30, 2021	\$ 63,783	\$ 5,034	\$ 58,749
Changes for the year:			
Service cost	\$ 1,044	\$ -	\$ 1,044
Interest	4,307	-	4,307
Differences between expected and actual experience	2,372	-	2,372
Assumption changes	3,795	-	3,795
Contributions - employer	-	3,546	(3,546)
Net investment income	-	(63)	63
Benefit payments	(2,052)	(2,052)	-
Administrative expenses	-	(10)	10
Net changes	\$ 9,466	\$ 1,421	\$ 8,045
Balances at June 30, 2022	\$ 73,249	\$ 6,455	\$ 66,794

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

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

	Rate		
	1% Decrease	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
Component Unit School Board (nonprofessional) Net HIC OPEB Liability	\$ 73,711	\$ 66,794	\$ 60,812

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2023 (Continued)

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

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

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

For the year ended June 30, 2023, the Component Unit School Board (nonprofessional) recognized HIC Plan OPEB expense of \$6,501. At June 30, 2022, the Component Unit School Board (nonprofessional) reported deferred outflows of resources and deferred inflows of resources related to the Component Unit School Board (nonprofessional)'s HIC Plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,886	\$ 1
Net difference between projected and actual earnings on HIC OPEB plan investments	112	-
Change in assumptions	3,861	-
Employer contributions subsequent to the measurement date	<u>5,364</u>	<u>-</u>
Total	<u>\$ 11,223</u>	<u>\$ 1</u>

\$5,364 reported as deferred outflows of resources related to the HIC OPEB resulting from the Component Unit School Board (nonprofessional)'s contributions subsequent to the measurement date will be recognized as a reduction of the Net HIC OPEB Liability in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIC OPEB will be recognized in the HIC OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>	
2023	\$ 1,530
2024	1,530
2025	1,529
2026	1,269
2027	-
Thereafter	-

HIC Plan Data

Information about the VRS Political Subdivision HIC Plan is available in the separately issued VRS 2022 Annual Comprehensive Financial Report (Annual Report). A copy of the 2022 VRS Annual Report may be downloaded from the VRS website at <https://www.varetire.org/pdf/publications/2022-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

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

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

Plan Description

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

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

Eligible Employees

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

Benefit Amounts

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

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

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

HIC Plan Notes

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

Contributions

The contribution requirements for active employees is governed by §51.1-1401(E) of the Code of Virginia, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Each school division's contractually required employer contribution rate for the year ended June 30, 2023 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 \$174,472 and \$162,500 for the years ended June 30, 2023 and June 30, 2022, respectively.

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, 2023, the school division reported a liability of \$1,799,751 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, 2022 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, 2021 and rolled forward to the measurement date of June 30, 2022. 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, 2022, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2022, the school division's proportion of the VRS Teacher Employee HIC was .14409% as compared to .13864% at June 30, 2021.

For the year ended June 30, 2023, the school division recognized VRS Teacher Employee HIC OPEB expense of \$127,640. Since there was a change in proportionate share between measurement dates a portion of the VRS Teacher Employee HIC Net OPEB expense was related to deferred amounts from changes in proportion.

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2023 (Continued)

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

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

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

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 73,361
Net difference between projected and actual earnings on Teacher HIC OPEB plan investments	-	1,806
Change in assumptions	52,580	4,596
Change in proportion	64,546	123,353
Employer contributions subsequent to the measurement date	<u>174,472</u>	<u>-</u>
Total	<u>\$ 291,598</u>	<u>\$ 203,116</u>

\$174,472 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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Teacher Employee HIC OPEB will be recognized in the Teacher Employee HIC OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>	
2024	\$ (21,685)
2025	(20,168)
2026	(19,338)
2027	(12,439)
2028	(14,378)
Thereafter	2,018

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2023 (Continued)

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

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

Actuarial Assumptions

The total Teacher Employee HIC OPEB liability for the VRS Teacher Employee HIC Plan was based on an actuarial valuation as of June 30, 2021, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2022.

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

Mortality Rates - Teachers

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:

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

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2023 (Continued)

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

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

Actuarial Assumptions: (Continued)

Mortality Rates - Teachers: (Continued)

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

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

Net Teacher Employee HIC OPEB Liability

The net OPEB liability (NOL) for the Teacher Employee HIC Plan represents the plan’s total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of June 30, 2022, NOL amounts for the VRS Teacher Employee HIC Plan is as follows (amounts expressed in thousands):

	Teacher Employee HIC OPEB Plan
	<hr/>
Total Teacher Employee HIC OPEB Liability	\$ 1,470,891
Plan Fiduciary Net Position	221,845
Teacher Employee Net HIC OPEB Liability (Asset)	\$ <hr/> 1,249,046 <hr/>
Plan Fiduciary Net Position as a Percentage of the Total Teacher Employee HIC OPEB Liability	15.08%

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2023 (Continued)

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

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

Net Teacher Employee HIC OPEB Liability: (Continued)

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

Long-Term Expected Rate of Return

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

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

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

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

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

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

Discount Rate

The discount rate used to measure the total Teacher Employee HIC OPEB was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ended June 30, 2021, 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, 2022 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	\$ 2,028,340	\$ 1,799,751	\$ 1,605,982

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

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2023 (Continued)

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

Primary Government and Component Unit School Board

Aggregate Pension Information

<u>OPEB Plans:</u>	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>	<u>Net OPEB Liability</u>	<u>OPEB Expense</u>
Primary Government:				
Group Life Insurance Plan:				
County	\$ 83,121	\$ 64,132	\$ 320,410	\$ 15,945
County Stand-Alone Plan	105,609	55,089	632,927	87,205
Totals	<u>\$ 188,730</u>	<u>\$ 119,221</u>	<u>\$ 953,337</u>	<u>\$ 103,150</u>
Component Unit School Board				
Group Life Insurance Plan:				
School Board Nonprofessional	\$ 6,011	\$ 18,127	\$ 27,213	\$ (2,172)
School Board Professional	192,175	198,868	743,409	16,096
School Nonprofessional Health Insurance Credit Plan	11,223	1	66,794	6,501
Teacher Health Insurance Credit Plan	291,598	203,116	1,799,751	127,640
School Stand-Alone Plan	158,336	272,760	1,229,031	105,129
Totals	<u>\$ 659,343</u>	<u>\$ 692,872</u>	<u>\$ 3,866,198</u>	<u>\$ 253,194</u>

Note 18—Lease Receivable:

The School Board leases land to Shenandoah Mobile under a lease contract. In fiscal year 2023, the School Board recognized lease and interest revenue in the amount of \$27,259 and \$539, respectively. The lease term is for 41 months and payments of \$2,317 are made monthly. The balance of the lease receivable at June 30, 2023 with a discount rate of 1.00% was \$39,087. Expected future payments are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 27,533	\$ 265
2025	11,554	29
Total	<u>\$ 39,087</u>	<u>\$ 294</u>

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2023 (Continued)

Note 19—Upcoming Pronouncements:

Statement No. 99, *Omnibus 2022*, enhances the comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The effective dates differ based on the requirements of the Statement, ranging from April 2022 to reporting periods beginning after June 15, 2023.

Statement No. 100, *Accounting Changes and Error Corrections* - an amendment of GASB Statement No. 62, enhances accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for reporting periods beginning after June 15, 2023.

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 reporting periods beginning after December 15, 2023.

Implementation Guide No. 2021-1, *Implementation Guidance Update—2021*, with dates ranging from reporting periods beginning after June 15, 2022 to reporting periods beginning after June 15, 2023.

Implementation Guide No. 2023-1, *Implementation Guidance Update—2023*, effective for fiscal years beginning after June 15, 2023.

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

REQUIRED SUPPLEMENTARY INFORMATION

Note to Required Supplementary Information:

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

General Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
General property taxes	\$ 22,745,156	\$ 22,745,156	\$ 24,470,694	\$ 1,725,538
Other local taxes	3,366,000	3,366,000	3,283,617	(82,383)
Permits, privilege fees, and regulatory licenses	375,102	375,102	390,501	15,399
Fines and forfeitures	230,250	230,250	197,171	(33,079)
Revenue from the use of money and property	156,000	156,000	299,361	143,361
Charges for services	954,856	954,856	1,122,888	168,032
Miscellaneous	70,565	96,256	114,950	18,694
Recovered costs	34,800	34,800	40,086	5,286
Intergovernmental:				
Commonwealth	4,596,367	4,628,289	4,675,617	47,328
Federal	193,743	245,696	215,901	(29,795)
Total revenues	\$ 32,722,839	\$ 32,832,405	\$ 34,810,786	\$ 1,978,381
EXPENDITURES				
Current:				
General government administration	\$ 2,663,230	\$ 2,689,659	\$ 2,694,179	\$ (4,520)
Judicial administration	905,986	889,097	894,375	(5,278)
Public safety	6,806,718	6,858,979	7,151,210	(292,231)
Public works	1,407,417	1,407,395	1,420,793	(13,398)
Health and welfare	614,087	644,861	592,629	52,232
Education	13,860,206	15,165,235	13,794,476	1,370,759
Parks, recreation, and cultural	1,529,047	1,534,169	1,428,680	105,489
Community development	832,983	862,603	825,885	36,718
Nondepartmental	116,000	109,851	8,414	101,437
Total expenditures	\$ 28,735,674	\$ 30,161,849	\$ 28,810,641	\$ 1,351,208
Excess (deficiency) of revenues over (under) expenditures	\$ 3,987,165	\$ 2,670,556	\$ 6,000,145	\$ 3,329,589
OTHER FINANCING SOURCES (USES)				
Transfers out	\$ -	\$ (8,047,911)	\$ (4,633,985)	\$ 3,413,926
Insurance proceeds	-	-	8,415	8,415
Total other financing sources (uses)	\$ -	\$ (8,047,911)	\$ (4,625,570)	\$ 3,422,341
Net change in fund balances	\$ 3,987,165	\$ (5,377,355)	\$ 1,374,575	\$ 6,751,930
Fund balances - beginning	(3,987,165)	5,377,355	17,745,176	12,367,821
Fund balances - ending	\$ -	\$ -	\$ 19,119,751	\$ 19,119,751

Virginia Public Assistance Fund - Special Revenue Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 For the Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Recovered costs	\$ -	\$ -	\$ 1,918	\$ 1,918
Intergovernmental:				
Commonwealth	585,800	632,800	387,417	(245,383)
Federal	585,800	634,270	774,420	140,150
Total revenues	<u>\$ 1,171,600</u>	<u>\$ 1,267,070</u>	<u>\$ 1,163,755</u>	<u>\$ (103,315)</u>
EXPENDITURES				
Current:				
Health and welfare	<u>\$ 1,778,290</u>	<u>\$ 1,882,667</u>	<u>\$ 1,547,923</u>	<u>\$ 334,744</u>
Total expenditures	<u>\$ 1,778,290</u>	<u>\$ 1,882,667</u>	<u>\$ 1,547,923</u>	<u>\$ 334,744</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (606,690)</u>	<u>\$ (615,597)</u>	<u>\$ (384,168)</u>	<u>\$ 231,429</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>\$ -</u>	<u>\$ 606,690</u>	<u>\$ 384,168</u>	<u>\$ (222,522)</u>
Total other financing sources (uses)	<u>\$ -</u>	<u>\$ 606,690</u>	<u>\$ 384,168</u>	<u>\$ (222,522)</u>
Net change in fund balances	\$ (606,690)	\$ (8,907)	\$ -	\$ 8,907
Fund balances - beginning	606,690	8,907	-	(8,907)
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

	2022		2021		2020		2019		2018	
	Primary Government	Primary Government	Primary Government	Primary Government	Primary Government	Primary Government	Clarke County Sanitary Authority	Primary Government	Clarke County Sanitary Authority	
Total pension liability										
Service cost	\$ 586,359	\$ 544,441	\$ 531,657	\$ 528,990	\$ -	\$ 492,799	\$ 3,974			
Interest	1,806,672	1,621,406	1,533,312	1,496,565	-	1,432,214	11,552			
Changes in benefit terms	482,165	-	-	-	-	-	-			
Differences between expected and actual experience	(600,823)	369,260	390,076	(379,336)	-	(389,274)	(3,140)			
Changes of assumptions	-	965,227	-	631,784	-	-	-			
Impact in change of proportion	-	-	-	174,442	(174,442)	33,590	(33,590)			
Benefit payments	(1,416,121)	(1,267,900)	(1,031,991)	(851,559)	-	(730,187)	(5,888)			
Net change in total pension liability	\$ 858,252	\$ 2,232,434	\$ 1,423,054	\$ 1,600,886	\$ (174,442)	\$ 839,142	\$ (27,092)			
Total pension liability - beginning	<u>26,887,212</u>	<u>24,654,778</u>	<u>23,231,724</u>	<u>21,630,838</u>	<u>174,442</u>	<u>20,791,696</u>	<u>201,534</u>			
Total pension liability - ending (a)	<u>\$ 27,745,464</u>	<u>\$ 26,887,212</u>	<u>\$ 24,654,778</u>	<u>\$ 23,231,724</u>	<u>\$ -</u>	<u>\$ 21,630,838</u>	<u>\$ 174,442</u>			
Plan fiduciary net position										
Contributions - employer	\$ 559,026	\$ 489,429	\$ 417,934	\$ 404,706	\$ -	\$ 393,336	\$ 3,172			
Contributions - employee	270,077	256,393	250,579	240,158	-	231,775	1,870			
Impact in change of proportion	-	-	0	165,370	(165,370)	30,972	(30,972)			
Net investment income	(26,261)	5,948,004	417,018	1,382,955	-	1,421,787	11,466			
Benefit payments	(1,416,121)	(1,267,900)	(1,031,991)	(851,559)	-	(730,187)	(5,888)			
Administrator charges	(17,038)	(14,912)	(14,211)	(13,551)	-	(12,124)	(98)			
Other	626	560	(493)	(873)	-	(1,273)	(10)			
Net change in plan fiduciary net position	\$ (629,691)	\$ 5,411,574	\$ 38,836	\$ 1,327,206	\$ (165,370)	\$ 1,334,286	\$ (20,460)			
Plan fiduciary net position - beginning	<u>27,283,404</u>	<u>21,871,830</u>	<u>21,832,994</u>	<u>20,505,788</u>	<u>165,370</u>	<u>19,171,502</u>	<u>185,830</u>			
Plan fiduciary net position - ending (b)	<u>\$ 26,653,713</u>	<u>\$ 27,283,404</u>	<u>\$ 21,871,830</u>	<u>\$ 21,832,994</u>	<u>\$ -</u>	<u>\$ 20,505,788</u>	<u>\$ 165,370</u>			
County's net pension liability (asset) - ending (a) - (b)	\$ 1,091,751	\$ (396,192)	\$ 2,782,948	\$ 1,398,730	\$ -	\$ 1,125,050	\$ 9,072			
Plan fiduciary net position as a percentage of the total pension liability	96.07%	101.47%	88.71%	93.98%	0.00%	94.80%	94.80%			
Covered payroll	\$ 5,787,429	\$ 5,465,563	\$ 5,343,717	\$ 5,072,104	\$ -	\$ 4,781,444	\$ 38,560			
County's net pension liability (asset) as a percentage of covered payroll	18.86%	-7.25%	52.08%	27.58%	0.00%	23.53%	23.53%			

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

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 t

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

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

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

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 the

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios
Component Unit School Board (Nonprofessional) - Pension Plans
For the Measurement Dates of June 30, 2014 through June 30, 2022

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

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) - Pension Plans
For the Measurement Dates of June 30, 2014 through June 30, 2022

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

Schedule of Employer's Share of Net Pension Liability (Asset) VRS Teacher Retirement Plan
 For the Measurement Dates of June 30, 2014 through June 30, 2022

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

Schedule 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 Contributions - Pension Plans
For the Years Ended June 30, 2014 through June 30, 2023

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					
2023	\$ 678,906	\$ 678,906	\$ -	\$ 6,261,624	10.84%
2022	560,922	560,922	-	5,787,429	9.69%
2021	445,184	445,184	-	5,465,563	8.15%
2020	421,269	421,269	-	5,343,717	7.88%
2019	408,108	408,108	-	5,072,104	8.05%
2018	397,195	397,195	-	4,820,004	8.24%
2017	392,632	392,632	-	4,624,623	8.49%
2016	471,292	471,292	-	4,374,003	10.77%
2015	461,738	461,738	-	4,251,728	10.86%
2014	490,778	490,778	-	4,042,651	12.14%
Component Unit School Board (Nonprofessional)					
2023	\$ 18,986	\$ 18,986	\$ -	\$ 525,881	3.61%
2022	23,979	23,979	-	492,527	4.87%
2021	30,410	30,410	-	623,186	4.88%
2020	25,565	25,565	-	653,811	3.91%
2019	24,582	24,582	-	634,547	3.87%
2018	33,468	33,468	-	671,806	4.98%
2017	35,810	35,810	-	673,225	5.32%
2016	55,293	55,293	-	652,740	8.47%
2015	57,201	57,201	-	664,350	8.61%
2014	95,310	95,310	-	990,747	9.62%
Component Unit School Board (Professional)*					
2023	\$ 2,265,908	\$ 2,265,908	\$ -	\$ 14,419,170	15.71%
2022	2,122,390	2,122,390	-	13,429,742	15.80%
2021	1,950,641	1,950,641	-	12,261,289	15.91%
2020	1,968,435	1,968,435	-	13,021,678	15.12%
2019	1,915,267	1,915,267	-	12,582,277	15.22%
2018	1,741,611	1,741,611	-	12,337,938	14.12%
2017	1,679,087	1,679,087	-	11,986,432	14.01%
2016	1,679,413	1,679,413	-	11,656,844	14.41%
2015	1,584,459	1,584,459	-	11,292,534	14.03%

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

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.

Notes to Required Supplementary Information - Pension Plans
 For the Year Ended June 30, 2023

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

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

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

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

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

Component Unit School Board - Professional Employees

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

Schedule of County's Share of Net OPEB Liability
 Group Life Insurance (GLI) Plan
 For the Measurement Dates of June 30, 2017 through June 30, 2022

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:					
2022	0.02660%	\$ 320,410	\$ 5,787,429	5.54%	67.21%
2021	0.02650%	308,182	5,465,563	5.64%	67.45%
2020	0.02596%	433,230	5,343,717	8.11%	52.64%
2019	0.02587%	420,974	5,072,104	8.30%	52.00%
2018	0.02535%	385,000	4,820,004	7.99%	51.22%
2017	0.02507%	378,000	4,624,623	8.17%	48.86%
Component Unit - School Board (Nonprofessional):					
2022	0.00230%	\$ 27,213	\$ 492,527	5.53%	67.21%
2021	0.00300%	35,161	623,186	5.64%	67.45%
2020	0.00318%	53,069	653,811	8.12%	52.64%
2019	0.00324%	52,724	634,547	8.31%	52.00%
2018	0.00353%	54,000	671,806	8.04%	51.22%
2017	0.00369%	56,000	673,225	8.32%	48.86%
Component Unit - School Board (Professional):					
2022	0.06170%	\$ 743,409	\$ 13,429,742	5.54%	67.21%
2021	0.05940%	691,460	12,261,289	5.64%	67.45%
2020	0.06332%	1,056,707	13,031,868	8.11%	52.64%
2019	0.06418%	1,044,379	12,582,277	8.30%	52.00%
2018	0.06497%	987,000	12,337,938	8.00%	51.22%
2017	0.06497%	978,000	11,986,432	8.16%	48.86%

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

Schedule of Employer Contributions
 Group Life Insurance (GLI) Plan
 For the Years Ended June 30, 2014 through June 30, 2023

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)
County:					
2023	\$ 33,813	\$ 33,813	\$ -	\$ 6,261,624	0.54%
2022	31,252	31,252	-	5,787,429	0.54%
2021	29,514	29,514	-	5,465,563	0.54%
2020	27,787	27,787	-	5,343,717	0.52%
2019	26,375	26,375	-	5,072,104	0.52%
2018	25,064	25,064	-	4,820,004	0.52%
2017	24,048	24,048	-	4,624,623	0.52%
2016	21,010	21,010	-	4,374,003	0.48%
2015	20,408	20,408	-	4,251,728	0.48%
2014	19,405	19,405	-	4,042,651	0.48%
Component Unit - School Board (Nonprofessional):					
2023	\$ 2,840	\$ 2,840	\$ -	\$ 525,881	0.54%
2022	2,660	2,660	-	492,527	0.54%
2021	3,365	3,365	-	623,186	0.54%
2020	3,400	3,400	-	653,811	0.52%
2019	3,300	3,300	-	634,547	0.52%
2018	3,493	3,493	-	671,806	0.52%
2017	3,535	3,535	-	673,225	0.53%
2016	3,133	3,133	-	652,740	0.48%
2015	3,189	3,189	-	664,350	0.48%
2014	4,756	4,756	-	990,747	0.48%
Component Unit - School Board (Professional):					
2023	\$ 77,918	\$ 77,918	\$ -	\$ 14,429,207	0.54%
2022	72,521	72,521	-	13,429,742	0.54%
2021	66,211	66,211	-	12,261,289	0.54%
2020	67,766	67,766	-	13,031,868	0.52%
2019	65,428	65,428	-	12,582,277	0.52%
2018	64,238	64,238	-	12,337,938	0.52%
2017	62,315	62,315	-	11,986,432	0.52%
2016	56,000	56,000	-	11,656,844	0.48%
2015	54,776	54,776	-	11,292,534	0.49%
2014	54,159	54,159	-	11,283,075	0.48%

Notes to Required Supplementary Information
 Group Life Insurance (GLI) Plan
 For the Year Ended June 30, 2023

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

Teachers

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

Non-Largest Ten Locality Employers - General Employees

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

Non-Largest Ten Locality Employers - Hazardous Duty Employees

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

Schedule of Changes in the School Board's Net OPEB Liability and Related Ratios
 Health Insurance Credit (HIC) Plan
 For the Measurement Dates of June 30, 2020 through June 30, 2022

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

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

Schedule of Employer Contributions
 Health Insurance Credit (HIC) Plan
 For the Years Ended June 30, 2021 through June 30, 2023

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)
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Component Unit - School Board (Nonprofessional):

2023	\$ 5,364	\$ 5,364	\$ -	\$ 525,881	1.02%
2022	3,546	3,546	-	492,527	0.72%
2021	4,487	4,487	-	623,186	0.72%

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

Notes to Required Supplementary Information
 Health Insurance Credit (HIC) Plan
 For the Year Ended June 30, 2023

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

Non-Largest Ten Locality Employers - General Employees

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

Schedule of School Board's Share of Net OPEB Liability
 Teacher Employee Health Insurance Credit (HIC) Plan
 For the Measurement Dates of June 30, 2017 through June 30, 2022

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)
2022	0.14409%	\$ 1,799,751	\$ 13,429,742	13.40%	15.08%
2021	0.13864%	1,779,541	12,261,289	14.51%	13.15%
2020	0.14855%	1,937,598	13,021,678	14.88%	9.95%
2019	0.15001%	1,963,777	12,582,277	15.61%	8.97%
2018	0.15275%	1,939,000	12,337,938	15.72%	8.08%
2017	0.15182%	1,926,000	11,986,432	16.07%	7.04%

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

Schedule of Employer Contributions
 Teacher Employee Health Insurance Credit (HIC) Plan
 For the Years Ended June 30, 2014 through June 30, 2023

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)
2023	\$ 174,472	\$ 174,472	\$ -	\$ 14,419,170	1.21%
2022	162,500	162,500	-	13,429,742	1.21%
2021	148,362	148,362	-	12,261,289	1.21%
2020	156,260	156,260	-	13,021,678	1.20%
2019	150,987	150,987	-	12,582,277	1.20%
2018	151,947	151,947	-	12,337,938	1.23%
2017	132,997	132,997	-	11,986,432	1.11%
2016	123,625	123,625	-	11,656,844	1.06%
2015	120,963	120,963	-	11,292,534	1.07%
2014	125,133	125,133	-	11,283,075	1.11%

Notes to Required Supplementary Information
 Teacher Employee Health Insurance Credit (HIC) Plan
 For the Year Ended June 30, 2023

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

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

OPEB - Health Insurance Plan
 Schedule of Changes in Net OPEB Liability (Asset) and Related Ratios
 For the Measurement Dates of June 30, 2018 through June 30, 2023

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

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

OPEB - Health Insurance Plan
 Notes to Required Supplementary Information
 For the Year Ended June 30, 2023

Valuation Date: 7/1/2022
 Measurement Date: 6/30/2023

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

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

Actuarial Cost Method	Entry age normal, level % of pay
Discount Rate	3.65% as of June 30, 2023; 3.54% as of June 30, 2022
Inflation	2.50% per year as of June 30, 2021
Healthcare Trend Rate	5.50% to 4.00% over 55 years
Salary Increase Rates	County: Ranges of increases of 3.5% for 20+ years of service to 5.35% for 1-2 years of service; School Board: Ranges of increases of 3.5% for 20+ years of service to 5.95% for 1 year of service.
Retirement Age	Reduced: Age 50 and 10 years of service or Age 55 and 5 years of service; Unreduced: Age 65 and 5 years of service or Age 50 with 30 years of service
Mortality Rates	Pre-Retirement: RP-2014 Employee Mortality Tables projected to 2020 using Scale BB with Males set back 1 year and Females set back 1 year. Post-Retirement: RP-2014 Employee Mortality Tables projected to 2020 using Scale BB with Males set forward 1 year and Females set back 1 year.

OTHER SUPPLEMENTARY INFORMATION

Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2023

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and cash equivalents	\$ 524,076	\$ 63,496	\$ 587,572
Accounts receivable	8,478	-	8,478
Due from other funds	-	608,014	608,014
Due from other governmental units	213,014	47,895	260,909
Prepaid items	2,700	-	2,700
	<u> </u>	<u> </u>	<u> </u>
Total assets	\$ <u>748,268</u>	\$ <u>719,405</u>	\$ <u>1,467,673</u>
LIABILITIES			
Accounts payable	\$ 62,528	\$ 540,259	\$ 602,787
Due to other funds	31,011	-	31,011
Unearned revenue	8,478	28,164	36,642
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	\$ <u>102,017</u>	\$ <u>568,423</u>	\$ <u>670,440</u>
FUND BALANCES			
Nonspendable:			
Prepaid items	\$ 2,700	\$ -	\$ 2,700
Restricted:			
Swim team	-	4,851	4,851
Pool	-	1,659	1,659
Committed:			
Community development	552,446	-	552,446
Public safety	91,105	-	91,105
Children's services	-	-	-
Assigned:			
Capital projects	-	144,472	144,472
	<u> </u>	<u> </u>	<u> </u>
Total fund balances	\$ <u>646,251</u>	\$ <u>150,982</u>	\$ <u>797,233</u>
	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund balances	\$ <u>748,268</u>	\$ <u>719,405</u>	\$ <u>1,467,673</u>

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Year Ended June 30, 2023

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
REVENUES				
General property taxes	\$ 103,560	\$ -	\$ -	\$ 103,560
Revenue from the use of money and property	8,263	-	839	9,102
Miscellaneous	89,510	-	29,691	119,201
Intergovernmental:				
Commonwealth	361,738	-	61,561	423,299
Federal	13,046	-	2,701,803	2,714,849
Total revenues	<u>\$ 576,117</u>	<u>\$ -</u>	<u>\$ 2,793,894</u>	<u>\$ 3,370,011</u>
EXPENDITURES				
Current:				
Public safety	\$ 46,330	\$ -	\$ -	\$ 46,330
Health and welfare	519,626	-	-	519,626
Community development	233,359	-	-	233,359
Capital projects	-	-	4,312,107	4,312,107
Debt service:				
Principal retirement	-	104,101	-	104,101
Interest and other fiscal charges	-	147,599	-	147,599
Total expenditures	<u>\$ 799,315</u>	<u>\$ 251,700</u>	<u>\$ 4,312,107</u>	<u>\$ 5,363,122</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (223,198)</u>	<u>\$ (251,700)</u>	<u>\$ (1,518,213)</u>	<u>\$ (1,993,111)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 353,220	\$ 251,700	\$ 1,502,826	\$ 2,107,746
Insurance proceeds	-	-	17,917	17,917
Total other financing sources (uses)	<u>\$ 353,220</u>	<u>\$ 251,700</u>	<u>\$ 1,520,743</u>	<u>\$ 2,125,663</u>
Net change in fund balances	\$ 130,022	\$ -	\$ 2,530	\$ 132,552
Fund balances - beginning	<u>516,229</u>	<u>-</u>	<u>148,452</u>	<u>664,681</u>
Fund balances - ending	<u><u>\$ 646,251</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 150,982</u></u>	<u><u>\$ 797,233</u></u>

Combining Balance Sheet
 Nonmajor Special Revenue Funds
 June 30, 2023

	CSA Fund	Drug Enforcement Fund	Conservation Easement Fund	Total
ASSETS				
Cash and cash equivalents	\$ -	\$ 91,416	\$ 432,660	\$ 524,076
Accounts receivable	-	-	8,478	8,478
Due from other governmental units	86,723	-	126,291	213,014
Prepaid items	-	-	2,700	2,700
Total assets	<u>\$ 86,723</u>	<u>\$ 91,416</u>	<u>\$ 570,129</u>	<u>\$ 748,268</u>
LIABILITIES				
Accounts payable	\$ 55,712	\$ 311	\$ 6,505	\$ 62,528
Due to other funds	31,011	-	-	31,011
Unearned revenue	-	-	8,478	8,478
Total liabilities	<u>\$ 86,723</u>	<u>\$ 311</u>	<u>\$ 14,983</u>	<u>\$ 102,017</u>
FUND BALANCES				
Nonspendable:				
Prepaid items	\$ -	-	\$ 2,700	\$ 2,700
Committed:				
Community development	-	-	552,446	552,446
Public safety	-	91,105	-	91,105
Children's services	-	-	-	-
Total fund balances	<u>\$ -</u>	<u>\$ 91,105</u>	<u>\$ 555,146</u>	<u>\$ 646,251</u>
Total liabilities and fund balances	<u>\$ 86,723</u>	<u>\$ 91,416</u>	<u>\$ 570,129</u>	<u>\$ 748,268</u>

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Nonmajor Special Revenue Funds
 For the Year Ended June 30, 2023

	CSA Fund	Drug Enforcement Fund	Conservation Easement Fund	Total
REVENUES				
General property taxes	\$ -	\$ -	\$ 103,560	\$ 103,560
Revenue from the use of money and property	-	1,041	7,222	8,263
Miscellaneous	2,729	36,650	50,131	89,510
Intergovernmental:				
Commonwealth	197,753	12,159	151,826	361,738
Federal	13,046	-	-	13,046
	<u>213,528</u>	<u>49,850</u>	<u>312,739</u>	<u>576,117</u>
Total revenues	\$ 213,528	\$ 49,850	\$ 312,739	\$ 576,117
EXPENDITURES				
Current:				
Public safety	\$ -	\$ 46,330	\$ -	\$ 46,330
Health and welfare	519,626	-	-	519,626
Community development	-	-	233,359	233,359
	<u>519,626</u>	<u>46,330</u>	<u>233,359</u>	<u>799,315</u>
Total expenditures	\$ 519,626	\$ 46,330	\$ 233,359	\$ 799,315
Excess (deficiency) of revenues over (under) expenditures	\$ (306,098)	\$ 3,520	\$ 79,380	\$ (223,198)
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 306,098	\$ -	\$ 47,122	\$ 353,220
	<u>306,098</u>	<u>-</u>	<u>47,122</u>	<u>353,220</u>
Total other financing sources (uses)	\$ 306,098	\$ -	\$ 47,122	\$ 353,220
Net change in fund balances	\$ -	\$ 3,520	\$ 126,502	\$ 130,022
Fund balances - beginning	-	87,585	428,644	516,229
	<u>-</u>	<u>87,585</u>	<u>428,644</u>	<u>516,229</u>
Fund balances - ending	\$ -	\$ 91,105	\$ 555,146	\$ 646,251
	<u>-</u>	<u>91,105</u>	<u>555,146</u>	<u>646,251</u>

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

Nonmajor Special Revenue Funds

For the Year Ended June 30, 2023

	CSA Fund				Drug Enforcement Fund			
	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
REVENUES								
General property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Revenue from the use of money and property	-	-	-	-	-	-	1,041	1,041
Miscellaneous	-	-	2,729	2,729	-	-	36,650	36,650
Intergovernmental:								
Commonwealth	177,663	346,971	197,753	(149,218)	-	-	12,159	12,159
Federal	13,046	13,046	13,046	-	-	-	-	-
Total revenues	\$ 190,709	\$ 360,017	\$ 213,528	\$ (146,489)	\$ -	\$ -	\$ 49,850	\$ 49,850
EXPENDITURES								
Current:								
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 46,330	\$ (46,330)
Health and welfare	330,295	621,133	519,626	101,507	-	-	-	-
Community development	-	-	-	-	-	-	-	-
Total expenditures	\$ 330,295	\$ 621,133	\$ 519,626	\$ 101,507	\$ -	\$ -	\$ 46,330	\$ (46,330)
Excess (deficiency) of revenues over (under) expenditures	\$ (139,586)	\$ (261,116)	\$ (306,098)	\$ (44,982)	\$ -	\$ -	\$ 3,520	\$ 3,520
OTHER FINANCING SOURCES (USES)								
Transfers in	\$ -	\$ 139,586	\$ 306,098	\$ 166,512	\$ -	\$ -	\$ -	\$ -
Total other financing sources (uses)	\$ -	\$ 139,586	\$ 306,098	\$ 166,512	\$ -	\$ -	\$ -	\$ -
Net change in fund balances	\$ (139,586)	\$ (121,530)	\$ -	\$ 121,530	\$ -	\$ -	\$ 3,520	\$ 3,520
Fund balances - beginning	139,586	121,530	-	(121,530)	-	-	87,585	87,585
Fund balances - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 91,105	\$ 91,105

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2023

	Conservation Easement Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
General property taxes	\$ -	\$ -	\$ 103,560	\$ 103,560
Revenue from the use of money and property	-	-	7,222	7,222
Miscellaneous	30,000	37,350	50,131	12,781
Intergovernmental:				
Commonwealth	15,000	163,150	151,826	(11,324)
Federal	-	-	-	-
Total revenues	<u>\$ 45,000</u>	<u>\$ 200,500</u>	<u>\$ 312,739</u>	<u>\$ 112,239</u>
EXPENDITURES				
Current:				
Public safety	\$ -	\$ -	\$ -	\$ -
Health and welfare	-	-	-	-
Community development	45,000	248,500	233,359	15,141
Total expenditures	<u>\$ 45,000</u>	<u>\$ 248,500</u>	<u>\$ 233,359</u>	<u>\$ 15,141</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ (48,000)</u>	<u>\$ 79,380</u>	<u>\$ 127,380</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ 48,000	\$ 47,122	\$ (878)
Total other financing sources (uses)	<u>\$ -</u>	<u>\$ 48,000</u>	<u>\$ 47,122</u>	<u>\$ (878)</u>
Net change in fund balances	\$ -	\$ -	\$ 126,502	\$ 126,502
Fund balances - beginning	-	-	428,644	428,644
Fund balances - ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 555,146</u></u>	<u><u>\$ 555,146</u></u>

Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Debt Service Funds
For the Year Ended June 30, 2023

	<u>Primary Government Debt Service Fund</u>
EXPENDITURES	
Debt service:	
Principal retirement	\$ 104,101
Interest and other fiscal charges	<u>147,599</u>
Total expenditures	<u>\$ 251,700</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (251,700)</u>
OTHER FINANCING SOURCES (USES)	
Transfers in	<u>\$ 251,700</u>
Total other financing sources (uses)	<u>\$ 251,700</u>
Net change in fund balances	\$ -
Fund balances - beginning	<u>-</u>
Fund balances - ending	<u><u>\$ -</u></u>

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 Nonmajor Debt Service Funds
 For the Year Ended June 30, 2023

	Primary Government Debt Service Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
EXPENDITURES				
Debt service:				
Principal retirement	\$ 95,000	\$ 103,328	\$ 104,101	\$ (773)
Interest and other fiscal charges	156,700	148,372	147,599	773
Total expenditures	\$ 251,700	\$ 251,700	\$ 251,700	\$ -
Excess (deficiency) of revenues over (under) expenditures	\$ (251,700)	\$ (251,700)	\$ (251,700)	\$ -
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ 251,700	\$ 251,700	\$ -
Total other financing sources (uses)	\$ -	\$ 251,700	\$ 251,700	\$ -
Net change in fund balances	\$ (251,700)	\$ -	\$ -	\$ -
Fund balances - beginning	251,700	-	-	-
Fund balances - ending	\$ -	\$ -	\$ -	\$ -

Combining Balance Sheet
 Nonmajor Capital Projects Funds
 June 30, 2023

	Parks Construction Fund	General Government Capital Projects Fund	Total
ASSETS			
Cash and cash equivalents	\$ 63,496	\$ -	\$ 63,496
Due from other funds	-	608,014	608,014
Due from other governmental units	-	47,895	47,895
Prepaid items	-	-	-
Total assets	\$ 63,496	\$ 655,909	\$ 719,405
LIABILITIES			
Accounts payable	\$ -	\$ 540,259	\$ 540,259
Unearned revenue	-	28,164	28,164
Total liabilities	\$ -	\$ 568,423	\$ 568,423
FUND BALANCES			
Restricted:			
Swim team	\$ 4,851	\$ -	\$ 4,851
Pool	1,659	-	1,659
Assigned:			
Capital projects	56,986	87,486	144,472
Total fund balances	\$ 63,496	\$ 87,486	\$ 150,982
Total liabilities and fund balances	\$ 63,496	\$ 655,909	\$ 719,405

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Nonmajor Capital Projects Funds
 For the Year Ended June 30, 2023

	Parks Construction Fund	Government Capital Projects Fund	Total
REVENUES			
Revenue from the use of money and property	\$ 839	\$ -	\$ 839
Miscellaneous	1,691	28,000	29,691
Intergovernmental:			
Commonwealth	-	61,561	61,561
Federal	-	2,701,803	2,701,803
Total revenues	<u>\$ 2,530</u>	<u>\$ 2,791,364</u>	<u>\$ 2,793,894</u>
EXPENDITURES			
Capital projects	<u>\$ -</u>	<u>\$ 4,312,107</u>	<u>\$ 4,312,107</u>
Total expenditures	<u>\$ -</u>	<u>\$ 4,312,107</u>	<u>\$ 4,312,107</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 2,530</u>	<u>\$ (1,520,743)</u>	<u>\$ (1,518,213)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	\$ -	\$ 1,502,826	\$ 1,502,826
Insurance proceeds	-	17,917	17,917
Total other financing sources (uses)	<u>\$ -</u>	<u>\$ 1,520,743</u>	<u>\$ 1,520,743</u>
Net change in fund balances	\$ 2,530	\$ -	\$ 2,530
Fund balances - beginning	<u>60,966</u>	<u>87,486</u>	<u>148,452</u>
Fund balances - ending	<u><u>\$ 63,496</u></u>	<u><u>\$ 87,486</u></u>	<u><u>\$ 150,982</u></u>

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 Nonmajor Capital Projects Funds
 For the Year Ended June 30, 2023

	Parks Construction Fund				General Government Capital Projects Fund			
	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
REVENUES								
Revenue from the use of money and property	\$ -	\$ -	\$ 839	\$ 839	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	-	1,691	1,691	-	-	28,000	28,000
Intergovernmental:								
Commonwealth	-	-	-	-	-	76,508	61,561	(14,947)
Federal	-	-	-	-	-	2,730,000	2,701,803	(28,197)
Total revenues	\$ -	\$ -	\$ 2,530	\$ 2,530	\$ -	\$ 2,806,508	\$ 2,791,364	\$ (15,144)
EXPENDITURES								
Capital projects	\$ -	\$ -	\$ -	\$ -	\$ 3,735,000	\$ 5,467,872	\$ 4,312,107	\$ 1,155,765
Total expenditures	\$ -	\$ -	\$ -	\$ -	\$ 3,735,000	\$ 5,467,872	\$ 4,312,107	\$ 1,155,765
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ 2,530	\$ 2,530	\$ (3,735,000)	\$ (2,661,364)	\$ (1,520,743)	\$ 1,140,621
OTHER FINANCING SOURCES (USES)								
Transfers in	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,643,447	\$ 1,502,826	\$ (1,140,621)
Insurance proceeds	-	-	-	-	-	17,917	17,917	-
Total other financing sources (uses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,661,364	\$ 1,520,743	\$ (1,140,621)
Net change in fund balances	\$ -	\$ -	\$ 2,530	\$ 2,530	\$ (3,735,000)	\$ -	\$ -	\$ -
Fund balances - beginning	-	-	60,966	60,966	3,735,000	-	87,486	87,486
Fund balances - ending	\$ -	\$ -	\$ 63,496	\$ 63,496	\$ -	\$ -	\$ 87,486	\$ 87,486

Combining Statement of Fiduciary Net Position
 Custodial Funds
 June 30, 2023

	<u>Custodial Funds</u>			
	<u>Special Welfare Fund</u>	<u>Town of Berryville</u>	<u>Cafeteria Plan Withholding Fund</u>	<u>Total</u>
ASSETS				
Cash and cash equivalents	\$ 15,597	\$ 169,388	\$ 85,028	\$ 270,013
Total assets	<u>\$ 15,597</u>	<u>\$ 169,388</u>	<u>\$ 85,028</u>	<u>\$ 270,013</u>
LIABILITIES				
Accounts payable	\$ -	\$ 2,766	\$ -	\$ 2,766
Total liabilities	<u>\$ -</u>	<u>\$ 2,766</u>	<u>\$ -</u>	<u>\$ 2,766</u>
NET POSITION				
Restricted for:				
Special welfare	\$ 15,597	\$ -	\$ -	\$ 15,597
Town of Berryville	-	166,622	-	166,622
Employee benefits	-	-	85,028	85,028
Total net position	<u>\$ 15,597</u>	<u>\$ 166,622</u>	<u>\$ 85,028</u>	<u>\$ 267,247</u>
Total liabilities and net position	<u>\$ 15,597</u>	<u>\$ 169,388</u>	<u>\$ 85,028</u>	<u>\$ 270,013</u>

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

	Custodial Funds			
	Special Welfare	Town of Berryville	Cafeteria Plan Withholding Fund	Total
ADDITIONS				
Special welfare collections	\$ 1,100	\$ -	\$ -	\$ 1,100
Interest	29	2,164	-	2,193
Collection of shared costs	-	60,379	-	60,379
Employee deferrals	-	-	95,519	95,519
Total additions	<u>\$ 1,129</u>	<u>\$ 62,543</u>	<u>\$ 95,519</u>	<u>\$ 159,191</u>
DEDUCTIONS				
Welfare costs	\$ 3,768	\$ -	\$ -	\$ 3,768
Town share of maintenance costs	-	57,336	-	57,336
Flexible spending account benefits	-	-	92,971	92,971
Total deductions	<u>\$ 3,768</u>	<u>\$ 57,336</u>	<u>\$ 92,971</u>	<u>\$ 154,075</u>
Net increase (decrease) in fiduciary net position	<u>\$ (2,639)</u>	<u>5,207</u>	<u>2,548</u>	<u>5,116</u>
Net position, beginning of year	<u>\$ 18,236</u>	<u>\$ 161,415</u>	<u>82,480</u>	<u>\$ 262,131</u>
Net position, end of year	<u>\$ 15,597</u>	<u>\$ 166,622</u>	<u>\$ 85,028</u>	<u>\$ 267,247</u>

Discretely Presented Component Unit-School Board

Combining Balance Sheet
Discretely Presented Component Unit - School Board
June 30, 2023

	School Operating Fund	School Food Service Fund	School Activity Fund	School Capital Projects Fund	Total Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 500	\$ 662,319	\$ 365,484	\$ -	\$ 536,990	\$ 1,565,293
Accounts receivable	48,179	-	-	-	-	48,179
Lease receivable	39,087	-	-	-	-	39,087
Due from primary government	1,432,305	-	-	639,069	-	2,071,374
Due from other governmental units	944,960	107,831	-	263,094	-	1,315,885
Prepaid items	17,571	-	-	-	-	17,571
Total assets	<u>\$ 2,482,602</u>	<u>\$ 770,150</u>	<u>\$ 365,484</u>	<u>\$ 902,163</u>	<u>\$ 536,990</u>	<u>\$ 5,057,389</u>
LIABILITIES						
Accounts payable	\$ 111,796	\$ 22,553	\$ -	\$ 391,315	\$ -	\$ 525,664
Accrued liabilities	2,318,257	21,650	-	-	-	2,339,907
Unearned revenue	12,962	-	-	-	-	12,962
Total liabilities	<u>\$ 2,443,015</u>	<u>\$ 44,203</u>	<u>\$ -</u>	<u>\$ 391,315</u>	<u>\$ -</u>	<u>\$ 2,878,533</u>
DEFERRED INFLOWS OF RESOURCES						
Lease related	\$ 39,087	\$ -	\$ -	\$ -	\$ -	\$ 39,087
Total deferred inflows of resources	<u>\$ 39,087</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 39,087</u>
FUND BALANCES						
Nonspendable:						
Prepaid items	\$ 17,571	\$ -	\$ -	\$ -	\$ -	\$ 17,571
Restricted:						
School construction	-	-	-	510,848	-	510,848
Assigned:						
School operating	500	725,947	-	-	-	726,447
School activities	-	-	365,484	-	-	365,484
Capital projects	-	-	-	-	536,990	536,990
Unassigned	(17,571)	-	-	-	-	(17,571)
Total fund balances	<u>\$ 500</u>	<u>\$ 725,947</u>	<u>\$ 365,484</u>	<u>\$ 510,848</u>	<u>\$ 536,990</u>	<u>\$ 2,139,769</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,482,602</u>	<u>\$ 770,150</u>	<u>\$ 365,484</u>	<u>\$ 902,163</u>	<u>\$ 536,990</u>	<u>\$ 5,057,389</u>

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

Total fund balances per above	\$ 2,139,769
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	20,788,072
The net pension asset is not an available resource and, therefore, is not reported in the funds.	384,789
Deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds.	
Pension related items	\$ 4,050,275
OPEB related items	<u>659,343</u>
	4,709,618
Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.	
Pension related items	\$ (3,832,307)
OPEB related items	<u>(692,872)</u>
	(4,525,179)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(18,589,432)
Net position of governmental activities	<u>\$ 4,907,637</u>

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Governmental Funds - Discretely Presented Component Unit - School Board
 For the Year Ended June 30, 2023

	School Operating Fund	School Food Service Fund	School Activity Fund	School Capital Projects Fund	Total Nonmajor Governmental Funds	Total Governmental Funds
REVENUES						
Revenue from the use of money and property	\$ 45,886	\$ 9,321	\$ -	\$ -	\$ 7,242	\$ 62,449
Charges for services	162,735	479,677	-	-	-	642,412
Miscellaneous	9,733	-	478,784	-	-	488,517
Recovered costs	12,896	5,357	-	22,657	-	40,910
Intergovernmental:						
Local government	13,755,005	-	-	25,633	-	13,780,638
Commonwealth	10,574,314	33,445	-	1,393,266	-	12,001,025
Federal	1,425,591	606,342	-	1,117,690	-	3,149,623
Total revenues	\$ 25,986,160	\$ 1,134,142	\$ 478,784	\$ 2,559,246	\$ 7,242	\$ 30,165,574
EXPENDITURES						
Current:						
Education	\$ 26,044,736	\$ 1,162,027	\$ 450,146	\$ -	\$ -	\$ 27,656,909
Capital projects	-	-	-	2,048,398	-	2,048,398
Total expenditures	\$ 26,044,736	\$ 1,162,027	\$ 450,146	\$ 2,048,398	\$ -	\$ 29,705,307
Excess (deficiency) of revenues over (under) expenditures	\$ (58,576)	\$ (27,885)	\$ 28,638	\$ 510,848	\$ 7,242	\$ 460,267
OTHER FINANCING SOURCES (USES)						
Issuance of subscription liability	\$ 58,576	\$ -	\$ -	\$ -	\$ -	\$ 58,576
Total other financing sources (uses)	\$ 58,576	\$ -	\$ -	\$ -	\$ -	\$ 58,576
Net change in fund balances	\$ -	\$ (27,885)	\$ 28,638	\$ 510,848	\$ 7,242	\$ 518,843
Fund balances - beginning	500	753,832	336,846	-	529,748	1,620,926
Fund balances - ending	\$ 500	\$ 725,947	\$ 365,484	\$ 510,848	\$ 536,990	\$ 2,139,769

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

Net change in fund balances - total governmental funds - per above \$ 518,843

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which the depreciation exceeded capital outlays in the current period. 632,354

The issuance of long-term debt (e.g. bonds, leases, SBITAs) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. (58,576)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds. This amount reflects the changes in compensated absences, net OPEB liabilities, and accrued interest payable, etc.

Pension expense	\$ 2,474,239
OPEB expense	112,223
Principal payment on lease liabilities	26,725
Principal payment on subscription liabilities	9,915
Decrease in compensated absences	(152,997)
Change in net position of governmental activities	<u>\$ 3,562,726</u>

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Discretely Presented Component Unit - School Board
For the Year Ended June 30, 2023

	School Operating Fund				School Food Service Fund			
	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
REVENUES								
Revenue from the use of money and property	\$ 40,000	\$ 40,000	\$ 45,886	\$ 5,886	\$ -	\$ -	\$ 9,321	\$ 9,321
Charges for services	150,460	150,460	162,735	12,275	460,000	460,000	479,677	19,677
Miscellaneous	70,639	46,072	9,733	(36,339)	-	-	-	-
Recovered costs	10,425	10,425	12,896	2,471	-	-	5,357	5,357
Intergovernmental:								
Local government	13,843,678	13,843,678	13,755,005	(88,673)	-	-	-	-
Commonwealth	10,199,473	10,564,619	10,574,314	9,695	44,244	44,244	33,445	(10,799)
Federal	1,075,506	1,413,211	1,425,591	12,380	240,054	274,652	606,342	331,690
Total revenues	\$ 25,390,181	\$ 26,068,465	\$ 25,986,160	\$ (82,305)	\$ 744,298	\$ 778,896	\$ 1,134,142	\$ 355,246
EXPENDITURES								
Current:								
Education	\$ 25,375,181	\$ 26,070,255	\$ 26,044,736	\$ 25,519	\$ 744,298	\$ 744,298	\$ 1,162,027	\$ (417,729)
Capital projects	-	-	-	-	-	-	-	-
Total expenditures	\$ 25,375,181	\$ 26,070,255	\$ 26,044,736	\$ 25,519	\$ 744,298	\$ 744,298	\$ 1,162,027	\$ (417,729)
Excess (deficiency) of revenues over (under) expenditures	\$ 15,000	\$ (1,790)	\$ (58,576)	\$ (56,786)	\$ -	\$ 34,598	\$ (27,885)	\$ (62,483)
OTHER FINANCING SOURCES (USES)								
Transfers out	\$ (15,000)	\$ (15,000)	\$ -	\$ 15,000	\$ -	\$ -	\$ -	\$ -
Total other financing sources (uses)	\$ (15,000)	\$ (15,000)	\$ -	\$ 15,000	\$ -	\$ -	\$ -	\$ -
Net change in fund balances	\$ -	\$ (16,790)	\$ (58,576)	\$ (41,786)	\$ -	\$ 34,598	\$ (27,885)	\$ (62,483)
Fund balances - beginning	-	16,790	500	(16,290)	-	(34,598)	753,832	788,430
Fund balances - ending	\$ -	\$ -	\$ (58,076)	\$ (58,076)	\$ -	\$ -	\$ 725,947	\$ 725,947

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Discretely Presented Component Unit - School Board
For the Year Ended June 30, 2023

	School Activity Fund				School Capital Projects Fund			
	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
REVENUES								
Revenue from the use of money and property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-	-	-	-
Miscellaneous	-	-	478,784	478,784	-	-	-	-
Recovered costs	-	-	-	-	-	35,000	22,657	-
Intergovernmental:								
Local government	-	-	-	-	-	322,858	25,633	(297,225)
Commonwealth	-	-	-	-	1,570,325	1,895,266	1,393,266	(502,000)
Federal	-	-	-	-	-	749,630	1,117,690	368,060
Total revenues	\$ -	\$ -	\$ 478,784	\$ 478,784	\$ 1,570,325	\$ 3,002,754	\$ 2,559,246	\$ (431,165)
EXPENDITURES								
Current:								
Education	\$ -	\$ -	\$ 450,146	\$ (450,146)	\$ -	\$ -	\$ -	\$ -
Capital projects	-	-	-	-	1,570,325	2,967,754	2,048,398	919,356
Total expenditures	\$ -	\$ -	\$ 450,146	\$ (450,146)	\$ 1,570,325	\$ 2,967,754	\$ 2,048,398	\$ 919,356
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ 28,638	\$ 28,638	\$ -	\$ 35,000	\$ 510,848	\$ 488,191
OTHER FINANCING SOURCES (USES)								
Transfers out	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total other financing sources (uses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net change in fund balances	\$ -	\$ -	\$ 28,638	\$ 28,638	\$ -	\$ 35,000	\$ 510,848	\$ 488,191
Fund balances - beginning	-	-	336,846	336,846	-	(35,000)	-	35,000
Fund balances - ending	\$ -	\$ -	\$ 365,484	\$ 365,484	\$ -	\$ -	\$ 510,848	\$ 523,191

Balance Sheet

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

June 30, 2023

	<u>School Capital Project Proffers Fund</u>
ASSETS	
Cash and cash equivalents	\$ <u>536,990</u>
Total assets	\$ <u><u>536,990</u></u>
FUND BALANCE	
Assigned:	
Capital projects	\$ <u>536,990</u>
Total fund balances	\$ <u>536,990</u>
Total liabilities and fund balances	\$ <u><u>536,990</u></u>

Statement of Revenues, Expenditures, and Changes in Fund Balances
 Nonmajor Capital Projects Fund - Discretely Presented Component Unit - School Board
 For the Year Ended June 30, 2023

	<u>School Capital Project Proffers Fund</u>
REVENUES	
Revenue from the use of money and property	\$ <u>7,242</u>
Total revenues	\$ <u>7,242</u>
Excess (deficiency) of revenues over (under) expenditures	\$ <u>7,242</u>
Net change in fund balances	\$ 7,242
Fund balances - beginning	<u>529,748</u>
Fund balances - ending	<u><u>536,990</u></u>

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 Nonmajor Capital Projects Fund- Discretely Presented Component Unit - School Board
 For the Year Ended June 30, 2023

	<u>School Capital Projects Proffers Fund</u>			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>		<u>Actual</u>	
	<u>Original</u>	<u>Final</u>		
REVENUES				
Revenue from the use of money and property	\$ -	\$ -	\$ 7,242	\$ 7,242
Total revenues	\$ -	\$ -	\$ 7,242	\$ 7,242
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ 7,242	\$ 7,242
Net change in fund balances	\$ -	\$ -	\$ 7,242	\$ 7,242
Fund balances - beginning	-	-	529,748	529,748
Fund balances - ending	\$ -	\$ -	\$ 536,990	\$ 536,990

Discretely Presented Component Unit – Sanitary Authority

Combining Statement of Net Position
 Discretely Presented Component Unit - Sanitary Authority
 As of June 30, 2023

	Enterprise Funds		
	Water Fund	Sewer Fund	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 586,701	\$ 538,858	\$ 1,125,559
Accounts receivable	83,560	87,231	170,791
Prepaid items	2	2	4
Total current assets	<u>\$ 670,263</u>	<u>\$ 626,091</u>	<u>\$ 1,296,354</u>
Noncurrent assets:			
Capital assets:			
Land	\$ 13,200	\$ -	\$ 13,200
Utility plant in service	6,863,484	7,048,835	13,912,319
Accumulated depreciation	(3,629,390)	(2,498,318)	(6,127,708)
Sub-total	<u>\$ 3,247,294</u>	<u>\$ 4,550,517</u>	<u>\$ 7,797,811</u>
Total capital assets	<u>\$ 3,247,294</u>	<u>\$ 4,550,517</u>	<u>\$ 7,797,811</u>
Total noncurrent assets	<u>\$ 3,247,294</u>	<u>\$ 4,550,517</u>	<u>\$ 7,797,811</u>
Total assets	<u><u>\$ 3,917,557</u></u>	<u><u>\$ 5,176,608</u></u>	<u><u>\$ 9,094,165</u></u>
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 37,746	\$ 37,186	\$ 74,932
Accrued interest payable	3,408	-	3,408
Customers' deposits	7,250	900	8,150
Bonds payable - current portion	156,967	207,052	364,019
Total current liabilities	<u>\$ 205,371</u>	<u>\$ 245,138</u>	<u>\$ 450,509</u>
Noncurrent liabilities:			
Bonds payable - net of current portion	<u>\$ 680,619</u>	<u>\$ 1,206,000</u>	<u>\$ 1,886,619</u>
Total noncurrent liabilities	<u>\$ 680,619</u>	<u>\$ 1,206,000</u>	<u>\$ 1,886,619</u>
Total liabilities	<u>\$ 885,990</u>	<u>\$ 1,451,138</u>	<u>\$ 2,337,128</u>
NET POSITION			
Net investment in capital assets	\$ 2,409,708	\$ 3,137,465	\$ 5,547,173
Unrestricted	621,859	588,005	1,209,864
Total net position	<u><u>\$ 3,031,567</u></u>	<u><u>\$ 3,725,470</u></u>	<u><u>\$ 6,757,037</u></u>

Combining Statement of Revenues, Expenses, and Changes in Net Position
Discretely Presented Component Unit - Sanitary Authority
For the Year Ended June 30, 2022

	Enterprise Funds		
	Water Fund	Sewer Fund	Total
OPERATING REVENUES			
Charges for services:			
Customer service charges	\$ 329,000	\$ 368,295	\$ 697,295
Connection fees	800	350	1,150
Availability fees	13,800	16,200	30,000
Miscellaneous	13,813	79,760	93,573
Total operating revenues	\$ 357,413	\$ 464,605	\$ 822,018
OPERATING EXPENSES			
Office supplies and expenses	\$ 11,048	\$ 10,370	\$ 21,418
Plant maintenance	8,559	50,009	58,568
Pipeline/road repairs	6,218	-	6,218
Pump station maintenance	-	2,950	2,950
Operating supplies / small equipment	28,919	64,659	93,578
Professional services	121,382	153,822	275,204
Salaries and wages	22,269	22,269	44,538
Benefits	9,813	9,814	19,627
Testing services	3,099	16,827	19,926
Utilities	26,255	84,051	110,306
Depreciation	169,390	194,715	364,105
Total operating expenses	\$ 406,952	\$ 609,486	\$ 1,016,438
Operating income (loss)	\$ (49,539)	\$ (144,881)	\$ (194,420)
NONOPERATING REVENUES (EXPENSES)			
Investment income	\$ 7,508	\$ 5,444	\$ 12,952
Tower rental	147,052	-	147,052
County operating subsidy	-	207,000	207,000
Transfers	(52,472)	52,472	-
Interest expense	(15,388)	-	(15,388)
Total nonoperating revenues (expenses)	\$ 86,700	\$ 264,916	\$ 351,616
Change in net position	\$ 37,161	\$ 120,035	\$ 157,196
Total net position - beginning	2,994,406	3,605,435	6,599,841
Total net position - ending	\$ 3,031,567	\$ 3,725,470	\$ 6,757,037

Combining Statement of Cash Flows
Discretely Presented Component Unit - Sanitary Authority
For the Year Ended June 30, 2023

	Enterprise Funds		
	Water Fund	Sewer Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 342,877	\$ 453,154	\$ 796,031
Payments to suppliers	(208,351)	(360,940)	(569,291)
Payments to and on behalf of employees	(32,082)	(32,083)	(64,165)
Net cash provided by (used for) operating activities	\$ 102,444	\$ 60,131	\$ 162,575
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Tower rental	\$ 147,052	\$ -	\$ 147,052
Transfers	(52,472)	52,472	-
Operating subsidy from Clarke County	-	207,000	207,000
Net cash provided by (used for) noncapital financing activities	\$ 94,580	\$ 259,472	\$ 354,052
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of property, plant and equipment	\$ (30,252)	\$ -	\$ (30,252)
Retirements of long-term indebtedness	(102,868)	(207,052)	(309,920)
Interest paid on debt	(15,388)	-	(15,388)
Net cash provided by (used for) capital and related financing activities	\$ (148,508)	\$ (207,052)	\$ (355,560)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest income	\$ 7,508	\$ 5,444	\$ 12,952
Net cash provided by (used for) investing activities	\$ 7,508	\$ 5,444	\$ 12,952
Net increase (decrease) in cash and cash equivalents	\$ 56,024	\$ 117,995	\$ 174,019
Cash and cash equivalents - beginning	530,677	420,863	951,540
Cash and cash equivalents - ending	\$ 586,701	\$ 538,858	\$ 1,125,559
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating income (loss)	\$ (49,539)	\$ (144,881)	\$ (194,420)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	169,390	194,715	364,105
(Increase) decrease in accounts receivable	(15,036)	(11,751)	(26,787)
(Increase) decrease in prepaid items	397	378	775
Increase (decrease) in accounts payable	(3,268)	21,370	18,102
Increase (decrease) in customers' deposits	500	300	800
Total adjustments	\$ 151,983	\$ 205,012	\$ 356,995
Net cash provided by (used for) operating activities	\$ 102,444	\$ 60,131	\$ 162,575

Discretely Presented Component Unit-Industrial Development Authority

Statement of Net Position
Discretely Presented Component Unit - Industrial Development Authority
As of June 30, 2023

	<u>Industrial Development Authority</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 33,060
Investments	<u>123,513</u>
Total assets	<u>\$ 156,573</u>
NET POSITION	
Unrestricted	<u>156,573</u>

Statement of Revenues, Expenses, and Changes in Net Position
 Discretely Presented Component Unit - Industrial Development Authority
 For the Year Ended June 30, 2023

	Industrial Development Authority
OPERATING REVENUES	
Charges for services:	
Bond repayment and application fees	\$ <u>6,880</u>
Total operating revenues	\$ <u>6,880</u>
OPERATING EXPENSES	
Contribution to Lord Fairfax Small Business Park	\$ 6,000
Professional services	3,350
Board members' fee	1,000
Insurance	<u>1,324</u>
Total operating expenses	\$ <u>11,674</u>
Operating income (loss)	\$ <u>(4,794)</u>
NONOPERATING REVENUES (EXPENSES)	
Unrealized gain (loss) on investments	\$ 5,864
Interest/dividend income	<u>4,586</u>
Total nonoperating revenues (expenses)	\$ <u>10,450</u>
Change in net position	\$ 5,656
Total net position - beginning	<u>150,917</u>
Total net position - ending	<u><u>156,573</u></u>

Statement of Cash Flows
 Discretely Presented Component Unit - Industrial Development Authority
 For the Year Ended June 30, 2023

	Industrial Development Authority
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and users	\$ 6,880
Payments to board	(1,000)
Payments to suppliers	<u>(9,350)</u>
Net cash provided (used) by operating activities	\$ <u>(3,470)</u>
Net increase (decrease) in cash and cash equivalents	\$ (3,470)
Cash and cash equivalents - beginning	<u>36,530</u>
Cash and cash equivalents - ending	<u><u>\$ 33,060</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	\$ <u>(4,794)</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:	
(Increase) decrease in prepaid items	<u>\$ 1,324</u>
Total adjustments	<u>\$ 1,324</u>
Net cash provided by (used for) operating activities	<u><u>\$ (3,470)</u></u>

Supporting Schedules

Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2023

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 15,035,000	\$ 15,035,000	\$ 15,296,954	\$ 261,954
Real and personal public service corporation taxes	443,000	443,000	475,374	32,374
Personal property taxes	6,731,556	6,731,556	7,948,625	1,217,069
Mobile home taxes	600	600	1,603	1,003
Machinery and tools taxes	208,000	208,000	200,351	(7,649)
Penalties	207,000	207,000	333,903	126,903
Interest	120,000	120,000	213,884	93,884
Total general property taxes	<u>\$ 22,745,156</u>	<u>\$ 22,745,156</u>	<u>\$ 24,470,694</u>	<u>\$ 1,725,538</u>
Other local taxes:				
Local sales and use taxes	\$ 1,550,000	\$ 1,550,000	\$ 1,595,514	\$ 45,514
Consumers' utility taxes	345,000	345,000	333,188	(11,812)
Consumption taxes	34,000	34,000	34,283	283
Cigarette taxes	297,000	297,000	267,900	(29,100)
Motor vehicle licenses	327,000	327,000	364,850	37,850
Meals taxes	297,000	297,000	276,485	(20,515)
Taxes on recordation and wills	396,000	396,000	260,139	(135,861)
Transient occupancy taxes	97,000	97,000	126,828	29,828
Business license taxes	23,000	23,000	24,430	1,430
Total other local taxes	<u>\$ 3,366,000</u>	<u>\$ 3,366,000</u>	<u>\$ 3,283,617</u>	<u>\$ (82,383)</u>
Permits, privilege fees, and regulatory licenses:				
Animal licenses	\$ 3,217	\$ 3,217	\$ 4,418	\$ 1,201
Land use application fees	31,500	31,500	30,475	(1,025)
Animal shelter fees	7,000	7,000	15,102	8,102
Building and related permits	260,000	260,000	185,566	(74,434)
Zoning and subdivision	63,000	63,000	144,828	81,828
Transfer fees	710	710	548	(162)
Signs permits and inspection fees	300	300	-	(300)
Weapons permits	5,000	5,000	7,524	2,524
Other permits and fees	4,375	4,375	2,040	(2,335)
Total permits, privilege fees, and regulatory licenses	<u>\$ 375,102</u>	<u>\$ 375,102</u>	<u>\$ 390,501</u>	<u>\$ 15,399</u>
Fines and forfeitures:				
Court fines and forfeitures	\$ 230,250	\$ 230,250	\$ 197,171	\$ (33,079)
Total fines and forfeitures	<u>\$ 230,250</u>	<u>\$ 230,250</u>	<u>\$ 197,171</u>	<u>\$ (33,079)</u>
Revenue from use of money and property:				
Revenue from use of money	\$ 90,000	\$ 90,000	\$ 242,718	\$ 152,718
Revenue from use of property	66,000	66,000	56,643	(9,357)
Total revenue from use of money and property	<u>\$ 156,000</u>	<u>\$ 156,000</u>	<u>\$ 299,361</u>	<u>\$ 143,361</u>

Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2023 (continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Revenue from local sources: (Continued)				
Charges for services:				
Sheriff's fees	\$ 800	\$ 800	\$ 784	\$ (16)
Charges for ambulance and rescue	450,000	450,000	587,154	137,154
Charges for courthouse security	65,000	65,000	59,742	(5,258)
Charges for jail processing	850	850	1,137	287
Court appointed attorney	200	200	-	(200)
Charges for other localities	5,000	5,000	5,000	-
Charges for Commonwealth's Attorney	800	800	868	68
Charges for parks and recreation	394,500	394,500	406,091	11,591
Charges for engineer's fees/biosolids applications	5,000	5,000	24,325	19,325
E-tickets	11,000	11,000	10,932	(68)
Other charges for services	21,706	21,706	26,855	5,149
Total charges for services	\$ 954,856	\$ 954,856	\$ 1,122,888	\$ 168,032
Miscellaneous:				
Miscellaneous	\$ 70,565	\$ 96,256	\$ 114,950	\$ 18,694
Total miscellaneous	\$ 70,565	\$ 96,256	\$ 114,950	\$ 18,694
Recovered costs:				
Rebates and refunds	\$ 6,800	\$ 6,800	\$ 10,634	\$ 3,834
Gifts and donations in lieu of taxes	1,000	1,000	2,872	1,872
Recycling and other rebates and refunds	27,000	27,000	26,580	(420)
Total recovered costs	\$ 34,800	\$ 34,800	\$ 40,086	\$ 5,286
Total revenue from local sources	\$ 27,932,729	\$ 27,958,420	\$ 29,919,268	\$ 1,960,848
Intergovernmental:				
Revenue from the Commonwealth:				
Noncategorical aid:				
Motor vehicle carriers' tax	\$ 23,000	\$ 23,000	\$ 24,052	\$ 1,052
Mobile home titling tax	-	-	495	495
Taxes on deeds	100,000	100,000	81,222	(18,778)
Quarterly rental tax	150	150	681	531
Communications tax	284,030	284,030	297,957	13,927
Personal property tax relief funds	2,483,842	2,483,842	2,483,842	-
Total noncategorical aid	\$ 2,891,022	\$ 2,891,022	\$ 2,888,249	\$ (2,773)

Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2020 (continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Intergovernmental: (Continued)				
Revenue from the Commonwealth: (Continued)				
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	\$ 220,661	\$ 220,661	\$ 216,264	\$ (4,397)
Sheriff	886,036	886,036	898,136	12,100
Commissioner of revenue	96,794	96,794	112,298	15,504
Treasurer	127,387	127,387	132,480	5,093
Registrar/electoral board	57,557	57,557	66,084	8,527
Clerk of the Circuit Court	192,888	192,888	193,350	462
Total shared expenses	<u>\$ 1,581,323</u>	<u>\$ 1,581,323</u>	<u>\$ 1,618,612</u>	<u>\$ 37,289</u>
Other categorical aid:				
Fire programs fund	\$ 55,980	\$ 37,955	\$ 37,955	-
Litter control grant	7,981	11,000	11,000	-
Virginia Commission for the Arts	4,500	4,500	4,500	-
Other categorical aid	55,561	102,489	115,301	12,812
Total other categorical aid	<u>\$ 124,022</u>	<u>\$ 155,944</u>	<u>\$ 168,756</u>	<u>\$ 12,812</u>
Total categorical aid	<u>\$ 1,705,345</u>	<u>\$ 1,737,267</u>	<u>\$ 1,787,368</u>	<u>\$ 50,101</u>
Total revenue from the Commonwealth	<u>\$ 4,596,367</u>	<u>\$ 4,628,289</u>	<u>\$ 4,675,617</u>	<u>\$ 47,328</u>
Revenue from the federal government:				
Payments in lieu of taxes	<u>\$ 7,272</u>	<u>\$ 7,272</u>	<u>\$ 7,372</u>	<u>\$ 100</u>
Categorical aid:				
Crime victim assistance	\$ 55,702	\$ 55,702	\$ 55,702	-
Historic preservation fund	7,000	7,000	7,000	-
Emergency management performance grant	7,500	7,500	7,500	-
Local assistance and tribal consistency fund	-	50,000	45,500	(4,500)
SCAAP grant	1,689	1,689	-	(1,689)
DMV 402 grant	17,100	17,100	3,924	(13,176)
SAFER grant	66,352	66,352	57,527	(8,825)
Local law enforcement block grant	3,075	5,028	3,280	(1,748)
Violence against women formula grants	28,053	28,053	28,096	43
Total categorical aid	<u>\$ 186,471</u>	<u>\$ 238,424</u>	<u>\$ 208,529</u>	<u>\$ (29,895)</u>
Total revenue from the federal government	<u>\$ 193,743</u>	<u>\$ 245,696</u>	<u>\$ 215,901</u>	<u>\$ (29,795)</u>
Total General Fund	<u>\$ 32,722,839</u>	<u>\$ 32,832,405</u>	<u>\$ 34,810,786</u>	<u>\$ 1,978,381</u>

Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2023 (continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Special Revenue Funds:				
Virginia Public Assistance Fund:				
Revenue from local sources:				
Recovered costs:				
Expenditure refunds	\$ -	\$ -	\$ 1,918	\$ 1,918
Total recovered costs	\$ -	\$ -	\$ 1,918	\$ 1,918
Total revenue from local sources	\$ -	\$ -	\$ 1,918	\$ 1,918
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Public assistance and welfare administration	\$ 585,800	\$ 632,800	\$ 387,417	\$ (245,383)
Total categorical aid	\$ 585,800	\$ 632,800	\$ 387,417	\$ (245,383)
Total revenue from the Commonwealth	\$ 585,800	\$ 632,800	\$ 387,417	\$ (245,383)
Revenue from the federal government:				
Categorical aid:				
Public assistance and welfare administration	\$ 585,800	\$ 634,270	\$ 774,420	\$ 140,150
Total categorical aid	\$ 585,800	\$ 634,270	\$ 774,420	\$ 140,150
Total revenue from the federal government	\$ 585,800	\$ 634,270	\$ 774,420	\$ 140,150
Total Virginia Public Assistance Fund	<u>\$ 1,171,600</u>	<u>\$ 1,267,070</u>	<u>\$ 1,163,755</u>	<u>\$ (103,315)</u>
Children's Services Act Fund:				
Revenue from local sources:				
Miscellaneous:				
Other miscellaneous	\$ -	\$ -	\$ 2,729	\$ 2,729
Total miscellaneous	\$ -	\$ -	\$ 2,729	\$ 2,729
Total revenue from local sources	\$ -	\$ -	\$ 2,729	\$ 2,729
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Children's services	\$ 177,663	\$ 346,971	\$ 197,753	\$ (149,218)
Total categorical aid	\$ 177,663	\$ 346,971	\$ 197,753	\$ (149,218)
Total revenue from the Commonwealth	\$ 177,663	\$ 346,971	\$ 197,753	\$ (149,218)
Revenue from the federal government:				
Categorical aid:				
Other categorical aid	\$ 13,046	\$ 13,046	\$ 13,046	\$ -
Total categorical aid	\$ 13,046	\$ 13,046	\$ 13,046	\$ -
Total revenue from the federal government	\$ 13,046	\$ 13,046	\$ 13,046	\$ -
Total Children's Services Act Fund	<u>\$ 190,709</u>	<u>\$ 360,017</u>	<u>\$ 213,528</u>	<u>\$ (146,489)</u>

Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2023 (continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Special Revenue Funds: (Continued)				
Drug Enforcement Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 1,041	\$ 1,041
Total revenue from use of money and property	\$ -	\$ -	\$ 1,041	\$ 1,041
Miscellaneous:				
Gifts and donations	\$ -	\$ -	\$ 36,650	\$ 36,650
Total miscellaneous	\$ -	\$ -	\$ 36,650	\$ 36,650
Total revenue from local sources	\$ -	\$ -	\$ 37,691	\$ 37,691
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Asset forfeiture	\$ -	\$ -	\$ 12,159	\$ 12,159
Total revenue from the Commonwealth	\$ -	\$ -	\$ 12,159	\$ 12,159
Total drug enforcement fund	\$ -	\$ -	\$ 49,850	\$ 49,850
Conservation Easement Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ -	\$ -	\$ 103,560	\$ 103,560
Revenue from use of money and property:				
Revenue from use of money	\$ -	\$ -	\$ 7,222	\$ 7,222
Miscellaneous:				
Miscellaneous	\$ 30,000	\$ 37,350	\$ 50,131	\$ 12,781
Total revenue from local sources	\$ 30,000	\$ 37,350	\$ 160,913	\$ 123,563
Intergovernmental:				
Revenue from the Commonwealth:				
Other categorical aid:				
Conservation easement grants	\$ 15,000	\$ 163,150	\$ 151,826	\$ (11,324)
Total Conservation Easement Fund	\$ 45,000	\$ 200,500	\$ 312,739	\$ 112,239

Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2023 (continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Debt Service Funds:				
School Debt Service Fund				
Revenue from local sources:				
Miscellaneous:				
Expenditure refunds	\$ 107,000	\$ 107,000	\$ 104,475	\$ (2,525)
Total revenue from local sources	<u>\$ 107,000</u>	<u>\$ 107,000</u>	<u>\$ 104,475</u>	<u>\$ (2,525)</u>
Intergovernmental:				
Revenue from the federal government:				
Categorical aid:				
BAB interest subsidy	\$ 91,571	\$ 91,571	\$ 82,417	\$ (9,154)
Total School Debt Service Fund	<u>\$ 198,571</u>	<u>\$ 198,571</u>	<u>\$ 186,892</u>	<u>\$ (11,679)</u>
Capital Projects Fund:				
General Government Capital Projects Fund:				
Revenue from local sources:				
Miscellaneous:				
Gifts and donations	\$ -	\$ -	\$ 28,000	\$ 28,000
Total revenue from local sources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,000</u>	<u>\$ 28,000</u>
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Other categorical aid	\$ -	\$ 76,508	\$ 61,561	\$ (14,947)
Total revenue from the Commonwealth	<u>\$ -</u>	<u>\$ 76,508</u>	<u>\$ 61,561</u>	<u>\$ (14,947)</u>
Revenue from the federal government:				
Categorical aid:				
Coronavirus state and local fiscal recovery funds	\$ -	\$ 2,730,000	\$ 2,701,803	\$ (28,197)
Total categorical aid	<u>\$ -</u>	<u>\$ 2,730,000</u>	<u>\$ 2,701,803</u>	<u>\$ (28,197)</u>
Total revenue from the federal government	<u>\$ -</u>	<u>\$ 2,730,000</u>	<u>\$ 2,701,803</u>	<u>\$ (28,197)</u>
Total General Government Capital Projects Fund	<u>\$ -</u>	<u>\$ 2,806,508</u>	<u>\$ 2,791,364</u>	<u>\$ (15,144)</u>
Parks Construction Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 839	\$ 839
Total revenue from use of money and property	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 839</u>	<u>\$ 839</u>
Miscellaneous:				
Gifts and donations	\$ -	\$ -	\$ 1,691	\$ 1,691
Total miscellaneous	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,691</u>	<u>\$ 1,691</u>
Total revenue from local sources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,530</u>	<u>\$ 2,530</u>
Total Parks Construction Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,530</u>	<u>\$ 2,530</u>
Total Primary Government	<u>\$ 34,328,719</u>	<u>\$ 37,665,071</u>	<u>\$ 39,531,444</u>	<u>\$ 1,866,373</u>
Discretely Presented Component Unit - School Board:				
School Operating Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of property	\$ 40,000	\$ 40,000	\$ 45,886	\$ 5,886
Charges for services:				
Tuition	\$ 65,000	\$ 65,000	\$ 71,922	\$ 6,922
Dual enrollment	60,000	60,000	77,029	17,029
Registration fees	23,000	23,000	12,730	(10,270)
Parking fees	2,460	2,460	1,054	(1,406)
Total charges for services	<u>\$ 150,460</u>	<u>\$ 150,460</u>	<u>\$ 162,735</u>	<u>\$ 12,275</u>

Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2023 (continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Discretely Presented Component Unit - School Board: (Continued)				
School Operating Fund: (Continued)				
Revenue from local sources: (Continued)				
Miscellaneous:				
Other miscellaneous	\$ 11,500	\$ 11,500	\$ 4,074	\$ (7,426)
Private gifts and donations	\$ 59,139	\$ 34,572	\$ 5,659	\$ (28,913)
Total miscellaneous	\$ 70,639	\$ 46,072	\$ 9,733	\$ (36,339)
Recovered costs:				
Rebates and refunds	\$ 10,425	\$ 10,425	\$ 12,896	\$ 2,471
Total recovered costs	\$ 10,425	\$ 10,425	\$ 12,896	\$ 2,471
Total revenue from local sources	\$ 271,524	\$ 246,957	\$ 231,250	\$ (15,707)
Intergovernmental:				
Revenues from local governments:				
Contribution from County of Clarke, Virginia	\$ 13,843,678	\$ 13,843,678	\$ 13,755,005	\$ (88,673)
Total revenues from local governments	\$ 13,843,678	\$ 13,843,678	\$ 13,755,005	\$ (88,673)
Revenue from the Commonwealth:				
Categorical aid:				
Share of state sales tax	\$ 2,809,996	\$ 2,965,004	\$ 2,981,954	\$ 16,950
Basic school aid	4,345,149	4,445,025	4,378,996	(66,029)
Remedial summer education	26,196	26,196	17,963	(8,233)
Regular foster care	-	-	23,112	23,112
Gifted and talented	44,439	44,439	45,155	716
Remedial education	68,608	68,608	69,714	1,106
Special education	460,767	460,767	468,190	7,423
Textbook payments	103,209	103,209	104,871	1,662
Vocational education - soq	120,065	120,065	133,882	13,817
Social security - fringe benefits	255,722	255,722	263,802	8,080
Retirement - fringe benefits	596,425	596,425	615,539	19,114
Group life insurance - fringe benefits	17,932	17,932	19,013	1,081
State lottery payments	307,449	307,449	320,041	12,592
Early reading intervention	89,957	89,957	44,161	(45,796)
GED/ISAEP	8,233	8,233	8,203	(30)
Regional program tuition	-	-	3,582	3,582
Vocational education - equipment	8,289	8,289	8,742	453
Vocational occupational preparedness	4,076	4,076	-	(4,076)
Compensation supplement	287,976	287,976	276,344	(11,632)
Special education - foster children	35,590	35,590	23,871	(11,719)
Community development	-	155,433	167,971	12,538
At risk payments	116,808	116,808	70,658	(46,150)
Mentor teacher program	1,648	1,648	799	(849)
English as a second language	61,499	61,499	63,826	2,327
Special education - regional program	-	29,756	59,512	29,756
Other categorical aid	429,440	354,513	404,413	49,900
Total categorical aid	\$ 10,199,473	\$ 10,564,619	\$ 10,574,314	\$ 9,695
Total revenue from the Commonwealth	\$ 10,199,473	\$ 10,564,619	\$ 10,574,314	\$ 9,695

Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2023 (continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Discretely Presented Component Unit - School Board: (Continued)				
Intergovernmental: (Continued)				
Revenue from the federal government:				
Categorical aid:				
Title I part A: Grants to local educational agencies	\$ 175,000	\$ 175,000	\$ 172,833	\$ (2,167)
Title II part A: Improving teacher quality	38,000	38,000	37,683	(317)
Title III, Part A: English language acquisition grants	6,000	6,000	7,011	1,011
Title IV, Part A: Student support and academic enrichment grants	13,000	13,452	10,639	(2,813)
Title VI-B: Special education grants to states	415,000	433,237	433,237	-
Special education preschool handicapped grant	13,500	14,379	14,379	-
Vocational education basic grants to states	23,000	23,000	24,101	1,101
Education Stabilization Fund	392,006	422,006	450,533	28,527
Coronavirus state and local fiscal recovery funds	-	178,107	178,107	-
Public health crisis response	-	110,030	97,068	(12,962)
Total categorical aid	<u>\$ 1,075,506</u>	<u>\$ 1,413,211</u>	<u>\$ 1,425,591</u>	<u>\$ 12,380</u>
Total revenue from the federal government	<u>\$ 1,075,506</u>	<u>\$ 1,413,211</u>	<u>\$ 1,425,591</u>	<u>\$ 12,380</u>
Total School Operating Fund	<u>\$ 25,390,181</u>	<u>\$ 26,068,465</u>	<u>\$ 25,986,160</u>	<u>\$ (82,305)</u>
Special Revenue Funds:				
School Food Service Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 9,321	\$ 9,321
Total revenue from use of money and property	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,321</u>	<u>\$ 9,321</u>
Charges for services:				
Cafeteria sales	\$ 460,000	\$ 460,000	\$ 464,360	\$ 4,360
Other charges for services	-	-	15,317	15,317
Total charges for services	<u>\$ 460,000</u>	<u>\$ 460,000</u>	<u>\$ 479,677</u>	<u>\$ 19,677</u>
Recovered costs:				
Expenditure refunds and rebates	\$ -	\$ -	\$ 5,357	\$ 5,357
Total recovered costs	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,357</u>	<u>\$ 5,357</u>
Total revenue from local sources	<u>\$ 460,000</u>	<u>\$ 460,000</u>	<u>\$ 494,355</u>	<u>\$ 34,355</u>
Revenue from the Commonwealth:				
Categorical aid:				
School food program grant	\$ 44,244	\$ 44,244	\$ 33,445	\$ (10,799)
Total categorical aid	<u>44,244</u>	<u>44,244</u>	<u>33,445</u>	<u>(10,799)</u>
Total revenue from the Commonwealth	<u>44,244</u>	<u>44,244</u>	<u>33,445</u>	<u>(10,799)</u>
Revenue from the federal government:				
Categorical aid:				
School food program grant	\$ 240,054	\$ 274,652	\$ 602,036	\$ 327,384
Education Stabilization Fund	-	-	4,306	4,306
Total categorical aid	<u>\$ 240,054</u>	<u>\$ 274,652</u>	<u>\$ 606,342</u>	<u>\$ 331,690</u>
Total revenue from the federal government	<u>\$ 240,054</u>	<u>\$ 274,652</u>	<u>\$ 606,342</u>	<u>\$ 331,690</u>
Total School Food Service Fund	<u>\$ 744,298</u>	<u>\$ 778,896</u>	<u>\$ 1,134,142</u>	<u>\$ 355,246</u>

Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2023 (continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Discretely Presented Component Unit - School Board: (Continued)				
School Activity Fund:				
Revenue from local sources:				
Miscellaneous revenue:				
Other miscellaneous	\$ -	\$ -	\$ 478,784	\$ 478,784
Total miscellaneous revenue	\$ -	\$ -	\$ 478,784	\$ 478,784
Total revenue from local sources	\$ -	\$ -	\$ 478,784	\$ 478,784
Total School Activity Fund	\$ -	\$ -	\$ 478,784	\$ 478,784
Capital Projects Funds:				
School Capital Projects Fund:				
Revenue from local sources:				
Recovered costs:				
E-rate benefits	\$ -	\$ 35,000	\$ 20,757	\$ (14,243)
Rebates and refunds	-	-	1,900	1,900
Total recovered costs	\$ -	\$ 35,000	\$ 22,657	\$ (12,343)
Total revenue from local sources	\$ -	\$ 35,000	\$ 22,657	\$ (12,343)
Intergovernmental:				
Revenues from local governments:				
Contribution from County of Clarke, Virginia	\$ -	\$ 322,858	\$ 25,633	\$ (297,225)
Total revenues from local governments	\$ -	\$ 322,858	\$ 25,633	\$ (297,225)
Revenue from the Commonwealth:				
Categorical aid:				
Technology grant	\$ 154,000	\$ 386,541	\$ 82,325	\$ (304,216)
School construction grant	1,416,325	1,416,325	1,302,575	(113,750)
Other categorical aid	-	92,400	8,366	(84,034)
Total categorical aid	\$ 1,570,325	\$ 1,895,266	\$ 1,393,266	\$ (502,000)
Total revenue from the Commonwealth	\$ 1,570,325	\$ 1,895,266	\$ 1,393,266	\$ (502,000)
Revenue from the federal government:				
Categorical aid:				
Education stabilization fund	\$ -	\$ 432,536	\$ 432,536	-
Coronavirus state and local fiscal recovery fund	-	317,094	317,094	-
Emergency connectivity fund	-	-	368,060	368,060
Total categorical aid	\$ -	\$ 749,630	\$ 1,117,690	\$ 368,060
Total revenue from the federal government	\$ -	\$ 749,630	\$ 1,117,690	\$ 368,060
Total School Capital Projects Fund	\$ 1,570,325	\$ 3,002,754	\$ 2,559,246	\$ (443,508)
Capital Projects Fund:				
School Capital Projects Proffers Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 7,242	\$ 7,242
Total School Capital Projects Proffers Fund	\$ -	\$ -	\$ 7,242	\$ 7,242
Total Discretely Presented Component Unit - School Board	\$ 27,704,804	\$ 29,850,115	\$ 30,165,574	\$ 315,459

Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2023

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund:				
General government administration:				
Legislative:				
Board of supervisors	\$ 58,600	\$ 58,600	\$ 65,558	\$ (6,958)
General and financial administration:				
County administrator	\$ 399,585	\$ 399,585	\$ 403,695	\$ (4,110)
Independent auditor	51,020	51,020	48,325	2,695
Legal services	35,000	35,000	17,374	17,626
Commissioner of revenue	283,267	288,065	318,499	(30,434)
Data processing	552,818	553,799	529,167	24,632
Information systems	69,055	69,055	68,785	270
Finance and purchasing	638,106	637,125	621,432	15,693
Treasurer	384,092	405,390	437,419	(32,029)
Total general and financial administration	\$ 2,412,943	\$ 2,439,039	\$ 2,444,696	\$ (5,657)
Board of elections:				
Registrar	\$ 133,890	\$ 133,890	\$ 134,301	\$ (411)
Electoral board and officials	57,797	58,130	49,624	8,506
Total board of elections	\$ 191,687	\$ 192,020	\$ 183,925	\$ 8,095
Total general government administration	\$ 2,663,230	\$ 2,689,659	\$ 2,694,179	\$ (4,520)
Judicial administration:				
Courts:				
Circuit court	\$ 19,860	\$ 19,860	\$ 16,020	\$ 3,840
General district court	8,620	8,338	7,866	472
Juvenile and domestic relations court	6,400	6,682	6,682	-
Clerk of the circuit court	291,128	291,333	278,283	13,050
Victim Witness Program	75,942	75,942	75,105	837
Regional court services	6,930	6,930	6,930	-
Blue Ridge legal services	1,500	1,500	1,500	-
Total courts	\$ 410,380	\$ 410,585	\$ 392,386	\$ 18,199
Commonwealth's attorney:				
Commonwealth's attorney	\$ 495,606	\$ 478,512	\$ 501,989	\$ (23,477)
Total commonwealth's attorney	\$ 495,606	\$ 478,512	\$ 501,989	\$ (23,477)
Total judicial administration	\$ 905,986	\$ 889,097	\$ 894,375	\$ (5,278)

Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2021 (Continued)

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Public safety:				
Law enforcement and traffic control:				
Sheriff	\$ 3,183,752	\$ 3,185,705	\$ 3,319,781	\$ (134,076)
Criminal justice training	19,593	21,723	21,723	-
Drug task force	12,500	14,355	14,355	-
Total law enforcement and traffic control	<u>\$ 3,215,845</u>	<u>\$ 3,221,783</u>	<u>\$ 3,355,859</u>	<u>\$ (134,076)</u>
Fire and rescue services:				
Emergency medical services	\$ 1,945,073	\$ 1,956,811	\$ 2,101,429	\$ (144,618)
Fire and rescue departments	582,360	580,556	579,112	1,444
Lord Fairfax Emergency Medical Services	6,575	6,575	6,575	-
Forestry services	2,874	2,874	2,874	-
Total fire and rescue services	<u>\$ 2,536,882</u>	<u>\$ 2,546,816</u>	<u>\$ 2,689,990</u>	<u>\$ (143,174)</u>
Correction and detention:				
Regional jail	\$ 628,535	\$ 623,151	\$ 616,757	\$ 6,394
Juvenile detention home	36,168	37,547	37,547	-
Probation office	400	400	48	352
Total correction and detention	<u>\$ 665,103</u>	<u>\$ 661,098</u>	<u>\$ 654,352</u>	<u>\$ 6,746</u>
Inspections:				
Building	\$ 267,213	\$ 267,213	\$ 281,394	\$ (14,181)
Total inspections	<u>\$ 267,213</u>	<u>\$ 267,213</u>	<u>\$ 281,394</u>	<u>\$ (14,181)</u>
Other protection:				
Animal control	\$ 121,475	\$ 161,849	\$ 169,395	\$ (7,546)
Medical examiner	200	220	220	-
Total other protection	<u>\$ 121,675</u>	<u>\$ 162,069</u>	<u>\$ 169,615</u>	<u>\$ (7,546)</u>
Total public safety	<u>\$ 6,806,718</u>	<u>\$ 6,858,979</u>	<u>\$ 7,151,210</u>	<u>\$ (292,231)</u>
Public works:				
Sanitation and waste removal:				
Refuse collection and disposal	\$ 180,000	\$ 191,318	\$ 191,318	\$ -
Sanitation	244,000	244,000	238,978	5,022
Convenience center services	93,875	70,717	70,717	-
Litter control program	7,981	11,119	11,000	119
Total sanitation and waste removal	<u>\$ 525,856</u>	<u>\$ 517,154</u>	<u>\$ 512,013</u>	<u>\$ 5,141</u>

Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2021 (Continued)

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Public works: (continued)				
Maintenance of general buildings and grounds:				
General properties	\$ 881,561	\$ 890,241	\$ 908,780	\$ (18,539)
Total maintenance of general buildings and grounds	\$ 881,561	\$ 890,241	\$ 908,780	\$ (18,539)
Total public works	\$ 1,407,417	\$ 1,407,395	\$ 1,420,793	\$ (13,398)
Health and welfare:				
Health:				
Supplement of local health department	\$ 193,642	\$ 193,642	\$ 193,642	\$ -
Our Health	6,500	6,500	6,500	-
Total health	\$ 200,142	\$ 200,142	\$ 200,142	\$ -
Mental health and mental retardation:				
Northwestern Community Services	\$ 105,985	\$ 105,985	\$ 105,985	\$ -
Concern Hotline	1,500	1,500	1,500	-
Opioid abatement	-	30,774	-	30,774
Northern Shen. Valley Substance Abuse Coalition	15,000	15,000	15,000	-
NW Works	5,000	5,000	5,000	-
Total mental health and mental retardation	\$ 127,485	\$ 158,259	\$ 127,485	\$ 30,774
Welfare:				
Shenandoah area on aging	\$ 40,000	\$ 40,000	\$ 40,000	\$ -
Virginia Regional Transit	24,960	24,960	24,960	-
FISH human services	1,000	1,000	1,000	-
Abused women's shelter	4,000	4,000	4,000	-
Tax relief for the elderly	215,000	215,000	193,542	21,458
Independent living center	1,500	1,500	1,500	-
Total welfare	\$ 286,460	\$ 286,460	\$ 265,002	\$ 21,458
Total health and welfare	\$ 614,087	\$ 644,861	\$ 592,629	\$ 52,232
Education:				
Other instructional costs:				
Contribution to Clarke County Public Schools	\$ 13,843,678	\$ 15,148,707	\$ 13,777,948	\$ 1,370,759
Lord Fairfax Community College	16,528	16,528	16,528	-
Total education	\$ 13,860,206	\$ 15,165,235	\$ 13,794,476	\$ 1,370,759
Parks, recreation, and cultural:				
Parks and recreation:				
Supervision of parks and recreation	\$ 566,099	\$ 511,968	\$ 545,915	\$ (33,947)
Recreation center	165,688	165,688	172,054	(6,366)
Swimming pool	105,229	105,275	96,395	8,880
Concession stand	20,051	20,051	17,747	2,304
Programs	339,980	394,187	259,569	134,618
Total parks and recreation	\$ 1,197,047	\$ 1,197,169	\$ 1,091,680	\$ 105,489

Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2021 (Continued)

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Parks, recreation, and culture: (continued)				
Cultural enrichment:				
Barns of Rose Hill	\$ 9,000	\$ 14,000	\$ 14,000	\$ -
Virginia commission for the arts	9,000	9,000	9,000	-
Total cultural enrichment	<u>\$ 18,000</u>	<u>\$ 23,000</u>	<u>\$ 23,000</u>	<u>\$ -</u>
Library:				
Contribution to Handley library	\$ 314,000	\$ 314,000	\$ 314,000	\$ -
Total library	<u>\$ 314,000</u>	<u>\$ 314,000</u>	<u>\$ 314,000</u>	<u>\$ -</u>
Total parks, recreation, and cultural	<u>\$ 1,529,047</u>	<u>\$ 1,534,169</u>	<u>\$ 1,428,680</u>	<u>\$ 105,489</u>
Community development:				
Planning and community development:				
Planning administration	\$ 495,824	\$ 500,854	\$ 515,605	\$ (14,751)
Help with housing	5,000	5,000	5,000	-
Board of zoning appeals	3,519	11,449	11,449	-
Office of Economic Development	170,440	170,525	129,415	41,110
Berryville Development Authority	900	129	129	-
Small business development center	2,000	2,000	2,000	-
Blandy Experimental Farm	3,500	3,500	3,500	-
Planning commission	14,398	14,051	14,051	-
Board of septic appeals	1,569	437	437	-
Historic preservation	10,900	35,405	34,087	1,318
Northern Shenandoah Valley Regional Commission	10,914	10,914	10,914	-
Berryville Main St	3,866	3,866	3,866	-
Regional airport	5,000	5,000	5,000	-
Total planning and community development	<u>\$ 727,830</u>	<u>\$ 763,130</u>	<u>\$ 735,453</u>	<u>\$ 27,677</u>
Environmental management:				
Friends of the Shenandoah	\$ 9,000	\$ 9,000	\$ 9,000	\$ -
Water quality monitoring	30,000	25,401	24,915	486
Lord Fairfax Soil and Water Conservation	7,500	7,500	7,500	-
Biosolids Application	1,096	15	15	-
Total environmental management	<u>\$ 47,596</u>	<u>\$ 41,916</u>	<u>\$ 41,430</u>	<u>\$ 486</u>
Cooperative extension program:				
Cooperative extension service	\$ 54,432	\$ 54,432	\$ 45,877	\$ 8,555
Northern Virginia 4-H Center	3,125	3,125	3,125	-
Total cooperative extension program	<u>\$ 57,557</u>	<u>\$ 57,557</u>	<u>\$ 49,002</u>	<u>\$ 8,555</u>
Total community development	<u>\$ 832,983</u>	<u>\$ 862,603</u>	<u>\$ 825,885</u>	<u>\$ 36,718</u>

Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2021 (Continued)

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Nondepartmental:				
Miscellaneous	\$ -	\$ 6,052	\$ 6,052	\$ -
Unemployment compensation	10,000	10,000	2,362	7,638
Legal/professional services contingency	106,000	93,799	-	93,799
Total nondepartmental	\$ 116,000	\$ 109,851	\$ 8,414	\$ 101,437
Total General Fund	\$ 28,735,674	\$ 30,161,849	\$ 28,810,641	\$ 1,351,208
Special Revenue Funds:				
Virginia Public Assistance Fund:				
Health and welfare:				
Welfare and social services:				
Public assistance and welfare administration	\$ 1,778,290	\$ 1,882,667	\$ 1,547,923	\$ 334,744
Total health and welfare	\$ 1,778,290	\$ 1,882,667	\$ 1,547,923	\$ 334,744
Total Virginia Public Assistance Fund	\$ 1,778,290	\$ 1,882,667	\$ 1,547,923	\$ 334,744
Children's Services Act Fund:				
Health and welfare:				
Welfare and social services:				
Program expenditures	\$ 330,295	\$ 621,133	\$ 519,626	\$ 101,507
Total health and welfare	\$ 330,295	\$ 621,133	\$ 519,626	\$ 101,507
Total Children's Services Act Fund	\$ 330,295	\$ 621,133	\$ 519,626	\$ 101,507
Drug Enforcement Fund:				
Public Safety:				
Public Safety				
Operations	\$ -	\$ -	\$ 46,330	\$ (46,330)
Total public safety	\$ -	\$ -	\$ 46,330	\$ (46,330)
Total Drug Enforcement Fund	\$ -	\$ -	\$ 46,330	\$ (46,330)
Conservation Easement Fund:				
Community development:				
Development rights				
Development rights	\$ 45,000	\$ 248,500	\$ 233,359	\$ 15,141
Total Conservation Easement Fund	\$ 45,000	\$ 248,500	\$ 233,359	\$ 15,141

Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2021 (Continued)

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Debt Service Fund:				
School Debt Service Fund:				
Debt service:				
Principal retirement	\$ 1,538,465	\$ 1,538,465	\$ 1,538,486	\$ (21)
Interest and other fiscal charges	790,661	790,661	790,477	184
Total School Debt Service Fund	<u>\$ 2,329,126</u>	<u>\$ 2,329,126</u>	<u>\$ 2,328,963</u>	<u>\$ 163</u>
Primary Government Debt Service Fund:				
Debt service:				
Principal retirement	\$ 95,000	\$ 103,328	\$ 104,101	\$ (773)
Interest and other fiscal charges	156,700	148,372	147,599	773
Total Primary Government Debt Service	<u>\$ 251,700</u>	<u>\$ 251,700</u>	<u>\$ 251,700</u>	<u>\$ -</u>
Capital Projects Fund:				
General Government Capital Projects Fund:				
Capital projects:				
HVAC	\$ 350,000	\$ 542,017	\$ 234,306	\$ 307,711
Communications	95,000	649,099	540,561	108,538
Parks & recreation	85,000	241,273	146,277	94,996
Reassessment	200,000	200,000	-	200,000
IT improvements	-	1,118	-	1,118
Public safety	230,000	235,226	195,933	39,293
Community development	-	325,974	274,534	51,440
911 dispatch	-	44,842	29,895	14,947
Broadband	2,700,000	2,700,000	2,700,000	-
General properties & outlay	75,000	528,323	190,601	337,722
Total General Government Capital Projects Fund	<u>\$ 3,735,000</u>	<u>\$ 5,467,872</u>	<u>\$ 4,312,107</u>	<u>\$ 1,155,765</u>
Total Primary Government	<u>\$ 37,205,085</u>	<u>\$ 40,962,847</u>	<u>\$ 38,050,649</u>	<u>\$ 2,912,198</u>

Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2021 (Continued)

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Discretely Presented Component Unit - School Board				
School Operating Fund:				
Education:				
Instruction	\$ 20,324,769	\$ 20,638,782	\$ 20,575,545	\$ 63,237
Administration, attendance and health	1,321,507	1,641,962	1,595,869	46,093
Pupil transportation services	1,238,000	1,265,762	1,302,771	(37,009)
Operation and maintenance services	2,490,905	2,523,749	2,570,551	(46,802)
Total School Operating Fund	<u>\$ 25,375,181</u>	<u>\$ 26,070,255</u>	<u>\$ 26,044,736</u>	<u>\$ 25,519</u>
Special Revenue Fund:				
School Food Service Fund:				
Education:				
School food services:				
Administration of school food program	\$ 744,298	\$ 744,298	\$ 1,162,027	\$ (417,729)
Total School Food Service Fund	<u>\$ 744,298</u>	<u>\$ 744,298</u>	<u>\$ 1,162,027</u>	<u>\$ (417,729)</u>
School Activity Fund:				
Education:				
Instruction	\$ -	\$ -	\$ 450,146	\$ (450,146)
Total School Activity Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 450,146</u>	<u>\$ (450,146)</u>
Capital Projects Fund:				
School Capital Projects Fund:				
Capital projects:				
Band equipment	\$ -	\$ 9,676	\$ 9,676	\$ -
Athletic equipment and uniforms	60,000	85,247	21,275	63,972
Furniture replacement	100,000	99,999	37,626	62,373
Bus purchases	170,000	141,770	107,678	34,092
School vehicles	-	28,230	48,130	(19,900)
School security system	30,000	58,800	-	58,800
Fencing	100,000	170,947	170,947	-
School food - service equipment	-	14,025	-	14,025
Cooley renovations	-	5,504	5,504	-
HVAC	850,000	1,603,871	870,229	733,642
Flooring replacements	20,000	24,322	11,797	12,525
Security improvements	-	85,787	80,438	5,349
Surfacing	25,325	49,201	59,637	(10,436)
School Board office renovation	-	9,690	9,690	-
Technology	200,000	527,321	606,066	(78,745)
School repairs	-	15,205	8,633	6,572
Signs	-	1,072	1,072	-
Painting	15,000	31,089	-	31,089
Johnson Williams middle renovation	-	5,998	-	5,998
Total capital projects	<u>\$ 1,570,325</u>	<u>\$ 2,967,754</u>	<u>\$ 2,048,398</u>	<u>\$ 919,356</u>
Total School Capital Projects Fund	<u>\$ 1,570,325</u>	<u>\$ 2,967,754</u>	<u>\$ 2,048,398</u>	<u>\$ 919,356</u>
Total Discretely Presented Component Unit - School Board	<u>\$ 27,689,804</u>	<u>\$ 29,782,307</u>	<u>\$ 29,705,307</u>	<u>\$ 77,000</u>

Other Statistical Information

COUNTY OF CLARKE, VIRGINIA

Table 1

Government-Wide Expenses by Function
Last Ten Fiscal Years

Fiscal Year	General Government Administration			Judicial Administration	Public Safety	Public Works (1)	Health and Welfare	Education (2)	Parks, Recreation, and Cultural	Community Development	Interest on Long-Term Debt	Sanitary Authority	IDA	Total
	Government Administration	Judicial Administration	Public Safety											
2013-14	\$ 2,085,415	\$ 595,926	\$ 3,515,863	\$ 883,176	\$ 2,258,462	\$ 23,785,661	\$ 999,980	\$ 1,656,333	\$ 1,671,404	\$ 895,992	\$ 8,714	\$ 38,356,926		
2014-15	2,228,785	598,469	4,414,115	863,529	2,418,330	23,617,577	1,048,103	980,692	1,559,976	958,018	10,235	38,697,829		
2015-16	2,236,563	602,451	4,094,648	943,504	2,646,112	23,362,861	1,046,407	866,154	1,453,276	928,141	10,090	38,190,207		
2016-17	1,756,158	691,496	4,312,322	942,657	2,859,737	24,942,640	1,740,882	1,786,425	1,333,403	864,755	9,484	41,239,959		
2017-18	2,183,992	756,574	4,390,173	1,040,596	2,553,964	24,113,225	1,184,765	751,064	1,262,545	991,414	10,405	39,238,717		
2018-19	2,432,025	815,472	5,018,338	1,149,634	2,177,021	24,743,660	1,221,501	1,114,874	1,165,960	1,101,563	14,863	40,954,911		
2019-20	2,819,934	809,978	5,789,312	1,262,313	2,139,568	26,436,334	1,153,029	676,267	1,101,459	945,879	19,753	43,153,826		
2020-21	2,738,732	754,244	6,438,791	1,239,069	2,198,510	26,498,821	1,262,208	1,221,469	1,033,933	896,996	8,427	44,291,200		
2021-22	2,762,829	810,794	6,418,045	1,317,424	2,473,655	25,166,853	1,314,480	1,602,219	962,475	911,210	8,377	43,748,361		
2022-23	5,566,495	900,550	7,556,150	1,311,011	2,666,097	27,404,189	1,484,725	1,047,245	889,176	1,031,826	20,705	49,878,169		

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

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

COUNTY OF CLARKE, VIRGINIA

Table 2

Government-Wide Revenues
Last Ten Fiscal Years (1)

Fiscal Year	PROGRAM REVENUES					GENERAL REVENUES				
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	General Property Taxes	Other Local Taxes (2)	Unrestricted revenues from money or property	Miscellaneous	Contributions Not Restricted to Specific Programs	Total	
2013-14	\$ 2,312,708	\$ 12,076,289	\$ 1,297,384	\$ 18,649,133	\$ 1,849,613	\$ 140,606	\$ 452,072	\$ 3,004,576	\$ 39,782,381	
2014-15	2,461,210	12,840,732	1,006,920	19,310,001	1,777,225	134,424	318,395	3,034,774	40,883,681	
2015-16	2,852,037	12,760,998	405,142	19,814,919	1,921,422	159,519	530,887	3,018,096	41,463,020	
2016-17	2,974,503	12,776,552	1,111,713	19,862,341	1,969,108	187,956	493,989	3,002,922	42,379,084	
2017-18	2,954,132	12,775,540	241,152	20,679,221	1,949,217	161,134	427,413	3,026,459	42,214,268	
2018-19	3,439,395	12,836,899	529,937	21,340,980	2,005,268	225,643	463,009	2,965,641	43,806,772	
2019-20	3,127,521	13,262,749	385,747	21,658,983	2,345,551	241,313	619,409	3,687,357	45,328,630	
2020-21	2,105,809	14,346,051	147,110	21,109,717	2,675,145	204,108	936,646	5,060,600	46,585,186	
2021-22	2,665,978	16,106,236	791,587	23,351,800	3,204,659	169,839	1,405,354	2,922,861	50,618,314	
2022-23	3,088,297	18,531,340	2,997,607	24,479,464	3,283,617	403,345	1,044,035	2,895,621	56,723,326	

(1) Includes discretely presented component units.

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

COUNTY OF CLARKE, VIRGINIA

Table 3

General Governmental Expenditures by Function (1)

Last Ten Fiscal Years

Fiscal Year	General Government										Total	
	Government Administration	Judicial Administration	Public Safety	Public Works	Health and Welfare	Education (2)	Parks, Recreation, and Cultural	Community Development	Non-departmental	Debt Service		Capital Projects
2013-14	\$ 1,742,173	\$ 595,936	\$ 3,536,630	\$ 898,325	\$ 2,251,459	\$ 20,891,004	\$ 929,900	\$ 1,648,207	\$ (336)	\$ 4,286,713	\$ 7,654,661	\$ 44,434,672
2014-15	1,772,923	618,450	4,115,259	1,003,202	2,438,840	21,320,100	952,685	984,087	18,980	4,379,113	3,055,653	40,659,292
2015-16	1,822,898	629,270	4,073,933	1,087,367	2,662,444	21,651,173	962,519	849,873	12,956	4,192,646	1,950,746	39,895,825
2016-17	1,903,602	698,294	4,265,587	1,169,117	2,892,366	22,299,561	973,326	1,273,491	5,144	4,066,811	5,332,860	44,880,159
2017-18	1,995,469	723,002	4,505,954	1,112,695	2,558,960	22,658,730	1,021,052	661,213	29,623	3,223,790	3,650,407	42,140,895
2018-19	2,255,423	733,782	4,843,017	1,244,354	2,224,237	23,292,323	1,071,994	1,130,526	12,460	3,194,090	3,011,845	43,014,051
2019-20	2,347,142	711,005	5,231,723	1,261,127	2,125,558	23,651,598	1,052,845	680,416	23,720	2,770,805	2,217,975	42,073,914
2020-21	2,551,965	724,000	5,953,016	1,331,431	2,148,467	23,481,602	1,142,514	1,208,495	20,393	2,626,128	1,784,506	42,972,517
2021-22	2,466,499	782,352	6,050,319	1,370,328	2,449,797	25,426,409	1,217,932	1,582,481	17,823	2,616,830	1,569,150	45,549,920
2022-23	2,694,179	894,375	7,197,540	1,420,793	2,660,178	27,673,437	1,428,680	1,059,244	8,414	2,580,663	6,360,505	53,978,008

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

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

COUNTY OF CLARKE, VIRGINIA

Table 4

General Governmental Revenues by Source (1)

Last Ten Fiscal Years

Fiscal Year	General Property Taxes	Other Local Taxes	Permits, Privilege Fees, Regulatory Licenses	Fines and Forfeitures	Revenue from the Use of Money and Property	Charges for Services	Miscellaneous	Recovered Costs	Inter-governmental (2)	Subtotal	Insurance Proceeds	Total
2013-14	\$ 18,466,352	\$ 1,849,613	\$ 286,818	\$ 237,835	\$ 135,704	\$ 1,280,108	\$ 334,942	\$ 258,406	\$ 16,348,249	\$ 39,198,027	\$ -	\$ 39,198,027
2014-15	19,407,675	1,777,225	266,539	303,637	130,204	1,359,581	182,402	159,612	16,822,126	40,409,001	-	40,409,001
2015-16	19,734,792	1,921,422	280,881	304,861	157,216	1,677,127	382,181	307,618	15,854,309	40,620,407	-	40,620,407
2016-17	19,981,515	1,969,108	393,891	352,279	186,147	1,656,398	361,299	186,469	16,867,526	41,954,632	-	41,954,632
2017-18	20,774,033	1,949,217	328,391	357,254	158,930	1,654,201	293,108	226,368	16,043,151	41,784,653	-	41,784,653
2018-19	20,795,449	2,005,268	385,048	320,568	215,622	1,724,593	318,702	173,447	16,332,477	42,271,174	-	42,271,174
2019-20	21,188,556	2,345,551	323,687	233,648	237,696	1,419,963	468,046	105,397	17,335,343	43,657,887	-	43,657,887
2020-21	21,622,061	2,675,145	347,117	167,779	174,958	892,431	774,718	109,648	19,534,511	46,298,368	-	46,298,368
2021-22	23,098,901	3,204,659	485,972	188,427	174,621	1,329,751	1,099,385	60,095	19,777,256	49,419,067	-	49,419,067
2022-23	24,574,254	3,283,617	390,501	197,171	370,912	1,765,300	827,143	82,914	24,424,568	55,916,380	26,332	55,942,712

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

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

COUNTY OF CLARKE, VIRGINIA

Table 5

Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Total Tax Levy (1)		Current Tax Collections (1)		Percent of Levy Collected	Delinquent Tax Collections (1), (2)		Total Tax Collections	Percent of Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes (1)		Percent of Delinquent Taxes to Tax Levy
	Levy (1)	\$	Collections (1)	\$		(1), (2)	\$			(1)	%	
2013-14	\$ 20,499,518	\$	20,661,349	\$	100.79%	45,265	\$	20,706,614	101.01%	\$ 2,261,984	11.03%	
2014-15	20,980,117		21,454,716		102.26%	74,554		21,529,270	102.62%	2,096,823	9.99%	
2015-16	21,383,904		21,672,649		101.35%	19,419		21,692,068	101.44%	2,095,157	9.80%	
2016-17	21,641,717		21,511,699		99.40%	321,933		21,833,632	100.89%	2,036,380	9.41%	
2017-18	21,841,583		22,374,271		102.44%	224,500		22,598,771	103.47%	2,071,734	9.49%	
2018-19	21,295,315		22,607,804		106.16%	100,981		22,708,785	106.64%	2,373,029	11.14%	
2019-20	22,947,025		22,927,936		99.92%	182,993		23,110,929	100.71%	3,235,671	14.10%	
2020-21	23,606,602		23,309,677		98.74%	175,777		23,485,454	99.49%	2,619,567	11.10%	
2021-22	25,784,966		23,604,480		91.54%	1,546,583		25,151,063	97.54%	2,942,848	11.41%	
2022-23	26,724,057		24,706,596		92.45%	1,700,153		26,406,749	98.81%	2,889,737	10.81%	

(1) Exclusive of penalties and interest.

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

COUNTY OF CLARKE, VIRGINIA

Table 6

Assessed Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year	Real Estate (1)		Personal Property and Mobile Homes		Machinery and Tools		Public Utility (2)		Total
	Real Estate (1)	Real Estate (1)	Personal Property and Mobile Homes	Personal Property and Mobile Homes	Machinery and Tools	Real Estate	Public Utility (2)	Personal Property	
2013-14	\$ 2,202,442,172	\$ 2,202,442,172	\$ 137,517,528	\$ 137,517,528	\$ 14,729,940	\$ 64,243,208	\$ -	\$ -	2,418,932,848
2014-15	2,209,918,924	2,209,918,924	140,683,592	140,683,592	14,079,731	64,514,825	-	-	2,429,197,072
2015-16	2,125,953,962	2,125,953,962	146,341,321	146,341,321	15,926,677	67,026,398	-	-	2,355,248,358
2016-17	2,040,151,212	2,040,151,212	151,716,784	151,716,784	15,961,187	67,718,041	-	-	2,275,547,224
2017-18	2,054,072,530	2,054,072,530	158,886,595	158,886,595	13,701,728	69,909,256	-	-	2,296,570,109
2018-19	2,074,702,400	2,074,702,400	166,582,252	166,582,252	13,309,929	69,434,398	-	-	2,324,028,979
2019-20	2,245,740,742	2,245,740,742	172,695,652	172,695,652	13,640,472	67,952,261	-	-	2,500,029,127
2020-21	2,425,880,816	2,425,880,816	185,956,975	185,956,975	14,261,477	72,675,052	-	-	2,698,774,320
2021-22	2,473,158,044	2,473,158,044	229,688,382	229,688,382	15,359,558	74,167,438	-	-	2,792,373,422
2022-23	2,508,156,200	2,508,156,200	252,571,301	252,571,301	17,902,110	77,930,141	-	-	2,856,559,752

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

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

COUNTY OF CLARKE, VIRGINIA

Table 7

Property Tax Rates (1)
Last Ten Fiscal Years

Fiscal Year	(2) Real Estate		Mobile Homes		Personal Property		Rescue Vehicles		Machinery and Tools		Public Utility	
	Real Estate	(2)	Homes	Property	Property	Vehicles	Tools	Estate (2)	Personal Property			
2013-14	\$.63/.655	\$.63/.655	\$ 4.496/4.496	\$ 2.248/2.248	1.25	\$	0.63	\$	n/a		
2014-15	.655/.655		.655/.655	4.496/4.496	2.248/2.248	1.25		0.655		n/a		
2015-16	.655/.72		.655/.72	4.496/4.496	2.248/2.248	1.25		0.655		n/a		
2016-17	.72/.71		.72/.71	4.496/4.496	2.248/2.248	1.25		0.72		n/a		
2017-18	.71/.71		.71/.71	4.496/4.496	2.248/2.248	1.25		0.71		n/a		
2018-19	.71/.71		.71/.71	4.496/4.496	2.248/2.248	1.25		0.71		n/a		
2019-20	.71/.615		.71/.615	4.496/4.496	2.248/2.248	1.25		0.71		n/a		
2020-21	.615/.61		.615/.61	4.496/4.496	2.248/2.248	1.25		0.61		n/a		
2021-22	.61/.61		.61/.61	4.496/4.496	2.248/2.248	1.25		0.61		n/a		
2022-23	.61/.60		.61/.60	4.496/4.271	2.248/2.136	1.25		0.61		n/a		

(1) Per \$100 of assessed value.

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

COUNTY OF CLARKE, VIRGINIA

Table 8

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

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

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

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

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

General Government Capital Projects Carryover Budget Allocations

	FY 22 Carryover	FY 23 Original Budget	FY 23 Project Transfers	FY 23 Supplemental Budget	Final Budget
Expenditures:					
HVAC System Replacement	\$ 192,017	\$ 425,000	\$ (45,974)	\$ 40,000	\$ 611,043
Roofing	-	-	(4,465)	12,465	8,000
Painting and Flooring	-	-	32,691	-	32,691
Landscaping	7,336	-	-	-	7,336
Courthouse Green Project	-	-	-	75,380	75,380
Asphalt, Sidewalk, Path	-	-	(3,085)	10,000	6,915
Courthouse Complex Repairs	-	-	(28,226)	36,535	8,309
Circuit Courthouse Renovation	-	-	15,000	-	15,000
Sheriff's Equipment	22,026	14,000	-	-	36,026
Fire/EMS Vehicles	-	50,000	-	-	50,000
AFG-Radio Replacements	-	50,000	(50,000)	-	-
Sheriff's Vehicles	38,783	116,000	(23,500)	17,917	149,200
Health & Human Svcs Space	-	-	15,000	-	15,000
Berryville Business Park	-	-	-	280,000	280,000
Double TollGate	-	-	15,974	-	15,974
Technology Improvements	1,118	-	-	-	1,118
Mobile Radio System	108,599	95,000	23,500	372,000	599,099
911 Phone Systems	44,842	-	-	-	44,842
Broadband	-	2,700,000	-	-	2,700,000
Mobile Radios EMS	-	-	50,000	-	50,000
Avenity-Tax Software	-	-	-	259,000	259,000
Tennis Court	-	60,000	-	30,000	90,000
Swimming Pool	33,144	-	-	5,000	38,144
Park Repairs	69,044	-	9,085	-	78,129
Park Sitework	-	25,000	(6,000)	6,000	25,000
Baseball Fields	-	-	-	10,000	10,000
Reassessment	-	200,000	-	-	200,000
Tourism Signs	-	-	-	30,000	30,000
Deed Book Restoration	-	-	-	31,666	31,666
Total expenditures	\$ 516,909	\$ 3,735,000	\$ -	\$ 1,215,963	\$ 5,467,872

School Board Capital Projects Carryover Budget Allocations

	FY 22	FY 23	FY 23	FY 23	FY 23	FY 23	Final
	Carryover	Original	Project	Supplemental			Budget
		Budget	Transfers	Budget			Budget
Expenditures:							
School Furniture Replacement	\$ -	\$ 100,000	\$ -	\$ -	\$ -	\$ -	100,000
Uniform Repl & Band Instruments	5,755	-	3,921	-	-	-	9,676
Athletics Equipment & Uniforms	10,000	60,000	15,247	-	-	-	85,247
School Bus Purchases	-	170,000	(28,230)	-	-	-	141,770
Other Veh & Equip Purchases	-	-	28,230	-	-	-	28,230
School Food Services	6,850	-	7,175	-	-	-	14,025
Fencing	44,606	100,000	26,341	-	-	-	170,947
School Signage	298	-	774	-	-	-	1,072
Asphalt/Sidewalk/Track/Courts	9,291	25,325	14,585	-	-	-	49,201
Painting	16,089	15,000	-	-	-	-	31,089
Heating, Ventilation & A/C	838,762	850,000	(177,291)	92,400	-	-	1,603,871
School Board Office Renovations	-	-	9,690	-	-	-	9,690
Cooley Upper Campus Renovation	-	-	5,504	-	-	-	5,504
ADA Improvements	-	-	58,800	-	-	-	58,800
Roof Replacements	6,571	-	(6,571)	-	-	-	-
School Security System Grant	-	30,000	(30,000)	-	-	-	-
Flooring	4,322	20,000	-	-	-	-	24,322
Security Improvements	28,684	-	57,103	-	-	-	85,787
Boyce School Repairs	483	-	1,966	-	-	-	2,449
Cooley School Repairs	-	-	6,571	-	-	-	6,571
Johnson Wms Middle Sch Repairs	5,998	-	-	-	-	-	5,998
Clarke County High Sch Repairs	-	-	6,185	-	-	-	6,185
Technology Classroom Ins	289,551	200,000	-	-	-	-	489,551
Technology Inst Support	37,539	-	(34,594)	-	-	-	2,945
Technology Administratio	230	-	34,594	-	-	-	34,824
Total expenditures	\$ 1,305,029	\$ 1,570,325	\$ -	\$ 92,400	\$ -	\$ -	2,967,754

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 Clarke, Virginia

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Clarke, Virginia, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the County of Clarke, Virginia's basic financial statements and have issued our report thereon dated December 7, 2023.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

Robinson, Farmer, Cox Associates

Charlottesville, Virginia
December 7, 2023



**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 Clarke, Virginia

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the County of Clarke, Virginia's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County of Clarke, Virginia's major federal programs for the year ended June 30, 2023. The County of Clarke, Virginia's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the County of Clarke, Virginia complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

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

Report on Internal Control over Compliance: (Continued)

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

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

Robinson, Farmer, Cox Associates

Charlottesville, Virginia
December 7, 2023

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number		Federal Expenditures
Department of Health and Human Services:				
Medicaid Cluster:				
Pass Through Payments:				
Department of Social Services:				
Medical Assistance Program	93.778	1200122, 01200123	\$ 124,184	
Total Medicaid Cluster			\$	124,184
Pass Through Payments:				
Guardianship Assistance	93.090	1110122, 1110123		54
Title IV-E Prevention Program	93.472	1140123		1,948
MaryLee Allen Promoting Safe and Stable Families Program	93.556	0950122, 0950123		16,529
Temporary Assistance For Needy Families (TANF)	93.558	0400122, 0400123, 2201VATANF		83,348
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	93.566	0500122		2,416
Low-Income Home Energy Assistance	93.568	0600422, 0600423		15,415
Child Care and Development Fund (CCDF) Cluster:				
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	0760122, 0760123	\$ 19,028	
Total Child Care and Development Fund (CCDF) Cluster			\$	19,028
Stephanie Tubbs Jones Child Welfare Services Program	93.645	0900122, 0900123		118
Adoption and Legal Guardianship Incentive Payments	93.603	1130122		2,546
Foster Care - Title IV-E	93.658	1100122, 1100123, 1110122		77,658
Adoption Assistance	93.659	1120122, 1120123		59,158
Social Services Block Grant	93.667	1000122, 1000123		135,486
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	9150122, 9150123		705
Elder Abuse Prevention Interventions Program	93.747	8000222, 8000323		5,593
Children's Health Insurance Program (CHIP)	93.767	0540122, 0540123		1,009
Department of Education:				
Public Health Emergency Response: Cooperative Agreement for Emergency: Public Health Crisis Response	93.354	NU90TP922153		97,068
Total Department of Health and Human Services			\$	642,263
Department of Agriculture:				
Child Nutrition Cluster:				
Pass Through Payments:				
Department of Agriculture:				
Food Distribution	10.555	unavailable	\$ 75,507	
Department of Education:				
National School Lunch Program	10.555	202222N119941/202323N119941	420,627	496,134
School Breakfast Program	10.553	202222N119941/202323N119941	105,274	
Total Child Nutrition Cluster			\$	601,408
SNAP Cluster:				
Pass Through Payments:				
Department of Social Services:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	0010122, 0010123, 0040122, 0040123	\$ 241,110	
Total SNAP Cluster			\$	241,110
Pass Through Payments:				
Department of Education:				
COVID-19 - Pandemic EBT Administrative Costs	10.649	202222S900941		628
Total Department of Agriculture			\$	843,146

Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2023

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
Federal Communications Commission:			
Direct payments:			
Emergency Connectivity Fund Program	32.009	n/a	\$ <u>368,060</u>
Department of the Interior:			
Pass Through payments:			
Department of Historic Resources:			
Historic Preservation Fund Grants-In-Aid	15.904	117447	\$ <u>7,000</u>
Department of Homeland Security:			
Direct payments:			
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	n/a	\$ 57,527
Pass Through Payments:			
Department of Emergency Management:			
Emergency Management Performance Grants	97.042	120355	<u>7,500</u>
Total Department of Homeland Security			\$ <u>65,027</u>
Department of Justice:			
Pass Through Payments:			
Department of Criminal Justice Service:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	120131, 120128, 120571	\$ 3,280
Violence Against Women Formula Grants	16.588	120580, 122609	28,096
Crime Victim Assistance	16.575	116418, 118457	<u>55,702</u>
Total Department of Justice			\$ <u>87,078</u>
Department of Transportation:			
Pass Through Payments:			
Department of Motor Vehicles:			
Alcohol Open Container Requirements	20.607	154AL-2022-52074	\$ 3,293
Highway Safety Cluster:			
State and Community Highway Safety	20.600	FSC-2022-52076	<u>\$ 631</u>
Total Highway Safety Cluster			<u>631</u>
Total Department of Transportation			\$ <u>3,924</u>
Department of Treasury:			
Direct Payments:			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	n/a	\$ 2,700,000
Pass Through Payments:			
Virginia Tourism Corporation:			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	Unknown	1,803
Virginia Department of Social Services:			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	Unknown	1,161
Virginia Department of Education:			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	SLFRP1026	<u>495,201</u>
Total Department of Treasury			\$ <u>3,243,665</u>
Department of Education:			
Pass Through Payments:			
Department of Education:			
Title I Grants to Local Educational Agencies	84.010	S010A210046, S010A220046	\$ 172,833
Special Education Cluster:			
Special Education - Grants to States (IDEA, Part B)	84.027	H027A210107, H027A220107	\$ 433,237
Special Education - Preschool Grants (IDEA Preschool)	84.173	H173A210112, H173A220112	<u>14,379</u>
Total Special Education Cluster			447,616
English Language Acquisition State Grants	84.365	Unknown	7,011
Career and Technical Education - Basic Grants to States	84.048	V048A210046, V048A220046	24,101
Supporting Effective Instruction State Grants	84.367	S367A210044, S367A220044	37,683
Student Support and Academic Enrichment Program	84.424	S424A210048, S424A220048	10,639
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425D	S425D100008	\$ 229,365
COVID-19 - ARPA Elementary and Secondary School Emergency Relief Fund	84.425U	S425U100008	<u>658,010</u>
Total Department of Education			\$ <u>1,587,258</u>
Total Expenditures of Federal Awards			\$ <u>6,847,421</u>

See accompanying notes to schedule of expenditures of federal awards.

COUNTY OF CLARKE, VIRGINIA

Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the County of Clarke, Virginia under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County of Clarke, Virginia, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County of Clarke, Virginia.

Note 2 - Summary of Significant Accounting Policies

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

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

Note 3 - Food Donation

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

Note 4 - Indirect Cost Rate

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

Note 5 - Subrecipients

No awards were passed through to subrecipients.

Note 6 - Relationship to Financial Statements

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

Intergovernmental federal revenues per the basic financial statements:

Primary government:		
General Fund	\$	215,901
Special Revenue Funds:		
Virginia Public Assistance Fund		774,420
Children's Services Act Fund		13,046
Debt Service Funds:		
School Debt Service Fund		82,417
Capital Projects Funds:		
General Government Capital Projects Fund		2,701,803
Total primary government	\$	<u>3,787,587</u>
Component Unit School Board:		
School Operating Fund	\$	1,425,591
School Capital Improvement Fund		1,117,690
School Food Service Fund		606,342
Total component unit school board	\$	<u>3,149,623</u>
Total federal expenditures per basic financial statements	\$	<u>6,937,210</u>
Less amounts not reported on the Schedule of Expenditures of Federal Awards:		
Payment in lieu of taxes	\$	7,372
Build America Bond interest rate subsidy		82,417
Total federal expenditures per basic financial statements	\$	<u>6,847,421</u>
Total federal expenditures per the Schedule of Expenditures of Federal Awards	\$	<u><u>6,847,421</u></u>

COUNTY OF CLARKE, VIRGINIA

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

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:

<u>Assistance Listing #</u>	<u>Name of Federal Program or Cluster</u>
21.027	State and Local Fiscal Recovery Funds
84.425	Education Stabilization Fund

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

Auditee qualified as low-risk auditee? No

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Questioned Costs

None

Section IV - Prior Year Audit Findings

No prior year audit findings